

TESTIMONY BY THE NEW YORK CITY HOUSING AUTHORITY

PLAN NYCHA: A ROADMAP FOR PRESERVATION

SUBCOMMITTEE ON PUBLIC HOUSING

MONDAY, FEBRUARY 27, 2012, 10:00AM

250 BROADWAY, 14TH FLOOR HEARING ROOM

Chairwoman Mendez and other distinguished members of the City Council: Good morning. I am John B. Rhea, Chairman of the New York City Housing Authority (NYCHA). Joining me today are Vice-Chair Emily Youssouf and Board Members Margarita Lopez and Victor Gonzalez. We are pleased to be here today to discuss *Plan NYCHA: A Roadmap for Preservation*, the strategic plan that will guide NYCHA's work over the next five years.

In 2006, NYCHA appeared before you to present *The Plan to Preserve Public Housing*. That document, the result of extensive self-analysis on the part of NYCHA, recognized that the agency's financial situation was unsustainable – that immediate action was needed to ensure that NYCHA could continue to function and fulfill its obligations – and laid out a series of steps to right the fiscal ship. We sought your support for the plan, which became instrumental in successfully advocating for additional funding; in particular, passage of the Shelter Allowance bill, which addressed a serious structural funding inequity between NYCHA and private landlords and brought much-needed monetary support to NYCHA families by making the Cornerstone program a reality.

The original plan, certainly a change for the better, marked a first step forward in closing the fiscal gap. However, for reasons we are all familiar with, and which I will briefly describe today, NYCHA and its partners must continue to transform in order for public housing to remain the invaluable resource and source of support it has been for more than three quarters of a century. Additional steps are needed to address the significant financial and operational challenges we face. Further partnerships and collaborations are needed to improve the quality of our services, preserve our housing stock, and build safer, stronger NYCHA communities. Many of these actions are already underway and form the backbone of *Plan NYCHA*.

Where *The Plan to Preserve Public Housing* was financially focused, *Plan NYCHA* is much more expansive in scope. It addresses a broad range of issues and details an ambitious set of initiatives to better provide families with high quality services, preserve our aging housing stock, and strengthen the communities NYCHA serves. The ten imperatives it outlines will impact every corner of the agency and every aspect of our operations. Equally important, where the original plan was introspective in its construction and its focus, *Plan NYCHA* is the result of extensive collaboration. It involved actively and insistently seeking input and guidance from thousands of public housing stakeholders, and is the result of ongoing dialogue that continues today.

When I was appointed Chairman by Mayor Bloomberg in 2009, NYCHA was given a four-part mandate to build on the progress we achieved, with your help, following the original *Plan to Preserve Public Housing*: to make NYCHA financially sustainable; to make the agency less insular by fostering partnerships and collaborations; to increase transparency and communication; and to seek innovative ways to improve services and the overall quality of life for residents. NYCHA has been focused for the past three years on meeting these directives,

working with residents and resident leadership, sister city agencies and community partners and meeting often with members of the Council to discuss our progress. *Plan NYCHA* is the latest, most comprehensive step in this continuum, which began with the original *Plan to Preserve Public Housing* and that will extend into our work over the next five years. It reflects what we've learned from our conversations with all public housing stakeholders, and responds directly to concerns raised by members of this committee on a variety of issues, from expediting maintenance and repair, to improving safety and security, to connecting residents to opportunities for employment.

The plan is also a call for partnership. In describing in detail how NYCHA will evolve to meet its challenges and do its part to preserve public housing for future generations, it recognizes that action on the part of NYCHA alone will simply not be enough. It outlines a series of ambitious initiatives that NYCHA will implement to emerge stronger than ever through some of the most challenging times in our 78-year history, and offers in each instance opportunities for partnership and collaboration from other public housing stakeholders, the private sector and philanthropic communities.

For that reason among many others, I'm happy to be here to speak about *Plan NYCHA*. Throughout the development of the plan and in the months leading up to its completion, we were in conversation with partners at all levels of government, including the City Council – at which time you expressed support for components of the plan and reservations about others, to which we have tried to be responsive. Similarly, we have since the first stages of the plan's development sought out opportunities to spread the word and collect input and guidance from stakeholders in every corner of the public and affordable housing community. We made the

development process as transparent and accessible as possible, and in January presented a living document that will evolve over time as this discussion continues.

Today I will give a brief overview of the process that led to the development of the plan, the methodology we employed to draft its contents, and the ten imperatives that will guide our work over the coming years. You will see that while in many ways marking a significant change in the way NYCHA does business, this roadmap and call to action is in no way a departure from the core principles that have guided the agency for more than three quarters of a century. On the contrary, it reaffirms our commitment to our original mission: to provide low- and moderate-income New Yorkers affordable, decent housing and facilitate access to vital community and social services for those residents who need them.

The Need for *Plan NYCHA*

As you know, years of inadequate Federal and local funding have left NYCHA facing a serious financial shortfall. From 2002 to 2011 NYCHA received \$700 million less in operating subsidies than its federal funding formula requires, the lion's share of which is the result of the State's disinvestment in public housing in New York City. The Federal government's decade-plus practice of proration and termination of vital funding streams, such as the Drug Elimination Program and the Resident Opportunities and Self-Sufficiency grant, have exacerbated the operational shortfall. Additionally, despite an escalating need for funding to repair and maintain apartments and buildings, NYCHA's annual capital subsidies have been cut by a third over the past decade, from \$410 million in 2001 to \$270 million in 2011. The cumulative result of this reduction in support is a structural operating deficit and a projected \$13 billion capital shortfall through 2015.

This reduction in the funding upon which NYCHA has traditionally relied could not have come at a worse time. The lingering effects of recession mean that there is a tremendous demand for low- and moderate-income housing. Vacancy rates are extremely low in New York City, compounding the persistent challenge of finding decent, suitable affordable housing. The most impacted are families who rely on NYCHA services: there are currently more than 160,000 families on the waiting list for public housing, and, despite being temporarily closed, approximately 125,000 families on the waiting list for Section 8 housing. At the same time, we are striving to preserve the 178,000 units of affordable housing that are aging and in need of repair. As our buildings get older, the costs of maintaining them as viable housing stock continue to rise.

In addition, we are now serving a broader, growing population with special housing needs and stretching our dollars to invest in facilities that accommodate those needs, as is required by law. These populations – seniors aging in place, individuals with disabilities, and others – also have needs that go well beyond housing. More people than ever rely on the programs and services provided by NYCHA and its community partners, which are often a lifeline to residents, especially children, teens, single parent households, seniors, and families in crisis. This critical aspect of our mission – connecting residents to support services that help them thrive and reach financial independence – is in essence an unfunded mandate. These services, benefiting many thousands of residents, directly cost NYCHA more than \$75 million, only \$12 million of which is funded by grants. The balance of this comes out of dollars that should be spent on our core housing needs: investing in frontline staff, making capital upgrades to elevators and other infrastructure, and addressing outstanding maintenance and repair issues.

Despite these significant funding challenges, NYCHA remains committed to fulfilling the critical role it has played in New York City since its inception, and which has only expanded over time. Doing so will require major transformation, both within the NYCHA organization and throughout the supporting environment in which NYCHA operates. It requires that we evolve the model for public housing and rental assistance in New York City to make it financially, socially, and environmentally sustainable; provide or enable better access to decent, safe, and affordable housing for current customers; increase the number of New Yorkers we serve, and support positive outcomes for NYCHA residents and communities – all of which will require greater partnerships and innovative service delivery models.

NYCHA is only one member of a larger ecosystem. That's why central to the planning process was to gather input and guidance from employees, labor leaders, the Citywide Council of Presidents (CCOP), nonprofit organizations, and partner city agencies, including the City Council, on how we can better serve our residents and excel as an organization. Most importantly, the planning process was an opportunity for us to learn more about the pressing needs and concerns of our principal customer: our residents.

The Development Process

Resident Engagement

For the last few years and leading up to the release of *Plan NYCHA*, we have worked extensively to ensure that residents and employees are engaged in planning our work. Overall, close to 5,000 residents and employees contributed directly to the development of the plan.

NYCHA residents were invited to attend focus groups at housing developments around the city, where residents and Section 8 voucher holders discussed their experiences as NYCHA

customers. These sessions were attended by residents of every background – Resident Association leaders, members of the CCOP, NYCHA resident employees, and participants in NYCHA programs such as community centers and green committees – and were conducted in multiple languages, including Spanish, Russian, and Cantonese. We engaged a third party to lead the discussions to ensure participants would feel comfortable speaking freely while remaining anonymous.

In addition, over 1,600 randomly chosen NYCHA and Section 8 residents took part in a phone survey that measured levels of customer satisfaction. This 60-question survey, designed and executed in partnership with Baruch College Survey Research, had the largest number of respondents ever surveyed by a U.S. public housing authority. Participants represented a diverse sample of ethnicities, ages and neighborhoods, and covered a wide-range of topics including the status of housing units, maintenance, communication, safety, community programs, and quality of life issues.

NYCHA also held a series of Community Conversations across the city with the aim of rebuilding trust and becoming better partners with residents. During these conversations, staff and residents discussed why NYCHA was important to them, and detailed the kinds of issues they wanted to see addressed in our roadmap for future work. NYCHA leaders provided all attendees with information about NYCHA’s findings during the course of the planning process and about actions needed to address present-day challenges. In small groups, staff and residents spoke openly and constructively about issues ranging from maintenance and repairs to safety and security, affordable housing, and resident and community services. Collectively, the groups discussed the best ways to tackle current challenges. More than 800 public housing residents and Section 8 voucher holders in all five boroughs participated in these gatherings, including special

sessions for Spanish, Chinese, and Russian speakers, and for young adults between the ages of 18 and 25. The participation of the Citywide Council of Presidents and resident leadership were instrumental to this process; CCOP co-hosted Community Conversations, opened meetings and guided discussions, and encouraged resident participation.

Employee Engagement

NYCHA employees, 30 percent of whom are also residents, have also been engaged in driving the roadmap's development process since its initial stages. Employees at every level have shared their opinions, brainstormed ideas, presented strategies, and led or participated on teams that are transforming *Plan NYCHA* from vision to reality. In fact, one of the most beneficial results of this process was the constructive, energized input of the frontline employees who work with residents every day. Through our extensive outreach and dialogue, which continues today, we gained invaluable insight into the challenges they face, including inflexible work hours and antiquated work rules, and the issues they most want to see addressed, from safety and training to resident compliance with NYCHA rules.

Throughout 2010, more than 500 staff from both the central office and the field participated in meetings to explain the planning process and opportunities for employee involvement. Emails, blog posts, and internal newsletters kept everyone updated, and staff members were encouraged to email their ideas and suggestions. Additionally, NYCHA conducted more than 80 staff focus groups reaching over 1,200 employees across the organization. In these sessions, staff developed collaborative, constructive approaches to realizing the strategic priorities set forth in the plan's framework. Staff members provided thousands of ideas and suggestions that were incorporated into the planning process.

Every level of NYCHA leadership – from the Executive Board to regional managers to frontline supervisors – has been deeply involved in this process. Nine internal teams were created to develop the specific strategies that make up the roadmap. Led by senior executives, these interdisciplinary teams consisted of employees from all departments, including at least one team member from the frontline staff on every team. More than 150 staff in all participated, representing a higher level of staff involvement than in any prior NYCHA planning effort. Collectively, these teams worked together for six months, gathering data, conducting strategic analysis, and drafting organizational goals. They analyzed ideas from staff focus groups, incorporated resident research, and partnered with experts to fine-tune their recommendations. This effort culminated with all teams presenting their final recommendations to the Board. Findings were then shared with employees at every level via brownbag lunches, borough-wide meetings, smaller staff meetings, and internal online discussions.

External Partners

From the outset, NYCHA has sought the input and advice of external partners, experts, and thought leaders both from inside and outside New York City. NYCHA leaders met with elected officials and advocates, including members of the City Council, the Public Advocate's Office, the State Senate and Assembly, federal elected officials, industry groups, and other city and state agencies and CBOs. They presented the challenges that NYCHA faced and collectively brainstormed solutions. Their ideas, recommendations and best practices were incorporated into *Plan NYCHA*.

NYCHA staff also visited housing authorities across the country to learn best practices, explore innovative approaches, research their housing policies and programming and develop

partnerships. Talking with public housing leaders in other cities provided valuable insight into new and innovative approaches across other geographies including Baltimore, Chicago, Newark, Philadelphia, Portland, Seattle, and Washington, DC.

In spring of 2011, NYCHA leaders began presenting the draft plan at meetings, briefings, and interactive sessions with key stakeholders throughout New York City. The plan we released in January is the result of that collaborative process. It does not mark the end of our engagement, or our collaboration. We continue to open new avenues to dialogue as we roll out the initiatives outlined in the plan. For instance, last week, we launched plannycha.org, a microsite dedicated specifically to the plan, where anyone can visit to find information and progress reports, watch video testimonials from residents and employees, and offer their input. At the same time, through direct mail, flyers, the resident journal, social media and other outbound communications, every NYCHA household has been made aware of the plan and its key initiatives, and been given information about how to access the plan in multiple languages.

The Ten Imperatives

Plan NYCHA is organized into ten distinct imperatives. Each outlines a particular challenge and what course of action NYCHA will pursue, as well as a call for partnership explaining how other public housing stakeholders can support or expand the impact of our work. While each of these imperatives includes a number of initiatives and detailed action plans, in the interest of time I will provide a brief description of each today:

Preserve the public and affordable housing asset: NYCHA faces the significant challenge of repairing and maintaining aging housing stock – more than 70 percent of NYCHA

buildings are over 40 years old – with diminished funding and subsidies. We face an estimated \$13 billion in deferred capital investment by 2015 if further funding is not secured. Through *Plan NYCHA*, we will clearly prioritize our capital needs, improve capital operations, and pursue creative public/private funding solutions to close the gap on unmet capital improvements.

Develop new mixed-use, mixed-income housing and resources: NYCHA will analyze financing options to develop new affordable housing as part of the Mayor’s New Marketplace Housing Plan, and to create community and commercial facilities to serve residents and employ New Yorkers. NYCHA will also explore options for building mixed-income and market-rate housing, and for monetizing land and development rights to fund existing NYCHA capital needs.

Ensure financial stability: NYCHA will diversify its government funding, increase earned revenue, and create new business-development capabilities and public-private partnerships to ensure a balanced budget. We will work with government partners to increase spending flexibility through Move to Work and pursue new and alternative funding opportunities to complement public funds. We will also maximize NYCHA’s existing resources, including our substantial commercial real-estate portfolio, to increase revenue, and continue pursuing innovative public-private partnerships that attract additional funding.

Expedite maintenance and repairs: NYCHA currently has an extensive backlog of existing work orders in need of completion. In order to reduce this number and ensure that all future maintenance is scheduled and completed in a timely manner, we will seek innovative ways to provide quality, rapid repair. One such initiative, the Work Order Task Force, has already had a tremendous impact. The Task Force handles work orders in a comprehensive fashion, going development to development and completing all existing work orders in a given

apartment in one shot. Thanks to this effort, we were able to complete 40,000 work orders in the last seven months in nearly 10,000 apartments citywide.

Strengthen the frontline: In order to become an efficient, high-productivity organization with a strong focus on serving all its properties, NYCHA will be capably staffed with an adequately resourced professional corps of frontline employees. We will incorporate the best practices from property management companies to provide excellent service and high-quality management throughout its portfolio.

Improve safety and security: NYCHA will work with residents and law enforcement to create secure, healthy neighborhoods where residents, employees, and their visitors feel safe, both on NYCHA grounds and inside buildings. We will expand on the advances made by our Safety and Security Task Force to improve relationships with the NYPD, and invest in updated security equipment at building entrances.

Optimize apartment usage and ensure rental equity: NYCHA will transition families to housing units appropriate for their needs; maximize the number of families served by Section 8; phase in rent increases to households paying less than 30 percent of their income; and encourage higher-income families to transition out of public housing. These measures will maximize public housing as a resource by allowing families on the NYCHA waiting list, or who have outgrown their current apartments, access to adequately-sized homes.

Connect residents and communities to critical services: NYCHA will seek funding from and collaborate with new and existing partners who offer high-quality and results-oriented programming, ensuring that residents receive the maximum benefit from critically needed community and social services.

Excel in customer service: NYCHA must communicate more effectively with its customers in order to streamline service and meet their needs. NYCHA will become a customer-focused organization that strives to make each interaction a positive experience.

Create a high-performing NYCHA: As a high-performing organization, efficiency, operational excellence, and continuous improvement will be championed. Empowered employees will be capable of and held accountable for helping NYCHA achieve its goals, and NYCHA will celebrate and reward outstanding performance.

Conclusion

Since the announcement of *Plan NYCHA* in January we have continued our efforts to engage and inform all stakeholders as we begin implementing the initiatives outlined in the five-year plan. We have held multiple conversations with residents and frontline employees to discuss the ten imperatives and hear their input and concerns. Next week, in concert with CCOP, we will kick off another round of conversations with residents in developments around the city to ensure not only that they are informed of changes taking place, but also that they remain contributing partners and advisors moving forward. We have also made announcements in the employee bulletin and via internal memos, and featured articles, updates, and messages in the resident journal. Other avenues will be pursued to ensure the plan remains transparent and inclusive, including the interactive microsite we launched last week, which I mentioned earlier in this testimony.

We believe that *Plan NYCHA* reflects the scale and scope of the challenges facing all of us with a vested interest in seeing public housing thrive – and the ways in which we must transform how we operate to remain viable for the future. Of course, inaction is also an option.

We could continue to go about business as usual and hope for the best. But at a time when NYCHA is being asked to do more than ever with less and less government support, inaction all but guarantees that we would fall short of our potential, and our obligations to the New Yorkers we serve.

The City Council has demonstrated its commitment to being a strong partner in *Plan NYCHA*. In her State of the City Address, Speaker Quinn announced that the Council would provide \$10 million to hire NYCHA residents to perform repair work at developments around the city. This forward-thinking action on the part of the Council is a down payment on the type of support *Plan NYCHA* calls for to ensure the preservation of public housing. The program addresses multiple *Plan NYCHA* imperatives at once: it provides career-track jobs and economic opportunity for hired residents while helping us expedite repair work in homes, and strengthens aging infrastructure. This collaboration is a big step in the right direction, and one that will serve as an example to other potential partners of what we can accomplish when we work together to address the challenges facing public housing.

To that end we look forward to working with you to ensure that *Plan NYCHA* has the powerful impact it can and should have in the coming years. We recognize that there are tough tradeoffs to be made – not everyone will agree on every initiative, and some will take political courage to see through. However, we believe we have thoroughly balanced our financial realities with the diverse needs of our employees and the customers we serve. We also believe that the plan offers much opportunity for creative alternatives, and our doors are open to those who are ready to work together constructively to find solutions. Your partnership and advocacy will be crucial to the success of our common mission: building a strong future for the 650,000 low- and

moderate-income New Yorkers we serve. Thank you, and I welcome any questions you may have at this point.



The City of New York

Manhattan Community Board 1

Julie Menin CHAIRPERSON | Noah Pfefferblit DISTRICT MANAGER

The Council of the City of New York
Committee on Public Housing
Oversight Hearing on
Plan NYCHA: A Roadmap for Preservation

FOR THE RECORD

Testimony by Julie Menin, Chairperson
Manhattan Community Board 1

Monday, February 27, 2012 at 10:00 a.m.
14th Floor Hearing Room
250 Broadway, New York

Thank you, Chairperson Mendez and Members of the Council, for convening this important hearing on the New York City Housing Authority's (NYCHA) 5-year strategic plan. I am Julie Menin, Chairperson for Manhattan Community Board 1 (CB1).

Our Community Board neighbors the Smith Houses on the Lower East Side, and regularly engages in issues relating to affordable housing and public process. In reviewing Plan NYCHA, it is clear to me that there are glaring issues that need to be addressed with regard to the lack of a public review process for the disposition and development of NYCHA property.

While Plan NYCHA speaks about targeting the ideal mix of financial returns, socio-economic impact, and environmental sustainability to maximize the Triple Bottom Line, it says nothing about requiring a thorough public review process. Currently, NYCHA is only required to submit Section 18 Disposition Applications to the United States Department of Housing and Urban Development (HUD). Section 18 of the Housing Act of 1937 requires HUD to certify that the retention of the property slated for disposition is not in the best interest of the public housing residents, that the public housing agency—NYCHA in this case—has determined the disposition of the property is appropriate, and that the disposition does not interfere with the continued operation of the housing project. This process, however, does not require thorough public review, beyond the blessing of the appropriate local government agency and a requirement that NYCHA consult with the affected tenant association.

There are specific planning issues that must be addressed when NYCHA proposes infill development or proposes to sell air rights to neighboring properties. Since no ULURP approval is required for NYCHA to dispose of excess development rights, there is currently no process for

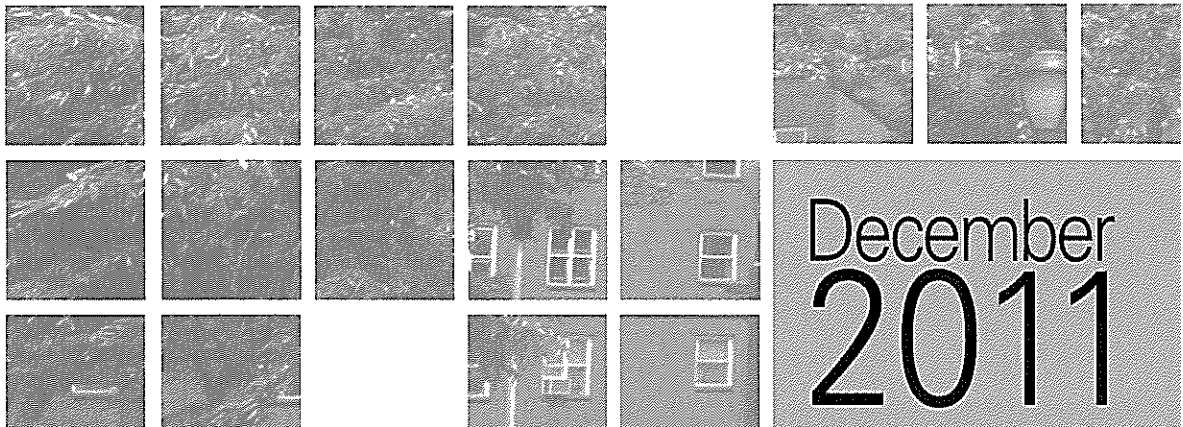
reviewing and considering these dispositions and considering their environmental impacts. NYCHA developments are uniquely planned communities – most of them planned before the 1961 rezoning – that could be disrupted by poorly planned infill development proposals. And the study of environmental impacts originally conducted for these developments did not contemplate the considerable excess development potential the sites now possess. NYCHA residents deserve input into the planning process for infill development proposals, which should serve to enhance, not detract from, the quality of life of current residents. And communities adjacent to NYCHA properties deserve a role in the planning process if significant NYCHA air rights are sold to development sites elsewhere in the community.

Therefore, I suggest that NYCHA immediately begin taking steps to commit to a more thorough community engagement process, beyond the Section 18 approval process mandated by HUD, including, but not limited to, seeking and obtaining Community Board approval for the disposition and development of NYCHA property. NYCHA should be trying to solicit input from the public and any development proposals should be reviewed carefully, with Community Board approval, because once these development rights are sold, they are gone forever. We owe it to ourselves, and especially the public housing community, to carefully examine and vote on these proposals before it is too late.

Thank you for this opportunity to testify today.

PLAN NYCHA

A Roadmap For Preservation



NEW YORK CITY
HOUSING
AUTHORITY

December
2011

WE ARE ALL NYCHA.

We are homes. NYCHA provides or enables access to safe, stable, affordable housing for low- and moderate-income New Yorkers.

We are communities. Together NYCHA's facilities, employees, residents, and partners anchor neighborhoods throughout the city. NYCHA provides or enables access to programs and services that empower, increase opportunity, and enhance quality of life for residents and surrounding communities.

We are a developer. NYCHA increases the supply of affordable housing and community facilities, including schools, retail, community centers, and other resources.

We are an employer. NYCHA directly employs thousands of people with safe, meaningful, living-wage jobs that offer professional development and advancement opportunities. A large percentage of employees—25 percent—are also public housing and Section 8 residents.

We are an economic engine. NYCHA provides all of New York City with a unique competitive advantage by organizing and allocating resources to provide low-income families with the opportunity to achieve financial stability. In turn, these families actively contribute to the economic cycle of the communities where they live and work. The money that NYCHA pours into the economy through purchases of goods and services produces jobs far beyond what NYCHA provides as a direct employer.



On the front cover: Edenwald Houses On this page: Highbridge Houses



PLAN NYCHA >>>

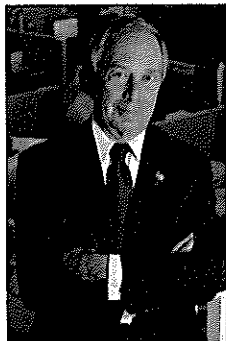
A Roadmap For Preservation

December 2011

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A MESSAGE FROM MAYOR MICHAEL R. BLOOMBERG



Dear Friends:

New York City is proud to be the home of the country's oldest, largest, and best public housing system. Like most public housing authorities, NYCHA has faced extraordinary challenges over the past decade. However, thanks to Chairman John Rhea's energetic and innovative leadership, our Administration has continued to provide quality affordable housing for low- and moderate-income New Yorkers.

This mission is at the core of *Plan NYCHA*, an ambitious call to foster partnerships and maintain and improve NYCHA services. With both local and federal government budgets tight, nonprofit and private sector organizations can help public housing achieve fiscal stability and strengthen our communities. Through these efforts, we are confident we can increase economic opportunities and improve the quality of life for NYCHA's more than 600,000 residents.

Our Administration is committed to investing in public housing. Together with Chairman Rhea and NYCHA, we look forward to *Plan NYCHA* helping us deliver more of the affordable homes that hard-working New Yorkers deserve.

A handwritten signature in black ink that reads "Michael R. Bloomberg". The signature is written in a cursive, flowing style with a prominent loop at the end of the last name.

Michael R. Bloomberg
Mayor

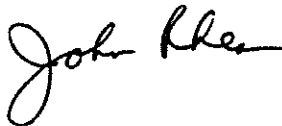
A MESSAGE FROM NYCHA CHAIRMAN JOHN B. RHEA

On behalf of the Board of the New York City Housing Authority I am pleased to present you with *Plan NYCHA: A Roadmap for Preservation*. This ambitious plan is a call to action to preserve Public Housing for current and future generations of New Yorkers.

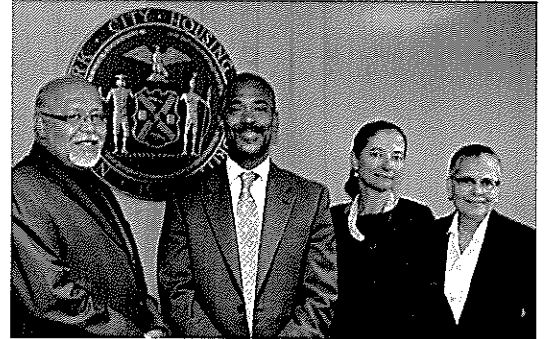
Throughout 2011, hundreds of people committed to preserving public housing joined together to develop critical plan imperatives that will be promoted over the next five years and beyond. Public housing residents, resident leaders including the Citywide Council of Presidents, community advocates, and NYCHA employees—all have given of their time, experience, and expertise to ensure that we preserve this valuable resource.

Together we have accomplished so much to enhance our communities and support NYCHA's families. Our progress is significant, but our work is ongoing. As we move forward we will need the unwavering and broad-based support of multiple stakeholders to ensure that the transformative vision outlined in *Plan NYCHA* is realized.

Join us as we embark on this collaborative journey toward a stronger, more efficient and customer-focused New York City Housing Authority.



John B. Rhea
Chairman



*NYCHA Board:
Victor A. Gonzalez,
Board Member; John
B. Rhea, Chairman;
Emily Youssouf, Vice
Chair; and Margarita
López, Board Member*



Community Conversation, Manhattanville Community Center

EXECUTIVE SUMMARY

NYCHA's Mission:
To increase opportunities for low- and moderate-income New Yorkers by providing safe, affordable housing and facilitating access to social and community services.

► A Call to Action to Preserve New York City Public Housing

Plan NYCHA: A Roadmap for Preservation is a call to action to ensure that public housing remains available for current and future generations of New Yorkers. Despite facing unprecedented challenges—from overwhelming funding shortages, to an aging and decaying housing stock in desperate need of repair, to a growing wait list of almost 161,000 families for public housing, and about 125,000 waiting for a Section 8 voucher—the New York City Housing Authority (NYCHA) is leading the charge to meet these obstacles head on. We need to overcome these challenges together; only through sustained, meaningful collaboration can we ensure that this invaluable resource will not be diminished. With recognition that a major transformation is needed both within the NYCHA organization and throughout the supporting environment, we are calling on all public housing stakeholders—residents, policymakers, advocates, NYCHA staff, and New Yorkers at large—to join the fight to preserve New York City public housing.

► Our Vision for the Future

Through a transparent and inclusive planning process, NYCHA has engaged thousands of staff, residents, and resident leaders, including the Citywide Council of Presidents; as well as partners across the City and country to solicit ideas and seek guidance, as we develop our ambitious roadmap for the future. As we move forward, NYCHA must:

- Evolve the model for public housing and rental assistance in New York City to make it financially, socially, and environmentally sustainable;
- Provide or enable better access to decent, safe, and affordable housing for current customers;
- Increase the number of New Yorkers we serve;

- Support positive outcomes for NYCHA residents and communities;
 - Transform into a high-performing organization that excels at customer service.
- This bold and transformative vision to preserve public housing for New York City will require NYCHA, along with all of its stakeholders, to work collaboratively and unceasingly.

► Strong Headwinds: Major Challenges Facing NYCHA

Recent years have brought unparalleled fiscal challenges for NYCHA, as we strive to preserve the 178,000 units of affordable housing and create new stock. In addition, we are now serving a broader population—seniors aging in place, individuals with disabilities and the chronic unemployed and underemployed—with needs that go well beyond housing. Major challenges facing NYCHA today include:

- *Unprecedented financial crisis.* Since 2002, NYCHA has received \$700 million less in operating subsidies than its federal funding formula requires. Similarly, despite an escalating need for funding to repair and maintain apartments and buildings, NYCHA's capital subsidies have been cut by a third over the past decade. These crises have resulted in a structural operating deficit and a \$13 billion capital shortfall through 2015.
- *Families hanging in the balance.* With vacancy rates in New York City remaining at an all-time low, the most impacted are low- to moderate-income families. Nearly 161,000 families are on the waiting list for public housing, and approximately 125,000 families are on the waiting list for Section 8 housing.
- *Increasing reliance of NYCHA residents on a wide range of community and social service programs.* Our programs and services are often a lifeline to residents, especially children, teens, single parent households, seniors, and families in crisis; thousands of residents use these services that directly cost NYCHA more than \$75 million, only \$12 million of which is funded by grants. Rather than retreating from these challenges, NYCHA is tackling them creatively with new determination.

► Plan NYCHA: the Imperatives, the Challenges, the Plan and the Call to Action

Plan NYCHA was developed in a truly collaborative fashion—involving a wide range of participants from public housing residents and resident leadership (including the Citywide Council of Presidents) to community advocates and NYCHA employees. While *Plan NYCHA* will continuously evolve, it has **ten core critical imperatives** that NYCHA and its stakeholders will champion over the next five years and beyond. These imperatives are each accompanied by a specific plan, respective challenges and a *call to action* for the various public housing stakeholders.

1. Preserve the public and affordable housing asset

NYCHA will clearly prioritize its capital needs, improve capital operations, and pursue creative public-private funding solutions to close the gap on unmet capital improvements.

2. Develop new mixed-use, mixed-income housing and resources

NYCHA will analyze financing options to develop new affordable housing as part of the Mayor's New Marketplace Housing Plan, and to create community and commercial facilities to serve residents and employ New Yorkers. NYCHA will also explore options for building mixed-income and market-rate housing, and for monetizing land and development rights to fund existing NYCHA capital needs.

3. Ensure financial stability

NYCHA will diversify its government funding, increase earned revenue, and create new business-development capabilities and public-private partnerships to ensure a balanced budget.

Approximately 70 percent of NYCHA's developments are 40 years old or older.



Community
Conversation for
youth, Rutgers
Community Center

4. Expedite maintenance and repairs

NYCHA will ensure that all units are in a state of good repair and that all future needed repairs are scheduled and completed in a timely manner.

5. Strengthen the frontline

NYCHA will become an efficient, high-productivity organization with a strong focus on serving all its properties. NYCHA will be capably staffed with an adequately resourced professional corps of frontline employees. NYCHA will incorporate the best practices from property management companies to provide excellent service and high-quality management throughout its portfolio.

6. Improve safety and security

NYCHA will work with residents and law enforcement to create secure, healthy neighborhoods where residents, employees, and their visitors feel safe, both on NYCHA grounds and inside buildings.

7. Optimize apartment usage and ensure rental equity

NYCHA will transition families to housing units appropriate for their needs; maximize the number of families served by Section 8; phase in rent increases to households paying less than 30 percent of their income; and encourage higher-income families to transition out of public housing.

8. Connect residents and communities to critical services

NYCHA will seek funding from and collaborate with new and existing partners who offer high-quality and results-oriented programming, ensuring that residents receive the maximum benefit from critically-needed community and social services.

9. Excel in customer service

NYCHA must communicate more effectively with its customers in order to streamline service and meet their needs. NYCHA will become a customer-focused organization that strives to make each interaction a positive experience.

10. Create a high-performing NYCHA

As a high-performing organization, efficiency, operational excellence, and continuous improvement will be championed. Empowered employees will be capable of and held accountable for helping NYCHA achieve its goals, and NYCHA will celebrate and reward outstanding performance.

▶ **Conclusion and *Call to Action***

Despite today's challenges, NYCHA's original 1934 mission remains unwavering: *to increase opportunities for low- and moderate-income New Yorkers by providing safe, affordable housing and facilitating access to social and community services.* Over time, NYCHA's ability to fulfill this mission has been stretched, and we are now being asked to do more than ever before. We are rising to this new call of duty, but we cannot do it alone.

We will succeed only through partnerships and new strategies to provide tailored support to our residents. We want to be flexible enough to deal with today's realities of our more diverse customer needs, but not lose sight of our fundamental goals: to see families move on and not continue to need our services. But for those we do serve, we need broad-based support from all public housing stakeholders in government, in the non-profit community and in the private sector to maintain our commitment to our core mission. We are asking for your support. As laid out in this *Call to Action*, we are prepared to do our part, and we hope you will join us in this noble effort to support New York City's families.



Community Conversation, Queensbridge Community Center

PLAN NYCHA: A ROADMAP FOR PRESERVATION

► A Call to Action to Preserve New York City Public Housing

We ask you to join us in our fight to preserve New York City public housing. The New York City Housing Authority (NYCHA), as one of the most visible support systems for working class and low-income families, has come under assault over the last decade. We have encountered unprecedented funding cuts, an aging and decaying housing stock in desperate need of repair, and almost 300,000 families on the waiting list for public and Section 8 housing. In the face of these daunting challenges, NYCHA is working harder than ever to preserve New York City's public housing asset.

NYCHA remains committed to investing in our communities, our capabilities and our people—this is the charge behind *Plan NYCHA: A Roadmap for Preservation*. In recent years, our commitment has been challenged as never before.

Achieving real, enduring, and positive change for the families NYCHA serves will require a transformation of NYCHA's operations equal to the challenges we face. Without change, one of New York's most precious assets—public housing—is at risk.

Transformation will require a holistic approach: NYCHA must change the way we operate, how we pursue funding, and how we manage our resources. Most importantly, transformation will require NYCHA, our many stakeholders, and every New Yorker who believes in the importance of public and affordable housing to come together—to stand united. Only through sustained, meaningful collaboration can we ensure that this invaluable resource will be available for future generations. Only together can we secure and strengthen the homes and communities that will ensure that



Community Conversation, Melrose Community Center

NYCHA's vision for the future is to ensure the preservation of public housing and increase the supply of affordable housing for current and future generations in New York City.

New York City remains the most vibrant, diverse, and celebrated city in the world.

In this spirit, we present to you *Plan NYCHA: A Roadmap for Preservation*. *Plan NYCHA* is much more than a strategic plan: it is a roadmap, a call to action, the building of a movement and a shared set of priorities. It is also the beginning of a conversation that seeks solutions to the stark challenges we face to provide housing, one of the most basic human needs, in a complex and changing New York City environment.

► Our Vision for the Future

NYCHA's vision for the future is to ensure the preservation of public housing and increase the supply of affordable housing for current and future generations in New York City. Our plan to realize this vision is aspirational and transformative, and we cannot do it alone.

In the next five years and beyond, NYCHA will work with all of its stakeholders to:

- Evolve the model for public housing and rental assistance in New York City to make it financially, socially, and environmentally sustainable
- Provide or enable access to decent, safe, and

- affordable housing for current customers
 - Increase the number of customers we serve
 - Support positive outcomes for NYCHA customers and communities
 - Transform into a high-performing organization that excels at customer service
- We have and will continue to engage staff, residents, and partners across the City and the country to solicit ideas and seek guidance, as we develop our ambitious roadmap for the future. Through a transparent and inclusive planning process, NYCHA has already involved thousands of key stakeholders including staff, residents, elected officials, unions, funders, community partners, policy experts, and other supporters of public and affordable housing through engagements such as focus groups, surveys, and community roundtables.

Our engagement has yielded *ten core critical imperatives*, which we will develop in detail in *Plan NYCHA*:

1. Preserve the public and affordable housing asset
2. Develop new mixed-use, mixed-income housing and resources
3. Ensure financial stability
4. Expedite maintenance and repairs
5. Strengthen the frontline
6. Improve safety and security
7. Optimize apartment usage and ensure rental equity
8. Connect residents and communities to critical services
9. Excel in customer service
10. Create a high-performing NYCHA

To succeed in meeting these imperatives, *Plan NYCHA* must be a living document that influences future behavior, inspiring collective action. We are all NYCHA; we know that NYCHA's buildings, people and communities are a precious asset and source of opportunity for New York City. Only together can everyone—in collaboration—

preserve both the asset and the opportunity, for current and future generations of New Yorkers.

► Strong Headwinds: Major Challenges Facing NYCHA

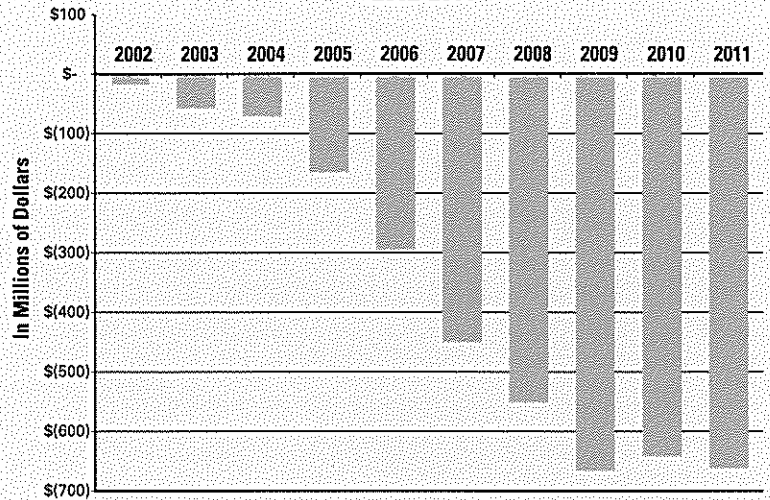
Recent years have brought unparalleled challenges for NYCHA: shrinking funding sources, unprecedented cuts to the nation's public housing budgets, an economic recession driving increases in applications for housing assistance, an aging inventory of buildings, a mandate to not only preserve 178,000 units of affordable housing but also to create 6,000 new units, and a population in greater need than most of us have seen in a lifetime.

Unprecedented financial crisis. Struggling under the weight of annual operating deficits and severely underfunded capital needs, NYCHA is at risk of moving from financial distress to insolvency. Since 2002, NYCHA has been deprived of approximately \$700 million in operating subsidies due to partial funding by Congress. This is in addition to the cumulative \$700 million deficit of NYCHA's recently federalized 21 developments during this time. More significantly, there is a \$13 billion dollar gap between what NYCHA will receive in capital funding and what its buildings and infrastructure needs are through 2015.

Escalating need for funding to repair and maintain apartments and buildings. NYCHA has an aging housing stock—70 percent of NYCHA's developments are already 40 years or older—and a widening backlog of desperately needed repairs and upgrades. These needs increase each year, and if they are not immediately addressed, there is significant risk of losing units and/or entire buildings to decay or disrepair.

Families hanging in the balance. NYCHA faces unparalleled pressure to accommodate the growing list of families seeking affordable housing. Vacancy rates in New York City have been at an all-time low, and those hardest hit by this are low- to moderate-income families.¹ More than 630,000 New Yorkers are served by NYCHA's

**Cumulative Federal Operating Funding Shortfall
2002-2011**



Public Housing and Section 8 programs combined, with nearly 161,000 families on the waiting list for public housing, and approximately 125,000 families on the waiting list for Section 8 housing. With the waiting lists growing, NYCHA must play an even greater role in developing affordable housing.

Residents are dependent on a wide range of NYCHA community and social service programs. Each year, more than \$75 million goes to support programs, services, and outreach initiatives on which thousands of NYCHA residents and surrounding communities rely. Only \$12 million of this is covered by grants; NYCHA funds the remainder from its operating budget. Our programs and services are often a lifeline to residents, especially children, teens, single parent households, seniors, and families in crisis.

NYCHA's goals are ambitious and will not be easy to accomplish in the face of these many challenges. But we are guided by our original mission, which remains unwavering since our founding in 1934: *to increase opportunities for low- and moderate-income New Yorkers by providing safe, affordable housing and facilitating access to social and community services.*

"The more we stay involved, the more we have an opportunity to keep ourselves informed."

Inez Turpin
Campos Plaza Resident

PLAN NYCHA: THE IMPERATIVES, THE CHALLENGES, THE PLAN AND THE CALL TO ACTION

Plan NYCHA was developed in a truly collaborative fashion involving a wide range of participants, from public housing residents and resident leaders (including the Citywide Council of Presidents) to community advocates, to the NYCHA team with Chairman John Rhea at the helm along with the Board (see *Appendix: The Process Leading to Plan NYCHA*).

While we expect *Plan NYCHA* to be dynamic in nature and continuously evolving, it has, at its core, ten core imperatives that NYCHA—along with its stakeholders—will champion over the next five years and beyond. In the pages that follow, we go into detail about each of the imperatives, their respective challenges, the plan for the future, and the concrete steps that are needed in the short and long term to achieve our collective vision. Within each section, we also clarify the call to action to ensure that we are all informed about how we can be a part of the solution.



Federal stimulus preservation work, Whitman-Ingersoll Houses

THE IMPERATIVE: PRESERVE THE PUBLIC AND AFFORDABLE HOUSING ASSET

More than 70 percent of NYCHA buildings are over 40 years old. With older buildings come complex needs. Older buildings require capital improvements to repair roofs, elevators and brickwork. Major upgrades are needed regularly to ensure that heating, plumbing, and other systems continue to function properly. Ongoing maintenance and repairs to both the interior and exterior of our buildings and apartments are needed to keep them well-maintained and free of disrepair caused by outside elements or day-to-day wear and tear. Preserving our existing buildings and apartments will enable NYCHA to continue assisting those who already live in public housing and those who will need this assistance in the future.

► The Challenges

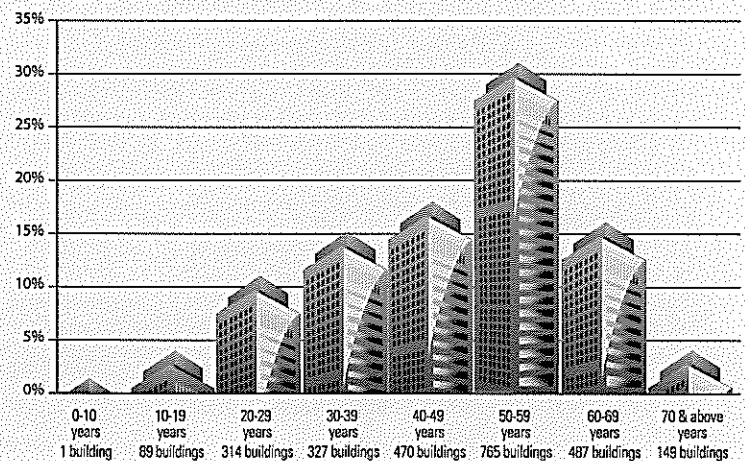
Unfunded capital investments: In 2006, NYCHA assessed its maintenance and repair needs. That Physical Needs Assessment (PNA) estimated that NYCHA needed to invest \$25 billion over the next 15 years to maintain current housing stock in a state of good repair. These needs far exceed current fund-

ing sources. NYCHA has invested approximately \$2 billion between 2006 and 2010, leaving an estimated \$5.5 billion in unmet need through the end of 2010. For 2011 through 2015, NYCHA anticipates investing another \$1.5 billion against an estimated \$9 billion need. Simply put, there will be an estimated \$13 billion in deferred capital investments by 2015 if we do not secure more funding.

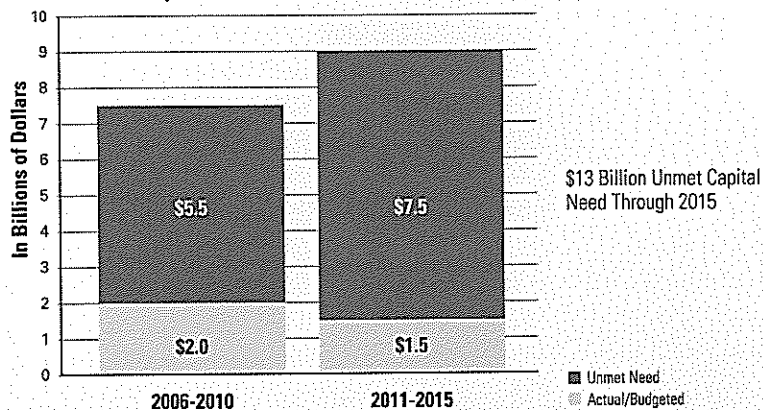
“The first things that come to mind when I hear the word NYCHA are community, affordable housing, outreach, involvement, and just helping people afford a place to live.”

Donovan Mendoza
Wait Whitman
Houses Resident

Age of NYCHA's 2,602 Buildings, as of October 31, 2011



Capital Funding well short of \$25 Billion
2006 Physical Needs Assessment (PNA)



“We have to become more energy efficient in public housing. The green agenda would bring to public housing a stability that we currently do not have if we continue to utilize resources without understanding that those resources are not unlimited.”

Margarita López
NYCHA Board Member

Exacerbating the situation is the need for a detailed, up-to-date, post-2006 inventory of the physical condition of each building in our system. Without this data, NYCHA cannot accurately assess the number and category of capital improvements required, nor the estimated cost of completing the necessary work across our 2,600 buildings.

Shortfalls in subsidies: NYCHA relies on federal subsidies for 80 percent of the funding needed to complete these repairs and renovations. However, this funding source has been steadily reduced for decades. From 2001 to 2011, annual federal capital subsidies have declined from \$419 million to \$273 million—a 35 percent decrease. There have also been reductions in funding. Consequently, essential projects that will prevent the failure of building systems or components have been delayed, and the gap between funds needed for those projects and funds available is ever-widening. These delays have sparked a growing backlog of capital projects.

Living with chronic disrepair: Residents are the first to feel the impacts of decaying infrastructure. Many now live in buildings with frequent elevator outages, heating issues, and leaks. NYCHA buildings are seemingly permanently surrounded by sidewalk sheds, or scaffolding. NYCHA lacks funding to complete the necessary capital improvements, let alone invest in energy efficiency and technology upgrades that would ultimately lower life cycle costs.

If NYCHA does not have the funding needed for capital improvements, or the detailed information to guide decisions on how best to allocate scarce resources, there is a risk that our buildings will deteriorate to the point where it will be cost prohibitive to repair and maintain them—and keep the units online.

Rising Energy Costs: A combination of escalating energy expenses, along with boilers and ancillary heating systems that have exceeded their useful life, make it important that NYCHA invest in energy retrofit and upgrades. NYCHA spends approximately \$500 million a year on energy costs, which could be used elsewhere if we were to reduce our usage.

▶ **The Plan:** NYCHA will clearly prioritize its capital needs, improve capital operations, and pursue creative funding solutions to close the gap on capital improvements.

NOW

We will:

- Complete the current Physical Needs Assessment (PNA) to provide accurate replacement costs for systems and components that have outlived their effectiveness
- Use PNA to revise our capital plan, assigning high priority to capital improvements that directly impact residents’ quality of life (such as elevator upgrades)
- Complete repair work that becomes more costly if left unaddressed
- Secure additional funding through HUD’s Capital Fund Financing Program mechanism and issue bonds to address critical needs such as brick work and roof work, where disrepair can cause leaks or unsafe conditions in residents’ homes
- Improve Capital Projects Division processes, coordinating more effectively with Property Management to identify and prioritize needs of the properties

- Utilize a variety of project delivery methods (such as design-build) to meet the varying needs of our portfolio, and deliver quality work on time and within budget
- Work with HUD to implement energy performance contracts to re-invest the savings into capital improvements and green retrofits

LONGER TERM

We will:

- Work collaboratively with Housing Preservation and Development (HPD) and Department of City Planning (DCP) to create a mechanism to apply inclusionary zoning for the rehabilitation and preservation of NYCHA units
- Seek agreements with HUD to reinvest operational savings produced by *Plan NYCHA* into capital improvements
- Continue to improve methods for performing capital work and expand its service delivery models
- Work with federal, state and city partners to identify funding resources to close the capital gap
- Continue to seek creative funding solutions using tools, such as private capital and tax credits, develop new, mixed-use, mixed-income housing and resources (see Imperative on page 14); and monetize land and transferable development rights, commonly known as “air rights” to fund capital improvements
- Partner with HUD and energy companies (ESCOs) to develop a comprehensive investment strategy to upgrade energy systems and reduce operating costs

▶ **The Call to Action**

Preserving the vital asset of public housing will require additional capital and skilled professionals to turn this investment into well-constructed, well-maintained buildings.

Raising capital will require the support of a number of partners. First, NYCHA will work with HUD, City Council, city agency partners, union

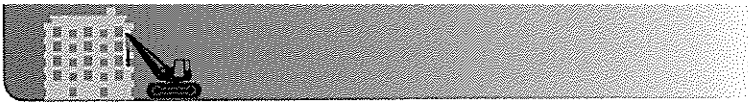
leaders, resident leaders, and community advocates to garner input and support for the development of a long-term capital plan for NYCHA. Areas of that plan will include a framework to allow NYCHA to better cooperate on zoning efforts, to raise revenue from the transfer of development rights, and to work with our housing partners to ensure NYCHA receives its fair share of New York State’s volume cap for private-activity bonds.

NYCHA will also work with the Department of Buildings and the City Council to address Local Law 11, which mandates sidewalk sheds and other protections for buildings that are under construction. Compliance with this law has a significant impact on NYCHA’s budget and on the quality of life of its residents. NYCHA will work with these partners to ensure NYCHA receives priority for a share of the city’s capital funding to comply with Local Law 11.

NYCHA will need to work with all of its stakeholders, as well as several city agency partners, to support resident training and hiring efforts in our federally-funded capital program. NYCHA will also collaborate with residents, advocates, employees, and city agencies to ensure that capital investments incorporate environmentally sustainable best practices.



Federal stimulus preservation work, Whitman-Ingersoll Houses



Markham Gardens townhouses

THE IMPERATIVE: DEVELOP NEW MIXED-USE, MIXED-INCOME HOUSING AND RESOURCES

The need for more affordable housing in NYC is massive. In 2002, Mayor Michael Bloomberg released the most ambitious affordable housing plan in the country—the New Housing Marketplace Plan—with a focus on creating and preserving 165,000 units of affordable housing by the end of 2014.²

While the New Housing Marketplace Plan has already created and preserved more than 124,000 units, public and affordable housing continues to be sought after by many low- and middle-income New Yorkers who are in need of a decent and safe place to live.³ There is not enough affordable housing for all New Yorkers in need, and we must develop new offerings to accommodate them moving forward.

► The Challenges

Shrinking housing stock: The citywide vacancy rate of less than 3 percent is merely one part

of the problem. Despite New York City's best efforts to bring about more affordable housing and preserve what already exists, the stock of affordable housing is shrinking in the City. Federal, state and city governments have all stopped funding the development of new public housing and in 1998, the U.S. Congress passed an amendment that capped the number of traditional public housing units for federal government subsidy. Consequently, it became nearly impossible to add more units to the public housing inventory, regardless of demand.

Since 1985, fewer than 8,000 public housing units have been developed in New York City. Furthermore, there are fewer affordable units. Between 2002 and 2008, the city lost more than 178,000 rental apartments with reported monthly rents of less than \$1,000 (inflation adjusted).⁴ Many of these units were lost through deregula-

tion or through the expiration of other subsidy programs such as Mitchell-Lama.⁵ Preserving existing affordable housing and creating new units will require meaningful, sustained collaboration from housing agencies and community advocates.

A changing model: The model for creating and preserving public housing in America has changed. In this new environment, NYCHA must develop innovative approaches to identifying and tapping into alternative sources of funding. New York City's most valuable commodity is the land it owns, which could be more efficiently utilized. NYCHA currently owns a significant portion of this land. While NYCHA is not in a position to be the sole financier of new government subsidized housing, it can use its resources smartly to assist in:

- Building new affordable and supportive housing for families and seniors
- Developing market-rate and mixed-income housing that will generate dollars to subsidize the creation of new affordable housing or the preservation of existing NYCHA buildings
- Developing community facilities to serve both NYCHA residents and the surrounding neighborhood
- Examining retail opportunities that will provide employment for NYCHA residents and serve NYCHA communities

► **The Plan:** NYCHA will analyze financing options to develop new affordable housing as part of Mayor Bloomberg's New Marketplace Housing Plan, and to create community and commercial facilities to serve residents and employ New Yorkers. NYCHA will also explore options for building mixed-income and market-rate housing, and for monetizing development rights to fund existing NYCHA capital needs.

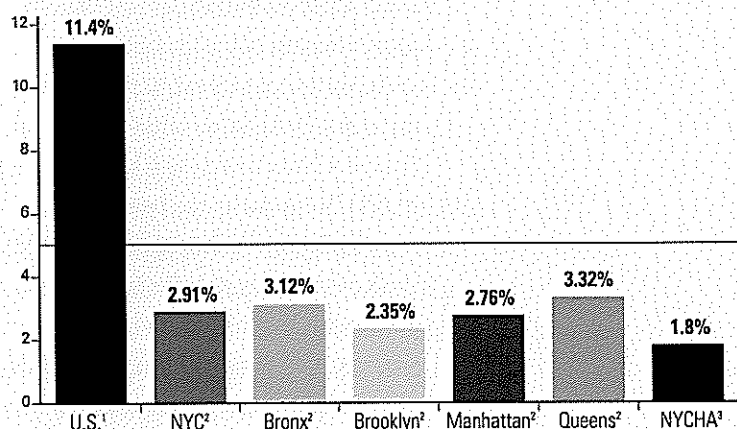
NOW

We will:

- Create and implement a clear, long-term development strategy for the entire NYCHA portfolio, including all land and development assets that could potentially accommodate new housing
- Target the ideal mix of financial returns, socio-economic impact, and environmental sustainability to maximize the Triple Bottom Line
- Conduct a comprehensive analysis of NYCHA land to determine the most beneficial uses
- Create self-sustaining investment and development affiliates to finance and execute transactions
- Ensure the timely and successful execution of current projects, including the construction of the Harlem RBI charter school, along with new units of affordable housing; the mixed finance redevelopment of Prospect Plaza and Randolph Houses; as well as specialized housing, such as the Van Dyck Supportive Housing Development Project.
 - The construction of Harlem RBI presents NYCHA with a unique mixed-use development opportunity that includes a charter school for 450 students and a minimum of

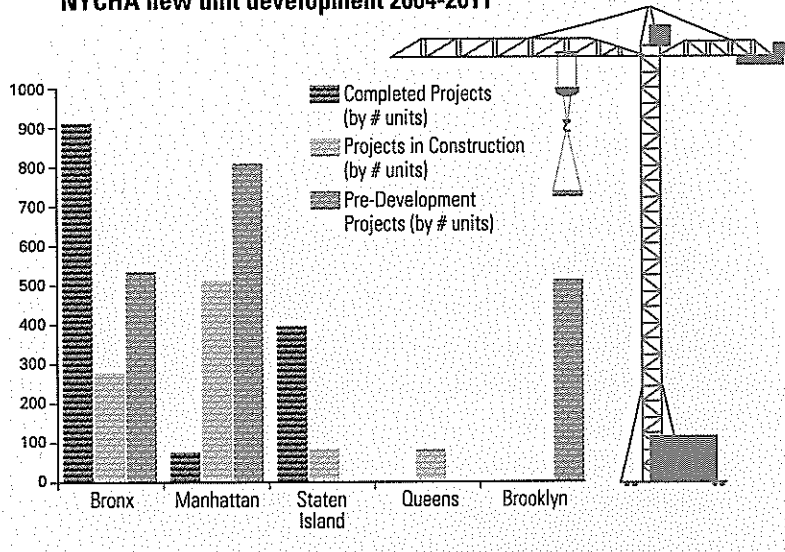
Housing Vacancy Rates

Vacancy rate less than 5% is considered an official housing emergency under New York state law



1-Christie, Les. "Housing Market: 11.4% of All U.S. Homes Are Vacant - Mar. 28, 2011." *CNNMoney - Business, Financial and Personal Finance News*. 28 Mar. 2011. Web. 21 Dec. 2011.
 2-New York City Department of Housing Preservation and Development. *Housing New York City 2008*. By Moon Wha Lee. New York, 2011. Print Note: Staten Island's sample size too small for an accurate rate.
 3-NYCHA Executive Information System. 7 Dec. 2011. Raw data. NYCHA, New York.

NYCHA new unit development 2004-2011



87 units of affordable housing for residents of East Harlem. The proposed 13-story project, which will be located within NYCHA's Washington Houses, represents a strategic investment in the community as it will increase the affordable housing stock, add a high quality educational facility, and generate additional neighborhood services and employment opportunities.

- Based on the *Re-Vision Prospect Plaza* Community Plan developed in June 2010, Prospect Plaza sites will include approximately 360 affordable rental units, including at least 80 public housing units. Demolition of the remaining Prospect Plaza towers will be completed by NYCHA prior to the conveyance of the sites. To further NYCHA's and the City's goals of incorporating the latest green building technologies into upcoming projects and promoting design excellence, all buildings in the project must comply with the Enterprise Community Partner's *Green Communities* program.
- For Harlem's Randolph Houses, the RFP calls for the extensive rehabilitation and preservation of 36 historic buildings resulting

in approximately 140 NYCHA public housing units and a minimum of 155 affordable housing units. This is the first RFP for a Mixed-Finance development between NYCHA and HPD that results in the combining of both public housing and affordable residential units.

- With the Van Dyke Supportive Housing Development Project, NYCHA expects to construct a new mid-rise building with 90 to 100 units, accessory parking if needed, and social services for the residents of Brownsville. At least 30 percent of the units will be reserved for homeless families and families at risk of homelessness. The remaining units will be made available to low-income households. All units will be affordable to households earning up to 60 percent of AMI; 25 percent of the low-income units will be set aside for NYCHA residents. The social services provided will not only serve the residents of the new building but also the greater Brownsville community.

LONGER TERM

We will:

- Create a long-term plan for maximizing the value of NYCHA's assets, including land, buildings, and development rights
- Pursue partnerships with private investors and public agencies to develop affordable and mixed-income housing, as well as non-residential projects such as new retail and school development on select NYCHA sites
- Generate revenue to fund ongoing operations and capital improvements for existing public housing from ground leases, or partnership leases
- Apply for tax credits and other sources of funding to support the development and preservation of residential buildings and community centers



- Investigate the use of transferable development rights (TDRs), commonly known as “air rights,” to generate additional income for the NYCHA
- Utilize inclusionary zoning policy to enable private developers to increase the density of their new buildings by either: developing on-site or off-site affordable housing units; or preserving existing public housing units that will ensure their long-term affordability

► The Call to Action

NYCHA’s resources and capacity, as well as its commitment to creating economic, environmental and social impact value—the Triple Bottom Line—make it one of the most important partners in fulfilling Mayor Bloomberg’s New Housing Marketplace Plan. But NYCHA cannot realize this potential alone. We must work with HUD, state and city leaders, city agencies—including the New York City Housing Development Corporation (HDC) and the Department of Housing Preservation and Development (HPD)—residents, and advocates to first garner support for NYCHA’s long-term development strategy.

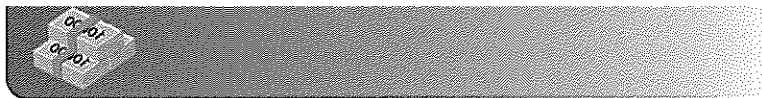
Furthermore, NYCHA requires the support of HUD, HPD, HDC, elected leaders, advocates, and residents on its application for New Market Tax Credits and similar efforts to secure additional tax credit funding. NYCHA must work with the City Council and other partners in city government to raise revenue from the transfer of development rights.

Finally, NYCHA must work with HUD, HPD, HDC, Department for the Aging (DFTA), community advocates, and residents to ensure that public housing residents receive preference for new affordable housing in New York City, particularly affordable senior and supportive housing.

“We have some particular needs for populations like our seniors, who need housing that is built to suit their lifestyles, their concerns and their needs, so it’s about the construction of new housing.”

NYCHA Chairman
John B. Rhea

Elliott Chelsea mixed-income affordable housing



Highbridge Houses

THE IMPERATIVE: ENSURE FINANCIAL STABILITY

“As NYCHA continues to grapple with Federal budget cuts, we will seek innovative new financing structures to best leverage available funding.”

Emily Youssouf
NYCHA Vice Chair

When federal, state, and city governments first built public housing across the nation, housing authorities were flush and well-funded. They were able to maintain their developments to high standards, offer community programs, and provide social services to their residents. Today, the new reality is vastly different. Funds provided to NYCHA have become less dependable. In addition, a decade ago, New York State stopped providing annual funding for public housing buildings that they helped construct. Since 2001, federal funding has been inadequate, causing NYCHA’s operating deficits and the growing gap in capital needs.

The realities of funding shortfalls, archaic funding formulas, and unnecessary restrictions on available funding have forced NYCHA and public housing authorities around the country to change. Some have become more market-driven; some have demolished their public housing and rebuilt mixed-income communities; and others have vastly expanded their public-private partnerships, working with community organizations that now deliver the

social services previously provided by the respective authority. NYCHA must make tough choices and pursue similar innovations in order to continue providing safe, affordable housing in the current economic and political climate.

To continue serving our customers, NYCHA must evolve the existing model for public housing and Section 8 rental assistance by maximizing opportunities to bring in new funding. We must establish a sustainable, diversified, and balanced financial model that will carry the organization forward.

► The Challenges

Unreliable budgets: NYCHA’s funding is subject to a budget process that can fluctuate and change every year. Since government subsidies account for approximately 70 percent of NYCHA’s operational funding, inconsistent budgetary priorities make multi-year planning a challenge. Additionally, NYCHA has severe restrictions on its funding use, whereas other large metropolitan housing authorities have been classified as Moving to Work

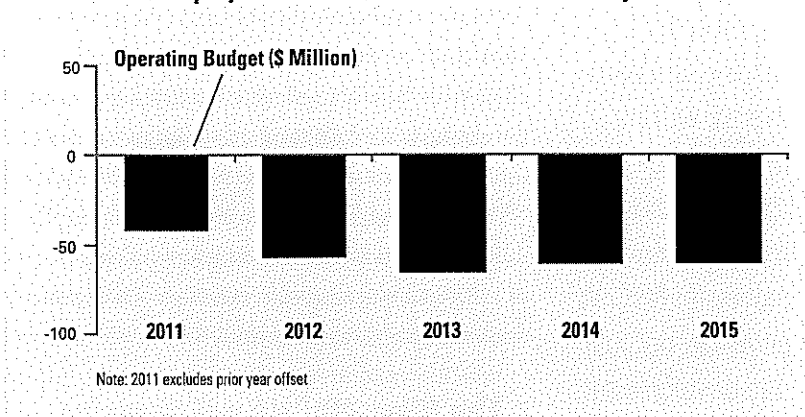
(MTW) agencies—a demonstration program for public housing authorities that provides the opportunity to design and test innovative, locally-designed strategies that increase housing choices for low-income families while providing more flexibility in how Authorities use their funds. This program enables public housing authorities to receive funds as block grants and make informed decisions about the best spending options. In contrast, NYCHA funds are highly restricted and re-calibrated annually, which results in increased bureaucracy. As NYCHA has to use funds for each of its assigned sources (i.e., public housing, Section 8 or Capital)—the funds cannot be co-mingled, despite a surplus in one or shortfalls in another.

Inequitable funding formulas: NYCHA receives federal funds through a complex formula that determines the exact amount of funding allocated to each public housing authority. While this formula takes location into account, New York City has long advocated that the system is inequitable when one considers the city’s uniquely high construction costs as well as higher employment costs (wages and benefits) in comparison to authorities across the US. For example, NYCHA cost factors are identical to Newark, NJ, irrespective of cost-of-living differences.

Stretching federal subsidies: In response to changing times and funding cuts, HUD is encouraging public housing authorities to become more market-driven by seeking out public-private partnerships to help support social and community programs and utilizing debt and mortgage loans to fund capital repairs.

In 2010, NYCHA partnered with Citi Community Capital and the Housing Partnership Development Corporation on an award-winning Mixed Finance Modernization Plan (also known as “Federalization”) that rehabilitated 21,000 public housing units. Using Recovery Act or “stimulus” funds, NYCHA upgraded 21 developments (formerly supported by New York City or State), bringing them into the federal portfolio and

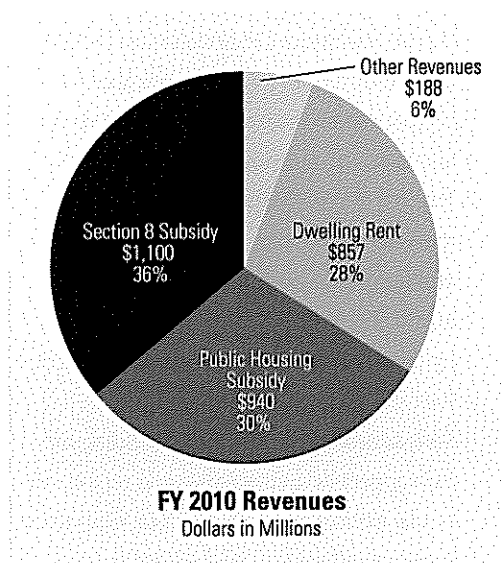
Cummulative operating budget deficit projected to be \$245 Million over next 5 years



delivering a dedicated annual federal subsidy of up to \$70 million to fund operations and capital work. This was an historic achievement first proposed more than 20 years ago. However, NYCHA still operates approximately 6,000 units that do not receive any federal subsidy from HUD, and therefore we shoulder all associated operating and maintenance costs. Consequently, NYCHA is obliged to apply its federal subsidies to these unfunded units, which further leaves its entire portfolio underfunded each year. Read more information at www.nyc.gov/nycha.

NYCHA needs to increase revenue and/or reduce expenses to achieve balanced budgets.

Section 8 funding constraints: The funding situation is similarly constrained for subsidized



“It’s about lobby-
ing more for
funds—in Wash-
ington, writing
the governor—
to make sure we
try to get more
money for NYCHA
citywide, not just
one development,
but for everybody.”

Lisa Kenner
President, Van Dyke
Houses I Resident
Association

housing using Section 8 vouchers—HUD’s Housing Choice Program. Funding and availability of Section 8 vouchers is variable from year-to-year, with limits on the maximum number of units eligible for federal funding. Complex regulations governing both dollar and unit voucher caps create inflexibility in managing the program. Since 2010, NYCHA’s program has been at capacity and fully utilized; which means that despite a waiting list of 125,000 applicants, new vouchers will become available only through attrition.

► **The Plan:** NYCHA will diversify its government funding, increase earned revenue, and create new business-development capabilities and public-private partnerships to tap into new sources of funding.

NOW

We will:

- Maximize NYCHA’s largest revenue source—government funding—by working closely with government partners to increase flexibility, pursue new opportunities and develop innovative approaches to make the most of every government dollar; and develop new funding streams
 - Apply to participate in HUD’s proposed Rental Assistance Demonstration (RAD) pilot, designed to provide more access to private capital markets that generate funds allocated to preserving public housing
 - Explore alternative funding streams for the 6,000 units currently not receiving federal funding—potentially bringing an additional \$50 million in subsidies—by converting units to project-based Section 8; or other creative measures
 - Seek additional state and city funding for the support of maintenance and repair, safety and environmental initiatives, supportive housing and senior and resident services

- Explore alternative funding options for specific parts of the NYCHA portfolio such as the contract-based Section 8 units, FHA homes, and other non-conventional units, to generate revenue and rehabilitate units
- Introduce market-rate parking for non-residents, and stricter enforcement of parking by authorized vehicles only
- Better utilize NYCHA-owned commercial storefronts and properties, with each rented at a fair market rate
- Collaborate with the city’s Department of Sanitation to capture revenue generated from aggressive recycling
- Design and launch a plan to offer NYCHA property for advertising with input from residents
- Continue to pursue public-private partnerships that bring funding and other resources to NYCHA communities

LONGER TERM

We will:

- Utilize a variety of tools to fund operations, targeting a healthy mix of private and public monies
 - Pursue mixed-finance projects similar to the structure of the federalization transaction in 2010, which enabled NYCHA to apply private dollars and tax credits to the repair and rehabilitation of NYCHA buildings
 - Seek designation from Congress as a Moving to Work (MTW) agency
 - Participate in other innovative HUD programs, such as Hope VI
 - Request equity adjustments to the federal funding formula based on the high costs of operating in New York City

► **The Call to Action**

Evolving the model of public housing in New York City to make it financially stable will require the cooperation of public housing

residents, housing leaders at the federal, state, and city level and community advocates.

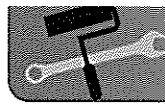
First, we must achieve better alignment and cooperation on legislative priorities with respect to public housing communities. Second, we must work with HUD to ensure that NYCHA is included in the Rental Assistance Demonstration (RAD) pilot. This will be part of a broader effort to partner with HUD to develop NYC-specific plan for transformation and preservation. We will collaborate with leaders at HUD to ensure that currently unfunded but fully federalized public housing units receive their appropriate share of federal subsidies. And NYCHA will develop a proposal to secure designation from Congress as a Moving to Work (MTW) authority.

NYCHA will work with city agency partners—including the Department of City Planning

(DCP), the City of New York Department of Sanitation (DSNY), and the New York City Police Department (NYPD)—advocates, and residents to secure business and earned-revenue opportunities, including restructuring NYCHA’s parking program, generating advertising revenue, and leasing additional commercial space.

Through the Office of Public-Private Partnerships, NYCHA will continue to call on private organizations, including financial institutions, businesses and community-based organizations, to help support our residents and communities through funding or supporting key safety, environmental, quality-of-life, or resident initiatives.

Finally, NYCHA requires the support of HUD, state and city officials, city agencies, advocates, residents, and resident leaders to pursue additional mixed-finance transactions.



Ivestus Emmanuel and Miguel Mousonet, NYCHA Work Order Task Force, South Jamaica Houses

THE IMPERATIVE: EXPEDITE MAINTENANCE AND REPAIRS

“If repairs are made on time, major damages can be prevented or can save more money.”

Resident at West Brighton Houses Community Conversation

Lack of timeliness in completing repairs, especially high-priority repairs, is the single biggest factor affecting NYCHA customers and their quality of life today. Residents repeatedly note that the repairs process is the most unpleasant aspect of living in NYCHA housing, citing lack of timeliness and poor customer service as the primary reasons. More than 20 percent of residents surveyed expressed that, in the previous year, a request for repairs had necessitated four or more calls. Consequently, residents who had called for repairs demonstrated a higher rate of dissatisfaction than those who had not. To dramatically improve the quality of life for residents, NYCHA must provide repair and maintenance to our buildings in a more expeditious manner.

► The Challenges

Ageing buildings with complex needs: NYCHA’s buildings are aging and reductions in federal funding have delayed the upgrade or replacement of major building systems. Since 2001, NYCHA has been underfunded by hundreds of millions of dollars, which affects the maintenance and repair of our developments, resulting in a multi-year backlog of unfulfilled work-order requests and customer dissatisfaction. Non-emergency repairs are frequently not scheduled for more than a year, and sometimes even longer.

The potential loss of units: Addressing all high-priority and emergency work orders would require approximately \$3,000 per unit, or a half-billion dollars system-wide. However, those repairs would merely fulfill interim needs, as

these repairs do not address the structural improvements to buildings that would ensure fewer emergencies in the future. There is an additional \$13 billion in capital needs over the next five years (see page 11) for building operating systems, elevators, roof repairs, and brick work that also directly affect residents' quality of life. Delaying these investments makes them much more costly in the long run, as maintenance needs increase at a higher rate with each year beyond the normal life cycle of buildings and equipment. Moreover, these units could be lost altogether.

▶ **The Plan:** NYCHA will ensure that all units are in a state of good repair and that all future needed repairs are completed in a timely manner.

NOW

We will:

- Reduce the number of appointments in the backlog by the end of 2012, building on the \$11 million allocated to consolidate and address repairs in 2011
- Provide tools and supplies needed for faster and more effective responses to repair requests
- Hire temporary skilled trade workers and improve the coordination of trades; eliminate the inconvenience of scheduling separate appointments for multiple skilled workers (plumbers, electricians, carpenters, plasterers, painters, etc.)
- Reduce the work time needed to complete repairs, which will lessen the wait time for all customer requests
- Focus on the approximately 10,000 apartments with multiple outstanding repair work orders currently not scheduled for completion until 2014
- Make systematic improvements to prevent the development of future backlogs
- Analyze current maintenance and repair

processes and implement improvements to system management, from procurement to completion, which will ensure maximum efficiency in use of limited staffing and materials resourcing

LONGER TERM

We will:

- Enact a series of continual improvement initiatives to address the most immediate repairs
- Dedicate approximately \$50 million over the next five years to reduce longstanding maintenance and repair needs
- Focus on a larger number of work orders
- Identify savings that can support an increase in maintenance workers
- Become a HUD high performing agency by focusing on such items as shortening the length of time needed to prepare units for move-in, as well as address emergency and routine repairs

▶ **The Call to Action**

These efforts, while extensive, are a framework and foundation for fully addressing NYCHA's maintenance and repair backlog—but they are not a solution. Bringing all of NYCHA's homes to a "state of good repair" will require additional coordinated action.

First, NYCHA must receive additional dedicated maintenance funding. Expediting maintenance and repair will require residents, community leaders, and union members to work with NYCHA to ensure that funding for public housing in New York City is a priority of federal, state, and city governments.

NYCHA also needs greater flexibility regarding union work-rules in order to address multiple repairs in a housing unit. NYCHA welcomes the partnership of employees, union leaders, and advocates in developing a stronger approach to work-rule development and implementation.

"It costs about \$2,900 per unit to make all the repairs. If you multiply that over a 178,000 units, we need half a billion dollars just to do basic maintenance. I'm not talking about elevators or the roofs—I'm only talking about fixing the kitchen cabinets, replacing the stove, fixing the bathroom leaks, all that minor stuff."

Carlos Laboy
Deputy General
Manager for
Operations



Milagores Colmenares, NYCHA Caretaker J, St. Mary's Park/Moore Houses, Castle Hill Houses resident

THE IMPERATIVE: STRENGTHEN THE FRONTLINE

Following reductions in government funding over the years, NYCHA has made many tough choices, including downsizing its overall staff. Reductions in frontline staff—particularly maintenance, janitorial, and grounds-keeping employees—have made it more difficult to sustain a consistent level of customer service and contributed to resident concerns about the general upkeep of NYCHA buildings and grounds. For example, the number of Property Management staff has decreased by almost 20 percent since 2005.

To make an investment in the frontline, NYCHA must become more efficient. There are significant opportunities to enhance agency efficiency by reducing central office and administrative costs, and the savings generated by these efforts could be re-invested in property-level management. By doing so, residents will experience greater customer satisfaction and morale on the frontline will improve.

► The Challenges

Frustration on the frontline: Employees and residents alike agree that frontline maintenance has

deteriorated in recent years. In focus groups and in the Community Conversations, residents noted that NYCHA has been increasingly forced to “do more with less,” with fewer janitors and maintenance workers on staff to perform the day-to-day cleaning and repair work of NYCHA’s more than 2,600 residential buildings. Similarly, frontline employees are also frustrated by the increased pressure to maintain quality standards of rapidly aging buildings with fewer resources, materials, and co-workers.

► **The Plan:** NYCHA will become an efficient, high-productivity organization with a clear, strong focus on serving all its properties. NYCHA will be capably staffed with an adequately resourced professional corps of frontline employees. NYCHA will incorporate best practices from property management companies to provide excellent service and high-quality management throughout its portfolio.

NOW

We will:

- Make an immediate investment in frontline operations by adding more than 100 frontline employees
- Hire residents trained through the resident training academy operated in partnership with Robin Hood
- Complete analysis and cost reductions of central office and administrative operations
- Identify areas for enhanced operating efficiency and effectiveness through process and organization redesign
- Generate savings that can be reallocated to support critical operating needs
- Collaborate with unions and other city agencies to become a more productive, effective and customer-focused organization
- Empower our frontline workforce to continually improve the organization's performance
- Adopt best practices consistent with top tier property management organizations
- Initiate a small-scale demonstration project that compares an enhanced in-house operating model with an outsourced private property management company pilot, informing the long-term definition of NYCHA's optimal property management model

LONGER TERM

We will:

- Re-invest more than \$50 million in central office and support function savings toward the frontline over the next five years
- Provide high-quality service to our customers and act on customer feedback to continually improve service levels
- Utilize the services of private property management companies where it is economically feasible and increases service levels to residents (such models are employed by most public housing authorities across the U.S.)

▶ **The Call to Action**

Longer-term investments in NYCHA's frontline will require support from a number of partners.

Additional funding for hiring frontline employees will need to be coupled with re-investments made possible from cost savings. NYCHA will work with stakeholders in federal, state, and city government, as well as partners in the private and non-profit sectors to increase funding for the training and hiring of NYCHA residents.

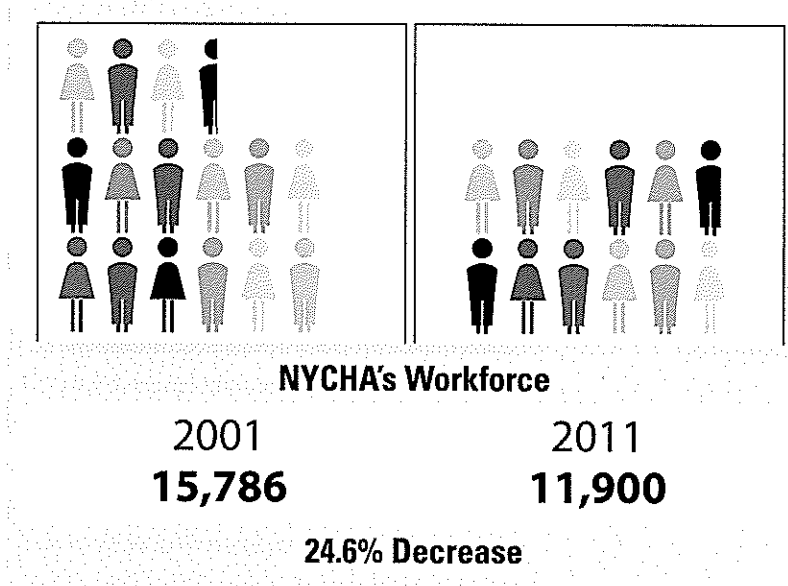
Furthermore, NYCHA must work with state elected leaders, union leaders, employees, and the City Council to outline and implement changes to civil service rules. With these partners, NYCHA must garner support for a performance management system for all NYCHA employees.

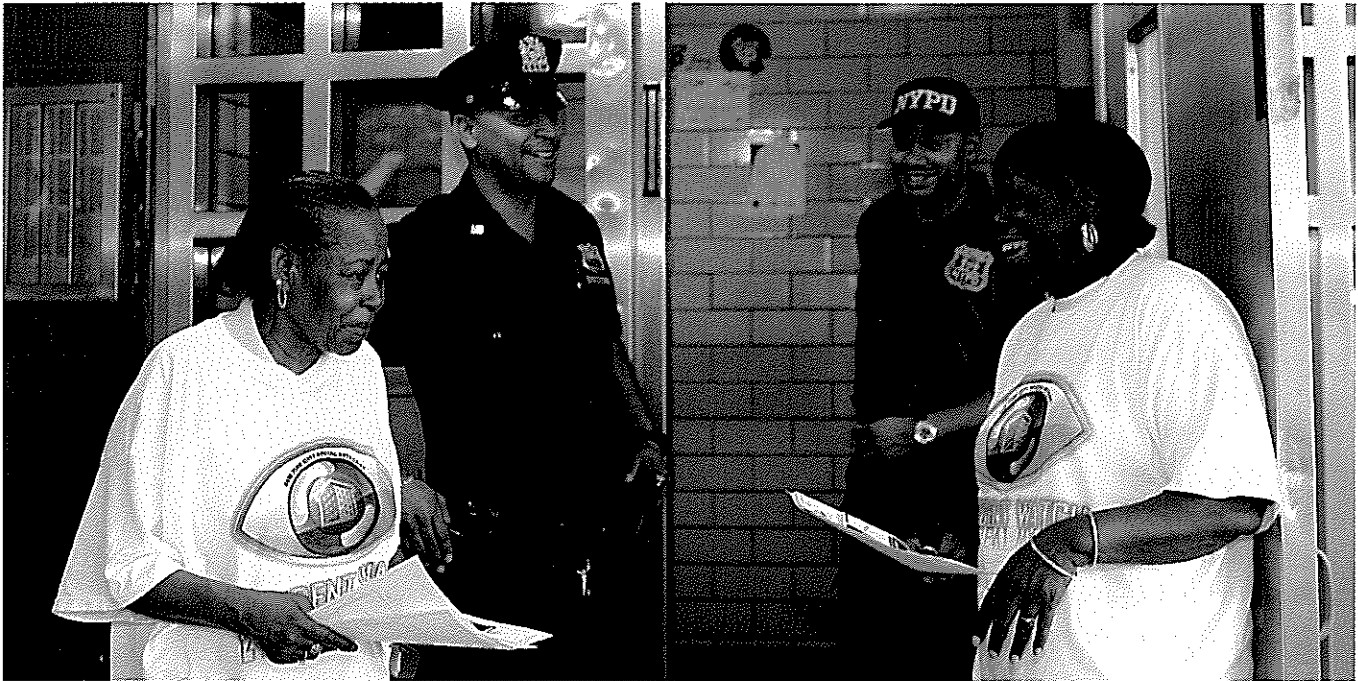
NYCHA must engage residents, employees, advocates, union leaders, and officials in state government as we determine the best property management operating model. This may include transferring the day-to-day property management responsibilities to experienced private property management organizations, while offering NYCHA staff opportunities in this new management model.

Finally, NYCHA will work with city agency partners and employees so that NYCHA can benefit as a user of shared city services.

"How can NYCHA operate or ask their staff to work every day without the tools necessary to do our jobs?"

Joseph Falzarano
Property Maintenance
Supervisor, Berry Houses





NYCHA Resident Watch and New York City Police Department Joint Mobilization Drill, Edenwald Houses

THE IMPERATIVE: IMPROVE SAFETY AND SECURITY

“We want to raise children in a safe environment. We are still scared. We want a more secure environment –patrols, cameras, better screening.”

Resident at Queens-bridge Houses
Community
Conversation

Nothing is more important than the safety of NYCHA’s families. Security is a cornerstone of a neighborhood’s health and stability. Providing for the safety of our residents, employees, and visitors remains NYCHA’s top priority.

► The Challenges

The perception and reality of crime among residents. More than 75 percent of NYCHA public housing residents surveyed reported they were very or somewhat fearful of crime in their development. Nearly 60 percent of respondents reported that serious crimes had occurred in their development during the previous year. Six percent reported personally being a victim of crime within their development. We recognize that our efforts must combat actual crime and address residents’ perceptions of crime, both of which erode their quality of life.

Coordinating efforts across stakeholders.

We understand that investing in new technology and introducing enhanced security measures will have limited success without the trust and cooperation of our residents. Safety is everyone’s responsibility. NYCHA is actively working with all public housing community stakeholders, including the New York Police Department (NYPD), to ensure that issues of safety and security are addressed through a more collaborative approach.

► Safety and Security Task Force

In December 2009, the NYCHA Safety and Security Task Force was formed, incorporating a core group of key stakeholders that included the Citywide Council of Presidents, senior leadership from the NYPD, and a team of NYCHA’s senior managers. During the past two years, the Task Force worked to strengthen relationships among NYCHA’s community stakeholders and identify

vulnerabilities in current security systems.

The Task Force has designed strategies to address these challenges, and has provided a framework for how NYCHA can consistently improve safety over the long term. By working collaboratively—with residents and partners at the NYPD, in the City Council and throughout New York City—NYCHA has developed a security strategy that seeks to accomplish four goals:

1. Deter crime
2. Discourage and redress evidence of disorder, such as broken doors and graffiti, which can lead to further and more serious crime
3. Assist residents in complying with all NYCHA guidelines
4. Improve NYCHA’s physical security infrastructure

The key objective will be to improve the quality of life for all members of NYCHA’s communities by providing safeguards for their well-being, and by implementing strategies that will reduce both the likelihood and incidence of crime.

► **The Plan:** NYCHA will work to create secure, healthy neighborhoods where residents, employees, and their visitors feel safe, both on NYCHA grounds and inside buildings.

NOW

We will:

- Work to improve the resident / police officer relationship
- Develop a joint safety strategy each year prioritizing the most pressing security issues
- Provide additional training and better coordination for Resident Watch teams, and participate in training and drills with local Police Service Areas
- Prioritize a number of developments for the installation of a layered access control system
- Consistently post and clearly communicate

NYCHA Safety and Security Guidelines, posting them at NYCHA parks and play areas

- Distribute documents highlighting NYCHA guidelines to residents annually
- Establish rules governing moving in and out of NYCHA developments
- Monitor NYCHA parking lots and consistently enforce parking rules

LONGER TERM

We will:

- Strengthen our relationship with the NYPD
- Boost resident engagement
- Secure additional funding for the layered access security system, including
 - installing the system at all NYCHA developments
 - monitoring the actual incidence of crime—as well as perceptions of crime—at developments that receive this new technology
- Increase communication about safety issues with residents, enlisting them as partners in crime prevention
- Provide crime prevention training for all employees
- Develop innovative approaches for reducing violence in the workplace

► **The Call to Action**

Ensuring that our communities remain safe is the ultimate shared responsibility. NYCHA’s approach outlines a model for consistent improvement in overall community safety. Achieving and, importantly, maintaining those gains will require additional support.

First, City officials and the NYPD must continue to work with NYCHA, resident leaders, and advocates to implement the recommendations of the Safety and Security Task Force. This will allow us to build upon the Task Force’s work and to address several longstanding issues, including NYCHA’s Memorandum of Understanding (MOU) with the NYPD, as well as developing an accompanying system that

“The issues that really resonate with residents are safety and security. I think they are concerned about what NYCHA can do to improve safety at the developments and really look at what the accountability should be in terms of the residents as well as the Housing Authority.”

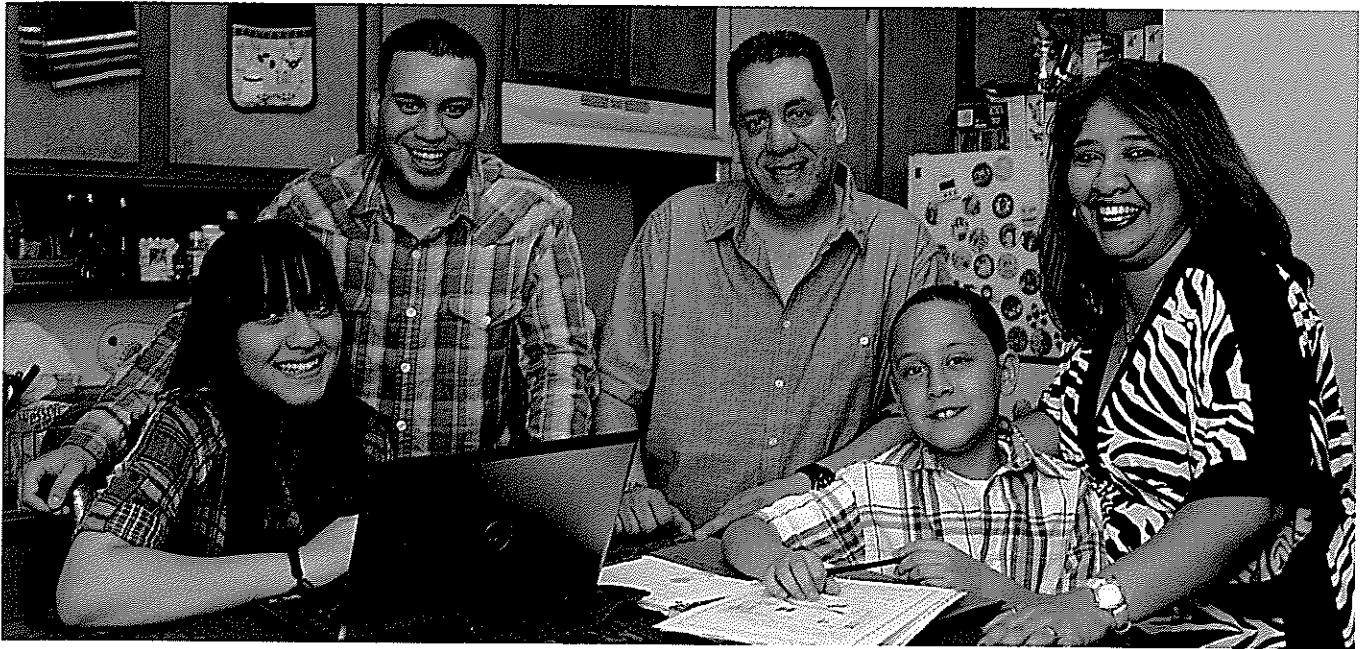
Marguerite Mann
Borough Director,
Brooklyn Property
Management

will measure performance and safety outcomes. Second, city and state leaders must work with HUD to appropriate funding for additional layered access security improvements, maintenance, and monitoring. And finally, NYCHA will require the support of partners to implement a comprehensive crime-prevention training program for all employees.

Increased resident involvement and service on Resident Watch teams will be central to making NYCHA homes more secure. City Council members, community advocates, resident leaders, and NYCHA employees all have a role to play in engaging and educating residents on how each of us has a responsibility to uphold in making NYCHA neighborhoods safer.



Gora family, Vladeck Houses



Martinez family, Rutgers Houses

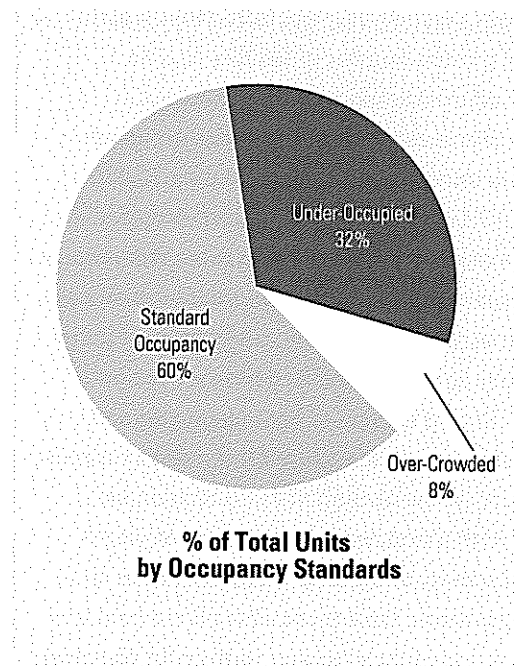
THE IMPERATIVE: OPTIMIZE APARTMENT USAGE AND ENSURE RENTAL EQUITY

The need for affordable housing is greater in New York City than in any other U.S. city, with approximately one-third of all New York renters paying 50 percent or more of their income towards rent.⁶ So great is the need for affordable housing that the total of New York households eligible for NYCHA assistance currently exceeds 1.7 million, representing half of the city's households.⁷

By making sure that residents are in appropriately-sized apartments and abiding by equitable rental policies, NYCHA can maximize occupancy in its units to accommodate more families in need.

► The Challenges

The growing waiting lists: NYCHA's public housing waiting list contains a total of more than 154,000 families and is still growing. Approximately 125,000 families are on the waiting list for Section 8 vouchers, a figure that would be significantly higher if NYCHA



NYCHA has more than 55,000 under-occupied apartments

were still accepting new applications (Because of extraordinary demand, the Section 8 waiting list has been closed for several years.).

“There is not enough housing for everybody here in this city. And when we consider the cost of living in certain areas of this city, the purpose is to maintain the public housing we have, so that more tenants can live in a clean, safe place; a place where they can raise their families without worrying about their cost.”

Victor A. Gonzalez
NYCHA Board Member



Mercedes Ruiz, Lower East Side I Infill

It is critical that NYCHA utilize this scarce public resource as it was intended—to assist the greatest number of families eligible for affordable and subsidized housing.

Increasing number of under-occupied apartments: Currently, more than 55,000 NYCHA family units are under-occupied—i.e., the number of bedrooms in these units exceeds the needs of the occupants. Half of these units are occupied by seniors, many of them living alone after their children have moved out.

Recent surveys of both employees and residents indicate a belief that vacant bedrooms increase the likelihood of occupation by unauthorized residents, and also of illegal subletting, a violation of NYCHA rules and regulations. Unauthorized residents have circumvented the extensive waiting list procedure and have not undergone the mandatory background checks and screenings. Their rents more often than not do not correspond with their actual incomes.

Serving more under Section 8: To maximize the number of families served by the Section 8 program, NYCHA must ensure the efficient use of subsidies provided by the federal government through the implementation of cost saving strategies. Savings will be generated through aggressive program compliance measures, streamlining existing policies and procedures, and aligning rents paid to rental market conditions.

Complex inequities in rent policies: The task of ensuring a fair-rent policy is complex. According to federal policy, public housing residents cannot pay more than 30 percent of their income toward rent and rent for Section 8 residents cannot initially exceed more than 40 percent of their adjusted income. However to promote mixed income communities, NYCHA currently enforces a rent policy whereby the highest-income residents pay the lowest percentage of their income towards rent. Almost a third of public housing residents in New York City currently pay only 20 percent of their income towards rent, and families with the highest income pay less than 15 percent of their income towards rent.

► **The Plan:** To serve more families in need, NYCHA must maximize its limited resources to full capacity and consider changes to policies that will ensure a more equitable use of public housing assets.

NOW

We will:

- Work with families to encourage and support transition to right-sized apartments, through transfers to other NYCHA developments
- Establish greater equity in NYCHA's rent payment policy
- Phase in a rent increase program for renters currently paying less than 30 percent of their income towards rent (this increase will not impact the two-thirds of NYCHA residents who already pay 30 percent of

their income in rent). Rental increases will be phased-in over a period of time to ensure stability within mixed-income communities

- Maximize the number of families served by the Section 8 program
- Increase the number of higher-income families transitioning to homeownership and private housing

LONGER TERM

We will:

- Increase the number of families in appropriately-sized NYCHA apartments
- Provide Section 8 vouchers to residents of under occupied units to transfer to apartments within the broader community
- Consider options such as building senior housing specially designed to meet the needs of senior residents, particularly those with special needs or in under-occupied units
- Consider innovative approaches such as home sharing, whereby residents not related to each other agree to occupy a multi-bedroom apartment as a shared residence

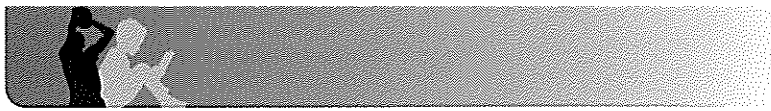
▼ The Call to Action

Ensuring that the precious resource of public housing serves the greatest number of families in a fair, equitable manner will require the collaboration of NYCHA, public housing residents, HUD, and elected leaders at all levels.

First, NYCHA looks forward to partnering with residents, community advocates and HUD to implement a strategy that will both ensure rent equity and allow NYCHA to re-invest locally the increased revenue from higher rents.

While the resident transfer process will require significant financial costs and changes at both the operational and policy levels, success will depend on the support of HUD, HPD, residents, developers, and advocates to provide the flexibility necessary to transfer residents currently living in under-occupied units.

We will also revise our transfer policy and Section 8 marketing plan to designate under-occupied units as priorities for available public housing units, Section 8 vouchers, and other newly-developed, affordable, subsidized housing.



Pest control course, NYCHA Resident Training Academy

THE IMPERATIVE: CONNECT RESIDENTS AND COMMUNITIES TO CRITICAL SERVICES

NYCHA houses a diverse population and provides a broad range of services designed to address their needs—from social services for families in crisis, to supportive services for people with special needs, to programs that promote educational achievement and economic empowerment.

Information gathered from the 2010 Resident Survey demonstrates that residents believe these services are critical. They provide valuable life skills, empower residents, bring people together, and help build stronger communities. Nearly 90 percent of residents who responded to the survey cited community centers as a key on-site service. Approximately 40 percent of residents cited job training/ GED programs as one of the two most valuable types of programs provided to them; and 38 percent of residents cited youth programs as critical to quality of life of residents. In the Community Conversations, participants repeatedly noted how important NYCHA was because of the services and the opportunities provided to them and their families.

With competing needs placing increasing pressure on scarce resources, NYCHA must take a fresh look at the services provided to residents. We must ensure that residents in need of social and supportive services continue to receive them and that the services provided are of the highest quality and delivered at the lowest possible cost. NYCHA must also determine:

- If programs currently offered to residents are generating positive outcomes
- Whether the programs are cost-effective
- Whether there are programs that other organizations are better suited to provide
- How best to transition the expense of ensuring these services from NYCHA to the appropriate city, state, federal, or non-profit funding source

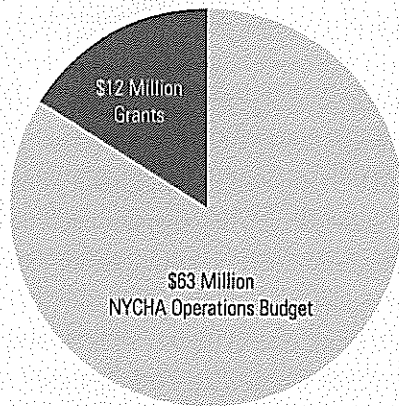
► The Challenges

Lack of funding for services: NYCHA spends \$75 million annually to provide these services, but only \$12 million of this is covered by govern-

ment grants. The remaining \$63 million comes from NYCHA's housing operating budget. This is one of the most difficult trade-offs for NYCHA, because every dollar spent on these services is one less dollar to support maintenance of apartments and buildings. In addition to direct services provided by NYCHA, millions of dollars are also leveraged through partnerships with sister agencies and not-for-profit sponsoring groups.

Connecting to the broader community:

NYCHA is only one stakeholder within a much broader community ecosystem that includes residents, community colleges, city agencies, non-profit social services organizations, workforce agencies, financial institutions, employers, and philanthropies. Rather than duplicate services provided by other organizations, NYCHA must continue to develop additional service coordination capacity, better enabling us to become a strong partner and driving more resources and investment into public housing neighborhoods.



\$75 Million Annually for NYCHA Community and Social Service Programs

► **The Plan:** NYCHA will collaborate with new and existing partners to take advantage of the city's most innovative, high-quality and results-oriented programming, ensuring that residents receive the maximum benefit from critically-needed services.

NOW

We will:

- Identify resident needs and desired outcomes to understand what programs and services should be the top priorities
- Assess services currently provided by or offered at NYCHA community facilities and compare them to services provided by other organizations to understand which programs are producing the best results
- Lead cooperative efforts to increase sharing across locations by hosting best-practices forums, identifying gaps and participating in joint fundraising efforts to bring in more resources
- Discontinue programs that are not delivering anticipated outcomes
- Increase educational and economic opportunities for residents and Section 8 voucher holders
- Implement a new outcome-driven resident economic opportunity platform—the *Zone model*—focused on service coordination, strategic partnerships and accessing localized external resources
- Improve and expand existing efforts to hire residents for positions at NYCHA and with NYCHA contractors (supported by HUD's Section 3 regulation and the Robin Hood-funded Resident Training Academy), while leveraging spending power, resources and opportunities to offer physical space for high-quality programming
- Work with the city's Human Resources Administration (HRA) and the Center for Economic Opportunity (CEO) to expand the proven Jobs Plus program to raise and sustain the level of employment and earnings among NYCHA residents
- Increase residents' access to broadband technology through the Broadband Technology Opportunities Program (BTOP) at NYCHA community and resource centers

"If someone has problems, NYCHA has social workers; in the event that things get bad, there is someone there for you. There isn't another housing community that has that."

Cheryl Uzamere
Pink Houses Resident



Camp NYCHA, Rutgers Houses Community Center

LONGER TERM

We will:

- Develop a more sustainable model for supporting community programs
- Facilitate access to programs and services rather than being a direct provider
- Raise private and grant funding to support innovative initiatives, annual operating expenses, and outcome measurement

▶ **The Call to Action**

NYCHA programs and services touch the lives of thousands of New Yorkers throughout the five boroughs. Ensuring that New York City continues to support these families while transforming how NYCHA provides selected programs and services in a more effective and efficient way will require the thoughtful, sustained collaboration of NYCHA, its employees, leaders in city government, residents, and community advocates. Not all NYCHA families require services beyond quality, safe, affordable housing. We must identify those families that are most in need of assistance and ensure that scarce resources are directed only to them.

NYCHA looks forward to working with partners at the Department for the Aging (DFTA), the Department of Youth and Community Development

(DYCD), the Administration for Children's Services (ACS), the Human Resources Administration (HRA), the New York City Department of Small Business Services (SBS), the New York City Department of Consumer Affairs (DCA), the New York City Economic Development Corporation (EDC), the Center for Economic Opportunity (CEO), the Department of Education (DOE), and the Department of Parks and Recreation (Parks), as we improve how we support New York City families.

Identifying which agencies may be best positioned to provide specific services and programs will be the first step. NYCHA will work with its many stakeholders to do just that. After those determinations are made, NYCHA will work with residents, employees, advocates, unions, federal, state and city elected leaders, and the delegated agencies to appropriately transition programs and services. NYCHA will do this while continuing to provide selected programs and services, and looking at alternative successful models, including partnerships with city agencies and other organizations.

NYCHA will work with its existing partners, as well as forge new coalitions to facilitate raising private and non-profit capital to fund existing programs and services. NYCHA will also work with HUD, elected leaders, and agency partners to support the expansion of programs that provide educational and career opportunities for public housing residents.

While continuing to partner with the Mayor's Fund, NYCHA will develop a not-for-profit entity with a 501(c)(3) designation that would be able to accept funding for our community programs.

Finally NYCHA, in partnership with its many stakeholders and city agencies, will work to better integrate public housing neighborhoods into the city's overall community and economic development framework, ensuring that public housing residents know about and are able to access city resources and that public housing communities' needs are considered when the city allocates and locates resources.



NYCHA Language Bank volunteer training

THE IMPERATIVE: EXCEL IN CUSTOMER SERVICE

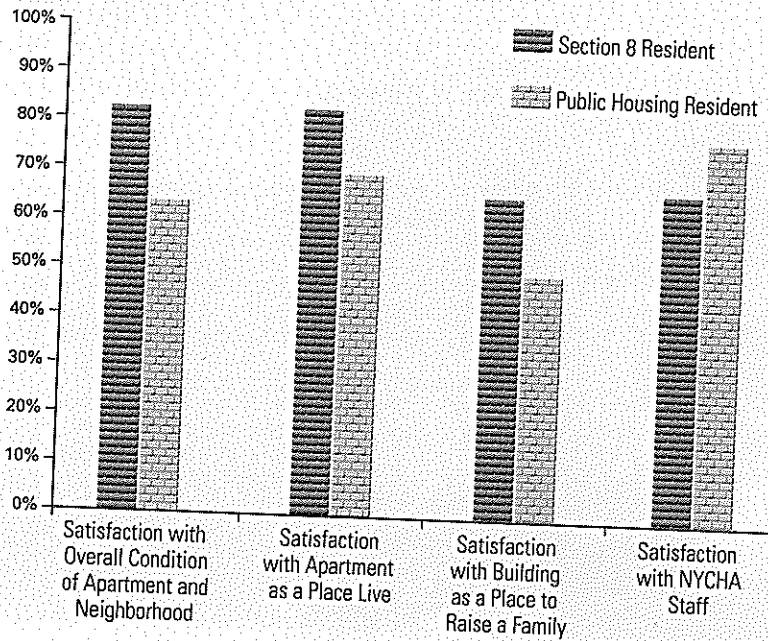
NYCHA's customers number more than a million. They include families living in conventional public housing, Section 8 voucher holders, and families on wait lists, as well as landlords, commercial tenants, and users of our centers and programs. Our customers interact with us in multiple ways—through applications, phone calls, and in-person appointments—and at multiple locations across the five boroughs, including walk-in centers, call centers, management offices, community and senior centers, and in residents' homes. Providing positive experiences for this vast audience across all of these locations and interactions is a major challenge, and it is an area where NYCHA recognizes the need for substantial improvement.

In developing Plan NYCHA, we conducted a resident customer satisfaction survey in 2010. Findings demonstrated:

- Approximately 66 percent of residents in conventional public housing are satisfied with their apartments and their neighborhood compared with 80 percent of voucher holders
- Seventy percent of public housing residents rate their apartment positively as a place to live and more than 80 percent of voucher holders rate their housing unit favorably
- In contrast, only 50 percent of public housing residents favorably rate their building as a place to raise their family, while at least 70 percent of voucher holders are more positive about their buildings

The survey findings underscore the importance of the role of NYCHA's staff in determining customer satisfaction. Approximately 66 percent of public housing residents say they are satisfied with NYCHA staff; this figure rises to 75 percent among voucher holders. While customers are

Customer Satisfaction



Source: 2010 NYCHA Resident Satisfaction and Perception Survey conducted by Baruch College

frustrated by the lack of timeliness regarding repairs, they are very satisfied with the courtesy afforded when repairs are made.

The survey also revealed that age is a factor in how customers rate their satisfaction with NYCHA. For example, seniors are more satisfied and are optimistic about NYCHA's future; in contrast, younger residents are more disconnected, less satisfied, and less likely to participate in services.

While the survey results were encouraging in some areas, they also indicate that there is still considerable work to be done.

▶ The Challenges

Communication and dissemination of information: The survey results made clear that effective communication with NYCHA customers requires developing a new communications model, one that both acknowledges the multi-lingual, multi-cultural

"I understand what residents want from taking their phone calls in the management office, so I want to help them have a better quality of life. I want to hear more about what they have to say and if I can help them get what they need, I feel special, because without residents we wouldn't have a job."

James Crosland
Secretary, Jefferson Houses

diversity of NYCHA's customers and reinforces collaborative, two-way dialogue as essential to resident and partner engagement. For example, the survey revealed that public housing residents vary significantly in their communication and technology preferences. While only 25 percent of seniors living in NYCHA developments have access to the Internet, approximately 86 percent of residents 30 and younger have access. Young adult residents are also more likely to prefer text messaging than their older counterparts. A significant number of residents over the age of 30 showed a preference for flyers and hand-bills to get information.

The survey indicated that despite NYCHA's substantial communication efforts, many residents were unaware of recent citywide initiatives to improve NYCHA communities, including partnering with banks to bring in more funding and an organizational effort to make NYCHA more environmentally sustainable. At the Community Conversations, participants agreed that a multi-tiered approach to resident engagement is required.

Residents who responded to the survey also indicated overwhelmingly—by 78 percent—that they are not involved in their Resident Association. The overriding reason had to do with a lack of time. It is important

that we develop a model to involve residents in governance issues, because enhanced communication with the Resident Association will ensure timely dissemination of information to residents. HUD provides funds for Tenant Participation Activity (TPA) as a way to encourage residents to get involved and become active in the lives of their community.

Understanding that NYCHA's customers have diverse needs—and that a single method of interacting with them is therefore not effective—is the cornerstone of NYCHA's approach to enhancing communication and improving customer service.

► **The Plan:** NYCHA must communicate more effectively with its customers in order to streamline customer service and thereby resolve their issues and meet their needs. NYCHA must become a customer-focused organization that strives to make each customer interaction a positive experience, regardless of the circumstances.

NOW

We will:

- Gather necessary information to design a strategy for continuously improving the NYCHA customer experience
- Improve communication capabilities and work more closely with customers to understand what is and is not working and why, and make changes accordingly
- From the front line to the back office, all NYCHA employees will be trained, equipped, and held accountable for providing a positive customer experience
- Invest in technology that facilitates online completion of application forms and updates to information required for annual recertification

- Effectively communicate to NYCHA's diverse audience and customer base, using a new, multi-tiered model:
 - Traditional communications channels, including flyers and the resident *Journal* publication
 - Direct communication via telephone, email, and text messaging
 - New media, including social networking
 - On-the-ground, grassroots communications strategy coordinated with the NYCHA departments that work closest to NYCHA's customers and partners, including the Citywide Council of Presidents and other resident leaders, Community Programs and Development, Property Management, State and City Legislative Affairs, and Public-Private Partnerships to maximize access to all communications for NYCHA residents
- Work to ensure timely and proper utilization and distribution of Tenant Participation Activity funds (TPA)

LONGER TERM

We will:

- Establish metrics to continually measure and evaluate customer satisfaction
- Conduct bi-annual satisfaction surveys
- Evaluate processes for assisting customers with concerns
- Develop a more effective resident engagement model
- Develop a better system for responding to and helping customers who are having difficulty getting their issues resolved
- Hold all parties accountable—customers and employees—and seek to instill a culture of mutual respect and responsibility among all
- Identify private and philanthropic partners to close the digital divide in NYCHA communities by providing affordable access to broadband Internet services



NYCHA Brooklyn Customer Contact Center

► The Call to Action

Helping our team better serve the New Yorkers who count on NYCHA will require feedback from our customers and using that information to consistently improve service. Working with all employees, as well as residents, resident leaders, elected officials, and advocates will be central to this effort.

As NYCHA employees work to provide excellent customer service, we must work together to ensure that they are equipped with state-of-the-art technology and equipment. This will require

new investments from NYCHA, HUD, and elected officials, as well as the partnership of residents, resident leaders, advocates, and employees.

Finally, effectively engaging NYCHA residents—particularly young adults, seniors, non-English proficient residents, and residents with special or additional needs—will require working with resident and elected leaders, community based organizations with a history of serving NYCHA communities, and the media, including community newspapers, radio, and digital publications.



Rutgers Houses Community Center

THE IMPERATIVE: CREATE A HIGH-PERFORMING NYCHA

NYCHA has a long history of strong performance; yet over time we've been slow to adapt our traditionally successful model to a changing environment. NYCHA needs to be more than an efficient crisis manager. Our failure to evolve our practices, culture, and the model for public housing in New York City has stifled innovation and creative solutions for long-term, healthy community development.

As NYCHA re-invests in its physical assets, a full transformation of public housing will require an accompanying investment in our employees. This investment must be targeted to produce four key outcomes:

1. A culture of teamwork and employee engagement with an emphasis on accountability
2. An environment in which collaboration and ideas are recognized and rewarded
3. Strong communication that creates organizational clarity around NYCHA's mission and vision
4. Empowerment of NYCHA's employees to make decisions that will better serve NYCHA's customers

To ensure continual improvement in each area, NYCHA must measure outcomes and use the data gathered to drive performance. Information must be shared with, and skill development must be provided for, employees working most closely with NYCHA's customers; these employees also must be empowered to act. Much like a positive-feedback loop, data-sharing, and employee empowerment will further enhance accountability while strengthening the culture of teamwork. NYCHA launched its managerial performance evaluation process in 2009 and has worked to refine the process and tool over the past two years. We have assigned values to each competency to allow for more objective ratings of performance. In preparation for 2011 final ratings, we are implementing a system that allows

“At the end of the day our work shows that we can face any challenges and obstacles put in front, side, or back of us. We’re the real strongest, bravest, toughest, and we protect and serve all people.”

Irving Blaney
Supervisor of Housing
Grounds, Frederick
Douglass Houses

for analysis and normalization of ratings across the agency, and developing actions plans to address identified weaknesses as well as acknowledge and monitor top performers. Moreover, NYCHA will launch a 360 Degree Assessment process for its management team. This development tool will inform managers on how their performance and capabilities are perceived by their staff, colleagues, and supervisors, and will assist our management team in understanding those areas where improvement is needed. This information will form the basis of each manager’s 2012 development plan.

In addition, we are working to better align the 2012 performance management process with NYCHA’s goals, whereby *Plan NYCHA* will drive departmental goals and objectives, which in turn will steer individual performance goals. Working closely with our union partners, in 2012 we will also look to develop and implement an agency-wide performance management process.

► The Challenges

Growing disconnect between NYCHA’s leadership and frontline: Similarly, NYCHA’s employees remain committed public servants dedicated to improving the lives of hundreds of thousands of their fellow New Yorkers. However, financial stresses have forced staffing cuts and created resource shortages, and employee morale has suffered. Additionally, a top-down approach to management, coupled with little or no transparency around NYCHA’s long-term plan, has fostered a disconnect between the organization’s leaders and its frontline employees.

► **The Plan:** As a high-performing organization, efficiency, operational excellence, and continuous improvement will be championed. Employees will be empowered to, capable of, and held accountable for helping NYCHA achieve its goals. NYCHA will celebrate and reward outstanding performance by ensuring:

- NYCHA has a clear, well-defined mission and vision
- All key stakeholders understand the mission and vision, as well as their respective roles in promoting NYCHA’s goals
- NYCHA has a culture of teamwork; employees understand their roles as team members and teams are held accountable for their performance
- Employees are empowered to make decisions that will better serve residents
- NYCHA is an employer of choice, attracting, retaining, and rewarding top performers from both the public and private sectors

NOW

We will:

- Use *Plan NYCHA* to communicate NYCHA’s mission and vision statements that will serve as the framework for all future initiatives
- Focus on measuring performance using data to also drive results and performance
- Use tools like a “quality-of-life” report card to hold the organization accountable and to improve communication with the general public
- Empower our team to ensure that goals and expectations are clear and that employees are held accountable and provided with continuous feedback, development opportunities, and the resources and support they require to get the job done

LONGER TERM

We will:

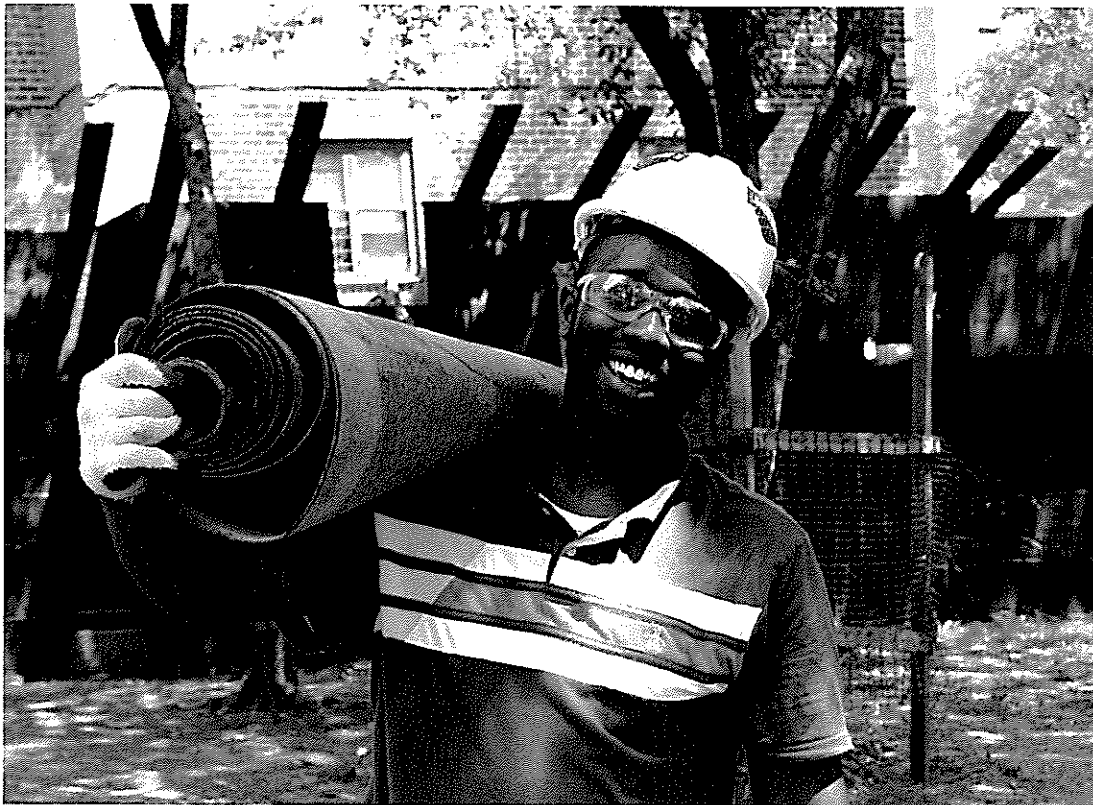
- Become a well-managed, high-performing organization
- Ensure that a more efficient, better trained, and better supervised workforce is well-prepared and supported
- Recognize top performers while compelling all employees to perform at a higher level

► The Call to Action

NYCHA's most valuable asset is its people. Helping our team perform better and supporting them in their careers is essential to all our efforts. This will also require that we work to build more flexibility into our work rules, streamline our processes and systems, and work closely with all business partners to ensure that the needs of our team are met. To do this, we will need to work closely with NYCHA's nearly 12,000 employees, our union partners and the Department of Citywide Administrative Services (DCAS).

We must also work together to ensure that NYCHA's employees have the opportunity to benefit from New York City's investments in performance and data management systems. With the partners mentioned above, we will collaborate to garner support for a performance management system for all NYCHA employees.

NYCHA must also create new partnerships with other public housing authorities and public and private sector organizations that have implemented programs and practices that have resulted in higher-performing and better-motivated workforces.



Taylor Cranston, Soundview Houses resident and Section 3 employee



Lehman Community Center

CONCLUSION

Public housing has a noble mission: to be an enabler of socio-economic mobility by ensuring that one of the most basic and fundamental ingredients to achieving a middle class lifestyle—stable, safe, and secure housing—is a reality for low-income individuals and families. **NYCHA is workforce housing.** Ensuring that this resource is preserved and goes to those most capable of utilizing it as intended is one of our core duties. We will work to make NYCHA a responsive and high-performance organization to achieve that goal.

Over the years, NYCHA's mission has been stretched, and we are now being asked to support seniors aging in place, individuals with disabilities, and the chronic unemployed and underemployed. Although public housing is not necessarily the ideal environment or institution to address all of these constituents' needs, we accept it as today's reality. **However, NYCHA cannot do it alone.** We will only succeed through partnerships and new strategies to provide tailored supports to these residents.

We do have valuable assets—land, community facilities, vouchers, insights into resident needs—that have been under-utilized relative to this broader mandate. **We must harness these assets to create new models for supporting families within NYCHA developments,** as well as transitioning many others out of traditional public housing. We want to be flexible enough to deal with today's realities of our more diverse customer needs, but not lose sight of our fundamental goals: to see families move on and not continue to need our services.

Meeting this challenge requires resources. Support for public housing and affordable housing in general is under attack. Many other efforts to support working families and poor seniors are also under pressure. It is unrealistic to believe NYCHA can preserve this incredible resource without broad-based funding support from all levels of government—federal, state and city—let alone be a more expansive service provider to our evolving constituency.

We are asking for your support. NYCHA is as relevant and needed today as when it was founded over 75 years ago, and our mission must be preserved at all costs. As laid out in this Call to Action, we are prepared to do our part. We hope you will support us by contributing your resources to join in this noble effort to support New York City's families.



First Houses, in the 1940s

APPENDIX: NYCHA'S MISSION AND RICH HISTORY

Since its founding in 1934, NYCHA's mission has remained unchanged: to increase opportunities for low- and moderate-income New Yorkers by providing safe, affordable housing and facilitating access to social and community services.

► Building Homes, Creating Opportunities

For more than 75 years, NYCHA has been an essential resource for New York City. In its earliest days, NYCHA built apartments so families could move out of tenements or slum housing and into safe, clean and well maintained homes. Under Franklin Roosevelt's New Deal, building public housing was also intended to be a source of employment for the unemployed during the Great Depression.⁸

As New York City's population expanded,

NYCHA strategically and rapidly built affordable housing across the five boroughs, setting the national standard for cost-effective government housing. Stable housing combined with a range of social and community services offered New Yorkers a springboard to greater opportunity. In time, families were able to save money and move on to private housing and self-sufficiency. Over the past eight decades, millions of New Yorkers have called NYCHA home, including former residents Supreme Court Justice Sonia Sotomayor, former New York City Schools Chancellor Joel Klein, Xerox Chairwoman and CEO Ursula Burns, Congressman Jose Serrano, former NBA star Kareem Abdul-Jabbar, Goldman Sachs CEO Lloyd Blankfein, actress Whoopi Goldberg, singer Marc Anthony, Starbucks founder and CEO Howard Schultz; and entrepreneur and performer Shawn "Jay-Z" Carter.

Today, NYCHA serves more than 178,000 low-income families in traditional public housing and another 96,000 families that hold Section 8 vouchers. Together this represents more than 630,000 people, which is equivalent to the population of Boston or Baltimore. There is no typical public housing resident or family; these families represent a range of backgrounds and experiences as diverse as New York City.

► A Sense of Community

NYCHA has always been more than a housing provider. People who live or have lived in NYCHA properties vividly describe their homes as part of a broader community, where neighbors watch out for each other, children are raised together, and people are guided by a strong sense of community activism. In fact, NYCHA communities help anchor neighborhoods across the city, providing the social fabric that binds and builds the neighborhoods around them.

During difficult or challenging periods in New York City's history, NYCHA buildings and communities served as beacons, forces of stability in what were then deemed "unstable" neighborhoods, including areas such as the South Bronx, Harlem, and the Lower East Side. In more recent times, public housing has been a community anchor, spurring development opportunities in these same neighborhoods while also helping to preserve the mixed-income character of rapidly changing neighborhoods during economic booms.

From the earliest days, NYCHA has partnered with well-regarded non-profit organizations and city agencies to ensure resident access to a full range of social and community services. NYCHA has built hundreds of facilities housing everything from community centers to senior centers, health care clinics, continuing education classrooms and computer labs, Head Start centers, and daycare centers.

Today, NYCHA provides or enables access to

a wide range of programs including social, educational, economic, senior, health, recreational and cultural services in more than 500 facilities throughout the city. With a vast array of programs—including sports and recreation, literacy classes and general education courses, arts and crafts, community gardening, childcare feeding and lunch, and senior companion initiatives—NYCHA's residents and communities have come to rely on these community enriching services.

► Strengthening Local Economies

NYCHA is also an economic engine that invests billions of dollars in New York City's economy. Public housing and rental assistance provide families with secure, stable, and affordable housing so they can earn, spend, and save—benefiting both local and city-wide economies. About half of our households have a family member in the workforce, doing important work in fields as diverse as transit, education, healthcare, construction, retail, and government services. As an employer, NYCHA employs thousands of New Yorkers, including a significant portion of our residents. As a purchaser, NYCHA spends more than a billion dollars a year in the local economy on goods and services such as utilities, supplies, construction, and more. And through our contracts with non-profits, Community Based Organizations (CBOs) and businesses small and large—including a significant number of local Minority- and Woman-Owned Business Enterprises (MBEs/WBEs)—NYCHA contributes to New York's economy at every level.

And it doesn't stop there. NYCHA's commitment to its residents—through workforce training, direct employment, job placement, education, childcare, and a host of financial planning services—helps provide crucial resources to families that keep local neighborhoods thriving. A national study conducted by the Econsult Corporation has measured the economic impact of investing in public housing, and has demon-

strated that every capital dollar spent on public housing buildings generates \$2.12 in economic activity through wages, purchases of goods and services, and consumer spending by workers. NYCHA benefits all New Yorkers, not just those who rely on it for their homes.⁹

► Contributing to the Mayor’s Housing Plan

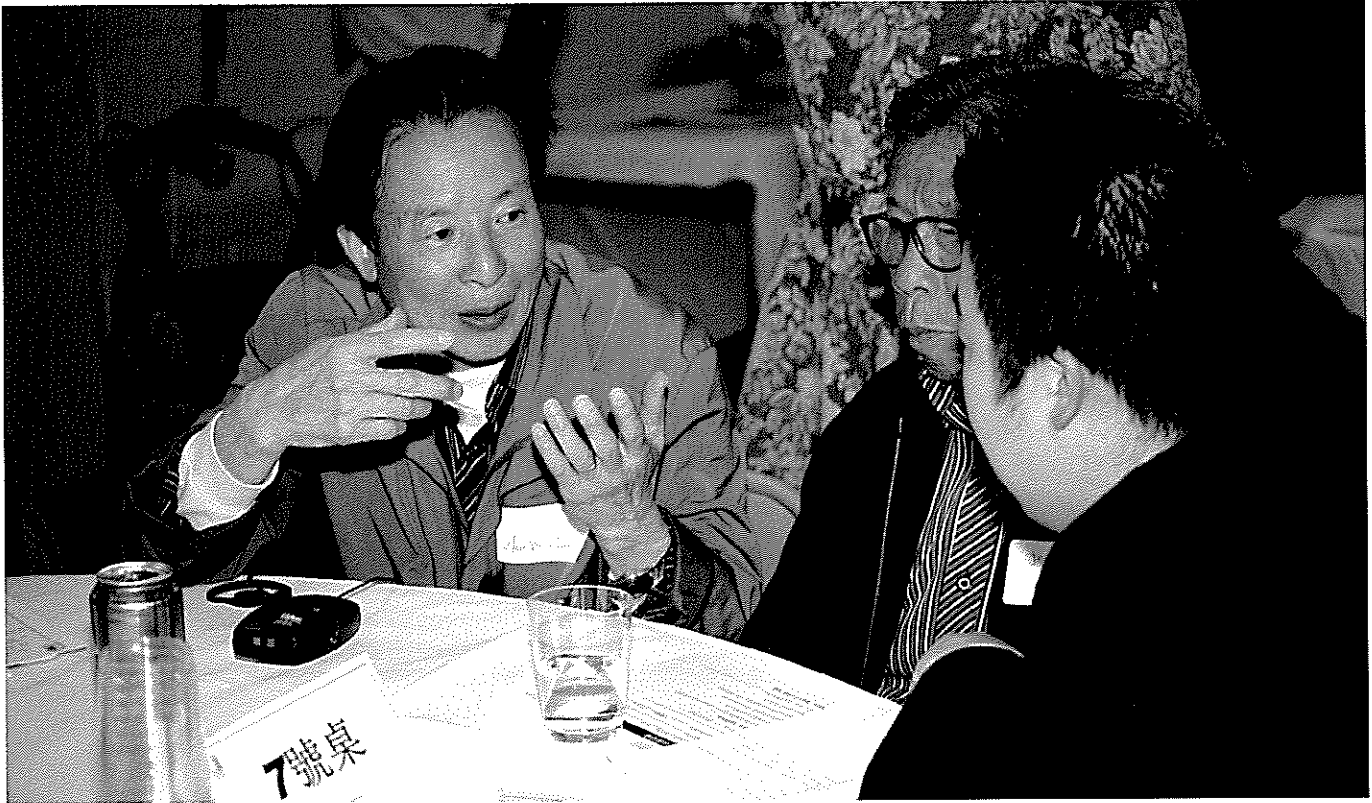
Since 2004, NYCHA has collaborated with the city’s Housing Preservation and Development Department (HPD) and the Housing Development Corporation (HDC) toward meeting the affordable housing target in the Mayor Michael Bloomberg’s New Market Housing Plan. NYCHA’s commitment was to develop and construct 6,000 new units. To date, approximately 3,900 units are in the planning stage, under construction, or have been completed. An additional 2,100 are unfunded and NYCHA is exploring creative options with partner agencies.

► The First Plan to Preserve Public Housing

In 2006, NYCHA developed “The Plan to Preserve Public Housing,” a five-year strategic plan—and precursor to “Plan NYCHA”—that defined seven key initiatives NYCHA would pursue to address financial challenges, improve customer service, and plan for the future.

Major accomplishments related to the 2006 Plan include:

- A one-time infusion of \$100 million in transitional funding from the City of New York, which represented a five-year prepayment of the city’s obligation to fund operating costs at city-built developments, pending other fiscal remedy
- HUD approval for a “Targeted Rent Reform” initiative that enabled NYCHA to phase in, over several years, the first increase in maximum monthly rents since 1989
- Implementation of process improvements and technology solutions to reduce costs and improve services that included the following
 - Expanded Customer Contact Center
 - Implemented Computerized Heating Automation System
 - Consolidated management offices
- Issued \$300 million of Capital Fund Financing Program Bonds to help fund capital improvements
- Negotiated adjustment to HUD allocation formula, offsetting a potential annual loss of \$45 million
- Secured New York State legislative approval to permit NYCHA to receive the same subsidy that private landlords receive from the State under the public assistance “shelter allowance” program, which, when fully phased-in, generated an incremental \$46 million annually



Community Conversation, Rutgers Community Center

APPENDIX: THE PROCESS LEADING TO PLAN NYCHA

When Mayor Michael Bloomberg appointed NYCHA Chairman John Rhea in June 2009, he issued a clear mandate: NYCHA must address its fiscal crisis, improve customer service, and become a more inclusive, collaborative, and results-focused organization. With this directive, Chairman Rhea and the NYCHA Board—which now includes Vice Chair Emily Youssouf, Member Margarita López and, for the first time in NYCHA history, a Resident Member, Victor A. Gonzalez—laid the foundation for developing the next Plan to Preserve Public Housing now known as *Plan NYCHA*. The objective was to create a five-year-roadmap for NYCHA's future and a course for addressing its most pressing strategic challenges.

Meanwhile, residents, community members,

advocates, and elected officials also issued a call to action. Recognizing the need for combined strategic effort, they rolled up their sleeves and demonstrated a shared interest in working collaboratively with NYCHA to develop creative solutions that tackle the numerous challenges and confront the outside forces that imperil public housing.

▶ The Power of Collaboration

To create this roadmap for the future, NYCHA has used an inclusive, transparent, and data-driven process, engaging residents, employees and key stakeholders as partners. The following section details our process and the inclusive involvement of our partners, including NYCHA residents, employees, and external stakeholders.



The Citywide Council of Presidents (CCOP) are elected to represent their fellow residents. The CCOP members, from left to right, are Ann Cotton Morris, Herma Williams, Geraldine Parker, John Johnson, Reginald H. Bowman (CCOP Chairman), Raymond Ballard, Ethel Velez, Lillie Marshall and Rose Bergin.

“We want to create a new image of public housing, where we are engaged in a conversation and we are contributors to a community and we are an economic engine and we are also a part of building the future of this great city as we always have been.”

Reginald H. Bowman
Chairman, Citywide
Council of Presidents,
Seth Low Houses
Resident

► Our Customers

NYCHA residents—our customers—are at the heart of *Plan NYCHA*. They include traditional public housing residents, Section 8 voucher holders and applicants for these programs. Together they form the largest group of stakeholders, and they are key partners in achieving change at any and every level.

As we sought to learn more about the needs and desires of our customers, we engaged resident leaders, conducted focus groups and phone surveys, and held Community Conversations that gave thousands of NYCHA customers the opportunity to hear and discuss critical elements of the proposed *Plan NYCHA*.

Focus Groups: In September and October 2010, NYCHA hosted 16 focus groups, inviting residents and Section 8 voucher holders to discuss their experiences as NYCHA customers. Attended by residents of every background—including Resident Association leaders, NYCHA resident employees, and participants in NYCHA

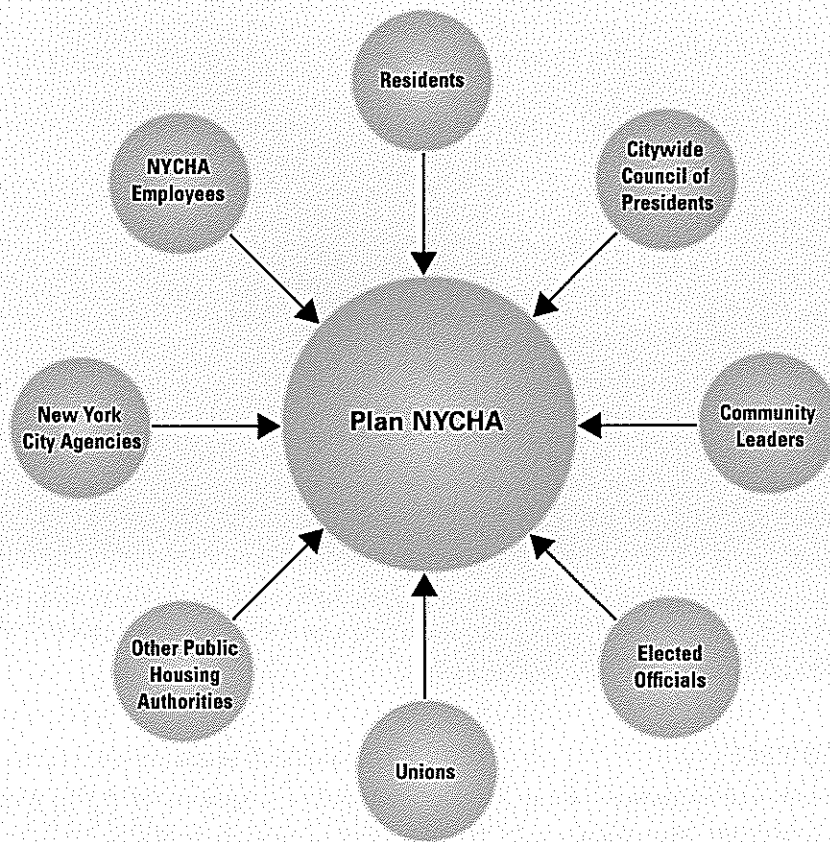
programs such as community centers and green committees—sessions were conducted in multiple languages, including Spanish, Russian, and Cantonese. NYCHA engaged a third party to lead the discussions to ensure participants would feel comfortable speaking freely, while remaining anonymous.

The single-most noted priority for participants was *keeping developments clean, safe, and functional*. Among the chief concerns cited were:

- The length of time currently needed to complete repairs
- The quality of those repairs
- Day-to-day upkeep of common spaces and elevators
- Security and safety
- Enforcement of rules and regulations
- Screening of potential residents for eligibility
- Clarity on how rent increases are determined

For Section 8 voucher holders, sustaining access to their vouchers was key, along with assurance that NYCHA will hold their landlords

Plan NYCHA—A Collaborative Process



and property owners accountable for keeping their homes safe, secure, and in good repair.

Participants uniformly called for more accountability from NYCHA, its partners, and from residents themselves. Specifically, they felt NYCHA should be more accountable as a property manager in enforcing rules and regulations, partners should be responsible for ensuring that programs benefit NYCHA's residents, and all residents must be more accountable to each other as good neighbors.

Phone Survey: In October 2010, over 1,000 residents and 600 Section 8 participants, all chosen at random, took part in a phone survey that measured their levels of customer satisfaction. This 60-question survey, designed and executed by our partners at Baruch College Survey Re-

search, had the largest number of respondents ever surveyed by a U.S. public housing authority. Participants represented a diverse sample of ethnicities, ages and neighborhoods, and covered a wide-range of topics including the status of housing units, maintenance, communication, safety, community programs, and quality of life issues.

- NYCHA residents expressed a high level of satisfaction with many features of public housing, and underscored the importance of NYCHA's social and community services. The single most noted cause for concern was the disrepair of their buildings and the need for more timely service regarding repairs in their apartments.
- Respondents consider their apartments to be a good value. The vast majority

emphasized the importance of maintaining on-site support, and noted that management offices, senior centers, and community centers are especially valuable to their communities. Access to job training and GED programs were ranked the most important non-housing services.

- While public housing residents were content with the overall condition of their development, only a little more than half were satisfied with their building. This concern was linked to some degree with the issue of safety, since quality-of-life crimes—such as vandalism and graffiti—contributed to their dissatisfaction.

Community Conversations: To rebuild trust and become better partners with residents, NYCHA held a series of Community Conversations in April and May 2011. More than 800 public housing residents and Section 8 voucher holders in all five boroughs participated in these gatherings, including special sessions for Spanish, Chinese, and Russian speakers, and for young adults between the ages of 18 and 25. During these conversations, staff and residents discussed why NYCHA was important to them, and detailed issues to be addressed by *Plan NYCHA*. NYCHA leaders provided all attendees with information about NYCHA's findings during the course of the planning process and about actions needed to address present-day challenges. In small groups, staff and residents spoke openly and constructively about issues ranging from maintenance and repairs to safety and security, affordable housing, and resident and community services. Collectively, the groups discussed the best ways to tackle current challenges.

► THE NYCHA Team

Each and every NYCHA employee plays a critical role in fulfilling NYCHA's mission and making *Plan NYCHA* a success. From the outset,

employees have been informed and empowered to help drive this effort to create a roadmap for the future. Over the past year, NYCHA employees at every level have shared their opinions, brainstormed ideas, presented strategies, and led or participated on teams that are transforming *Plan NYCHA* from vision to reality.

From May to September 2010, more than 500 staff from both the central office and the field participated in meetings to explain the planning process and opportunities for employee involvement. Emails, blog posts, and internal newsletters kept everyone updated, and staff members were encouraged to email their ideas and suggestions.

From July to October 2010, NYCHA conducted more than 80 staff focus groups reaching over 1,200 employees across the organization. In these sessions, staff developed collaborative, constructive approaches to realizing the strategic priorities set forth in the *Plan NYCHA* framework.

Four key themes emerged:

1. Improving quality of life and safety for our residents is the highest priority. Until maintenance requests and safety concerns are addressed, residents will likely be skeptical of our ability to deliver on other efforts
2. Enhanced communication and collaboration are called for, internally as well as with residents
3. There is enormous potential for NYCHA to create value through more innovative and effective use of existing assets, including our buildings, land, and people
4. Enhanced training and development present an opportunity to improve performance, morale, and customer service

In each of these areas, staff members provided thousands of ideas and suggestions that were incorporated into the planning process by the internal work teams.

NYCHA's leaders have also been deeply involved in the process. Nine internal teams were

created to develop the specific strategies that make up the roadmap. Led by senior executives, these interdisciplinary teams consisted of employees from all departments, including at least one team member from the frontline staff on every team. More than 150 staff in all participated, representing a higher level of staff involvement than in any prior NYCHA planning effort.

Collectively, these teams worked together for six months, gathered data, conducted strategic analysis, and drafted organizational goals. They analyzed the ideas from staff focus groups, incorporated the resident research, and partnered with experts to fine-tune their recommendations. This effort culminated with all teams presenting their final recommendations to the Board. Findings were then shared with employees at every level via brownbag lunches, borough-wide meetings, smaller staff meetings, and internal online discussions.

► Our External Partners

From the outset, NYCHA has sought the input and advice of external partners, experts, and thought leaders both from inside and outside New York City, with the recognition that NYCHA is an integral part of New York City life.

NYCHA leaders met with elected officials and advocates, including individuals from the City Council, the Public Advocate's Office, the State

Senate and Assembly, federal elected officials, industry groups, and additional city and state agencies and Community-Based Organizations. They presented the challenges that NYCHA faced and collectively brainstormed solutions. These ideas, recommendations and best practices were incorporated into *Plan NYCHA*.

In addition, NYCHA staff visited housing authorities across the country to learn best practices, explore innovative approaches, research their housing policies and programming—including their work with unions—and develop partnerships. Talking with public housing leaders in other cities provided valuable insight into new and innovative approaches across other geographies including Baltimore, Chicago, Newark, Philadelphia, Portland, Seattle, and Washington, DC.

In spring of 2011, NYCHA leaders began presenting the draft *Plan NYCHA* at meetings, briefings, and interactive sessions with key stakeholders throughout New York City, soliciting feedback from residents, employees, representatives from regulatory agencies, elected officials, advocates, community partners, and staff from other city agencies. This document is the final result of that collaborative process. We will continue to seek input and feedback as we implement *Plan NYCHA*.

FOOTNOTES FOR PLAN NYCHA: A ROADMAP FOR PRESERVATION

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ACKNOWLEDGMENTS

BOARD MEMBERS

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PRODUCED BY

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**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: Emily Youseff

Address: _____

I represent: _____

**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: 2/27/12

(PLEASE PRINT)

Name: Laraine Drew

Address: 334 E 92nd St

I represent: CVH

Address: 125 E 106 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: _____

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Name: EDWARD JOSEPHSON

Address: 40 W 23RD ST NY NY

I represent: LEGAL SERVICES NYC

Address: _____

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

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Appearance Card

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

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Date: _____

(PLEASE PRINT)

Name: Andrew Brokman

Address: CBI abrokman@cb.nyc.gov

I represent: CBI - Manhattan

Address: _____

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Date: _____

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Name: Judith Goldner

Address: Legal

I represent: Legal Aid

Address: 199 Water St

**THE COUNCIL
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in favor in opposition

Date: _____

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Name: Agnes Luero

Address: 2370 Broadway Fl 1-H

I represent: CVH

Address: 115 & 106 St

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Appearance Card

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Date: 2/27/12

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Name: VICTORIA BACH

Address: _____

I represent: COMMUNITY SERVICE SOCIETY

Address: 105 E 22 ST NY NY 10010

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Date: _____

(PLEASE PRINT)

Name: Margarita Lopez

Address: _____

I represent: NYC 12

Address: _____

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THE CITY OF NEW YORK**

Appearance Card

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Date: _____

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Name: Mitchell Gonzalez

Address: _____

I represent: NYCHA

Address: _____

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**THE COUNCIL
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Appearance Card

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

Date: _____

(PLEASE PRINT)

Name: John Rhea

Address: _____

I represent: NYCHA

Address: _____

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