

**TESTIMONY FROM NYCHA'S EXECUTIVE VICE PRESIDENT FOR REAL ESTATE DEVELOPMENT
JONATHAN GOUVEIA
THE IMPACT OF PACT/RAD
COMMITTEE ON PUBLIC HOUSING
TUESDAY, MAY 3, 2022 – 1:00 PM
HYBRID HEARING/COUNCIL CHAMBERS**

Chair Avilés, members of the Committee on Public Housing, other distinguished members of the City Council, NYCHA residents, and members of the public: good afternoon. I am Jonathan Gouveia, NYCHA's Executive Vice President for Real Estate Development. I am pleased to be joined by Shaan Mavani, Chief Asset and Capital Management Officer; Simon Kawitzky, Vice President of Portfolio Planning; Brad Greenburg, Chief Compliance Officer; and Leroy Williams, Senior Director for Community Development. I am also joined by other members of NYCHA's Real Estate team online.

Thank you for this opportunity to discuss our efforts to stabilize a critical source of affordable housing in New York City; make investments that support resident health and prosperity; and engage more deeply with our communities in planning for the future. I'd also like to thank the residents who participated in the panel just now. We have spent many hours meeting and planning with several of you to ensure PACT investments meet the priorities of your community, and this program would not work without your dedication and support.

In 2018, NYCHA committed to using the Permanent Affordability Commitment Together, or PACT, program to rehabilitate and preserve over 62,000 apartments in our portfolio over 10 years. Through this program, NYCHA residents benefit directly from comprehensive repairs, professional property management, enhanced services and programming, and the abatement of environmental hazards like lead, asbestos, and mold. The PACT program also ensures that rent remains permanently affordable, and residents have the same basic rights as they possess in the public housing program.

PACT is NYCHA's best opportunity to deliver on our mission and the only tool the federal government has given our agency to provide NYCHA residents with the safe,

high-quality homes they need and deserve. Particularly as our city emerges from a global pandemic, housing affordability and stability are critical to ensuring an equitable recovery.

Last year we provided the public housing committee with an update on the changes we made to the PACT program – including the specific ways we are centering residents throughout the planning process and key resident protections in the program – and we highlighted how our PACT partner teams are completing repairs at developments across the city.

To date, PACT has generated more than \$3.4 billion in capital funding for comprehensive apartment renovations and building infrastructure improvements for nearly 15,500 households.

Approximately \$579 million in renovations have already been completed, and in the next few weeks, \$714 million in capital repairs will be completed across 12 developments in Brooklyn. Across the city, \$2.1 billion in investments are underway or will begin this year. Another 19,700 households are part of active projects in the process of resident engagement or pre-development. In total, NYCHA has more than 35,000 apartments completed, in construction, or in a stage of resident engagement or pre-development.

Our work to partner with residents and improve their quality of life is truly having a positive impact. A longtime resident of Washington Heights Rehab recently wrote an op-ed praising the significant turnaround of her building and her family's living conditions, thanks to the PACT program. And the non-profit Citizens Housing and Planning Council recently bestowed its "Impact Award for Planning" to the Chelsea developments' Resident Review Committee to recognize the residents' groundbreaking role in the PACT proposal review and partner selection process.

I'd like to start off today by focusing on how repairs have had a positive impact on our residents. The next few slides highlight residents from Baychester and Twin Parks West,

two developments that have received comprehensive repairs and transitioned to new management.

- The first photos are of Ms. Sandra Gross, the Resident Association President at Baychester. Ms. Gross shares that along with repairs to her apartment, improvements to the development's grounds have provided all residents with a safe place to relax outside. You can see in the photos her new kitchen, the new on-site laundromat, and the outdoor seating area.
- The next set of photos are of Twin Park West residents Denny and Fernando Rojas. Through the PACT program, apartment upgrades like new flooring, bathroom renovations, new cabinets, and appliances make a huge impact in residents' day-to-day lives, making these homes modern, safe, and healthy for multiple generations.
- And lastly I'll share images of Ms. Nesmith, who spoke about how responsive the new property management team has been. With additional resources for on-site property management, residents see improvements in repair time and in the day-to-day upkeep of the sites and grounds.

Over the past year, our residents, staff, and partners have accomplished a lot, and we'd like to share some of the progress we've made together.

As you know, many of our NYCHA residents have been living with unacceptable conditions, in aging buildings with failing systems neglected by insufficient funding for a long time. They know the needs of their community best because they endure these conditions every day. Because of their deep understanding of both community and household needs, residents play a significant and active role in the planning that happens at their development through the PACT program.

To ensure that PACT investments address community goals and priorities, we created a planning process that is both transparent and centers resident expertise throughout. We want every meeting, workshop, and engagement activity to have a clear purpose and

agenda. In this way, we are striving to make the best use of the valuable, but limited, time that residents have to take out of their busy lives to plan with us.

We invite resident leaders to participate in selecting the developers, general contractors, property managers, and social service providers who will renovate and maintain their developments. Resident leaders have had the opportunity to review proposals, interview development teams, and help us select the partners who are best suited to serve their community.

For example, Resident Review Committees have led the partner selection process at Fulton/Elliott-Chelsea, Frederick Samuel Apartments, Edenwald, and Reid Apartments and Park Rock Consolidated. And we are currently working with Resident Review Committees across 17 developments to select PACT partners. Later this spring and summer, an additional 28 developments will start the Resident Review Committee process. With each project, we are learning how to support the Resident Review Committee process, and we implement lessons learned with each new round. Earlier, you were able to hear directly from tenant leaders about their involvement in the selection of PACT partners.

With these new demands on the time and expertise of resident leaders, we also want to ensure that they are prepared and supported. To do this, we launched an initiative called the PACT Resource Team, which pairs residents with trusted, third-party advisors and consultants. The team is led by LISC NYC, Public Works Partners, Pratt Center, and Public Policy Lab. Residents leaders can select technical assistance providers based on the specific support needs and interests of residents at their development.

Additionally, all households have access to free legal assistance through a PACT hotline run by the Legal Aid Society. Residents can call the hotline and ask questions about the PACT program generally or discuss questions and concerns related to their new PACT lease.

We also recognize that information sharing and clear communication are key factors to successful engagement. We have printed materials, videos, and web resources to ensure that residents have the latest information about PACT and their development. We host information sessions about resident rights and protections, the rehabilitation process, and other program elements. All of this information is translated, available in multiple languages online, and delivered to all households in the PACT planning process. All meetings have live translation, and materials are posted online afterwards.

We have also returned to in-person meetings at many developments. We conduct tabling, office hours, open houses, workshops, and monthly meetings with resident associations to keep everyone informed and to answer their questions. Residents in the planning process also have the opportunity to tour completed PACT projects. During these tours, residents can see the end result up close – they can touch the tiles, see the quality of the finishes, and speak directly with residents with lived experience of the transition.

Last year, our partners finished construction at Baychester/Murphy and Betances, delivering 4,300 residents with over \$261 million in critical capital repairs. In the coming months, partners will complete construction at Hope Gardens and our Brooklyn Bundle sites, completing \$714 million in repairs across 3,900 apartments.

The work completed at a development is comprehensive, meaning that our partners upgrade all aspects of the development. It is a HUD requirement that our selected partner teams address the 20-year capital need in each building.

As you can see in the photos, repairs are made to:

- Building systems, such as elevators, boilers, roofs, windows, and facades;
- Grounds, including landscaping, lighting, security, playgrounds, and public spaces;
- Common areas, including lobbies, hallways, stairwells, and community spaces; and of course,

- Resident apartments, where kitchens, bathrooms, and flooring are all typically replaced, among other improvements.

The next few slides show some of the recent work completed across the city at Betances, Berry Street, Warren, Weeksville, Baychester, Independence, Samuel MHOP, and Armstrong.

PACT also addresses critical environmental health issues:

- PACT partners must conduct comprehensive investigations that identify environmental contamination and health hazards during pre-development.
- Based on the findings of those reviews, partners will be required to address environmental hazards, including the full abatement of lead-based paint in accordance with the 2019 Agreement with HUD.
- Notably, full abatement of lead-based paint has begun this year at the two early abatement sites identified in the HUD Agreement, Williamsburg and Harlem River Houses.

And, through PACT, we are bringing additional resources into the community:

- NYCHA requires that PACT partners work with community-based non-profits to deliver social services and community programming based on the needs of the specific community. Service providers are required to staff dedicated, on-site social workers.
- As an example, the social service team at Betances, Catholic Charities, helped connect residents with several resources during the pandemic, including rent support, food, and even immigration support. This is one example of how on-site case managers are able to provide direct support to households – and it highlights how the PACT program not only provides critical repairs to our buildings but also supports our communities holistically by investing in resources and amenities that support resident health and prosperity.

In the past few months, we transitioned eight developments through PACT to the Project-Based Section 8 program. While comprehensive repairs and construction work have just started at these developments and will take years to complete, residents benefit from new property management immediately. I'll highlight some of the immediate work that happened on-site at these developments:

- At Williamsburg, on day one the new management team picked up trash and cleaned all of the grounds. They've also had an electrician, locksmith, and heating contractor on-site seven days a week to assist with timely repairs, and they've repaired all existing lighting. The partner team has also closed 100 percent of the mold and leak work tickets transferred to them from NYCHA property management.
 - And just last week, the first group of residents moved back into their fully renovated apartments. While residents stayed in a temporary apartment on-site, all lead paint was abated from their home and comprehensive repairs were completed. In just a matter of weeks, these households now have modern, safe, and, most importantly, lead-free homes to live in.
- At Linden/Penn-Wortman, several repairs have been made to critical building systems, including the replacement of a failing hot water system at Penn-Wortman. And repairs were made to an FDNY water line that had been out of service for two years, bringing fire protection back to three buildings. In just a few months, the new property management team closed almost 80 percent of all mold and leak work tickets that were transferred to them from NYCHA property management.
- At Harlem River, the team conducted a full sweep of the buildings and grounds, cleaning all common areas and removing a significant amount of trash. They also cleaned out the trash compactor on-site, making it usable for residents. They now have development-wide cleanings happening every day.

- At Boulevard, the newly hired facility manager grew up in the development and is familiar with the building's history and residential community. Under his direction, the facilities team is now providing emergency repairs to all elevators and boilers, along with a wide range of extermination services.

While new PACT property managers are now responsible for the day-to-day maintenance at our PACT sites, when a development transitions to Project-Based Section 8, it remains under public control and oversight. The Real Estate Department directly manages the Authority's program, supported by several other NYCHA departments, including Community Development and Leased Housing, which administers the HUD Section 8 subsidy. Essentially, NYCHA has contracted with our partners to complete repairs and provide the daily maintenance that we are unable to conduct with such limited resources. NYCHA remains an active stakeholder after PACT conversions through a few different and significant roles. For example:

- NYCHA continues to own the land and buildings that transition to Project-Based Section 8, and all apartments continue to be subsidized through HUD. Accordingly, NYCHA and HUD both have a regulatory and oversight role.
- NYCHA is the Section 8 administrator for the entirety of the PACT program and controls the release of the HUD Section 8 subsidy. This means that NYCHA continues to certify household incomes and set the rents that can be charged to each household. Any vacant apartment must be leased to households off the NYCHA-administered Section 8 waitlist. And federal regulations require that Section 8 units meet the Housing Quality Standards, which serves as a strong financial incentive for partners to address repair issues in a timely manner.
- Through our Asset Management and Design & Construction teams, NYCHA monitors conditions at each development and ensures that PACT partners adhere to their obligations to residents. The PACT projects are monitored through numerous reporting and tracking efforts, including:

- Monitoring the construction scope and progress of repairs,
 - Creating new strategies to prevent displacement,
 - Monitoring ongoing maintenance and repairs at the properties,
 - Job placement and training related to the Section 3 program,
 - MWBE contracting, and
 - Monitoring the financial health and financial performance of each transaction.
- A newly created Post-Conversion Unit, which is led by Community Development, conducts quarterly field visits with our resident leaders, on-site community groups, the property management team, and the social service providers.

And critically, because residents remain under NYCHA’s oversight and in the federal Project-Based Section 8 program, their rights and protections are preserved. Among others, residents are protected by these rights:

- Rent is calculated to be 30 percent of a household’s income;
- Residents and authorized household members continue to have succession rights;
- Residents and resident associations continue to have the right to organize and receive funding; and
- Residents can apply for jobs created by the program.

These rights are codified in the HUD Rental Assistance Demonstration (RAD) program requirements and also through the PACT Section 8 lease, which we strengthened based on feedback from resident leaders and housing advocates. NYCHA requires that PACT partners all use the same PACT Section 8 lease, and they cannot revise it without NYCHA’s approval. Residents at all PACT sites are protected by these rights, and our PACT partners are unable to change or remove them.

While this program invests capital funding into the physical infrastructure of buildings, we are also making significant investments in people and our neighborhoods. And we can see the results. After years of planning and construction work, residents are able to

live healthy, supported lives, in homes that remain affordable for generations. The PACT program is NYCHA's only tool that allows us to make these investments, and we must make sure we get it right. We've learned a lot from our stakeholders about how to improve our planning, engagement, and rehabilitation processes. We remain committed to ever improving our work by listening to our biggest stakeholders, our residents, and we understand there are additional opportunities to further improve the program. We look forward to working with our residents, along with members of this committee and other stakeholders, to continually improve PACT.

We must continue working together as a community to succeed in our shared mission of strengthening and preserving this vital resource of affordable housing in New York City. Thank you for your support. We are happy to answer any questions you may have.

From the Desk of
the State
Committeewoman
68th AD

Public Housing Oversight Committee

May 3, 2022

Public Housing Oversight Committee should be responsible for all the health issues due to the lack of oversight on NYCHA. It's not fair that when residents pay their rent, they live in subpar apartments, which a landlord can get sued, but not NYCHA. That is so hypocritical.

I'm standing with RPPH to call on the City Council to redirect the \$1.2 billion in funds allocated for the PACT program in Mayor Adams's Executive Budget into NYCHA's capital and operating budgets. We are also calling for an annual independent forensic audit of the New York City Housing Authority to ensure we get the proper oversight needed to make the right repair decisions.

I hope you will stand up for the NYCHA housing residents like you would stand up for someone in your own family. Let's keep our public housing public for the future generation. Thank you so much for taking the time to read my letter.

Yours in Housing,

Tamika Mapp

Tamika Mapp
State Committeewoman 68th AD

Testimony of Brendan Cheney, New York Housing Conference

**New York City Council Public Housing Committee
Oversight Hearing on the Impact of PACT / RAD**

May 3, 2022

Good afternoon. My name is Brendan Cheney. I am Director of Policy and Communications at the New York Housing Conference (NYHC). I would like to thank the Committee Chair Alexa Avilés as well as the other members of the City Council Committee on Public Housing for the opportunity to testify about the New York City Housing Authority's PACT / RAD program.

NYHC is a nonprofit affordable housing policy and advocacy organization. As a broad-based coalition, our mission is to advance City, State and Federal policies and funding to support the development and preservation of decent and affordable housing for *all* New Yorkers. Preserving public housing has been one of our top policy priorities over the last seven years.

Like so many others, we are extremely concerned about conditions at the New York City Housing Authority. NYCHA's 335 developments and 177,000 apartments are in serious disrepair and need \$40 billion in repairs – an amount that is growing \$1 billion every year that repairs are not addressed.

What this means for the half a million residents living in NYCHA is unhealthy and unsafe conditions, including mold, lead paint, leaks and inconsistent elevators and heat and hot water. Every year we get closer to a day when repairing NYCHA units becomes too costly. But if we lose even one unit of public housing, it will worsen our housing crisis. These conditions are unacceptable.

While funding to maintain public housing should be the responsibility of the federal government, it is unlikely that we will see significant federal capital funding from Washington. Currently, the federal government allocates only \$500 million per year for capital funding for NYCHA. This is grossly insufficient to meet NYCHA's needs and this level of underfunding over decades is the reason NYCHA is not providing decent housing for residents.

The federal government has shirked their responsibility for decades, and while there was a brief window of hope last year that Congress might come to the rescue, Build Back Better is now stalled and federal housing funding is very unlikely. To avoid receivership, NYCHA is obligated by a federal monitor agreement to improve living conditions for residents through operations transformation and a capital repairs plan.

The New York Housing Conference (along with United for Housing partners) has called on the City and State to provide \$1.5 billion per year each for NYCHA's capital repairs. Unfortunately, neither Governor Hochul nor Mayor Adams have agreed to that level of support. We will keep pushing for the State and City to step up.

With or without significant City and State support, the Permanent Affordability Commitment Together (PACT) program, utilizing the federal Rental Assistance Demonstration program, has proven to be an effective way to preserve public

housing. The program allows public housing developments to switch funding from Section 9 public housing to Section 8 rental assistance— a more stable and greater revenue stream.

Under the program, the units are converted to a public-private partnership. NYCHA owns the land and leases the buildings to a joint partnership with a private developer where NYCHA maintains control and the private developer manages the development. The new partnership can borrow against new rental assistance funding to raise public and private funding for repairs. Right now, PACT is the only program making significant repairs for NYCHA residents.

Through the PACT program, NYCHA has successfully partnered with affordable housing developers to implement building systems replacement and apartment upgrades that should have been done decades ago. This program has produced results that are impressive including modernizing antiquated and unreliable heating systems; sealing the building envelopes; refreshing common spaces; and often updating kitchens, bathrooms and windows in resident's apartments.

NYHC participated in the RAD Roundtable and Chelsea Working Group and we advocated to ensure that PACT tenant protections replicate Section 9 rights as much as possible and that they are codified in the NYCHA RFP, NYCHA lease, and program guidelines. NYCHA has made great strides in improving outreach and opportunities for residents to contribute to the scope of work for repairs and developer selection and we hope that they build on this progress in the Adam's Administration.

Thank you for your time and I am happy to answer any questions.



NYSFAH Testimony before the Committee on Public Housing
3 May 2022

Thank you, Chair Avilés for the opportunity to participate in today's hearing regarding the impact of the PACT/RAD program.

NYSFAH is the trade association for New York's affordable housing industry statewide. Its 400 members include for-profit and nonprofit developers, lenders, investors, attorneys, architects, and others active in the financing, construction, and operation of affordable housing. Together, NYSFAH's members are responsible for the vast majority of the housing built across the City and State that uses federal, state and local subsidies and incentives. Founded in 1998, NYSFAH is the nation's largest affordable housing trade group.

As you know, NYCHA has \$40 billion of capital needs. Federal funds to directly address these needs are elusive, as are state and local funds. However, PACT/RAD allows NYCHA to convert its federal funding stream into more stable Section 8 dollars. Additionally, PACT/RAD allows NYCHA to tap federal [historic preservation tax credits](#), which results in an enormous amount of additional equity in the projects for which NYCHA would be otherwise ineligible. Specifically, these tax credits contribute equity equivalent to 20% of the renovation costs. This is money that does not come out of any local, state, or federal housing budget. A very large proportion of NYCHA campuses are eligible for listing on the National Register and are therefore eligible for these tax credits.

PACT/RAD also results in the implementation of affordable housing best practices. Similar to how HPD conducts affordable housing preservation, in PACT/RAD members of the affordable housing industry renovate and then manage the NYCHA buildings. NYSFAH members are deeply involved in PACT/RAD and firmly support the program, as it allows the City to preserve NYCHA buildings, maintain their affordability, and retain ownership, all while readying them for decades of further service.

Finally, NYCHA has invested heavily in tenant outreach, and their current approach extends beyond outreach per se, with tenants serving on the committees that select development teams. This approach has paid great dividends, as public housing residents are the most aware of their development's capital needs and often bring a wealth of construction and building management expertise.

Thank you again for the opportunity to testify today. I welcome any questions or comments you may have.



NEW YORK STATE ASSOCIATION FOR AFFORDABLE HOUSING

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Courtney Bryan, Director

**Center for Court Innovation
New York City Council
Committee on Public Housing
May 3, 2022**

Good afternoon Chair Aviles, members of the Public Housing Committee and everyone else. My name is Rafael Moure-Punnett and I am the Associate Director of Housing & Civil Justice at the Harlem Community Justice Center, where we work closely with both residents and NYCHA staff of the Wagner, Taft, Jefferson, Lincoln, and Robinson Developments. Buildings within the Jefferson and Robinson portfolios were recently converted through RAD/PACT.

The Harlem Community Justice Center is a project of the Center for Court Innovation, which works to create a fair, effective, and humane justice system, and has many projects that work with NYCHA communities; including the Red Hook, Brownsville and Far Rockaway Community Justice Centers and Neighborhood Safety Initiatives who is a lead implementation partner on the Mayor's Action Plan which works in 17 NYCHA communities.

In Harlem, our housing court has jurisdiction over landlord-tenant issues between NYCHA and tenant families and our housing resource center has operated for more than 20 years, supporting tenants on rent and repair issues, improving access to justice, and preventing evictions. We have seen the impact of RAD/PACT conversions on tenants and communities and would like to share these observations with the City Council today.

One of our main concerns are the discrepancies in data and lack of data on the evictions and displacement occurring in developments post-conversion. In the January 2022 Public Housing Committee hearing, NYCHA testified that only 64 evictions have been conducted in post-conversion buildings. In that testimony, NYCHA claimed that 51 of those evictions occurred in Ocean Bay Houses. Ocean Bay represents 14% of the total RAD units in NYC. While Ocean Bay did convert before other buildings, this is a concerning statistic. NYC Marshal [data](#) from the first 6 PACT developments (4501 apartments) shows that 110 eviction warrants were enforced post-conversion and 394 warrants were issued. A review of court records would likely indicate all warrants were requested by Wavecrest Management. Most evictions were put on hold during the moratorium, with 5 evictions occurring from of 2020 to March 2022. In Ocean Bay, NYC marshals report a tenfold increase in eviction warrants for evictions filed from the year prior to the year post-conversion and a sixfold increase in eviction warrant enforcement

post-conversion. NYC marshals report 308 eviction warrants being issued in the years after PACT conversion in Ocean Bay, and 99 warrants executed. If each warrant was executed against a different family, Wavecrest attempted to evict more than 1 in 5 of residents after the Ocean Bay conversion. In 2019, NYC Marshals report 36 eviction warrant filings in Betances Houses post-conversion. Data indicates building management successfully requested NYC Marshal enforcement on 25 eviction warrants in that year as well. This represents a threefold increase in warrant enforcement post-conversion. Management attempted to execute warrants against 3% of residents after conversion.

We are also concerned about the lack of tenant protections to ensure legal rent is calculated and whether tenants in converted buildings have access to a grievance procedure to dispute rent overcharging. NYCHA claims the affordability rules and guidelines for rent calculation between Section 9 and Section 8 are almost identical. Yet, a recent study [found](#) that 50% of tenants saw an increase in their rent, which could not all be explained by increased incomes alone. Lease recertifications for Section 8 and Section 9 tenants are notoriously difficult to complete. The Center for Court Innovation has years of experience assisting residents with recertifications, and even assisted NYCHA in redesigning the portal in the summer of 2020. We have heard reports of widespread errors in annual recertifications leading to rental arrears and challenges completing rent adjustments.

The landmark *Fields v. Russ* litigation challenged the systematic rent overcharging by NYCHA and enacted tenant protections to prevent overcharging. As part of the settlement, NYCHA [agreed](#) to digitizing and formalizing the grievance system and review any interim recertification requests before initiating eviction proceedings for nonpayment of rent. The Harlem Community Justice Center has extensive experience with NYCHA grievances, helping tenants recover more than \$100,000 in rent through NYCHA grievances since August 2020. It is critical that tenants in converted buildings have access to a grievance process to dispute rent overcharging and receive a credit.

What's more, rather than NYCHA and PACT landlords adjusting rents for documented fluctuations in income, we have heard nonprofit providers contracted by NYCHA advise residents to apply for One Shot Deals through the NYC Human Resource Administration. Many of these OSD's are loans that residents are legally required to repay. The Harlem Community Justice Center provides case management to NYCHA tenants in arrears and finds that tenants often have a valid loss of income or change in family composition and help them submit a grievance rather than requesting a loan through a One Shot Deal.

HUD [found](#) that 20% of residents in RAD buildings paid a flat rent. RAD/PACT requires PACT managers to charge flat rents based on the Section 8 flat rent schedule instead of the NYCHA flat rent schedule. A three bedroom apartment flat rent increases from \$2362 in [NYCHA](#) to \$2805 in a [PACT](#) building. A four bedroom increases from \$2593 to \$3006.

RAD/PACT intends to raise rents for high- and moderate-income families (a family in a three bedroom would need to earn more than \$94,475 to pay the NYCHA flat rent). We are concerned that this will drive high- and moderate-income families out of PACT buildings, concentrating poverty and removing resources neighbors could share. There is insufficient data on displacement in RAD to prove or disprove this concern.

In 2021 NYCHA released a Request for Proposals for the PACT Resident Planning Fund to fund independent, third party professionals to support resident participation in planning and rights-based tenant education. This plan will only work if residents are involved in the entirety of the planning process. Currently, we have not seen this plan implemented, and RAD/PACT conversions have been going forward without necessary input and involvement from residents, or support for them.

The Center for Court Innovation appreciates the time it has been granted to testify today and thanks City Council for its longstanding partnership. I am happy to answer any questions you may have in the time I have remaining.

5/2/2002 Brenda Temple talk at the NY City Council

Good afternoon. Greetings to all.

My name is Brenda Temple.

I am a resident of Oceanside Houses of Far Rockaway in Queens, New York. Oceanside Houses is one of the over 250 public housing developments in New York City, owned and operated by the New York City Housing Authority or NYCHA.

I am an activist and work with the Committee for Independent Community Action. I and the Committee are leading a New York city-wide petition campaign to demand that Mayor Eric Adams stop the privatization of public housing and support residents to manage their housing developments. We residents are poor, and HUD and NYCHA have let the conditions of our homes, homes to over 600,000 New Yorkers, decay and rot and poison our people. Stop the privatization and the end of public housing!

NYCHA and the City of New York have been implementing RAD and PACT to turn management of public housing over to private developers who will make money, a lot of money using government guaranteed financial vouchers, on the backs of residents. Privatization of public housing ends public housing. You know that. NYCHA won't provide oversight of developers. You know that. Section 9 offers federal protections to residents that developer-run Section 8 won't. You know that. Privatization is nothing less than a vicious attack on the poor with shoddy repairs, increased rents, evictions, and displacement. You know that.

The silence of you our elected officials in New York City is deafening. Do you all lack the political will? You say there is no money. Of course, there is no money when you are silent, when you don't fight on our behalf, your constituents, 1 in 14 New Yorkers who live in public housing. You know that. What are your priorities?

We demand decent public housing. Keep public housing public. We want to resident manage our homes. Will you, the New York City Council, do something and fight to protect public housing?

Thank you.

**Testimony of Erin Burns-Maine
Director of Policy and Chief of Staff
The Community Preservation Corporation**

**New York City Council Committee on Public Housing
Oversight Hearing: The Impact of PACT/RAD**

May 3, 2022

Thank you, Chair Aviles for the opportunity to speak today. My name is Erin Burns-Maine; I am the Vice President of Policy and Advocacy and Chief of Staff at the Community Preservation Corporation (CPC). We are a nearly 50-year old nonprofit company founded in New York City that has provided more than \$12 billion in financing to help create and preserve low- and moderate-income housing across New York State. CPC is one of the equity providers on the PACT Renaissance Collaborative development team, helping finance the renovation and preservation of 16 NYCHA properties in Manhattan including 1,718 units that are home to more than 3,000 residents.

We started this work with our partners in 2019 in support of our nonprofit mission to provide affordable, quality housing to those in need. NYCHA has been underfunded for decades – what could have been easy fixes 40 years ago with the right federal capital investment now need comprehensive renovations costing significantly more money. Despite this urgent need, we all know by now that NYCHA cannot rely on the promise of Federal funding to make repairs.

CPC understands many of the concerns raised about the PACT/RAD program and we have always advocated that it not be the only option available. But while NYCHA residents may rightly be wary of change, PACT/RAD is currently the only tool NYCHA has to provide full-scale building renovations. CPC continues to strongly support a Federal infusion of Public Housing Capital and State passage of the Public Housing Trust to provide additional tools for comprehensive modernization, but to wait on either ignores the urgency of needed repairs. New York has waited for decades on federal funding that has yet to materialize, and the Trust for Public Housing still needs more support in Albany.

What we can all agree on is that residents need safe conditions now, and they deserve much more than just safe housing – they deserve homes they can be proud of, homes in which they can host holiday and birthday celebrations, homes where they can raise families and age in place.

This is exactly what the PACT/RAD program is providing, all while maintaining NYCHA ownership, affordability levels, and resident protections. Many buildings need serious construction, and that process can be disruptive; however, the end result is clean, safe, beautiful housing for our city's most vulnerable residents. That is why CPC joined the PACT Renaissance Collaborative team and why we will continue to support the program and other funding streams for NYCHA residents.

Where there is room for improvement – and there almost always is – CPC is supportive of program adjustments. We believe the engagement process at the Fulton and Chelsea-Elliot developments provided a blueprint for future developments to follow to ensure that residents have access to information and control in the decision-making process. The city could also consider a third-party evaluation to comprehensively understand the successes and shortcomings of the program.

Finally, we encourage any city council members with doubts to tour a PACT/RAD development to visit and speak with residents directly, which CPC will be happy to assist in setting up. Thank you for your time and continuous efforts in supporting NYCHA residents.



**Testimony of
Victor Bach, Senior Housing Policy Analyst
Community Service Society (CSS)
At
Oversight Hearing: The Impact of PACT/RAD
NY City Council Committee on Public Housing
May 3rd, 2022**

PACT/RAD Experience to Date

The HUD Rental Assistance Demonstration (RAD) program was enacted in 2011 under the Obama administration, as a way of generating private capital to restore public housing. Although CSS has consistently taken exception to the privatization aspects of the program, we supported the NYCHA PACT/RAD program as the only available antidote to government disinvestment and abandonment of public housing. While we advocated that conversion not be undertaken without resident consent, we urged resident leaders to consider it as serious option, as an available preservation strategy.

To date, the PACT/RAD program represents NYCHA’s primary thrust for restoring decent conditions at over a third of its housing (62,000 units), generating about \$12.5 billion of the authority’s \$40 billion capital backlog over the next decade. Some developments cannot be reached by RAD because the level of required capital repairs makes private financing infeasible.

By 2021, about 24 NYCHA developments had been transferred to private ownership and management under the PACT/RAD program. We attempted to contact all Tenant Association presidents, but we were able to engage only a dozen in brief, informal conversations that are not conclusive. We did learn that some developments are still going through the conversion process—apartment renovations, elevator, plumbing, and roof repairs—and have experienced contractor delays due to the pandemic. As a result, it may be too early to fully assess the impact of the program on resident conditions and experience.

When asked “How well would you say the conversion process is going? Very well, pretty well, not too well, badly, or mixed?” there were a wide range of responses from “very well” to “badly.” In some positive responses, TA presidents indicated they would not want to return to NYCHA management. In the worst cases, there seemed to be problems dealing with the development team and the contractors. To get the whole picture of PACT/RAD impacts, further outreach and analysis need to be done at the appropriate time.

Prospects for Significant, Direct Government Reinvestment

Direct government reinvestment in public housing would be the ideal way to assure the future of our public housing. All of us had hoped that the federal Build Back Better bill would provide the \$80 billion needed across the country, netting over \$32 billion for NYCHA. Despite the strenuous efforts of our Congressional delegation, the prospects now seem dim. Nor can we rely on the state and city to provide the significant capital commitments needed to save NYCHA and its residents. Witness the recent history of state and city budgets.

An Alternative Strategy: The NYCHA Preservation Trust

In that context, we take this opportunity to bring to the Council's attention the Preservation Trust approach proposed by NYCHA in the summer of 2020. Under that model, the state would create a public benefit corporation—the Trust—to take over and restore decent conditions to all NYCHA developments that cannot be reached by PACT/RAD.

The model would allow NYCHA to take advantage of an existing HUD program—Section 18 Disposition—enacted in 1998, under which housing authorities can transfer troubled properties to alternative ownership, where they would be retained as affordable, low-income housing, funded under Section 8 Tenant Protection Vouchers (TPVs). The Trust—with a governing board with strong NYCHA representation—would be the alternative owner under a long-term NYCHA lease. TPVs provide ongoing rent assistance at annually adjusted Fair Market Rent (FMR) levels, a much richer rent stream than RAD provides. NYCHA estimates that for a typical unit TPVs would provide \$1,900 monthly in rent assistance, compared with \$1,250 for PACT/RAD. The increased rent stream would make the Trust a comprehensive preservation strategy for all NYCHA developments. And it will take the burden off of the city and state to come up with the needed capital.

Unlike PACT/RAD, the Trust is a public option—the housing is retained in the public domain as affordable low-income housing, and the NYCHA public workforce continues to be responsible for property management. It keeps public housing public, in public hands, supported by public funds. Although Section 18 requires that the development be transferred from the HUD Section 9 inventory to the Section 8 program—an issue that has aroused the opposition of many resident leaders—the currently amended legislation assures that all existing resident rights and protections will be retained.

Moreover, NYCHA has now inserted a “resident opt-in” provision, we are pleased to say, which requires resident approval for conversion to move forward. In that sense, the Trust expands the options for residents, without imposing unwanted conversion. It represents an additional option—beyond PACT/RAD—that would enable residents to see their developments restored through public auspices—financed by federal TPV vouchers—without the potential risks associated with private ownership and management.

Finally, the Trust would not be bound by outdated federal procurement regulations, which often account for the poor quality of work done by NYCHA contractors. It would be able to modernize procurement, for instance, take advantage of “design-build” arrangements.

Recommendation: Council Resolution to Support the Preservation Trust

This is a critical time for NYCHA and its residents. We cannot wait any longer for Washington to come to the rescue. The Preservation Trust represents a comprehensive strategy for the preservation of our public housing. As we speak, NYCHA is pressing in Albany for legislative enactment in this session. We doubt there will be obstacles in Washington at this point: HUD headquarters is openly supportive of the Preservation Trust model. And we understand that both Mayor Adams and Governor Hochul will support its passage.

As a result, we urge the Public Housing Committee to cast and move forward a resolution to be sent to Albany in the next weeks to add the Council’s support to the creation of the Trust.

Thank you.

Cooper Park Residents Council Inc.,
275 Jackson Street
Brooklyn, NY 11211
Telephone # 347-987-3099
Email: cooperparkresidentcouncil@gmail.com

President – Debra Benders
Vice President – Elisha Fye
Treasurer – Geraldine Lawrence
Secretary – Karen Leader
Sergeant-at-Arms – Tina Mangum

May 3, 2022

Good afternoon, Chairperson Alexa Aviles and to the members of the Committee on Housing. My name is Karen Leader and I am an executive board member on Cooper Park Houses Residents Council. I am also a part of WE ACT and a member of Residents to Preserve Public Housing (RPPH).

I submit to you the following statement regarding RAD/PACT. NYCHA residents remain in opposition of - our homes - being put into the hands of another private landlord. Let's call RAD/PACT, and the TRUST what it is – It's Greenwashing.

Under this conversion promises are made that NYCHA will still own the “land” and the “building”, but what exactly does this mean? It means that NYCHA is walking away from its obligation to its residents. And under the management of these private companies our homes will sooner-rather than later - no longer be our homes.

There are several problems with this RAD/PACT conversion.

1. The new leases are not only confusing to the residents additionally, these leases contain “unreliable” content and they also take away many resident protections.
2. Residents are being “deceived” into believing that this conversion is the best thing “since sliced bread”. Many are agreeing to this conversion because of the horrific conditions that they have been living in for years, hoping for a better environment. While we understand that these private companies will be responsible for the upgrades of these apartments, why is everyone other than residents ignoring the fact that evictions are happening at a faster and higher rate under these private companies?

(Example: Ocean Bay Apartments in Far Rockaway, Queens, the displacement of 15,000 low-income black and brown tenants.). Additionally, it has been alleged that private contractors and building managers have botched renovations, upgrades remain half-finished for weeks or more, and city building inspectors have been cited for multiple violations at a Brooklyn RAD development. It was also reported that a contractor who was hired - was working with an expired EPA lead paint abatement certification.

3. NYCHA believes that RAD/PACT offers them hope – that there will be a steady source of funding and the ability to borrow money. However, borrowing money means that collateral is needed. Our homes are being used as collateral without the necessary legislative protection in place in the case of a default. It is said that the City – YOU, “May” step in if this should happen however, “May” means that there is the possibility that YOU “May” not.

It has been spoken among our political leaders that there are many undecided residents –But our voices remain consistent and constant! We want public housing to remain public! It will not be done under RAD/PACT or the Trust. We DO NOT want another development converted into this “privatization scheme” called RAD/PACT or the Trust!

Instead of putting your Trust in the “TRUST” or in RAD/PACT we are asking that you trust residents to own and manage these properties through the use of subsidies, bonds, and other money sources. The recourses are there. If the governor can negotiate a new stadium for the Buffalo Bills at the cost of \$850 million in taxpayers’ dollars – why aren’t NYCHA residents receiving a substantial amount? If our political leaders have boosted US military spending, why are we being offered “coins” to cover our operational expenses and capital repairs? If Congress can approve \$13.6 billion in emergency spending to help Ukraine fight against Russia’s invasion, where are our “emergency spending” funds? We, the residents of public housing are not saying that we should not assist our allies, or enjoy some pleasures in our lives, but what we are saying is that residents of public housing should be provided with a safe environment but not at the possibility of our losing our homes to private developers! If the City can use GO bonds to fund capital improvement projects and collect property taxes, to repay the debt, why isn’t something like this being done to assist NYCHA?

In closing, we are looking to YOU, to commit to protecting us by including the needed funding in your budgets annually. Funding that will adequately address the improvements to our apartments and improvements to the exterior of our buildings. We are looking to YOU to be the meaningful voice that YOU are hired to be to the many families, citizens, tax payers, and veterans living in the only “affordable” housing provided in NYC for low-income New Yorkers. We are counting on each of YOU to renew our faith in our government...in YOU!

Thank You!

Testimony for the record for the 5/3 Public Housing hearing.

From: KAREN LEADER <trac5k@aol.com>

Sent: Wednesday, May 4, 2022 5:17 PM

Subject: Re: [EXTERNAL] Reminder: Committee on Public Housing starts in 1 hour

Peace and blessings Honorable Council member Son, thank you for answering my questions regarding my concerns if I would be left out of the testimony process. May I submit these concerns to you? Time was too short to address these concerns. Why is it that the vouchers are tied to the unit but residents that request a transfer are only being allowed to transfer in another RAD development? The voucher will still be tied to the apartment even as another family moves in. This to me is a form of enslavement. Next, residents are being told that they may not move back into their units once renovations have been completed. Does anyone realize how devastating this is? Can a private investigation be performed as to the conditions of where residents are being moved to as I was informed of at least two horrible stories. Also, residents are being made to pack up their household. However all of their belongings are not able to fit into the allocated space. This means that personal belongings that are left behind are being stolen. Where are the provisions for residents services...telephone, television, electronics such as computers. How are they receiving their mail? Are locations out of the children's school district? Where are the residents written protections especially in the case of a default? Also, residents in Williamsburg are being told that they must get rid of their Washington machines. I understand that they may be replaced but this should be a choice not mandatory. Lastly, I met a sightless resident in AAR recently and as we spoke as learned that her development went into RAD and she was threatened to be evicted if she did not sign her lease. She is blind and there was no one to explain what they demanded of her. I'll stop there. Again, I say thank you! Karen Leader

Sent from my iPad

FAO New York City Council

Committee on Public Housing, May 3rd 2022

The Importance of Public Housing in NYC and beyond

Dr Glyn Robbins, Visiting Fellow, London School of Economics (personal capacity)

I have worked in, written about and campaigned on housing in the UK and US for 30 years. In the early 1990s, I was an intern with a US public housing authority. In 2021, I was a Fulbright Scholar attached to the CUNY Graduate Center.

My time living in your city (a place I love and have visited many times) served to remind me that public housing is a vital part of NYC, to the point that I find it hard to imagine one without the other. Like council housing in the UK, it has provided secure, genuinely affordable homes to millions of working class people, something of even greater importance during COVID.

I am aware of the many difficulties facing NYCHA, particularly around historic under-investment and disrepair (sometimes compounded by mismanagement). I do not under-estimate these issues, particularly the challenge of obtaining adequate funding from the Federal government.

However, I would strongly urge the City Council and all NYC politicians to become firm, vociferous champions of public housing and join tenants in demanding the investment and conditions they are entitled to. I also encourage you not to follow the UK's example of wholesale privatisation of public housing, a policy that has been disastrous here and has only increased housing need and displacement.

Public housing – in NYC and beyond – has been the subject of deliberate, often racialised denigration by forces that do not understand its true value to working class communities. Above all, there is institutional ignorance and intransigence about acknowledging why having a substantial proportion of a city's housing removed from the market nexus, benefits everyone, except the speculative private property industry.

This is a critical moment for all cities. Health and environmental threats abound. A robust public housing sector can play an essential role in making NYC truly sustainable, a place where the people who built the city can afford to live and thrive.

Testimony for City Council on NYCHA

5/6/22

Submitted by the Organizing Committee of the NYC DSA NYCHA Solidarity Working Group

We are strongly opposed to RAD/PACT, which uses private management to oversee NYCHA properties. It offers market mechanisms and the lure of profits as a “replacement” for publicly funding housing as a human right. We see this as an unconscionable erosion of tenant rights. We oppose the dissolution of NYC’s bedrock of affordable housing. NYCHA is a public good we should fight to protect.

We already have evidence that RAD is a failed policy. Within properties that have already been privatized, tenants report that the new management is NOT meaningfully addressing ongoing habitability crises. Meanwhile, higher eviction rates, including a high rate of “erroneous” eviction notes, have been well-documented. The fact that these evictions are occurring during the pandemic make them even more shameful.

With respect to private management, it is notable that the National Housing Law Project sent a [letter](#) to then-HUD secretary Ben Carson in 2017 to outline various oversight problems with RAD. Private managers following the profit motive have not abided by their legal obligations to residents, and no level of government has meaningfully enforced those legal obligations. WNYC has [criticized](#) NYCHA in the past for hiring a private “slumlord” to run public housing developments. The Government Accountability Office issued a [report](#) in February 2018 flagging various legal uncertainties that could come in the event of a default. Although RAD has certain legal restrictions that apply in the event of a default, the scope and enforceability of those restrictions have not been tested in court.

As socialists, we strongly reject the notion that privatization is a solution to NYCHA’s problems. Although RAD/PACT, in the short-term, is supposed to lead to an infusion of cash and repairs, these repairs have already started to reveal themselves as superficial and inadequate cheap fixes. In exchange for this false promise, RAD sacrifices public housing in the long-term to market and financial interests. As this process has played out in practice, and as most elected officials with NYCHA housing in their districts can attest, the introduction of the profit motive and financial interests has led in many cases to increases in evictions and other negative consequences.

We stand with NYCHA tenants across the city fighting to maintain housing as a right. We reject the mayor's budget proposal that outlines 1.5 billion dollars towards RAD/PACT. NYCHA most definitely needs the money for repairs but the repair money should not be used as a bribe to force RAD/PACT on tenants. Vote no on RAD/PACT and keep NYC’s public housing public.

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May 3, 2022

New York City Council
Committee on Public Housing
Oversight: The Impact of PACT/RAD



HRW.org

Dear Chair Avilés and members of the Committee on Public Housing,

My name is Jackson Gandour, and I am a researcher in the Economic Justice and Rights division of Human Rights Watch, an international non-governmental organization that works as part of a movement to uphold human dignity and advance the cause of human rights for all.

For almost two years, Human Rights Watch has conducted research on issues facing public housing residents in New York City. In January, we released a report that detailed how NYCHA's PACT program has impacted residents.¹ For this report, we interviewed tenants across five PACT converted sites as well as lawyers and housing policy specialists. In addition, we reviewed publicly available documents and data provided by NYCHA concerning eviction rates.

We found that PACT conversions have insufficient oversight and residents have lost important protections. NYCHA's data indicates that, in two of the six PACT conversions that took place prior to February 2020 (when an eviction moratorium was in place), the eviction rate increased following conversion. Some residents reported struggling to obtain needed repairs.

The PACT program was a response to decades of disinvestment in public housing, and our report calls for increased funding for public housing at the city, state, and federal level. We also call for increased transparency concerning eviction data for NYCHA and PACT developments as well as the transactional documents underlying PACT deals. The city should also create an independent oversight body that includes resident leaders at PACT developments and that provides mechanisms for PACT residents to raise concerns about their housing.

¹ Human Rights Watch, *The Tenant Never Wins: Private Takeover of Public Housing Puts Rights at Risk in New York City*, January 27, 2022. <https://www.hrw.org/report/2022/01/27/tenant-never-wins/private-takeover-public-housing-puts-rights-risk-new-york-city>

Oversight and Resident Protections

PACT conversions transfer the responsibility to protect various tenant rights from NYCHA to private entities. This structure changes the protections that apply to PACT residents compared with non-converted public housing and can leave tenants unable to determine which entity is responsible for any issues they face.

The federal monitor agreement between HUD and NYCHA – which contains detailed compliance requirements and reporting obligations for, among other things, heating systems, pests, and elevators – excludes PACT properties from some of its provisions. The settlement in *Fields v. Russ*, which limits NYCHA’s ability to start an eviction proceeding if a resident challenges an income determination, also does not apply to PACT tenants.

In addition, multiple residents in PACT buildings reported that, following conversion, they struggled to register complaints about construction issues or unmet repair needs with a government agency. One resident described her experience unsuccessfully trying to use 311 to report issues in her apartment. She stated that 311 told her to call NYCHA, only to then have NYCHA tell her the property management company was responsible for issues. “So you’re falling in between and you’re in this grey area,” she said.

Such experiences made the residents we interviewed question whether there is sufficient oversight and monitoring of the PACT program.

Our report recommends that the city consider creating an oversight entity, independent of NYCHA and PACT development teams, with seats for residents and resident leaders. Such an entity should actively monitor any issues that arise following a PACT conversion and provide means for responding to resident concerns.

Evictions

Human rights standards prohibit any eviction that places individuals at risk of homelessness. Any eviction of a public housing resident consequently raises serious human rights concerns.

NYCHA provided Human Rights Watch with eviction data for both PACT and NYCHA-managed developments. This data indicated that, among the six developments that converted before February 2020 – one month before the eviction moratorium was enacted – two saw permanent evictions increase following conversion. These two developments contained around half of the apartments that converted prior to February 2020.

The data for some PACT developments suggests an increase in evictions post-conversion, and this data underscores the need for close monitoring of the program. Given the recency of many PACT conversions and the fact that multiple conversions occurred while the eviction moratorium was active, the long-term impact of PACT on housing stability is unknown.

Fundamentally, however, any monitoring is constrained by the fact that NYCHA does not regularly publish comprehensive eviction data for PACT or NYCHA-managed developments. The data NYCHA provided to Human Rights Watch concerns permanent, court-ordered evictions, which is one of several circumstances in which residents may involuntarily leave their homes. For example, households may “self-evict” when they are not required to do so following an eviction filing with the court, or after a threat of eviction, prior to court adjudication.

To fully monitor the impact of the PACT program on housing stability, we recommend that NYCHA regularly disclose eviction data for both NYCHA-managed and PACT developments. Such data should include information on all stages of the eviction process, from the initial filing to the resident leaving their home. It should also include information on households evicted through NYCHA’s administrative process and basic demographic information such as age, race or ethnic identity, and gender.

Reported Issues with Apartment Conditions

The PACT program is designed to secure substantial financing that would be unavailable in the conventional public housing program. While PACT has allowed long-overdue repairs and upgrades to be made to developments, some residents reported that repairs were superficial, and that incoming management could be slow to respond to residents’ needs. According to one resident, “Even though they came in and they tried to fix whatever NYCHA couldn’t fix, they didn’t really fix it, they just kinda made it look nice.”

The renovation process itself can be disruptive for tenants, with some residents we spoke with expressing their fear of unsafe practices. Other residents described dealing with recurring mold as well as elevator and heating outages both before and after renovations were complete. One PACT resident we interviewed described going a week without heat and hot water one winter: “We had to suffer for a week, taking bird baths, heating up water on our stoves, and sleeping in our hoodies and sweats and socks and quilts,” he said.

According to a housing lawyer with whom we spoke, who represents PACT tenants, NYCHA says it is not responsible for repairs at PACT facilities, but that has seemingly not been made clear to residents. Some residents still sue NYCHA to receive maintenance work because they are not informed about who is ultimately responsible for repairs to their homes. Such stories reinforce the need for a clear, accessible oversight mechanism that PACT residents can utilize to secure needed repairs and register complaints.

The Importance of Public Housing

The PACT program was created following decades of underinvestment in NYCHA. Like the thousands of other public housing authorities across the country, sharp declines in federal capital and operating support since 2000 impaired NYCHA’s ability to maintain and upgrade their buildings. However, these cuts were compounded by disinvestment at the state and city level.

New York City has increased support in recent years, including by providing funding pursuant to the federal monitor agreement, but such funding comes nowhere close to meeting NYCHA's capital needs. Increased funding is essential to make up for decades of neglect and to protect the human rights of public housing residents. The federal government has abdicated its responsibilities, but the city can and should increase its support to ensure that NYCHA tenants can enjoy quality, affordable homes.

Housing is a human right, and New York City has an obligation to ensure that all residents have access to homes that are affordable, safe, and habitable. The actions of the City Council are crucial for ensuring that public housing remains an effective resource for low-income New Yorkers.

Thank you.



Testimony by The Legal Aid Society

Before the New York City Council Public Housing Committee

- Oversight Hearing: The Impact of PACT/RAD

May 3, 2022

Introduction

The Legal Aid Society (“the Society”) is the nation’s oldest and largest not-for-profit legal services organization advocating for low-income individuals and families across a variety of civil, criminal and juvenile rights matters, while also fighting for legal reform. The Society has performed this role in City, State and federal courts since 1876. With a staff of more than 2,000 lawyers, social workers, investigators, paralegals and support and administrative staff; and through a network of borough, neighborhood, and courthouse offices in 26 locations in New York City, the Society provides comprehensive legal services in all five boroughs of New York City for clients who cannot afford to pay for private counsel. The Legal Aid Society's unique value is an ability to go beyond any one case to create more equitable outcomes for individuals and broader, more powerful systemic change for society as a whole. In addition to the annual caseload of 300,000 individual cases and legal matters, the Society’s law reform representation for clients benefits more than 1.7 million low-income families and individuals in New York City, and the landmark rulings in many of these cases have a State-wide and national impact.

The Society is counsel on numerous class-action cases concerning the rights of public housing residents and is a member of the New York City Alliance to Preserve Public Housing, a working collaboration of New York City Housing Authority (“NYCHA”) resident leaders, advocates, and concerned elected officials. Additionally, staff in the Society’s housing law units represent individual NYCHA residents throughout the five boroughs in proceedings in New York City Housing Court and in termination of tenancy administrative proceedings at NYCHA.

We thank Chairperson Aviles and members of the Public Housing Committee of the New York City Council for the opportunity to testify about this important issue that is impacting tens of thousands of NYCHA residents.

NYCHA's RAD/PACT Program

The U.S. Department of Housing and Urban Development's ("HUD") Rental Assistance Demonstration Program ("RAD") was enacted in 2011 as a means to address the huge capital needs backlog in public housing throughout the United States. Under RAD, a public housing authority ("PHA") may apply to HUD for approval to convert its public housing funding (operating and capital funds issued pursuant to Section 9 of the U.S. Housing Act of 1937) to the Section 8 Program. By doing so, a PHA can access equity or debt funding necessary to fund critical capital repairs to its housing stock.

NYCHA completed its first RAD transaction in late 2016 at Oceanbay (Bayside) Houses in Far Rockaway, Queens— 1,395 units of public housing were converted to Section 8 under RAD. Immediately prior to the closing of the Oceanbay RAD conversion, NYCHA announced that going forward its preservation strategy under RAD would be known as "PACT"— Permanent Affordability Commitment Together ("PACT").

Under the PACT umbrella, NYCHA has now converted 15,426 units of its public housing units to the Section 8 program. Significantly, these transactions are not simply RAD conversions, but "blended" transactions that involve both the use of authorizations under HUD's RAD program and HUD's Section 18 Demolition and Disposition ("Section 18") program. Section 18 transactions enable NYCHA to raise more funds to make repairs because a Section 18 conversion triggers the issuance of Tenant Protection Vouchers (TPVs) that pay on average \$1,900 per month per unit compared with \$1,250 per month, as estimated by NYCHA, under a standard RAD conversion.

In December, 2018, NYCHA published NYCHA 2.0, a "Blueprint for Change." As part of the *Blueprint*, NYCHA committed to converting 62,000 units of public housing under PACT over 10 years. To date, it remains committed to doing so.

What We've Seen During PACT Conversions

Since 2015, The Legal Aid Society has been actively engaged in advocating for our public housing clients who are faced with the prospect of a RAD/PACT conversion— initially through our participation in the RAD Roundtable (through which the *RAD Roundtable Guiding Principles* were established); then our joint authorship of the RAD Handbook (together with Enterprise Community Partners and the Community Service Society); and most recently, through our PACT Helpline (212-298-3450). In 2020, we established the PACT Helpline to answer calls from public housing residents who are about to undergo and/or have recently undergone a PACT conversion.

Through our involvement with our clients over the years of PACT conversions, including in our representation of clients in Housing Court and most recently, through the PACT Helpline, we have learned a great deal about the ways in which these transactions impact our clients, their tenancies and their day-to-day lives at a development. Clients routinely report that:

- In the lead-up (which could be over a couple of years) to a PACT conversion, on-site public housing development staff routinely do not process tenancy-related requests, such as interim rent recertifications, transfer requests and Remaining Family Member tenancy succession claims. Most NYCHA employees that are on-the-ground before a conversion will be transferred to another NYCHA development at the time of conversion and are often not incentivized to do their jobs in the run-up to a conversion, knowing that they will have no job at that development site after conversion.
- Additionally, many residents tell us that repair requests go un-answered because management at the development say that it is up to the new private management to make those repairs at a later date after conversion.
- After conversion, when residents have questions about paying rent, how to get repairs, transfers and reasonable accommodations, they are often “bounced” around between NYCHA public housing (especially when calling the Customer Contact Center (“CCC”)), NYCHA’s Leased Housing Department (the unit that administers the Section 8 program) and the new private management company— with each entity saying that the other is

responsible for a particular issue, resulting in confusion about the PACT conversion and the changes in tenancy brought about by the transition to Section 8.

- Many residents continue to express confusion about what a PACT conversion is and what it means to be a Section 8 tenant. Indeed, we have found that many NYCHA staff, both on the ground in management offices and operating the CCC, do not even understand what a PACT conversion is.
- After conversion, there seems to be confusion about which unit within NYCHA maintains a copy and control of a tenant's NYCHA Public Housing tenancy file. This can lead to problems in a Housing Court case when parties need the file to address issues in the case.

We Recommend:

To the extent that NYCHA remains committed to addressing repair needs in its public housing portfolio through its PACT program (using RAD and Section 18 demo/disposition), and based on the information that we gather from our clients, we recommend the following improvements to the PACT process:

- We think there should be a “Transition Team” specifically dedicated to each development site that is undergoing a PACT conversion at an *early* stage in the process that will remain on-site in the immediate months after a conversion. The Transition Team should be made up of individuals from NYCHA’s Public Housing Department, together with staff from NYCHA’s Leased Housing Department and staff from the new PACT private property manager. This Team should be tasked with addressing the needs of resident households so that important tenancy matters are not left unresolved— issues that then become headaches and nightmares for residents at a later date. It’s simply not fair that things get “lost in the conversion process” for our clients. We see too often how this negatively impacts our clients who are given the run-around, spending hours waiting on-hold for their calls to be answered by the CCC, or are sued later in Housing Court for things that should have been addressed earlier.
- There should be greater language access throughout the entire PACT conversion process.

- NYCHA and the private PACT development team should ensure that it communicates with all residents at a development site and doesn't merely limit interactions about PACT to members of the Resident Association at a development.
- Each Tenant of Record for every household undergoing a PACT conversion should be given a copy of their Public Housing Tenancy file for their own records. The tenancy file contains important historical information for a household that may be needed after conversion in connection with a tenant's new Section 8 subsidy or in interactions with the new property management.

A Better Approach to Preserving Public Housing- The NYCHA Public Housing Preservation Trust

At the end of 2021, we were cautiously optimistic that NYCHA would receive a significant amount of capital funding under the federal Build Back Better legislation. Sadly, it appears that support for the legislation has stalled in Washington, and NYCHA cannot expect to receive the federal funding necessary to make significant repairs throughout its public housing portfolio and address its \$40 billion capital needs backlog. This is a critical time for NYCHA— much of its housing stock is over 50 years old and 600,000 public housing residents are forced to live in dire conditions, with leaks, mold, broken elevators, lead paint and often a lack of heat and hot water.

We would like to take this opportunity to raise awareness both within the Public Housing Committee and the City Council generally of legislation in Albany that would enable NYCHA to access the full funding that it needs to complete capital repairs and restore decent, safe and habitable conditions in public housing. A bill has been introduced in the current legislative session in Albany regarding the creation of the NYC Public Housing Preservation Trust (A7805A).

Under the NYC Public Housing Preservation Trust legislation, a New York State public entity (the "Trust") would be created. Under this preservation model, NYCHA will transfer leasehold interests in its public housing developments to the Trust, and the Trust in turn will be able to access funding to make widespread repairs to NYCHA's housing stock. The benefit of the Trust model is that it will keep public housing in the public domain (with public oversight and accountability) rather than undergo the privatization that occurs with a RAD/PACT conversion.

As drafted, the Trust legislation will ensure that NYCHA's public housing workforce will remain on the ground after transfer to the Trust and will update NYCHA's outdated and cumbersome procurement practices that routinely add delays to capital work. Additionally, the Trust model will enable NYCHA to access valuable TPVs, which will give NYCHA the ability to make full repairs to its public housing units. Significantly, the Trust legislation has been amended to address valid resident concerns around converting Public Housing to Section 8, including resident rights and protections, and now also has a Resident "opt-in" provision, under which residents at a development will have the right to vote on whether or not their development is transferred to the Trust.

We Recommend:

We urge the Public Housing Committee to draft a Resolution in Support of the legislation in Albany to be issued by the City Council to support the NYC Public Housing Preservation Trust legislation in the current legislative session.

Conclusion

Thank you again for the opportunity to testify. I am happy to answer any questions from the Committee.

Respectfully Submitted:

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TESTIMONY BEFORE THE NEW YORK CITY COUNCIL COMMITTEE ON PUBLIC HOUSING

In relation to the Rental Assistance Demonstration (RAD)/Permanent Affordability Commitment Together (PACT) program

May 3, 2022

My name is Elizabeth Gyori, and I am a Skadden Fellow and Staff Attorney in the citywide Tenants Rights Coalition at Legal Services NYC. LSNYC has a rich history of fighting poverty and seeking racial, social and economic justice for low-income New Yorkers. For over 50 years, we have challenged systemic injustice and helped clients meet basic needs for housing, access to high-quality education, health care, family stability, and income and economic security. Our neighborhood-based offices across the five boroughs service over 110,000 New Yorkers every year.

As a Skadden Fellow, my project seeks to vindicate the rights of New York City Housing Authority (NYCHA) tenants, including those facing privatization of their units under the Rental Assistance Demonstration (RAD) program or NYCHA’s Blueprint for Change, through direct representation, affirmative litigation, and policy advocacy. As a first-generation Asian American, I have a deep interest in issues affecting Asian American tenants in public and subsidized housing, which is also reflected in my project’s scope.

I write to provide testimony on the Rental Assistance Demonstration (RAD)/Permanent Affordability Commitment Together (PACT) program, as carried out by NYCHA. As we see in

our work, NYCHA's public housing stock is in the midst of an urgent crisis, with over 400,000 New Yorkers forced to live in substandard conditions that adversely impact their day-to-day lives.¹ Apartments and buildings regularly lose heat in the winter; have extensive mold, leaks, crumbling walls, and lead paint issues; and suffer from infestations of pests, including rats, mice and cockroaches. We, therefore, thank the legislature for holding this hearing on NYCHA oversight of programs for addressing these critical repair issues.

The RAD/PACT program is one of NYCHA's proposals to address the severe deterioration of New York City's public housing stock and the many issues that current tenants face on a daily basis. Like the Blueprint for Change, RAD/PACT relies on the conversion of public housing to project-based section 8 and the leveraging of private capital, rather than public funds, to make much needed repairs. In my prior testimony before the Public Housing Committee on RAD/PACT and the Blueprint for Change on January 13, 2021, I highlighted three main concerns with RAD/PACT, which also apply in the Blueprint for Change context: (1) the extent to which the leveraging of private resources may lead to unscrupulous or problematic landlord and management practices in the long-term; (2) the extent to which these programs lack accountability and oversight in program structure and implementation; and (3) the extent of tenant confusion, fear and anxiety about these programs and their implementation due to lack of adequate tenant outreach and/or rushed timeframe for public notice and comment. These issues continue to be pressing concerns in the RAD/PACT context, especially as we continue to see

¹ Luis Ferré-Sadurní, *New York City's Public Housing Is in Crisis. Will Washington Take Control?*, New York Times (Dec. 25, 2019), <https://www.nytimes.com/2018/12/25/nyregion/nycha-hud-deblasio-carson.html>; Luis Ferré-Sadurní, *Fixing Public Housing: A Day Inside a \$32 Billion Problem*, New York Times (July 26, 2018), <https://www.nytimes.com/2018/07/26/nyregion/inside-public-housing-fix.html>; Greg B. Smith, *'A Perfect Storm': Seniors in NYCHA Buildings with Poor Ventilation Slammed by COVID-19*, The City (Oct. 6, 2020), <https://www.thecity.nyc/coronavirus/2020/10/6/21505183/seniors-nycha-buildings-ventilation-covid-health-nyc>.

NYCHA failing or refusing to perform repairs in buildings slated for conversion, carry out basic programmatic responsibilities in the lead up to a conversion, and ensure that tenants in RAD/PACT buildings understand the program and that their rights are protected and enforced.

However, I wish to direct the Committee to my prior testimony about those issues and in this testimony, focus on three new areas of concern that have emerged in my work and project over the last year and a half: (1) the inadequacy of NYCHA's RAD/PACT transfer procedures, especially for disabled tenants or tenants who are victims of domestic violence, sexual assault and stalking, after conversion; (2) lack of oversight and accountability relating to the construction work and its quality in the long-term; and (3) lack of transparency and enforcement of tenants' rights, especially in the context of grievance rights. I will discuss each of these topics in turn below.

I. The Inadequacy of NYCHA's RAD/PACT Transfer Procedures

Pursuant to the federal RAD statute and NYCHA's own representations about RAD/PACT, tenants are supposed to maintain the same rights that they had in public housing when their developments convert to project-based section 8.² Among the many rights that NYCHA public housing tenants enjoy is the right to be able to transfer across NYCHA's portfolio of public housing in all five boroughs, whether that is for a reasonable accommodation, to escape an abusive partner pursuant to Violence Against Women Act ("VAWA") rights, or be closer to work.³ However, through our casework, we have been told by NYCHA that after a building converts under RAD/PACT, tenants can no longer transfer across their portfolio unless

² See "Rental Assistance Demonstration," as amended and codified at 42 USC § 1437f note, at ¶ 5 ("tenants of such properties with assistance converted from assistance under section 9 shall, at a minimum, maintain the same rights under such conversion as those provided under sections 6 and 9 of the Act").

³ See Appendix F, "Transfer Priorities and Occupancy Standards for Families," Chapter I, NYCHA Management Manual (Revised Aug. 6, 2019).

the building to which they are seeking a transfer is part of the same bundle that is owned and operated by the same private landlord and management company. This includes a general prohibition against transfers from one RAD/PACT development to another RAD/PACT development or to a public housing development. We have even heard of tenants being removed from public housing waitlists that they have been on for years once their building converts, upending life plans and years of effort. Instead, NYCHA has stated that in certain instances where a transfer is required by law, they will only issue a tenant-based section 8 voucher that the tenant can use on the private rental market.⁴

This policy raises three major legal and practical concerns for tenants of RAD/PACT buildings. *First*, refusing to transfer tenants to another unit within NYCHA's portfolio may violate antidiscrimination laws prohibiting discrimination on the basis of disability. Specifically, when a tenant requires a reasonable accommodation transfer to a suitable unit in another geographic area (*e.g.*, to be closer to medical providers or caregivers, to leave an area after a traumatic event and developing Post-Traumatic Stress Disorder ["PTSD"], or to have an accessible unit), NYCHA is mandated under federal, state and local antidiscrimination laws such as the Americans with Disabilities Act, the Fair Housing Act, the Rehabilitation Act, the New York State Human Rights Law and the New York City Human Rights Law to effectuate such a transfer to another unit within its portfolio. NYCHA's refusal to effectuate such a transfer and default policy to give a tenant with disabilities a tenant-based voucher to be used on the private market amount to exclusion of the tenant from the project-based section 8 program on the

⁴ Section XXII, "Transfers," Housing Choice Voucher Administrative Plan, New York City Housing Authority ("NYCHA") (Dec. 1, 2019), https://www1.nyc.gov/assets/nyccha/downloads/pdf/HCVAdministrativePlan2019_2020.pdf; *id.* at "Section XXIII: Emergency Transfer Policies."

account of their disability. Indeed, the major benefit of the project-based section 8 program is the provision of an apartment upon acceptance into the program. Any administrative issues that NYCHA may experience with transferring tenants across RAD/PACT bundles or subsidy types can be mitigated by asking HUD for a waiver, including for tenant application and selection plan requirements; such an action is required under law to accommodate a RAD/PACT tenant's disabilities so they have an equal opportunity to use and enjoy their dwelling.

Second, NYCHA's transfer policy in RAD/PACT amounts to a diminishment of RAD/PACT tenants' rights after conversion. As discussed *supra*, public housing tenants have the right to transfer across all of NYCHA's portfolio. Disallowing RAD/PACT tenants from being able to have such a transfer post-conversion and requiring that they accept a tenant-based section 8 voucher as a substitute for a transfer is not the equivalent of rights that they had when they were public housing tenants. This is both a direct violation of the federal RAD statute requirement that RAD/PACT tenants retain the same rights that they had as public housing tenants⁵ and a break from NYCHA's rhetoric on RAD/PACT, which states that RAD/PACT is being used by "NYCHA to unlock funding to complete comprehensive repairs, while also ensuring homes remain permanently affordable and residents have the same basic rights as they possess in the public housing program."⁶ NYCHA's RAD/PACT transfer policy, which prohibits transfers to a suitable unit across the five boroughs, thus amounts to a reduction of a basic public housing right.

Third, the provision of a portable voucher for a tenant to use on the private market often fails to address tenants' needs. There is rampant source of income discrimination in New York

⁵ 42 USC § 1437f note, at ¶ 5.

⁶ "Permanent Affordability Commitment Together," NYCHA, <https://www1.nyc.gov/site/nycha/about/pact.page>.

City (“NYC”), which makes it very difficult for tenants with portable vouchers to find a suitable apartment with a private landlord willing to accept their voucher.⁷ Further, there has been dramatic rent inflation in NYC in the last year or so, making it even more difficult for tenants to find apartments that are affordable enough for the Section 8 tenant-based voucher program.⁸ For example, NYCHA’s payment standard for a one bedroom apartment is \$1,945 total, and the total amount available for rent may be diminished depending on which utilities are covered by the landlord.⁹ But the average rent for a one-bedroom apartment in Manhattan is currently \$3,940 and in Brooklyn is \$3,495, making most private market apartments wholly unaffordable for tenants with portable vouchers.¹⁰ This is further exacerbated by NYCHA’s Section 8 occupancy standard, which automatically assumes that two tenants of the same sex should share a bedroom, without regard to the relationship between the two household members of the same sex (*e.g.*, mother and daughter vs. sisters).¹¹ Under these circumstances, tenants may be unable to find a suitable private apartment before their vouchers expire, even if granted an extension. Once that

⁷ Stephanie Wykstra, *Vouchers can help the poor find homes. But landlords often won’t accept them.*, Vox (Dec. 10, 2019), <https://www.vox.com/future-perfect/2019/12/10/21001692/housing-vouchers-discrimination-racism-landlords>; Matthew Haag, *‘She Wants Well-Qualified People’: 88 Landlords Accused of Housing Bias*, New York Times (March 15, 2021), <https://www.nytimes.com/2021/03/15/nyregion/real-estate-lawsuit-section-8-discrimination.html>.

⁸ Chris Morris, *NYC is back: The average rent in Manhattan just hit an all-time record of \$3,700*, Fortune.com (March 11, 2022), <https://fortune.com/2022/03/11/median-rent-in-manhattan-hits-record/>; Mihir Zaveri, *Rents Are Roaring Back in New York City*, New York Times (March 7, 2022), <https://www.nytimes.com/2022/03/07/nyregion/nyc-rent-surge.html>; Myrian Garcia, *Inflation sparks 30% rent spike for two-bedroom apartments in New York City*, report finds, AM NY (Feb. 28, 2022), <https://www.amny.com/real-estate/rent-for-two-bedroom-apartments-in-new-york-city-spikes-by-30-report-finds/>; Anjali Sundaram, *New York City rents jump 22.8% in November, as the rental market bounces back*, CNBC (Dec. 9, 2021), <https://www.cnbc.com/2021/12/09/new-york-city-rents-jump-22point8percent-in-november-as-rental-market-bounces-back.html>.

⁹ NYCHA Payment Standard (Jan. 1, 2022), <https://www1.nyc.gov/assets/nycha/downloads/pdf/Section-8-HCV-VPS-NYC-Gov-Version-2021.pdf>.

¹⁰ Manhattan, NY Rental Prices, Zumper (current as of May 3, 2022), <https://www.zumper.com/rent-research/manhattan-ny>; Brooklyn, NY Rental Prices, Zumper (current as of May 3, 2022), <https://www.zumper.com/rent-research/brooklyn-ny>.

¹¹ See Section XI, “Occupancy Standards,” Housing Choice Voucher Administrative Plan at 17-18.

occurs, tenants may be left in their original apartment with no real possibility of a transfer under NYCHA's current policy. This leaves tenants with disabilities living in inaccessible apartments; survivors of domestic violence, sexual assault and stalking living in an unsafe location known to their abusers; and intimidated witnesses remaining in an unsafe apartment and at risk of further intimidation, mental harm and physical violence.

II. Lack of Oversight and Accountability Relating to Construction Work

The purpose of the RAD/PACT program is to raise private capital for critical repairs and rehabilitation of the buildings.¹² In our experience, once a building converts under RAD/PACT, residents often begin to see widespread construction and repairs work in their apartments and buildings about one year after conversion. Inside units, this work typically includes installing new flooring, kitchen and bathroom cabinets, refrigerators, stoves, tubs, shower enclosures, radiators, windows, light fixtures, door fixtures, doors, intercoms, electrical upgrades, and painting and plastering. Building-wide, this can also include installation of new plumbing and waste systems, heating and boiler systems, elevators, lighting, and facades. Most of this work is performed as a rehabilitation in place, meaning tenants are not relocated to other apartments and must live through the construction in their buildings. Unfortunately, once the construction work begins, tenants often experience a myriad of disruptions and miscommunications that not only make it difficult to live through the construction that can span months or over a year, but also may jeopardize their tenancies.

Through our casework and conversations with tenants and organizers, we have seen that residents often experience a lack of communication about the pacing of construction work for

¹² "Permanent Affordability Commitment Together," NYCHA, <https://www1.nyc.gov/site/nycha/about/pact.page>.

renovation and repairs in their units. Tenants have expressed confusion about when certain repairs will be performed or finished. In some instances, tenants have had to live with unfinished construction work in their apartments because workers did not schedule a timely follow up access date or because materials were delayed. This is exacerbated by tenants lacking input on how they can schedule access dates and repairs to meet their work and family needs. Tenants often report that workers simply tell them that they have to provide access on a certain date without asking if they have conflicting work or childcare obligations. We have also spoken with tenants who have told us that they stayed with family and friends for two weeks so that the construction workers could complete all the renovations to their unit during that time. Despite informing the construction team and management about this, tenants have come back home to find that the renovations were not finished and that they needed to provide further access dates later on. This often poses a significant burden on working tenants or those with children whom they do not want to expose to construction work.

Tenants also often report safety and health concerns with the way in which construction work is carried out. We have heard reports that construction workers do not properly place plastic barriers to contain construction dust and do not clean up after completing work in apartments. Not only does this leave tenants with more clean-up work after providing access for workers, but tenants have reported negative health consequences for themselves and their children from the construction dust that may contain lead, such as exacerbation of asthma and elevated lead levels in blood. At the height of the COVID-19 pandemic, we also heard reports that workers were not engaging in social distancing or wearing masks. Rather, we heard that 10-20 workers would sometimes come at once to perform renovations in a single apartment, exposing tenants to COVID-19 and augmenting their fears of getting sick.

Moreover, tenants with disabilities may not be able to remain in their unit while the renovations occur and need a reasonable accommodation to be able to provide access to their units. We have seen through our casework that the developers and management companies are often reluctant to discuss or grant reasonable accommodations tailored to a tenants' specific disabilities. Rather, the developer may refer a tenant to stay in the building's hospitality unit, a renovated apartment that tenants may stay in during the day while workers make repairs in their apartment. We have heard that the hospitality suite does not meet tenants' needs because tenants are not allowed to stay overnight in the unit and are not provided keys, meaning tenants cannot leave their belongings in the unit while running an errand outside or sleep in the unit if their apartment is made inaccessible by the construction work. Further, sometimes the suite does meet the needs of tenants with disabilities affecting their senses, which makes it difficult to remain in a building with loud construction noises and disruptions. These tenants and others may require a temporary relocation with moving and storage assistance to meet their needs, but we have not seen all of these needs met.

Further, due to the extensive nature of the rehabilitation work in some RAD/PACT developments, construction workers often have to repair elevators or take over elevators in order to move materials. Tenants have reported frequent elevator outages or elevators being prioritized for construction workers rather than residents seeking to enter and exit their apartments. We have heard reports of tenants being forced to wait 20 minutes or longer for an elevator or to crowd onto one working elevator in a building during the pandemic. Frequent elevator outages or lack of elevator service not only disproportionately affects residents with disabilities and the elderly, but may also spread COVID-19.

Due to concerns about their health and safety as well as general mistrust of NYCHA and the RAD/PACT partners, tenants have sometimes refused to provide access to their apartments. When this occurs, instead of trying to address tenants' concerns, we have heard reports of construction workers or management office workers harassing tenants to provide access, including knocking on tenants' doors at all hours of the day and night and sending multiple notices and emails. If tenants continue to refuse access, the management companies will often bring no access holdovers in court, seeking to evict the tenants for refusing to provide access.

Finally, we have heard from tenants across RAD/PACT buildings that they are not satisfied with the quality of the rehabilitation work and the materials used. In our casework, we received reports of new fixtures or flooring breaking within weeks or months of installation. We have also been notified of faulty installation of windows and even a piece of a façade falling off a building at Ocean Bay.

III. Lack of Transparency and Enforcement of Tenant's Rights

In RAD/PACT conversions, tenants' rights are protected by the RAD Statute, HUD Notices, federal project-based section 8 regulations, and the transactional documents that structure how a bundle of buildings is to be operated and used post-conversion.¹³ While the first three items set the minimum standard for tenants' rights, the transactional documents, which typically include, *inter alia*, a control agreement, regulatory agreement, declaration of restrictive covenant and use agreements, ground lease, and management agreement, may guarantee tenants greater rights than what is ensured under the federal statute, regulations and notices. The

¹³ See 42 USC § 1437f note; U.S. Dept. of Housing and Urban Development (hereinafter "HUD"), Notice H-2019-09 PIH-2019- 23 (HA), Rental Assistance Demonstration – Final Implementation, Revision 4 1 (Sept. 5, 2019); HUD, PIH 2016-17 (HA), Rental Assistance Demonstration (RAD) Notice Regarding Fair Housing and Civil Rights Requirements and Relocation Requirements Applicable to RAD First Component – Public Housing Conversions (Nov. 10, 2016); 24 CFR Part 983.

transactional documents also delve deeper into how the use of the land and buildings are restricted, how the buildings are to be managed and how the new private landlord and management company will be overseen and regulated by NYCHA—in other words, the transactional documents enact the procedures and policies that are necessary to ensure the protection of tenants’ rights. In addition, the financing documents to any conversion show how the land and buildings are being leveraged in order to fund the repairs and rehabilitation work. Unfortunately, NYCHA has not publicly disclosed all the transactional and financing documents for all the bundles that have converted under RAD/PACT. Further, through our efforts to obtain these documents through the Freedom of Information Law (FOIL), we have been met with delays in being able to obtain these transactional and financing documents. While NYCHA does make sample copies of certain key documents available on their website¹⁴, these samples do not include all the transactional documents governing any given bundle and a comparison between the publicly available online documents and the actual documents for each bundle shows that there are often significant differences because each bundle is structured differently. Advocates, tenants and the public would benefit from the full disclosure of the transactional and financing documents for each individual bundle.

Additionally, among the many rights that tenants are guaranteed post-conversion is the right to a grievance procedure to raise issues related to their tenancy or subsidy and to defend against terminations from the program prior to an eviction filing in court. Prior to conversion, tenants can make any and all grievances to their local management office as a first step. Post-conversion, grievances about a resident’s *tenancy* go to the management office while grievances

¹⁴ See “PACT Template Documents, NYCHA, <https://www1.nyc.gov/site/nycha/about/pact/resident-resources.page>.

about a resident's *voucher* goes to NYCHA's Leased Housing Unit. Such a distinction is already difficult enough for legal providers to understand and can be incredibly confusing for tenants unless they receive guidance and assistance from the new management company. Unfortunately, our office has seen many tenants not receive the help they need and have trouble with asserting these grievance rights, especially when it comes to filing remaining family member ("RFM") grievances to allow a co-tenant to succeed to the voucher after a family member passes away or moves out. It often appears that the new private management company does not advise a tenant seeking to file an RFM grievance to do so by contacting NYCHA's Leased Housing Department. Tenants, who are used to filing such grievances with their management office under the public housing program, are therefore shut out from the grievance process and are told by the private management company to vacate the apartment. If they refuse or continue to try to succeed without contacting NYCHA's Leased Housing Department, the new management company often will bring a licensee holdover case against the tenant rather than seeking to resolve the issue without court action first.

As NYCHA moves forward with RAD/PACT conversions across the city and continues to provide oversight of the buildings that have converted, we recommend that NYCHA strengthen its supervision and regulation of these conversions and to ensure that its policies and procedures meet all requirements under the law, including antidiscrimination law.

I thank the New York City Council Committee on Public Housing for the opportunity to testify. Should the Committee have any questions or require any further information from LSNYC concerning RAD/PACT, you may contact me at egyori@lsnyc.org or at (646) 442-3335.



**Written Testimony of LISC NYC
New York City Council
Committee on Public Housing**

Submitted on May 4, 2022

My name is Valerie White; I'm the senior executive director of LISC NYC, a community development non-profit committed to closing the racial wealth gap and creating a more equitable, inclusive, and sustainable New York City through direct investment in affordable housing, minority-owned businesses, and community-based partners. Our organization is the flagship New York City office of the national Local Initiatives Support Corporation (LISC).

Every day we work with organizations and community-based partners who serve tens of thousands of vulnerable New Yorkers, fighting to create and sustain positive, as well as quality, living environments for them. Many of those underserved and vulnerable New Yorkers call the New York City Housing Authority home, which also happens to be the housing network that 1 in 15 residents of this city call home, too. NYCHA has long been an important affordable housing option for those who need it most, but after decades of disinvestment and disrepair, far too many of our NYCHA neighbors and friends have no choice but to live in inhospitable living conditions. The families, seniors, and children with the greatest need are slipping through the cracks, as federal funding has dried up and these public housing apartments remain in desperate need of repair -- requiring some \$40 billion in capital repairs.

Fortunately, through NYCHA's Permanent Affordability Commitment Together (PACT) program, thousands of public housing units included in the federal Rental Assistance Demonstration (RAD) are seeing improvements, with the program facilitating much-needed renovations, repairs, and rehabilitation. From our perspective, when done right, PACT-RAD is a critical tool that allows NYCHA to modernize and renovate homes and provide important community services to residents.

LISC NYC is part of the leadership team that makes up the PACT Resource Team, which helps NYCHA residents plan for the future of their communities as their housing developments receive investment through the PACT-RAD conversion program. This collaboration of non-profit partners and technical assistances providers is built entirely around the interests of NYCHA residents and ensures that they have a voice and seat at the table throughout the conversion and renovation process – from identifying needs and priorities to informing the building's physical design, planning for new property management, and supporting social service initiatives. The PACT Resource Team ensures that PACT-RAD conversions are both community-driven and community-focused, which is why it is imperative that this team continues to expand and provide the much-needed support that underserved New Yorkers deserve as more PACT-RAD projects across the five boroughs kick off.

When we talk about PACT-RAD being done right, we're talking about keeping residents central to and integrated into the PACT-RAD planning process -- even before the development process begins. In most cases, public housing residents have been introduced to the development team that NYCHA competitively selected after the bidding process occurs. From our perspective, this only helps perpetrate the distrust that some public housing residents already have for the PACT-RAD program.

However, there's an easy fix: engaging and keeping residents as a key and fundamental part of the process from the very start. The Fulton and Chelsea-Eliot Houses model is a perfect example of this comprehensive and tenant-focused planning in action. In the case of the Fulton and Chelsea-Elliott Houses, tenants of the developments had the opportunity to participate in the selection of the development team tasked with bringing new life to their development. The process brought residents together, it cultivated trust between residents and the development team, and it allowed residents to take ownership of the renovation and rehabilitation process that was to unfold. The same way a homeowner would be able to select the contractor who made needed repairs to their home, NYCHA residents should be afforded a hand in selecting the development team that will be leading work so integral to the lives of these residents. PACT-RAD is already making a remarkable improvement in the quality of life of thousands of our city's residents, but when this important program is at its best will be when its completely driven by resident input and community involvement.

The New York City Housing Authority forms the bedrock of the city's affordable housing. 400,000 New Yorkers -- 1 in 15 of the city's population -- live in these buildings. How then, can we allow our neighbors to languish in these conditions? We must do better to ensure that all New Yorkers are afforded the respect they deserve. That all New Yorkers have the dignity created by a place they can be proud to call their own. PACT-RAD is an important tool to achieving just that, and we look forward to working with the City Council and administration to ensure that it continues to evolve and enhance the quality of life of all NYCHA residents.

**TESTIMONY OF GREGORY FLOYD
PRESIDENT OF TEAMSTERS LOCAL 237
BEFORE THE CITY COUNCIL COMMITTEE ON PUBLIC HOUSING
MAY 3, 2022**

Teamster Local 237, representing 7,000 employees of the New York City Housing Authority (NYCHA), welcomes this opportunity to express its opposition to headlong privatization of NYCHA developments under the "PACT" program. Local 237 suggests a moratorium on further PACT conversions until the program is carefully investigated by the Council, under appropriate public scrutiny.

This type of public examination is overdue because PACT represents a *radical privatization* of NYCHA assets, a retreat from our City's commitment to provide affordable public housing that was inaugurated by Eleanor Roosevelt and Fiorello LaGuardia 87 years ago. Under PACT, already begun, 62,000 NYCHA apartments will be taken out of the public domain and turned over to private developers through 99-year leases. The developers will operate the former NYCHA properties for profit (now as Section 8 housing). They will recruit and train their own workforces, offering drastically lower rates of compensation than were enjoyed by the previous unionized NYCHA employees. They will design their own maintenance schedules for the properties, free of the current, exacting federal-court oversight of NYCHA developments. They will pocket all rents. Only NYCHA's preservation of the ground lease masks an effective *giveaway of public assets to private ownership*.

PACT Threatens Leaseholder Rights

This turnover of public housing to private landlords occurs as New York City experiences its worst shortage of affordable rental units since World War II. Rents in the city have increased 33% in the last year, a situation predictably compounded by evictions resulting at the end of the national rent moratorium. The implications of this shortage are ominous for low-income NYCHA residents struggling to pay rent at developments privately managed under PACT. As Queens Borough President Donovan Richards has warned: "This is much different than NYCHA -- private managers can boot you when they want!" At Betances Houses (Brooklyn) and Ocean Bay Houses (Queens), two of the first PACT developments, evictions increased dramatically in the pre-moratorium period. Betances eviction rates more than doubled after conversion. Residents say "aggressive" management policies at Ocean Bay resulted in evictions rates *3 to 4 times higher than the NYCHA average* during 2017-2019. In a 26-month period between 2017-19, Ocean Bay reported 80 evictions. Brownsville Houses, the NYCHA development with the next highest number of evictions, reported 39.

Human Rights Watch, contemplating these omens, warns that "the elevated eviction rates in [these] developments raise concern as to whether there are adequate safeguards to mitigate the risk of increased evictions that result in homelessness." Despite repetitive, blithe assertions to the contrary, residents in converted developments lose valuable legal protections against eviction proceedings. Residents of developments converted under PACT are no longer protected from eviction while they contest their rent calculation or are requesting an income adjustment. This is a right they enjoyed as NYCHA residents under the court-approved Fields Settlement. NYCHA apparently does not contest that PACT residents now suffer this disability.

Mayor Adams has suggested he is inclined to support new PACT conversions if residents are in favor of the program. After hearing reports from already-converted developments, and long suspicious of privatization, residents of Harlem River Houses have demonstrated and gone to court to protest their development's imminent conversion under PACT. Local 237 advances a novel proposition -- let residents of developments VOTE on whether they support PACT conversion of their homes. Local 237, whose membership includes thousands of NYCHA residents, is confident residents would vote against conversion in every location. This is a prediction elected representatives on the Council might give serious consideration.

An Illusory Promise of Improvement

The proponents of PACT, and the national HUD program under which it is enabled, "Rental Assistance Development" (RAD), gloss over the fact that it is simple *privatization* (i.e., turning over NYCHA properties to private developers to run for profit.) Instead, proponents of PACT/RAD emphasize the "investments" private partners pledge to make in any developments they take over. RAD/PACT is portrayed as a "public-private effort" in which both parties contribute value.

Investment by private parties under RAD nationwide is unclear at best. HUD has touted statistics showing that each dollar of public contributions under RAD is matched by 19 dollars from private partners. Prodded by U.S. Rep. Maxine Waters, the General Accounting Office (GAO) found the *reverse* -- public money exceeds private money by a ratio of 4-1. Council members should inquire into the specific initial investments -- and their timeline for accomplishment -- offered by PACT developers in return for pocketing a century's worth of rents.

But the real, if, unspoken, justification of PACT is the cherished reactionary chestnut that private management, "disciplined by the marketplace," will be tougher, leaner and more competent than public servants in administering housing for thousands of NYCHA residents. Of course, this axiom repudiates our city's best progressive traditions. It is also belied by the record of private managers in projects already converted under PACT, and the absence or serious delay of promised "improvements."

** Daily News reporter and NYCHA resident Marie Auciello writes of residents' experiences after her own Kipps Bay development was converted. "*[NYCHA] promised us brand new kitchens, bathrooms and flooring. The program, known as RAD, was made out to be the answer to our prayers . . . [New manager Carleton Place] immediately cut back the hot water, the water pressure and the heat. The elevators stopped functioning, a problem we never had before. There were sudden repairs, without any written notice, for leaks, mold, and lead, often for problems residents were unaware they had. Safety precautions were not followed. One incident was reported of a 10-month-old baby and her family that was exposed to lead during a lead abatement, where the grandmother passed-out. . . . The property manager has never had a meeting with residents, barely communicates and refuses to give out his phone number or email for us to contact . . .*"

** The local journal, The City, has been a dogged if lonely investigator of RAD. It reports that building inspectors have repeatedly cited one RAD contractor for multiple violations at a Brooklyn development, and that residents in PACT developments in Brooklyn and Manhattan "have alleged that private contractors have botched renovations, clogged hallways with debris and left upgrades half-finished for weeks." It quotes Brooklyn resident Patricia Vazquez, who vacated her unit for two weeks so repairs might proceed. She returned to find that old vertical pipes had been ripped out in several rooms, leaving holes for vermin. *"There were roaches everywhere,"* she laments, *"and I had to plug the holes myself."* Residents at Hope Gardens in Bushwick reported the loss of hot water for a week after private manager Pinnacle City took over the development. Residents at Independence Towers in Brooklyn report a breakdown in elevator service during PACT conversion. *"It's worse than it was with NYCHA."*

** While NYCHA representatives exult over new fixtures and other improvements to apartments after PACT conversions, residents are underwhelmed by results, which they call "shoddy." Betances resident Sonyi Lopez reports, *"It feels like a lot of things they promised they were going to fix were like half done."* Another Betances resident reports the new management provided her with three (3) deficient refrigerators before she gave up and purchased her own.

** Alarming stories have surfaced reflecting the lack of oversight of private contractors performing PACT renovations. A company contracted to do the asbestos abatement at the Kipps Bay building has been cited for twenty (20) safety violations in the last three years. Another contractor slated to work for a PACT developer had been caught "resolving" lead issues in over 40 apartments by the expedient of placing drop ceilings beneath mold-infested rafters. Responding to complaints like these from constituents, U.S. Rep. Nydia Velazquez declares: "Lack of oversight and transparency with private developers and their work product has always been a serious concern of mine in the rehab program.". The incompetence of private managers and contractors in removing dangerous lead paint and mold from apartments forced a hasty court settlement allowing for NYCHA to monitor their work in this area. (This is an exception to the private developers' apparent exemption from scrutiny by the federal-court monitor appointed to oversee remaining NYCHA projects.) This fumbling reassertion of NYCHA responsibility, reflecting a serious lack of oversight under PACT, was somehow described as "groundbreaking" by NYCHA publicists.

Some 15,000 apartments have already been converted to private management under PACT. Council members are urged to consult the exhaustive report Human Rights Watch has compiled on PACT, its purported accomplishments, documented failures, and the troubled reactions of residents. There is a substantial record of results on which the Council can deliberate before agreeing to the projected giveaway of 50,000 more NYCHA units. The resident reactions to date do not reassure, and compel the idea of a moratorium on further conversions.

Cutting Employees' Wages and Benefits

Above, Local 237 adverted to the fact that labor contracts which cover Local 237 workers at NYCHA developments are torn up upon PACT conversion. The wages and benefits offered by new private management are in every case drastically inferior (For this reason, none of the incumbent NYCHA employees at developments that undergo conversion have accepted employment at these locations, instead opting for transfers to NYCHA projects with vacancies.) Possibly thousands of jobs that previously included defined benefit pensions, lifetime drug/dental benefits and better hourly wage rates will be lost to working-class New Yorkers.

Several Council members express hopefulness that other unions have stepped in to organize the newly privatized workforces. Local 237 has great respect for our fellow unions and supports their efforts to represent new members in the developments. But it is irrefutable that those unions, now negotiating terms in an entirely different (private) labor market, cannot hope to match benefits previously enjoyed by public employees under NYCHA.

Local 237 recognizes that PACT's impact on NYCHA residents (several thousand of whom are our members), and the broad policy issues of privatization are the principal concerns of the Council. But we know Council members are also concerned over erosion of union standards and the loss of good-paying jobs in our city. Are private developers really bringing value and superior expertise to the renewal of former NYCHA properties? Or is their secret the ability to slash workers' wages and more efficiently evict slow-pay residents? This too is a basic question for the Council.

Conclusion

It is ironic that New York City is preparing to discard tens of thousands of public-housing units at the precise moment working-class and poor apartment dwellers face an affordable housing shortage not seen here for the better part of a century. It was precisely this type of housing deficit facing returning World War II veterans and their families that inspired the rapid buildup of NYCHA in the first place. Today, we go in the opposite direction. Why?

Bronx Congressman Ritchie Torres offers a lament that spotlights the real issue. "Build Back funds \$80 billion for public housing. If [it had become law], elected officials and tenants would rightly conclude that RAD has lost the original rationale for its use." He is certainly correct and to be complimented for candor. The real problem of aging public housing in New York City is the woeful funding shortages and lack of capital investment suffered by NYCHA for years. This has been the failing of both federal and local leadership.

With PACT, NYCHA officials and Mayor DiBlasio accepted defeat in the face of the problems resulting from years of funding shortfalls. Their solution is offloading tens of thousands of units from NYCHA's budget and administrative plate. Too little thought has been given to the abandonment of true public housing in a city whose private market has *never* met its housing needs.

City Council members now face a decision of moment on PACT, a program has not received the close public scrutiny it merits. Headlong continuation of PACT conversions at this time could result in irrecoverable and serious consequences for many of the most vulnerable New Yorkers. The Council is urged to support a moratorium on PACT conversions, so we may have a first, serious consideration of the program's wisdom.

**Testimony of Celeste Frye, CEO & Principal
Public Works Partners**

**Before the New York City Council Committee on Public Housing
Oversight: The Impact of PACT/RAD
May 3, 2022**

Council Member Avilés and members of the Committee, thank you for having Public Works Partners submit testimony for this hearing today. My name is Celeste Frye, and I am CEO and Principal of Public Works Partners.

Public Works Partners is a WBE/DBE/SBE -certified planning and consulting firm rooted in New York City. In June 2021, the New York City Housing Authority (NYCHA) selected Public Works Partners as the program administrator for the new Permanent Affordability Commitment Together (PACT) Resource Team, a technical assistance program for NYCHA residents whose developments are included in the PACT program. As program administrator, Public Works Partners, along with LISC NYC, Public Policy Lab, and Pratt Institute, works directly with NYCHA residents in assessing their needs and priorities and connecting them with qualified providers in these seven areas: PACT 101, PACT Partner Selection, Engagement Support, Social Service Assessment and Planning, Design Support, Economic Empowerment, and Property Management Planning.

Since being named as the PACT Resource Team Program Administrator, we have:

- Met with resident leaders at over 20 developments across the city to understand how PACT is being implemented at their sites and to identify what services could be most useful to them.
- Begun canvassing and tabling at several of the developments to:
 - Educate residents on PACT 101 by answering questions about PACT from residents.
 - Conduct needs assessments to learn more from residents about how external resources could help them participate in the PACT planning process, through conversations and surveys.
- Established a prequalified list of consultants, consisting of nearly 50 nonprofit and private organizations with a wide range of skillsets.

We at Public Works Partners believe that the launch of the PACT Resource Team is a critical step in supporting meaningful resident-led redesign that will improve the quality of life at New York City's public housing developments. We are excited that the voices of NYCHA residents are being brought to the forefront in this PACT planning process. Thank you.

**Written Testimony of Nitza Monges in support of PACT/RAD
New York City Council
Committee on Public Housing**

May 3, 2022

My name is Nitza Monges; my mother has lived in Wise Towers, a New York City Housing Authority development on the Upper West Side, for some 60 years. In fact, we were the second family to move into Wise Towers after it opened its doors. Before that, my mother lived in another NYCHA development as Wise Towers was being built.

My family is from Puerto Rico, and ever since we moved to New York City in the 1950s, the city's public housing system has always been what we call home.

NYCHA has created an affordable housing option for us, which is something that's not always easy to come by in this city. I remember when we first moved into Wise Towers, the building was clean and well-kept – it offered a safe and secure space to raise a family. But as time passed, the building started to transform and not for the better. Repairs and maintenance needs piled up and many were never resolved.

Thanks to PACT-RAD, these circumstances have again begun to change. This time for the better. The PACT Renaissance Collaborative, who is the PACT-RAD team renovating, rehabilitating, and managing Wise Towers where my mother still lives has worked closely with residents to accommodate their needs – even the most personal of needs that might not have been part of the original rehabilitation plan. PRC has also been responsive and takes resident concerns and requests seriously. That's something I know my family in particular sincerely appreciates. I recognize the massive undertaking that PRC is leading, knowing that repairing and rehabilitating 16 developments that have been the subject of systemic disrepair takes time, effort, and commitment.

While the full renovations and repairs to the building are still a work in progress, PRC's commitment to the hundreds of families that call Wise Towers home is clear. After decades of distressed conditions, my mom now lives in a space I know she is comfortable in and very proud to call home. I appreciate the progress that's been made and the effort that's being put in by the PRC team. I can say that I've seen firsthand the positive impact that this program can create for NYCHA residents.

I hope other public housing residents can soon benefit from this program too.

City Council Testimony:

This letter aims to reject the New York City Housing Authority (NYCHA) Trust reintroduced in the Assembly. I've co-founded [saveSection9](#) to rebuke this claim that only RAD/PACT and the Blueprint for Change or the Trust will save Public Housing.

I will start with my experience as a child coming into Public Housing. I went out of the car dressed in a blue suit. Looking around, I didn't know what to think of the place. A young kid came to me and introduced himself. I saw people sitting on a bench, talking to each other, and watching me go inside the building. I saw weird signs on lobbies walls and thought about the elevator. I went inside the elevator and just stood there wondering about the elevator and the setting. I couldn't recall if I was ever inside an elevator. In Guatemala, I never lived in a building.

After 30-years, excluding my time when I attended the SUNY College of Environmental Science and Forestry, I have called Public Housing my home. Many times, in my life, people have told me to leave the South Bronx and make a better life somewhere else. During my teenage years, I saw the environmental problems the neighborhood faced. Even today, most of what I've experienced as a teenager is still valid. As an 18-year-old going to college, I decided to come back to my neighborhood and do my best to improve it.

Today, I sit on the Community Board, founded the Bronx Institute for Urban Systems, co-founded a cooperative, and co-founded [saveSection9](#). My education taught me the devastating effects of the philosophy of neoliberalism on persons of color and the low-income white population. During the Reagan years, trickle-down economics created more wealth for the one percent and increased inequality throughout the nation. Saw how privatization in education and housing has increased inequality as well.

As a Community Board member, I have seen how development has gentrified my neighborhood, and more people fear displacement. I constantly hear politicians say that unemployment has decreased but have seen people work multiple jobs, living paycheck to paycheck. Single mothers face more economic pressure when there is no child-care support or are not hired in high-paying jobs. I have read that wealth has increased dramatically, but wages have not increased in the last 40-years. I have often seen presentations where developers say they are providing Affordable Housing. However, when I analyze the details, it provides housing for about 25% of the population and groups that currently don't live in the neighborhood.

Through the media and others' actions, most people in the neighborhood are told they don't mean much to society if they don't make money or pay taxes. With the increasing inequality and fewer high-paying jobs, we are left to fight for crumbs. We have also seen how investment can devastate the economy. For example, during the 2008 Mortgage, millions of people lost their homes, and many lost their life savings. Just because the wealthy wanted to play games with the economy. Adding to the insult is when many banks, hedge funds, and wall street were bailed out multiple times since the 1990s. We see a rise in those same games being played in

Wall Street that led to the 2008 mortgage crisis. Who pays the price? We do, mainly people of color and poor whites. So, the money has always been there for the City, state, and federal governments to fund Public Housing.

My family saw the Bronx burning, and I have met people who fought and organized to improve the Bronx. We are taking that legacy to fight for our homes and create a bright or green future for our communities. If NYCHA falls, Public Housing falls at the national level. So, this is not only about us in the city; it is about the over 2 million people that call Section 9 their home.

What adds to the Housing Problem is the attack on Public Housing by people who see neoliberalism as the best method to progress society. Privatization schemes like the Blueprint for Change and RAD/PACT are attacking the last remaining Affordable Housing for those economically neglected and who lack access to economic mobility. I have attended meetings where people are condescending to people of color, making themselves seen as saviors to their community.

I co-founded saveSection9 because I could envision Public Housing as an innovative place with green design and economic mobility. Only Section 9 is Public Housing. RAD/PACT and the Blueprint are schemes to destroy Public Housing.

Organizers and tenants have read the small print about the Blueprint or the Trust and RAD/PACT. We have read NYCHA's proposals and concluded that these proposals would devastate Public Housing at the City and National levels. NYCHA has the most significant national Public Housing stock with over 100,000 units and about 300 buildings. Section 9, or Public Housing, had 383 buildings just ten years ago. We have lost about 70 of those buildings to privatization.

One key point of the Trust is that the Trust requires bonds and investment. Private entities and NYCHA individuals will possess more decision-making power than tenants. They reduced tenant power by seeking or recruiting tenants with a background that meets their needs. The state and City will not pay for any default loans and payments, which can lead to the takeover by private entities of NYCHA assets: Buildings, land, materials, and others.

As for the RAD/PACT privatization scheme, local journalism from CityLimits, The City, and reports from the Human Rights Watch have all uncovered **extensive quality of life concerns** for residents in PACT converted communities, including skyrocketing eviction rates, worsening repair and maintenance issues – even around dire public health concerns such as lead and mold – lacking transparency, communication, and accountability between residents and private-property management, as well as weakened tenant protections such as the loss of legally stipulated regulations for lead and mold.

Section 964 and Section 3 will lose their value and enforcement if transferred to the state or city level. The Federal Government currently protects Tenant Rights us under Section 9 of the Federal Housing Act of 1937.

Savesection9 focuses its efforts at the National Level. However, we know that NYCHA will play a crucial role in what happens to Public Housing nationally. Thus, I support the demands of the Residents to Preserve Public Housing (RPPH).

1. Residents to Preserve Public Housing (RPPH) and public housing residents citywide have been **firmly opposed to any privatization-based efforts** to address funding or living conditions at NYCHA.

2. RPPH is calling on the City Council to **redirect the \$1.2 billion in funds allocated for the PACT program** in Mayor Adams' Executive Budget into NYCHA's capital and operating budgets instead.

- a. In total, we call on the Council to meet the moment of the City's housing crisis with a total **\$2.5 billion investment into NYCHA for both capital repairs and operating costs.**

3. RPPH is urging the City Council to support the creation of an **annual independent forensic audit of the New York City Housing Authority** with specific provisions for resident oversight and decision making.

Thank you for reading this letter and I am hoping for your support to save Public Housing.

Best,
Cesar Yoc

Hello,

My name is Jennifer Chan and I am a public housing ally. There is overwhelming data that RAD conversions reduces oversight protections of NYCHA tenants, it does nothing to address ongoing habitability issues, and it leads to higher eviction rates.

NYCHA is working with some of the worst landlords in the city, who all have well-documented histories of tenant harassment and evictions. A few of them are Wavecrest, L+M, Omni, C+C, just to name a few.

And residents who have gone through RAD conversions do not have real input or feedback channels. Why would we expand this program if NYCHA itself has admitted they've not done their job to gather resident feedback or opinion? And the ones they have gathered are negative.

This is an obvious cash grab for housing management companies to make a quick buck while ruining the lives of public housing tenants. It's unconscionable.

Best,

Jennifer

Saundrea I. Coleman Written Statement for City Council Hearing 5-3-22

Re: Rad/Pact Conversions

Greetings All;

Thank you for allowing me to testify!

I am Saundrea I. Coleman a current resident of Isaacs Houses, a former Municipality employee, I supervised payroll for the NYPD. I am also a co-founder of the Holmes-Isaacs Coalition, Community Board Officer and Member as well as the Co-Host and co-Founder of the 1NYCHA Podcast.

The RAD/Pact conversions has simply been a horrible experience for many residents. The Ocean bay apartments is a documented testament of the failures of the RAD/Pact program in New York City. Last week a plasterer that works for NYCHA approached me. Their complex recently went under the RAD conversion at the Boulevard Houses. Their bathroom is in a unhealthy hazardous state, I have footage. Her apartment was originally NYCHA's responsibility, but they passed it on. *JustfixNYC* will be issuing a letter of complaint today to the management company on their behalf. That is just one individual's story, yet there are residents still living in hazardous conditions and experiencing chronic disrepairs, after their developments were converted to RAD.

Stakeholders of NYCHA deserve and demand healthy homes. The switch to RAD is not the solution, these changeovers are NYCHA's way of getting away with criminality. It is time that the city, state and federal government flush in Billions of dollars immediately to conserve our homes. We must save section 9!

Lastly in 2015 when I and others was fighting the infill proposal at Holmes Towers the ask was 2 Billion dollars to repair NYCHA, it is 2022 we need over 40 Billion to preserve our homes. The Willful neglect is criminal, the state of crisis we are experiencing is unimaginable but it is our reality. Our government can spend Billions on wars, yet when it comes to this countries public housing stock, true affordable housing and the unhoused our elected officials sit on their hands, blindfold their eyes and plug their ears! Stop the privatization schemes, stop allowing Black and

Brown people to live in horrendous conditions. Systemic racism is what has us in this state and it is time to purge those from government who view us as less than! NYCHA was declared a State of emergency in 2018, yet the crisis we are in has not been eradicated it has exacerbated!

Respectfully submitted,

Saundra I. Coleman, M.Div

- Isaacs Houses Resident

1806 1st Avenue

New York, N.Y. 10128

Activistsaundreacoleman@gmail.com

Dear: whom it may concern

This is Yinna I am writing because I don't want housing to be privatized. I don't think it will help the resident but worse the condition of homeless crisis of New York as many women in housing are single mothers and can't meet the income brackets to rent an apartment on their own. I firmly oppose the privatization that won't help the resident only the big company that has been after housing for a long time with disregard that they could leave children that reside in my housing homeless. Instead if your meeting vote for privatization at least it should include section 9 for the families Not section 8 it won't help all women in the neighborhood because most are single mother or either they will have to move away from NYC to get a better rent price but I think is unfair because their kid where born here they deserve to enjoy New York as well. Also voting in favor of privatization and making into law is an arbitrary law that will only affect single mother that resident in housing not help with homeless crisis in NYC. Thank you for your time Yinna. This was debate in pass and it fail but the privatization doesn't give up on wanted to ruin low income people lives. Thank you for your time hope you votes are with resident benefit in mind not against them.

