

**TESTIMONY FROM NYCHA INTERIM CHAIR AND CEO
STANLEY BREZENOFF
NYCHA DEVELOPMENT AND PRIVATIZATION
COMMITTEE ON PUBLIC HOUSING
TUESDAY, OCTOBER 30, 2018 – 10:00 AM
COUNCIL CHAMBERS, CITY HALL, NEW YORK, NY**

Chair Alicka Ampry-Samuel, members of the Committee on Public Housing, and other members of the City Council: good morning. I am Stanley Brezenoff, NYCHA's Interim Chair and CEO. I am pleased to be joined by Sideya Sherman, Executive Vice President for Community Engagement and Partnerships, and members of NYCHA's Real Estate Development Department.

Thank you for this opportunity to continue the dialogue on our development and preservation work. I'd also like to thank the NYCHA residents who are here to talk about the improvements that we're bringing to their homes. The Council last held a hearing on our development work in January 2016, and today we'd like to bring you up-to-date on our progress since then. For instance, we:

- Closed on our first-ever Rental Assistance Demonstration (RAD) deal – at Ocean Bay (Bayside), home to nearly 4,000 New Yorkers;
- Are close to finalizing additional RAD deals that will bring substantial improvements to approximately 3,100 apartments;
- Began construction on five 100 percent affordable housing buildings, and another 17 affordable projects are in the planning and predevelopment stages, representing over 3,000 new affordable units, including more than 1,000 units for seniors; and
- We announced four sites where we will create a mix of affordable and market-rate housing as part of our NextGen Neighborhoods program.

I will discuss these initiatives in more detail in my testimony today.

Three years ago, we released NextGeneration NYCHA, our long-term strategic plan to stabilize the Authority's finances, become a better landlord for residents, and ensure that public housing remains a vital resource in our city. Despite the

challenges, we're making progress in changing the way we do business and delivering for residents. As part of our NextGeneration NYCHA vision, we are creating desperately needed affordable housing for our city, raising vital revenue for the Authority, and preserving buildings with massive capital needs for the generations to come. As the Interim Chair, my goal is to secure every possible dollar that I can for repairs at NYCHA developments and for our residents.

The Need for New and Innovative Approaches

Decades of disinvestment from public housing has left NYCHA confronting nearly \$32 billion in major repair needs across our portfolio. Since 2001, NYCHA has been shortchanged \$3 billion in federal operating and capital funding, compounding the challenges of maintaining and repairing aging buildings – the majority of which are more than a half century old. And when we combine the federal operating dollars we receive with the rent we collect, there's still an operating deficit in the tens of millions of dollars every year.

It is clear that public housing authorities must change the way we do business in order to survive and thrive. We developed NextGeneration NYCHA, our long-term strategic plan, to overcome these challenges, shore up the Authority's finances, and improve residents' quality of life.

We appreciate the unprecedented support – in the billions – committed by Mayor de Blasio for New York City's public housing, as well as the Council's support. However, we must be realistic and assume that the decades-long trend of federal disinvestment will continue – and do the work that must be done to ensure NYCHA's survival, and improve the quality of life of our residents.

Re(building) Public Housing and Expanding Affordable Housing

Our work to upgrade our buildings and create more affordable housing for our city spans several programs: RAD, Section 8 conversion, FHA small homes, 100 percent affordable, and NextGen Neighborhoods.

Rental Assistance Demonstration (RAD)

RAD is a groundbreaking HUD program that is enabling public housing authorities across the country to bring major renovations and improvements to their buildings. That is done by creating public-private partnerships which can access additional funding for repairs by leveraging the Section 8 program. As an affirmation of our promise to residents, NYCHA's implementation of RAD is part of our Permanent Affordability Commitment Together, or PACT, program. PACT is a set of NYCHA initiatives to identify resources for preserving our buildings while maintaining affordability and strong rights for residents. With the federal government's decades-long and continuing retreat from public housing, we want to bring RAD to as many developments as we can to address the massive capital needs of deteriorating buildings across our portfolio.

We closed on the largest single-site RAD transaction in the nation, raising \$325 million to repair and modernize 1,400 apartments at Ocean Bay (Bayside) in the Rockaways, where residents have received new kitchens and bathrooms, roofs, and state-of-the-art security and heating systems. One of RAD's most notable benefits is that it enables us to address all of a development's major repair needs without spending any of our capital funding. RAD partnerships also deliver valuable social services from nonprofit partners to residents. At Bayside, this additional attention from our partners has resulted in far-reaching quality-of-life improvements. For example, there have been no crimes committed at Bayside since the beginning of the year.

Through RAD, we are bringing over \$400 million in major upgrades – from new kitchens and bathrooms to new facades, elevators, lobbies, and landscaping – to 3,100 apartments in the Bronx and Brooklyn. These units are home to more than

7,200 residents. Today we are closing on just over 300 units, and by the end of the year we expect to close on another 1,400 units. Construction is expected to begin by the end of this year at the Bronx developments and next spring at over 1,300 units in Brooklyn. We anticipate addressing an additional \$400 million in renovations across nearly 2,400 apartments in Brooklyn and Manhattan, home to 5,300 residents. Developer teams will be selected this winter, with renovations beginning at the first buildings next year.

This summer, more than 100 Betances Houses residents of the Bronx toured Bayside to see firsthand the improvements that will be coming to their development thanks to RAD. Thank you to all of the elected officials and their staff for joining us on one of our tours of Bayside or participating in the several workshops and webinars we hosted to show the good work being done at Bayside.

Unfunded Units

Through our PACT program, we are also converting eight developments that do not receive direct public housing funding to a Section 8 funding stream. These developments were originally built and funded by City and State subsidies but were never funded directly by HUD. They currently “share” in the federal funds provided for NYCHA’s public housing. This costs NYCHA more than \$23 million a year. Shifting the units to the Section 8 program will bring new, stable revenue to the developments and allow for substantial improvements to apartments, buildings, and grounds – similar to RAD. The funding that was previously diverted to these developments from the rest of NYCHA’s portfolio will go toward improving the operation and maintenance of our traditional public housing developments.

Conversion to Section 8 is almost complete at Baychester and Murphy Houses in the Bronx, developments that will receive approximately \$80 million in renovations. Construction is expected to begin in early 2019. Resident engagement has begun at two additional unfunded sites: Independence Towers

and Williams Plaza in Brooklyn. Developer teams will be selected this winter, with renovations beginning next year. The other four unfunded developments that will be converted to Section 8 are 344 East 28th Street, Boulevard Houses, Linden Houses, and Wise Towers.

FHA (Federal Housing Administration) Houses

In the late 1970s and early 1980s, HUD transferred hundreds of foreclosed single-family homes to NYCHA, which the Authority has used as public housing. However, these buildings receive no dedicated federal funding and are expensive to maintain due to their unusual configuration. In partnership with nonprofits like Habitat for Humanity and Restored Homes, NYCHA is rehabilitating these homes and helping low-income New Yorkers become first-time homeowners. Since 2012, 75 vacant homes have been sold, and 29 additional vacant homes are in the process of being transferred to nonprofits for rehabilitation and affordable resale. There are 133 occupied FHA single-family homes remaining in the portfolio.

100% Affordable Housing/Seniors First

Our city is confronting an affordable housing crisis, and New Yorkers have called for more affordable housing. In support of Mayor de Blasio's plan to build and preserve 300,000 affordable apartments by 2026, NYCHA has pledged to provide underused land (such as parking lots and storage spaces) for the creation of 10,000 new, affordable apartments for both families and seniors – more than 3,000 of which are already in the pipeline.

Since the release of NextGeneration NYCHA, we have begun construction on six 100 percent affordable housing buildings. The first project – a 101-unit building developed by the not-for-profit CAMBA at Van Dyke Houses – was completed this spring and is now home to hundreds of low-income residents, including many who were formerly homeless. Additionally, we have another 17 affordable

housing projects in the predevelopment and planning stages, totaling over 3,000 units of new affordable housing. In recognition of the city's growing senior population, more than 1,000 of these units are planned for senior housing.

Many of these buildings will include community facilities and neighborhood retail that will serve new and current residents. For instance, the new affordable housing at Ingersoll Houses will feature a new ground-floor senior center operated by Services and Advocacy for GLBT Elders (SAGE) that will provide supportive services for seniors. The development at Mill Brook Houses will bring a new senior center that includes a commercial kitchen, large dining room, community space, and activity rooms for programming for seniors. Other planned features include green roofs, upgraded basketball courts, and new community gardens and seating areas.

NextGen Neighborhoods

Our NextGen Neighborhoods program will generate funding for NYCHA developments and produce affordable housing where it's drastically needed. Over 10 years, this program is expected to generate hundreds of millions of dollars in revenue for the Authority. This will help address the major repair needs of the developments at the site and support developments across the Authority – while also creating new affordable homes for New Yorkers.

We selected developers for two NextGen Neighborhoods sites at Holmes Towers and Wyckoff Gardens, expected to raise approximately \$62 million in total. In response to feedback from residents, the proposed development at Holmes will include new playgrounds, open space, and a new recreational and community center operated by Asphalt Green. The proposed development at Wyckoff will provide retail space, including a restaurant and training facility, and space for social services. A Request for Proposals has been released for the site at La Guardia Houses, and resident engagement has begun for the site at Cooper Park Houses.

Benefits Realized Across the Portfolio

Whether its new construction or RAD/PACT, this is all a preservation strategy. Our NextGen Neighborhoods and PACT programs will reduce the participating buildings' capital needs significantly, freeing up resources and capital funding for badly needed major repairs and upgrades at other developments.

Conclusion

Through NextGeneration NYCHA, we are creating safe, clean, and connected communities. Our preservation and development work is a crucial way we accomplish this goal. We ask for your partnership and support on our development programs as we work to sustain our precious resource of affordable housing and improve the quality of life for this and the next generation of New Yorkers. Hundreds of thousands of families depend on us.

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



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Gale A. Brewer, Borough President

October 30, 2018

**Gale A. Brewer, Manhattan Borough President
Testimony before the New York City Council
Committee on Public Housing
On NYCHA Development and Privatization**

My name is Gale Brewer and I am the Manhattan Borough President. Thank you, Chair Ampry-Samuel, and the members of the Committee on Public Housing for holding today's hearing.

When considering NYCHA's financial needs and what the agency is doing to bring in revenue, we must examine the cost benefits of NYCHA's proposed solutions carefully. At the forefront of the NextGeneration NYCHA plan is NextGen Neighborhoods, or NYCHA's program for infill developments that is expected to bring in a projected \$300 to \$600 million over the next decade to meet the increasing capital needs at NYCHA developments.

In Manhattan to date, two infill projects have been announced, one at Holmes Towers on the Upper East Side and one at LaGuardia Houses at the Lower East Side. Of the two, NYCHA has selected Fetner Properties as the developer for the Holmes project.

Under Fetner Properties' proposal, the company would pay NYCHA \$26.25 million in upfront payment to lease the land to construct a new building. The building will be 47 stories with 350 units, half (or 175 units) of which will be affordable housing. Additionally, Fetner has partnered with a local community organization, Asphalt Green, which will occupy the community facility space on the ground floor and will offer programs and services at a discounted rate to NYCHA residents at Holmes Towers and the nearby Isaacs Houses.

I and my staff have met with Mr. Hal Fetner and his team several times over the past year. It is my understanding that in order to finance the construction of the affordable units, Fetner Properties expects to leverage federal Low Income Housing Tax Credits (LIHTC) and city subsidies through HPD. Mr. Fetner has not yet confirmed which HPD subsidies it is seeking, but has mentioned as a possibility the Extremely Low & Low-Income Affordability Program, also known as ELLA. Under ELLA, developers are required to offer affordable units at income bands ranging from 30% to 60% of Area Median Income (AMI) with the option of incorporating units at 70% to 100% AMI. In exchange, HPD offers anywhere from \$130,000 to \$150,000 in subsidies for each affordable unit.

In my conversation with Mr. Fetner, I understand that he is seeking higher subsidy amounts per unit than what ELLA offers to ensure the project is financially viable. But even without knowing the exact layering of finances, if we simply calculate \$150,000 of potential ELLA subsidies for

the 175 affordable units, we would arrive at \$26.25 million — the same amount that Fétner Properties is offering to NYCHA for the ground lease. So it costs the city just as much or more to generate capital repair dollars for NYCHA through infill. The administration might as well write a check to NYCHA and save on the years of construction and loss of open space to Holmes residents.

The question that needs answering is whether NextGen Neighborhoods is as profitable a revenue-generating strategy as NYCHA had hoped: to bring in the projected \$300 to \$600 million for capital repairs, how many tens or hundreds of millions of dollars will the city contribute in subsidies? I urge members of this committee to look into the other 50-50 infill project that is progressing at similar pace as Holmes Towers — the Wyckoff Gardens infill in Brooklyn — on that project's net cost to the city. And in Manhattan, with LaGuardia next in the pipeline, the financing of that project will also shed light on the true cost of infill developments.

Now, I understand that any affordable housing project needs government subsidies for it to be financially viable, and in light of New York City's lack of affordable housing, a certain amount of city subsidies should be expected of all projects, including NYCHA infills. In fact, I have been vocal about the need for all NextGen Neighborhoods projects to be 100% affordable, which will require more subsidies. But while subsidies are an integral part of reaching 300,000 units of affordable housing in New York City, as a way to generate capital repair money for NYCHA, it is clearly not profitable.

We all recognize that NYCHA needs money, and that infill projects can be part of the solution toward closing NYCHA's capital shortfall. This is why we must ensure that future infill projects should at the minimum generate higher ground lease payments than the amount of subsidies the city will contribute.

Regardless of a project's finances, affordable units promised to the community must be honored. I continue to support 100% of affordable units with no additional market rate housing for the proposed new construction at Harborview Terraces. This project was the culmination of a Community Development Plan negotiated after an extensive community process that included NYCHA tenants, community members, and elected officials for the purpose of offsetting massive market-rate development at Hudson Yards. To incorporate market units into the Harborview project not only negates the fundamental purpose of the Community Development Plan, but it is an insult to tenants at Harborview Terraces, who supported a fully affordable project.

I will close by stressing that proper oversight can only come from a formal land use review process. In Holmes's case, constructing a 47-story building is very much a significant change to the neighborhood and should have undergone ULURP. I strongly believe that all NextGen Neighborhoods projects must trigger ULURP so that Community Board members, Borough Presidents, and Councilmembers can work with NYCHA residents and other community stakeholders to review project plans and approve only the proposals that will benefit both NYCHA and the community.

Thank you for the opportunity to testify. I look forward to working with you to ensure NYCHA residents and the community truly benefit from NextGen Neighborhoods.



**Written Testimony of
RDC Development, LLC
at the
Oversight Hearing on
NYCHA Development and Privatization
NY City Council Committee on Public Housing
October 30th, 2018**

Good morning, Chairwoman Ampry-Samuel and members of the NYC Council Committee on Public Housing. Thank you for the opportunity to submit testimony today from RDC Development as an update on the Rental Assistance Demonstration (RAD) conversion (which allows housing authorities to access private capital to meet capital needs while also protecting long-term affordability) and the residential and community revitalization of the Ocean Bay (Bayside) apartments.

“I am proud to have my family and friends come over.” This has been a recurring and resounding comment heard from Ocean Bay (Bayside) residents since January 2017. This is a dramatic testament to the changes that have occurred at the site because of the RAD conversion.

The 24-building, 1,395-unit Ocean Bay (Bayside) Apartments complex, located along Beach Channel Drive between Beach 54th and Beach 58th streets in Far Rockaway, is home to nearly 4,000 residents and provides vital affordable housing for low-income New Yorkers. Completed and first occupied in the early 1960s, the aging development was already facing critical maintenance needs and a deteriorating infrastructure before suffering extensive damage from Superstorm Sandy including flooding and the destruction of the central heating plant.

Led by RDC Development, the three-year, \$327 million restoration of Ocean Bay (Bayside) involved a major overhaul of the development’s infrastructure, with upgrades that focused not just on the infrastructure but also on improving the overall community. All apartments have undergone extensive renovations of the kitchens and bathrooms and, in preparation for future extreme weather events, the restoration included resiliency measures, such as the installation of the third-largest solar panel installation at an affordable housing development in New York State, a secure flood wall, water retention swales, stand-alone electric service buildings built above the flood zone, and the conversion from one central boiler steam system to 24 individual hydronic boilers on the roof of each building.

Prior to the actual conversion, RDC conducted a transparent and organized outreach to the Ocean Bay Bayside residents, NYCHA residents and residents of the Far Rockaway peninsula, in partnership with our local elected officials – Congressman Gregory Meeks and Councilmember Donovan Richards, and with support from State Senator James Sanders, Jr and Queens Borough President Melinda Katz.

From the outset, a concentrated effort to show and prove change was started --- thorough cleaning of the entire site, constant and continuous communication between residents and management/construction regarding upcoming rehab and current repairs, and a mindset of improving not only the physical conditions, but also the quality of life for all residents.

In the last 22 months, the pride of being an Ocean Bay resident continues. Highlights of how this was accomplished include the following:

Maintenance Staff

A robust hiring procedure was put in place for permanent maintenance staff. To date, 17 NYCHA residents and 12 Far Rockaway Residents were hired. The new staff work staggered hours to ensure that the needs of the residents are met. In addition, a live-in super and assistant super were hired, thereby ensuring 24/7 presence of ownership and management.

Crime Reduction

In conjunction with working with the local NYPD and installing numerous interactive cameras, crime at the site was reduced significantly – 68% in 2017, and with no major crime to date – a 100% reduction in 2018.

Engagement of Residents

Continuing the process of resident engagement that NYCHA started well before the actual RAD conversion of the site and the Development Team continues to have on-going meetings with the Resident Association and the residents at-large, to ensure that the residents have a voice regarding their community.

Quality of Life Repairs

By utilizing the RAD program, RDC Development and NYCHA have brought critical repairs to Ocean Bay (Bayside). Repairs include new kitchens, new bathrooms, new flooring, new LED light fixtures, and new windows throughout the whole complex. Additionally, new energy efficient hydronic heating systems have been placed on the roof of each building with completely new risers that ensure this project's viability far into the future. The lobbies and hallways of each building have been modernized with a market-rate-look far from the traditional appearance of most public housing projects. The existing laundry room has been completely redone with another laundry room being added for the other side of the site to minimize the walking distance for residents. Solar panels have been added to twenty of the twenty-four buildings as part of our green initiative at the site.

Resiliency Repairs

On top of utilizing the proceeds from the RAD transaction to perform general repairs and upgrades to the building, the development team utilized FEMA funds to create a new level of resiliency at the site. Superstorm Sandy took a toll on the Ocean Bay (Bayside) development and left it in need of many repairs to both restore the site to full functionality as well as preventative work to keep the residents safe in the event of another storm of a similar or greater size. Improvements included:

- A new decentralized boiler system located on the roof of each building, far from the floor elevation
- A flood wall above the flood elevation that will automatically lift in the event of a flood to prevent a storm surge flooding the buildings
- Retention swales to retain water until the sewer system has proper time to backflow
- Electric Service buildings that convert gas to electric if powerlines become inactive as they did during Superstorm Sandy
- A new CCTV system to promote a crime-free site
- New roofs at twenty of the twenty-four buildings to protect from leaks
- Flood-proofed walls at the exterior of buildings not protected by the flood wall

As NYCHA's first conversion under HUD's Rental Assistance Demonstration (RAD), we at RDC Development, LLC believe that the Ocean Bay model can help set an example of how the engagement in an extensive dialogue with all stakeholders - NYCHA, the residents, local elected officials and housing advocates – and with a focus on strong partnership and communication ensures that these affordable projects address all community needs and strengthens NYCHA's long-term plans to ensure affordability for residents throughout New York City.



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**Testimony of United Neighborhood Houses
Before the New York City Council Committee on Public Housing
Honorable Alicka Ampry-Samuel, Chair
At the Hearing on NYCHA Development and Privatization**

**Presented by J.T. Falcone, Policy Analyst
October 30, 2018**

Good morning Chair Ampry-Samuel and members of the City Council Committee on Public Housing. Thank you for the opportunity to testify. My name is J.T. Falcone, and I am here on behalf of United Neighborhood Houses of New York (UNH). UNH is New York's association of settlement houses. Rooted in the history and values of the settlement house movement begun over a century ago, UNH promotes strong organizational practices that keep neighborhoods resilient and thriving for all New Yorkers. Our membership includes 40 New York City settlement houses and two upstate affiliate members who collectively reach more than 765,000 people across all ages.

Settlement houses have partnered with the New York City Housing Authority (NYCHA) since it was established in the 1930s. Settlement house leaders helped to bring the national public housing movement to New York and were integral in the founding and early success of NYCHA. There is a natural complement between the settlement house model and that of public housing. Today, 23 of our members operate out of 125 public housing sites, offering services to residents of all ages, running childcare programs, Cornerstones, and senior centers.

We are here to call on the City Council to work with the Administration to convene a joint task force comprised of a cross-section of stakeholders in order to establish a clear process that governs the rollout of privatization and development at NYCHA-owned properties.

As NYCHA has moved forward with Permanent Affordability Commitment Together (PACT), the local implementation of the U.S. Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD), they have done so with limited input from outside stakeholders. Though NYCHA leans on settlement houses and community-based organizations (CBOs) informally to support their work by communicating with residents, convening meetings, and helping to manage the transition of services, there is no formal opportunity for settlement houses and CBOs to share ideas on how to improve the

process and proactively contribute. All too often, our members are only asked for feedback once the plan to convert a development has been cemented and the developers chosen.

Settlement houses and CBOs have a unique perspective to contribute, and they share a mutual trust with the communities they serve. Many of our members have been operating for decades in the same sites. They have served the older adults in their centers through their entire lives. Based on these long histories working with and serving communities, they often hear stories or receive feedback that elected officials or representatives from NYCHA may not. They are credible messengers who are able to manage challenges that may arise from confusion or a lack of transparency – both real and perceived – and NYCHA has leveraged that credibility to mitigate residents' fear of privatization.

Without a formal process to follow, NYCHA has made unilateral decisions on the rollout of RAD and infill across the City. From RAD conversions which are permanent transfers, to infills with 99-year leases for private contractors developing on NYCHA-owned land, it is absolutely necessary that the City take the time to get this right the first time. The only way to ensure this happens is to open up the conversations and ensure that a wide variety of stakeholders have an opportunity to contribute. **Too many of these plans are made behind closed doors and without input from community stakeholders. We must shine daylight on these conversations in order to ensure NYCHA is held accountable and these major decisions reflect the needs of the communities they serve.**

Settlement houses and CBOs should be brought in to the planning process. With decades of experience serving communities, their perspectives will be integral to getting the transition right. They need a chance to understand the plan, ask questions, and provide feedback. Especially in instances where NYCHA plans to use them as “community liaisons” and messengers, they must be given an opportunity to contribute.

We call on the City Council to work with the Administration to convene a joint task force comprised of a cross-section of NYCHA leadership, agency representatives, elected officials, high-level representatives from the administration, and community stakeholders like settlement house staff and residents. This task force would be an opportunity for NYCHA to receive direct feedback about the community and operational impact of privatization in NYCHA, and for them to share updates on the rollout *NextGeneration*. **The group would be tasked with establishing protocol for the rollout of RAD and infill projects that emphasizes transparency, equity, and partnership.**

I'd like to point to two specific examples of UNH members who have direct experience with the privatization and development of NYCHA sites: Ocean Bay Community Development Corporation (OBCDC) and Stanley M. Isaacs Neighborhood Center (Isaacs Center).

- OBCDC has been a critical resource to NYCHA and the developers involved in the first NYCHA RAD conversion of 1,400 units at Ocean Bay (Bayside) in Far Rockaway. Through the process, they have advocated for the needs of residents and were in the unenviable position of navigating completely uncharted territory. Now, after the conversion, they have begun to see

areas where RAD has worked well, but have also seen areas where residents and the providers that serve them have run into issues. For instance, residents of recently-converted RAD units have been unable to access job search and placement services managed by NYCHA due to arcane rules.

- In upper Manhattan, Isaacs Center operates out of the Stanley M. Isaacs Houses, which is the proposed site for Holmes Tower, one of NYCHA's first infill projects. The Isaacs Center has helped to facilitate multiple public meetings for community members. They have worked to manage the expectations of and communicate directly with residents throughout the rollout. NYCHA has relied on the Isaacs Center to act as a credible messenger for them and serve as a liaison for the community, speaking on behalf of particularly vulnerable residents who may not have otherwise had advocates at the table.

UNH is eager to work with the City Council and NYCHA to preserve and improve services for public housing residents while working to raise critically-needed funds in order to improve residents' quality of life and provide new affordable housing. Settlement houses can play an integral role in accomplishing that goal, but they are only able to if they are invited to the table as partners.

I would be happy to answer any questions at this time and can also be reached at jfalcone@unhny.org for more information.



Fifth Avenue Committee
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GNCJ & T3 Testimony to City Council Oversight Hearing - NYCHA Development and Privatization

On September 26th, Gowanus Neighborhood Coalition for Justice (GNCJ) and Turning the Tide (T3) climate justice initiative members testified at a Federal hearing regarding a proposed settlement for two Federal cases, the U.S. and Baez cases, both against the New York City Housing Authority (NYCHA). The settlements address unmet lead & mold abatements in NYCHA, lack of timely repairs, lack of provision of adequate heat & water, functioning elevators, uncontrolled pest infestations, and fraudulent inspections whereby the City of NY – via NYCHA – NYC's largest landlord - admits to numerous housing code, environmental and human right violations disproportionately impacting the health and safety of hundreds of thousands of low income residents, in particular children and seniors of color. As the hours passed, we listened to story after story of how NYCHA's failure to provide adequate repairs and remediation to address lead, mold, water leaks, sewage backups, vermin, and broken boilers, elevators, doors, mailboxes and windows is causing severe consequences to both the mental and physical health of public housing residents.

Within the terms of a proposed settlement, the City of New York has committed to pay \$2 billion for false reports of work inspections on lead-paint and mold remediation, in addition to other essential maintenance failures. While we, as residents of and advocates for public housing, greatly appreciated the opportunity to testify in court and thank Judge William Pauley and the office of the Attorney General, for their patience and understanding in listening to the multiple painful stories of NYCHA residents pleading for help, we left the Federal Courthouse adamant that more action must be taken to address this health and housing rights crisis impacting nearly 1 out of every 14 New Yorkers who lives in public housing. **In short, we believe that any NYCHA initiative that does not directly lead to improved living conditions in residents' apartments in NYCHA's existing portfolio must cease until this crisis is resolved.**

As we await Judge Pauley's decision on the proposed settlements regarding lack of repairs and oversight at NYCHA, the City Council is holding this hearing regarding NYCHA privatization and development and our testimony to Judge Pauley and at every hearing since remains the same: **we believe there needs to be a moratorium on any new development schemes until NYCHA housing complies with all NYC building codes. We also believe that Authority officials and workers that have acted negligently should face criminal charges for their role in these scandals and there must be an overhaul of the authority from the ground up that truly empowers the voice of ordinary residents and gives them ample opportunity to have active roles in the management and preservation of their homes.**

At the forefront of this position has been our collective experience engaging with, and as, public housing residents skeptical of many parts of Mayor De Blasio's public housing fiscal sustainability "NextGeneration

NYCHA" plan. Within this plan, development sites on NYCHA grounds have been selected - including where some of our Coalition members live at Wyckoff Gardens in Brooklyn - to be the site of new market rate and City funded affordable housing . At Wyckoff Gardens the proposed development project would build 500 new units of housing, 250 of which would have market rents, to raise revenue for repairs in our development and across NYCHA. **The monies raised through 50/50 infill, as this program is called, is insufficient to cover a backlog of millions of dollars needed for repairs and ongoing maintenance required at our NYCHA development.** The severity of our situation is only underscored by the fact that we are experiencing increasing building systems failures. We currently have a temporary boiler, since the existing one has failed. We also have a tremendous lack of confidence that the extensive repairs needed will be made promptly. We can envision a scenario where the new 50/50 infill buildings are built on our campus grounds before our current apartment interiors are fixed, simply furthering the 'Tale of Two Cities' Mayor de Blasio said he wanted to end.

The Wyckoff Gardens proposed development scheme involved the formation of a resident stakeholder committee which collapsed due to NYCHA's lack of transparency and zero communication from both NYCHA and the selected developers, the Arker Companies and Two Trees. This plan, which was originally marketed to be for the benefit of tenants, appears to be little more than a rubber stamp for additional development, as our homes crumble around us.

Our neighbors at Warren Street Houses are also being considered for transfer out of the authority's direct management to a private developer through the Rental Assistance Demonstration (RAD) program, wherein selected developments cease being public housing and instead are managed by a private developer through a funding scheme similar to project-based Section 8. While this might help residents and properties suffering from the neglect and mismanagement from NYCHA, the privatization of public housing after enduring decades of substandard living conditions, injustice and disempowerment from entitlements partially meant to redress Fair Housing, will mean a decreased governmental role in helping undo the damage it has allowed to happen under its watch as a steward of low-income housing.

Meanwhile with our public housing community finding itself at a critical turning point about the future of our homes and what state they may be in, our Gowanus neighborhood is undergoing a neighborhood wide rezoning which is leading to billions in new real estate investments around us, while our developments continue to lack the basic necessities that any community should have. Even Mayoral promises made to bring a bit of equity to our community in advance of a neighborhood wide rezoning, such as re-opening the Gowanus Houses Community Center, continue to go unfulfilled and the Department of City Planning (DCP) has thus far refused to include in its proposed framework a plan that will address how the largest cluster of residents in the Northern Gowanus will receive any upfront and new commitments to fix their homes.

Our Gowanus Neighborhood Coalition for Justice (GNCJ) recently met with NYCHA where we reviewed the Physical Needs Assessments (PNAs) for our local public housing in Brooklyn – Gowanus Houses – Wyckoff Gardens & Warren Street houses – and for these three small to mid-size developments – the UNFUNDED needs total around \$250 Million – and a majority of the unfunded repairs are for apartment interiors and building systems. This is why \$2B across all of NYC public housing's 326 housing campuses, along with a protracted timeline for fund distribution, is nowhere near enough and simply will not remedy the suffering that residents who pay rent to the City of NY are enduring. **We need a plan to ensure the**

full \$32B assessed need for this public housing crisis, while also ensuring accountability and transparency in regards to how NYCHA operates, along with local resident stewardship is realized.

It is not the buildings of public housing that are broken beyond repair - it's the management system – everything from poor communications, to broken ticketing systems for repairs, to ineffective or corrupt tenant associations, building managers with no decision making power or ability to take action to help tenants, centralized teams supporting too many buildings, with not enough proper training or work certifications, to the massive corruption that invites kickbacks, union bribes and payoffs – and violates mandates for local hire - NYCHA is the worst landlord of all time and we cannot allow for new development schemes to be enacted before every housing code violation is addressed. **Every development needs its own repair plan and modernization committee and to be genuinely empowered and the opportunity to assess alternative models whereby public housing could be transformed to deliver justice and equity for its residents before any further development schemes are proposed.**

Sincerely yours,

Gowanus Neighborhood Coalition for Justice

Please direct all responses to this letter to the:

Gowanus Neighborhood Coalition for Justice c/o

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TESTIMONY REGARDING
NYCHA Development and Privatization

PRESENTED BEFORE:

THE NEW YORK CITY COUNCIL'S
COMMITTEE ON PUBLIC HOUSING

PRESENTED BY:

JUSTIN R. LA MORT
SUPERVISING ATTORNEY
MOBILIZATION FOR JUSTICE, INC.

OCTOBER 30, 2018

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I. Introduction

Mobilization for Justice envisions a society in which there is equal justice for all. Our mission is to achieve social justice, prioritizing the needs of people who are low-income, disenfranchised, or have disabilities. We do this by providing the highest quality direct civil legal assistance, conducting community education and building partnerships, engaging in policy advocacy, and bringing impact litigation.

Mobilization for Justice began as the legal arm of Mobilization for Youth, a large community-based anti-poverty program founded in 1962. The legal unit, MFY Legal Services, was founded on the principle of equal access to justice through community-based legal representation of poor New Yorkers. When the federal Office of Economic Opportunity began funding community-based legal services, our model became the prototype for hundreds of new programs. In 2017, we changed our name to Mobilization for Justice (“MFJ”) to better reflect the expanded scope of our work while honoring our roots. We assist more than 25,000 New Yorkers each year. MFJ’s Housing Project provides advice and representation to thousands of tenants annually and is dedicated to preserving affordable housing in New York City.

We appreciate the Committee’s important work to elevate the discussion concerning the privatization of public housing in New York City. I recently published an article looking at NYCHA where I propose the need for greater funding, transparency, accountability, and equality

in reforming public housing.¹ We will use those principles in discussing the proposed privatization measures.

II. Rental Assistance Demonstration (RAD)

The Rental Assistance Demonstration (RAD) is a relatively new program that started in 2012 that has quickly expanded in scope and funding. NYCHA's willingness to work with the community through the RAD Roundtable has identified many possible complications and steps for NYCHA to alleviate those concerns. We will focus on areas where work remains.

A. Data Collection

HUD does not systemically use its data to measure effects of RAD on tenants (such as changes in rent or relocation) or monitor use of all resident safeguards.² For example, a preliminary study by the U.S. Government Accountability Office found 57 percent of tenants in their sample experienced a rent increase after RAD conversion but lacked the necessary information on whether this was increased rent burden or a result of increased incomes of the households.³ HUD's lack of proactively collecting data from RAD-converted properties to ensure compliance with laws, regulations, and tenant's rights makes it challenging to measure its impact on tenants' lives.⁴ What little research we have shows greater turnover of tenants and increased evictions⁵ without separating the benefits achieved from the change in management versus merely an

¹ Justin R. La Mort, *Public Housing & Public Health: Separate and Unequal Protection of Tenant's Health Between Private and Public Housing in New York City*, 27 *Journal of Affordable Housing & Community Development Law* 385 (2018).

² U.S. Government Accountability Office, *GAO Report: HUD Needs to Take Action to Improve Metrics and Ongoing Oversight of RAD* 19 (February 2018).

³ *Id.* at 21.

⁴ National Housing Law Project Letter to Secretary Carson, Re: Concerns with the Rental Assistance Demonstration (RAD) Program 3 (October 11, 2017).

⁵ Citizen Housing Planning Council, *New Partners in Public Housing: Evaluation of NYCHA's Triborough Pilot Project* 12-13 (June 2018).

infusion of capital to provide necessary services.⁶ This rush towards desperately needed funding through RAD is happening with very little understanding about the impact it has had and will have on low-income public housing tenants. We urge the city to move cautiously and implement robust data collection so future decisions will be better informed about their impact on tenants' lives.

B. Prevent Displacement

Other communities have seen private landlords fail to keep the promise of following the rules and procedures in evicting tenants. Examples include improper notices to scare tenants in Baltimore⁷ and a nonprofit discriminating against families with children and people with disabilities in Virginia.⁸

There have also been concerns that targeting buildings for conversion has led public housing authorities to keep apartments vacant, often called warehousing, or led to increased efforts to evict tenants leading up to conversion.⁹ Apartments that are vacant can be given to new tenants who are likely to receive stricter screening and have the ability to pay higher rents.

It is important for the City to learn the lessons from the HOPE VI program where the rush to privatization led to the displacement of tenants.¹⁰ While RAD has additional protections such as

⁶ Victor Bach & Afua Atta-Mensah, *Public Housing, Private Pitfalls: What NYCHA Tenants Lose Moving to New Management*, New York Daily News (July 3, 2018).

⁷ Luke Broadwater, *Tenants Evicted Improperly from Baltimore's Privatized Public Housing, Complaint Alleges*, The Baltimore Sun (February 8, 2018).

⁸ K. Burnell Evans, *Developer Agrees to Pay \$340K, Boost Services in HUD Settlement Over Discrimination Complaints in Hopewell*, Richmond Times-Dispatch (Oct. 3, 2017).

⁹ David Forbes, *Asheville Public Housing Evictions Spark Concerns*, Carolina Public Press (January 5, 2015);

¹⁰ Andrew Balashov, *Private Investment: Trojan-Horse or Shining Knight for America's Public Housing Stock*, 4 University of Baltimore Journal of Land and Development 165, 171-72 (2015).

prohibitions against rescreening and reduction in the number of housing units, there are real risks. As one housing advocate succinctly summed up the fundamental problem: “achieving RAD’s preservation goals will require HUD to exercise its discretion and enforce its regulations in a preservation-minded way, something HUD has struggled to do in the past.”¹¹

C. Loss of Affordable Housing

RAD purports to have a one-to-one conversion. However there are many loopholes within the statute. A developer may reduce the total number of units by five percent.¹² In addition to the five percent, the developer and housing authority are allowed to reduce the apartments where the unit has been vacant for more than two years at the time of the RAD application or if the reduction will allow the housing authority to more effectively or efficiently serve households through: 1) reconfiguring apartments; or 2) facilitating social service delivery.¹³ The provisions are both vague and stand in opposition to the proposed preservation purpose of RAD.

There will need to be supervision to ensure that tenants are not rescreened or driven out despite protections prohibiting such action. What is not prohibited is the screening of future tenants using technique of “creaming” where “easy” tenants are chosen.¹⁴ NYCHA, for the last few decades, has been housing of last resort for some of the most vulnerable tenants in the city. Private management will have the ability to screen future tenants and eliminate those with poor credit, past evictions, and other collateral issues of having too little money in a city where the

¹¹ Anne Marie Smetak, *Private Funding, Public Housing: The Devil in the Details*, 21 Virginia Journal of Social Policy and the Law 1, 61-62 (2014).

¹² RAD Notice § 1.4(a)(4).

¹³ RAD Notice § 1.4(a)(4)(i-ii).

¹⁴ Jaime Alison Lee, *Rights at Risk in Privatized Public Housing*, 50 Tulsa Law Review 759, 772-73 (2015).

rent is too high.¹⁵ Careful thought needs to be provided where those with the least will live.

Much as we saw with the conversion of SRO apartments, when you remove important parts of the affordable housing infrastructure, you push people into more dangerous and less visible housing.¹⁶

D. Inadequate Relocation Plans

Despite clear mandates involving the temporary relocation of tenants there have been many challenges in other locations including housing authorities and owners failing to provide tenants with adequate notices, failure to provide the required relocation advisory services, inadequate relocation plans or plans that were not followed, and owners failing to provide adequate housing.¹⁷

E. Publicize the RFP

The Request for Proposal (RFP) that developers must complete should be publicly available in an effort to create more transparency.¹⁸ The experiences of public housing tenants warrants skepticism. NYCHA has repeatedly misled this Council and its tenants--whether it was about lead or mold or prior attempts at privatization. Making clear the requirements that developers must meet will be an act of good faith to those tenants on what is being requested and remove any question in their mind of the criteria being used. If the RFP includes requests that would be

¹⁵ Turner Center for Housing Innovation, *Lessons for the Future of Public Housing: Assessing Early Implementation of the Rental Assistance Demonstration Program* 20 (October 2017).

¹⁶ See generally Brian J. Sullivan & Jonathan Burke, *Single-Room Occupancy Housing in New York City: The Origins and Dimensions of a Crisis*, 17 CUNY Law Review 113 (2013).

¹⁷ National Housing Law Project Letter to Secretary Carson, Re: Concerns with the Rental Assistance Demonstration (RAD) Program 4 (October 11, 2017).

¹⁸ Permanent Affordability Commitment Together (PACT) available at <https://www1.nyc.gov/site/nycha/about/nycha-rad.page> (last accessed September 25, 2018).

alarming to tenants then they have a right to know and an opportunity to advocate for their future.

F. Unexpected Consequences

There is much we don't know and I want to just highlight one example of an unintended consequence. One of the effects of privatization is that tenants may gain enhanced Section 8 vouchers to retain affordability. However my office, with Legal Services NYC and Housing Conservation Coordinators, are suing HUD and HPD as they have a policy that freezes tenants' rents with enhanced vouchers at unaffordable rates.¹⁹ This problem is an unintended consequence where 366 households are required to pay over 50 percent of their income towards rent and more than 100 are paying greater than 71 percent. These unfortunate side effects of conversion are common when tenants transition from a strongly protected regime to one that has fewer protections. Due to the lack of information gathering by HUD there will be unforeseen consequences for early adopters of RAD.

G. Privatization of a Public Good

It is important to recognize the concerns that have given rise to RAD do not disappear with its implementation. If you believe in RAD because it replaces NYCHA mismanagement with new managers, then you must trust those managers as accountability and oversight will be performed by NYCHA and HUD. If you believe in RAD because of pragmatic politics and the fact this program comes with funding, just remember that the same neoliberal policymakers who have attempted to demolish public housing through neglect are the same people in Congress and

¹⁹ Sarina Triangle, *Section 8 Residents Spending More Than 80 Percent of Income on Rent: Suit*, AM New York (April 25, 2018).

President Trump's administration who will be funding or defunding Section 8. If the opponents of public housing lose power then there may be real opportunities to fund the capital needs of public housing authorities, such as NYCHA, if there are constituents and elected officials who make such action a priority.

III. Infill Development

The second proposal that we are concerned about is infill development on NYCHA property. Mayor De Blasio successfully campaigned on the promise, "[w]e will not allow any privatization" when it comes to NYCHA.²⁰ He further detailed that any infill development "must include substantial amounts of affordable housing...."²¹ However there are reports the City is considering 100 percent luxury housing on NYCHA grounds.²² It has also been reported that what was scheduled to be 100 percent affordable housing may instead be built as 70 percent luxury housing with potentially fewer affordable units than originally agreed.²³ This possible reversal towards privatization is troubling.

A. Affordable For Whom

There has been much debate regarding the gap between Area Median Income (AMI) and the realities of low-income tenants in New York City. The standards currently proposed would create affordable housing that would be out of reach of many of the city's tenants already in the

²⁰ Azi Paybarah, *De Blasio Promises NYCHA 'Reset,' with 'Door Open' to Development*, Politico (February 8, 2014).

²¹ Steve Wishnia, *Will Bloomberg Infiltrate Infill Into NYCHA Before Term Ends?*, Tenant/Inquilino (October 2013).

²² Sally Goldenberg, *De Blasio considers Boosting Market-Rate Development on Unused NYCHA Land*, Politico (August 8, 2018); Amy Plitt, *City Considers More Market-Rate Housing on 'Underutilized' NYCHA Land*, Curbed New York (August 9, 2018).

²³ Greg B. Smith, *De Blasio Shifts Plan for Apartment Tower on Public Land From 100% Affordable to 75% Luxury*, New York Daily News (August 8, 2018); Yoav Gonen, *De Blasio Trying to Renege on Public Housing Plan, Build High Rise Instead: Officials*, New York Post (August 8, 2018).

community. Every effort must be made to create real affordable housing so the City does not waste valuable land and money on units that are affordable in name only.²⁴

B. Lack of Tenant Involvement

The communities facing the insertion of luxury housing within their neighborhoods face the consequences of construction and gentrifying forces without adequate notice and input on these proposals.²⁵ Greater effort must be made for inclusion earlier in the process of the selection of site where infill development is being considered.

C. Anti-Discrimination Design

There are few policies regarding the equality of 50/50 developments on the building design. There should be restrictions on segregating services, amenities, and other architecture of exclusion such as a “poor door.” Any development on public land should be economically integrated with prohibitions on relegating the affordable units to separate floors or wings from the luxury units.

D. Commodification of Public Goods

We are concerned that much like other programs, such as 421-a tax exemptions and privately owned public spaces, profits will be large and public benefits will be lacking. So far only private developers have been chosen instead of nonprofit management which is problematic. The luxury buildings will pay nothing in property taxes and receive taxpayer subsidies. We fear construction

²⁴ Rachel Holliday Smith, *Atlantic Yards Developers Struggle to Find Tenants for Higher-Income Affordable Units*, CityLimits.org (November 3, 2017).

²⁵ Isabelle Davis, Geraldine Lawrence, Karen Leader, and Paula Segal, *CityViews: NYCHA's New Leadership Must Rethink Plans to Develop Private Housing*, CityLimits.org (May 25, 2018).

will remove public land for a century with little assurance against private profits coming at the expense of the public as the amounts of money that have been discussed have been miniscule compared to the needs of NYCHA.

We also worry about setting a precedent. If a progressive administration is able to facilitate private development on public land then what restrictions are in place for future mayors? The risks simply outweigh the reward.

IV. Conclusion

We thank the Committee for holding this hearing and considering our testimony. NYCHA's failures are a serious problem that deserve serious attention and real reform. We urge caution when it comes to privatization so that we do not abandon public housing to profiteering or obsolescence. While these proposals come with short-term funding, there are real challenges in sustainable financing, transparency, accountability, and equality. There is much we do not know about these new programs but past attempts at privatization have led to unexpected outcomes to the detriment of tenants. We hope the potential problems we've identified will help strengthen NYCHA and preserve public housing for generations to come.



**New York City Council
Committee on Public Housing**

Oversight: NYCHA Development and Privatization
Council Member Ampry-Samuel, Public Housing Chair
October 30, 2018

LiveOn NY would like to first and foremost thank Council Member Ampry-Samuel and the entire Public Housing Committee for holding today's hearing on oversight of NYCHA development and privatization.

In New York City, public housing, or NYCHA, and the HUD Section 202 program represent two of the greatest suppliers of affordable housing for low-income seniors. Currently, 38% of NYCHA households are headed by an individual age 62 and over, and an estimated 7,700 units are designated specifically for older adults. Like the rest of the city's affordable housing options, public housing and the Section 202 program each have seemingly endless demand to fill: with over 200,000 seniors waiting for housing through the HUD202 program and over 200,000 families on waiting lists for a NYCHA apartment.

This incredible need for housing, juxtaposed to dwindling supply of available land and a glaring lack of federal resources, makes both NYCHA and the HUD 202 program uniquely poised for innovative solutions, such as RAD, to ensure housing is available to meet the needs of the city's most vulnerable populations. We bring up both programs in this context in order to recognize that neither NYCHA nor privately-operated government-subsidized housing can alone solve the housing related issues facing our City and its older adult population. Instead, we must take into account all of the potential solutions at our disposal to ensure that seniors who have made New York what it is today can afford to remain stable and respectably housed in the years to come. To this end, LiveOn NY appreciates and recognizes Mayor de Blasio's commitment and attention to affordable senior housing in recent years, the senior-focused RFPs associated with NYCHA NextGen being one example of this commitment.

Further, LiveOn NY believes that mission-driven developers, taking into consideration the community wishes and with appropriate regulatory guarantees, are appropriate partners to develop affordable housing and meet the city's overarching housing goals. For example, through NYCHA NextGen and the Ingersoll Community Vision Plan, Fort Greene, Brooklyn will soon be home to 144 new units of affordable senior housing, as well as a brand new community facility operated by our member, SAGE, which focuses on providing services to LGBTQI older adults. This proposal is one example of the opportunity that exists when City land is utilized as a platform to elevate and address the community needs through innovation and collaboration.

The existence of a service component to the aforementioned proposal is important to emphasize, as numerous studies point to the improved health and cost-savings associated with service coordination supports in housing. Community based organizations (CBOs) who work in NYCHA facilities are especially important as changes to the housing stock take form. Whether it be privatization, "right-sizing", or new development, CBOs are uniquely positioned to be trusted information sources for tenants experiencing a potential change. Trust and a true understanding of community needs are imperative to emphasize throughout these efforts, as LiveOn NY has



found fear, misinformation, and historically-grounded trepidation around housing to be a common theme as we speak to older New Yorkers during our discussion-oriented policy and advocacy workshops. Given this, it is imperative that CBOs such as senior centers have the staffing and funding needed to ameliorate resident's concerns and support tenants during any future transitions.

Finally, given the substantial older adult population within New York City's public housing portfolio, LiveOn NY seeks to remain a resource to the city as it works through how best to house, serve, and support its older tenants. To this aim, we look forward to continuing to work with City Council and the administration to make New York a better place to age.

LiveOn NY's members provide the core, community-based services that allow older adults to thrive in their communities. With a base of more than 100 community-based organizations serving at least 300,000 older New Yorkers annually. Our members provide services ranging from senior centers, congregate and home-delivered meals, affordable senior housing with services, elder abuse prevention services, caregiver supports, case management, transportation, NORCs and NY Connects. LiveOn NY advocates for increased funding for these vital services to improve both the solvency of the system and the overall capacity of community-based service providers.

LiveOn NY administers a citywide outreach program that supports seniors in communities where benefits are most underutilized. This program educates thousands of older adults, including those who are homebound, about food assistance options, as well as screens and enrolls those who are eligible for SNAP and SCRIE/DRIE.



COMMUNITY DEVELOPMENT PROJECT

**Testimony of Paula Z. Segal
Before the New York City Council Committee on Public Housing
Regarding NYCHA Development and Privatization**

October 30, 2018

Thank you for the opportunity to testify today. My name is Paula Segal; I am a senior staff attorney at the Community Development Project (CDP), a non-profit legal services organization that works with grassroots and community-based groups in New York City to dismantle racial, economic and social oppression. My practice, Equitable Neighborhoods, works with directly impacted communities to respond to City planning processes and private developers, helping to make sure that people of color, immigrants, and other low-income residents who have built our city are not pushed out in the name of “progress.” We are gravely concerned about NYCHA’s privatization initiatives, and my testimony will focus on infill efforts in particular.

I will focus the remainder of my testimony on the infill projects NYCHA itself is promoting now. We work directly with residents at Wyckoff Gardens, LaGuardia Houses, and Cooper Park Houses – three of the four sites where NYCHA and HPD have publicized an intention to allow private developers to construct half-market rate and half below-market housing. At this time, we are aware of four 50/50 projects¹ and thirteen 100% affordable ones² in the pipeline, although the method NYCHA has used to announce which sites are targeted for infill is outside mandatory annual planning process and extremely difficult to keep track of. We have been collecting

¹ Holmes Towers (Kallos), Wyckoff Gardens (Levin), LaGuardia Houses (Chin), and Cooper Park Houses (Reynoso).

² Ingersoll Houses (Cumbo), Van Dyke Houses (Ampry-Samuel), Mill Brook Houses (Ayala), Sumner Houses (Corney), Twin Parks West (Torres), Betances V (Ayala), Betances VI (Ayala), Morrisania (Gibson), Sotomayor (Diaz), Bushwick II (Espinal), Baruch Houses (Rivera), Dyckman Houses (Rodriguez).

announcements and other relevant documents at NYCommons.org since NYCHA has failed to... publish its infill plans coherently and seek resident input as required by federal law.³

This is just the beginning. In its Next Generation plan, NYCHA announced plans to lease its land to private developers so they can build 30-40 50%market rate buildings, and an additional 50-60 fully affordable buildings on NYCHA land across the City.⁴

It is not clear how NYCHA is making decisions about which program will be used at which campus. This obfuscation violates the spirit, and maybe even the letter, of the regulations which give resident associations the right to “actively participate through a working partnership with [NYCHA] to advise and assist in *all aspects* of public housing operations.”⁵

Under federal regulations, NYCHA, as a public housing authority, may “demolish or dispose” of public housing property only if it establishes that keeping the property as is “is not in the best interests of the residents.”⁶ In addition, NYCHA has to certify to the federal Housing and Urban Development agency that the undeveloped land “exceeds the needs of the development,” or that

³ NYCHA failed to include proposed 50/50 projects at **Wyckoff Gardens** and **Holmes Towers** in the Draft Annual Plan for Fiscal Year 2016 NYCHA released in June 2015, announcing selection of these sites for NextGen Neighborhoods only *via a press release a few months later* in September 2015. A Request for Proposals for these sites was issued in June 2016, and only subsequently, in July 2016, NYCHA submitted to HUD a Final Significant Amendment to the Annual Plan for Fiscal Year 2016 that included disposition of parcels of land at Holmes Towers and Wyckoff Gardens. NYCHA announced proposed 50/50 development at **Cooper Park Houses** in Brooklyn *via a press release* issued in October 2, 2017. But the disposition of Cooper Park Houses was not described in the Final FY 2018 Annual PHA Plan submitted by NYCHA to HUD just a few days later, on October 18, 2017. Instead, NYCHA’s Final FY 2018 Annual Plan stated that 2 additional NextGen Neighborhood sites, including Cooper Park Houses, had been “announced.” Residents did not have a chance to give NYCHA feedback at a public hearing about any of these proposals before NYCHA submitted plans to HUD.

⁴ NYC Housing Preservation and Development will provide financing for the affordable components of these projects.

⁵ 24 C.F.R. § 964.100 (emphasis added).

⁶ 24 CFR § 970.7(a)(5) and § 970.17..

leasing it away is, “incidental to, or does not interfere with, continued operation of the remaining portion of the development.”⁷ NYCHA has done no such thing.

Residents are concerned about the health impacts of construction, especially in environmental justice communities where what is buried beneath the earth is rumored to cause cancer and worse; they worry about their own old buildings not being able to withstand the impacts and crumbling. They grieve for lost playgrounds, air, light and places for the elderly and those with limited mobility to park cars they rely on for daily needs. NYCHA has not created any forum for these concerns to be voiced and addressed, as required by both State and Federal Environmental Review laws. Instead, it has told residents, that developers, once chosen would be required to do the analysis. It is clear that at that point in the process, no “meaningful consideration” of the impacts and alternatives can happen.⁸ NYCHA seems to be intentionally waiting until it is too late to turn back to initiate any impact review.

Financial benefits to NYCHA or the specific campuses are restricted by the program design: in the Requests for Proposals for infill at Wyckoff, La Guardia, Holmes, NYCHA failed to set a floor on the price of the 99-year ground leases it is offering to developers in hot markets such as the Lower East Side, i.e. the *minimum price* it requires from developers to move forward with a project at all. As a result, developers have offered – and NYCHA has accepted⁹ – payments that are both far beneath what NYCHA could demand, and far below what is needed to address *existing* capital repair needs at impacted NYCHA campuses, much less future needs.

⁷ 24 CFR § 970.17(d).

⁸ As required by the National Environmental Policy Act. Similarly, State law requires an agency to initiate environmental review “[a]s early as possible in an agency's formulation of an action it proposes to undertake.” 6 CRR-NY 617.6 (a)(1).

⁹ At Holmes Towers, NYCHA accepted \$25M for a 99-year lease, of which Holmes will receive only half – not nearly enough to address capital repair needs estimated at \$40M as of 2011. At Wyckoff Gardens, NYCHA accepted \$37M for a 99-year lease, of which Wyckoff Gardens will receive only half – again, not nearly enough to address capital repair needs estimated at \$43M as of 2011. NYCHA has also failed to clarify if it plans to require developers to make any ongoing payments to help sustain the impacted campuses over the course of the 99-year lease.

Where infill projects are moving forward, there is no system in place to ensure that funds earmarked for impacted NYCHA campuses are received by, and expended at, these campuses. As a result of resident advocacy, NYCHA has committed that half of revenues from planned 50/50 infill projects will remain at the impacted campuses. But residents are concerned that these funds may either be mismanaged, or used to justify other funding cuts to their campuses, resulting in no net gain for residents burdened by infill development. NYCHA should be required to fully account for funds generated by infill projects, including by disclosing how these funds will supplement, rather than replacing, funds already earmarked for impacted NYCHA developments.

The City Council can make changes to how NYCHA property is treated under City law that will make a difference for our clients and residents across NYCHA's portfolio and give elected advocates control of a program balanced on the backs of the City's most vulnerable. Specifically, it can **change the City Charter so that NYCHA dispositions are subject to public review under the Uniform Land Use Review Process (ULURP)**.

Imperfect though it is, the ULURP process creates transparency around proposed projects and allows for open discussion of concerns and potential solutions before projects move forward. But while the disposition of City-owned land must go through this review process, NYCHA land has not yet been included in the list of properties for which the public has oversight. Section 197-c(a) of the Charter currently enumerates 11 specific categories of actions that require ULURP. The Council can,¹⁰ and should add the disposition of Public Housing Authority land in the City to this

¹⁰ The City of New York is free to subject the Public Housing Authority to such oversight under New York State law: NYCHA is a municipal housing authority organized as a public corporation under New York's Public Housing Law. NY CLS Pub. Hous. § 3(2) (2012). Public Housing Law § 155 specifically states that all public housing "projects shall be subject to the planning, zoning, sanitary and building laws, ordinances and regulations applicable in the municipality in which the project is situated." NY CLS Pub. Hous. § 3(2) (2012). This is in contrast to other entities - such as the Empire State Development Corporation - that are created via the State Urban Development Corporation Act and intentionally exempt from following local land use laws. See *Waybro Corp. v. Board of Estimate*, 67 N.Y.2d 349, 355 (1986) ("Despite its salutary and

list by encouraging the City Charter Review Commission it initiated to place this proposed change on the November 2019 ballot.¹¹

Without ULURP for disposition, the ULURP process only applies to some campuses that require zoning changes to permit construction of new buildings. Even where the project does not fit within current zoning but NYCHA has reason to believe that a Council Member opposes the project, it can seek a mayoral zoning override to avoid ULURP and the City Council vote. This is what is happening now at Holmes Towers in Council Member Kallos' district. If all disposition of NYCHA land was subject to ULURP by law, this back door approach would not be possible and NYCHA would not be able to dispose of land for any project – even one with a mayoral zoning override - without council approval. As it is now, only residents on the few campuses where a new building would not comply with current zoning and the mayor has not offered to use an override, have an opportunity to voice their concerns within the ULURP process, and only the Council Members representing this rarified set have the power to vote projects down if they decide that the proposals do not meet the community's needs.

We have also been supporting organizing partners who work with residents on campuses NYCHA has chosen for the Rental Assistance Demonstration (RAD) program and are concerned that NYCHA had not made clear how ground leases for campuses in that program will deal with the unused development rights that so many campuses have - will developers getting ground leases for the buildings via RAD get the development rights as well?¹² Will they have the power

important purpose and the fact that the City Charter has its origin in State statute, ULURP's provisions will not apply if the Legislature so intends"); *East Thirteenth St. Community Ass'n v. New York State Urban Dev. Corp.*, 189 A.D.2d 352, 361 (1st Dep't 1993)(describing the Urban Development Corporation Act land use regulation override).

¹¹ Without the Charter Commission, the Council can add to the list of matters that require ULURP review via local law only after the City Planning Commission has formally proposed requiring such review. *See* Section 197-c(a)(12).

¹² Well over 8,000,000 (8 million) sq feet of residential development rights are found on the campuses that NYCHA has included in its Section 8 conversion of city and state funded campuses and in the RAD pipeline. For comparison, the massive curved apartment building on the other side of Police Plaza from City Hall, Chatham Green, contains just over *half a million*

to do their own infill development of private buildings on NYCHA campuses? Nothing in the publicly available materials answers this question.

Without Council intervention, NYCHA residents are a population that has been ignored and overburdened for generations that is again being asked to bear the brunt of the City's planning initiatives.

For further information, contact:

Paula Z. Segal, Esq.
Equitable Neighborhoods Practice
Community Development Project
123 William Street, 16th Floor. New York NY 10038
psegal@urbanjustice.org | (646) 459-3067
<https://cdp.urbanjustice.org/cdp-equitable-neighborhoods@eqneighborhoods>

(500,000) residential square feet. Development rights would allow for more than 10 buildings that size to be added directly to privatized campuses.



**Testimony of
Lucy Newman, The Legal Aid Society*
Victor Bach, Community Service Society*
Before the New York City Council Committee on Public Housing
Oversight Hearing: NYCHA and Privatization
October 30th, 2018**

We appreciate the opportunity to testify before the City Council's Public Housing Committee on these important issues and thank the Chair, Council Member Alicka Ampry-Samuel for her leadership and commitment to public housing residents.

NYCHA In Flux

As we all know, NYCHA and its residents have now reached a critical turning point. Standing plans for the future of our public housing are under reconsideration. The federal court is considering approval of a consent decree which will place the authority in the hands of an appointed federal monitor with wide ranging powers.

Production and privatization activities are also in flux. We understand NYCHA is now preparing a revised NextGeneration Plan, which will likely change the scale and nature of those activities. The 2015 NYCHA Plan envisioned the conversion of 16,400 units to public-private ownership and management. Recent announcements indicate that an additional 26,000 units will be added to the conversion pipeline, totaling 42,400 units. Roughly a quarter of 176,000 public housing apartments would be transferred to private hands.

The plans for production on NYCHA sites also seem to be in flux. At Harborview Terrace in Manhattan there is a proposal to change a long-standing plan to build 226 units, 100% affordable, to much higher density, adding 527 market-rate apartments, resulting in a 70-30 development, only 30 percent affordable. The premise is that more market-rate development will generate greater revenues to address NYCHA's daunting \$32 billion capital backlog. But, if what is happening at Harborview Terrace is any indication, it augurs a change in the NYCHA plan

from mixed-income, 50% affordable development to a policy of maximizing market-rate development that will generate revenues.

These shifting, yet uncertain policies raise a number of concerns beyond those we have already raised about the standing NYCHA plan. Our concerns are summarized below:

Conversions to Public-Private Management

The conversion of 1,400 units at Ocean Bay (Bayside) in Far Rockaway—under the HUD Rental Assistance Demonstration (RAD) program—has already taken place. The 2015 NYCHA plan called for an additional 15,000 units to be converted, largely costly-to-maintain scattered-site and some conventional developments. Early this year HUD approved an additional 1,700 units for RAD conversions in scattered site developments in Brooklyn and the Bronx. Resident engagement has been taking place and development teams have been chosen through the RFP process.

NYCHA recently announced an additional 26,000 units to be converted to public-private ownership and management. In addition, NYCHA also plans to convert 8 formerly city and state-financed developments (3,890 units). These are known as “unfunded units” because they currently receive no subsidy at all. In all, about a quarter of all NYCHA public housing will be scheduled for conversion.

The HUD RAD program has extensive resident rights and protections under federal law and HUD regulations. It assures ongoing affordability; rapid rehabilitation to high standards (the 20-year capital need); the right to stay without further screening; the right to return if relocation is necessary, the right to organize, and continued funding of tenant participation activities. To further enhance resident rights, NYCHA encouraged the formation of the NYC RAD Roundtable on Resident Rights and Protections—resident leaders, housing advocates, and other stakeholders, co-chaired by the Community Service Society (CSS) and Enterprise Community Partners— of which The Legal Aid Society was a member – to augment federal protections by developing “guideline principles” to be observed by NYCHA and RAD developers in such conversions. In addition the Roundtable has released the ***Resident Handbook: A Guide to NYCHA RAD Conversion***, and we are now on the process of reaching out to affected residents, the elected officials who represent them, and other stakeholders.

It is important, however, to note that not all these planned conversions will take place under RAD. Some NYCHA conversions will be carried out under the HUD Section 18

Disposition program, which provides for higher federal rent subsidy levels. NYCHA is now seeking a waiver from HUD, which would extend the “gold standards” established under RAD to Section 18 conversions, but the outcome is not yet clear. The Unfunded Unit conversions have no such protections because these former city and state developments are not federal public housing and are ineligible for HUD conversion programs. Our concern is the lack of standards regarding those conversions.

Recommendations—RAD Conversions

In addition to the already adopted guideline principles, a number of further guideline provisions need to be put forward:

- 1) HUD Part 964 Tenant Participation regulations governing the formation of a duly-elected resident organization, and its recognition by the new owner as the sole organization representing residents, need to be incorporated.**
- 2) Appropriate HUD and OSHA environmental regulations need to be adopted to protect residents from environmental hazards during renovations.**
- 3) NYCHA RAD guidelines should also encourage the new owner/manager to agree to a Memorandum of Understanding (MOU), laying out an agreement with residents concerning the work to be done and the community benefits that will come with conversion.**
- 4) Smaller, scattered site developments undergoing RAD conversion may not have sufficient TPA resources to obtain the technical assistance they need. Special allocations of TPA or other funds should be made available to meet their needs.**
- 5) Residents in RAD-converted developments should be assured of continued access to central NYCHA services, such as job programs.**

Recommendations—Section 18 Conversions

NYCHA’s Draft FY2019 Annual Plan describes the three new bundles of RAD conversions to take place at scattered sites in the Bronx and Brooklyn, for which development teams have already been selected for conversions in 2018 and 2019. What the plan does not explain, however, is that the 1,700 units to be converted from public housing (Section 9) to Project Based Section 8 will not all be converted through the HUD RAD program. For many of the units that make up the bundles, the HUD Section 18 disposition program will be used instead. Section 18 disposition requires NYCHA to certify that converted units are “obsolete” (a technical term that means the development will cost less to rebuild than to be upgraded.) The bundled conversions will be a blend of RAD conversion and Section 18 disposition.

To date NYCHA has been “soft-pedaling” the differences between RAD and Section 18 conversions in its resident engagements. Even in NYCHA’s Draft FY2019 Plan description, this is a glaring omission. It suffices with a mention of “adjacent programs.” NYCHA is assuring residents undergoing Section 18 disposition that they will have the same rights and protections as they would under RAD—under current federal law and regulations—that they will be shielded from any programmatic differences with RAD conversions.

One major difference is that under RAD, HUD is required to renew the rent assistance agreement when it expires after 20 years, and the owner is required to accept the renewal. This provision assures ongoing affordability and prevents subsidy expiration that would allow rents for vacated units to be raised to market levels. There is no such provision under Section 18.

We understand that NYCHA has applied to HUD for a “waiver” to extend RAD provisions and protections to residents under the combined bundles of RAD and proposed Section 18 bundles. In the meantime NYCHA residents need to be clear about the distinction and the potential uncertainties at present. NYCHA needs to describe how they intend to give residents whose apartments are converted under Section 18 the same protections as residents have under RAD conversion. We recommend:

- 1) NYCHA needs to be more open with residents about the proposed conversion transactions, explain the different approval processes, and how it will ensure that residents will not be treated differently whether they are converted under RAD or Section 18.**
- 2) NYCHA needs to record the RAD Roundtable Guiding Principles on Resident Rights and Protections with HUD so that they become part of all the blended conversion transactions conducted under the PACT program.**

Recommendations--Conversion of Unfunded Units

NYCHA is moving forward with the conversion of eight former city/state developments to Section 8 housing under alternative (public-private) ownership. The designated developments are:

Bronx: Baychester and Murphy Houses

Brooklyn: Linden, Boulevard, Independence and Williams Plaza Houses

Manhattan: 344 East 28th Street and Wise Towers

The purpose of the conversion is to generate operating revenue for the approximately 4,300 units in former state and city-financed developments that currently receive no subsidy from any level of government and result in an annual NYCHA operating shortfall of \$23 million.

NYCHA has since obtained HUD approval to project-base Section 8 vouchers in the eight designated developments that have unconverted units. But, from a resident perspective, conversion is no longer voluntary—all residents will become voucher holders rather than public housing residents.

Under RAD, federal laws and regulations lay out how conversions must be carried out, what resident rights and protections will be assured, and provisions for ongoing affordability. There is no parallel infrastructure of regulations or guidance for the proposed conversion of the unfunded units. Several questions emerge:

- 1) The NYCHA plan projects it will engage residents in the 8 developments during the summer of 2018. (In contrast, RAD requires at least 2 consultations before an application can be submitted to HUD.)
- 2) What standards will be applied, governing the extent of rehabilitation to be carried out under conversion? (For instance, under RAD, the new owner must meet the 20-year capital need; required renewal of 20-year rent assistance contracts assures ongoing affordability; the resident association will continue to receive tenant participation funding.)
- 3) What explicit commitments is NYCHA making to residents re ongoing rights and protections?
- 4) To prevent arbitrary rent increases, will rents in the converted developments be subject to regulation under existing rent stabilization laws?

We forward the following recommendations:

- 1) **NYCHA should adopt the RAD infrastructure—federal laws and regulations, as well as local guideline principles—as applicable to the eight designated developments undergoing conversion of unfunded units.**
- 2) **The converted buildings should be placed under rent stabilization.**

Housing Construction on NYCHA Sites

In 2015, the 10-year NextGeneration NYCHA Plan called for the private development of 17,500 new apartments on under-utilized NYCHA sites, 10,000 units in 100% affordable buildings, 7,500 in mixed-income (50% affordable) buildings.

We are concerned that the current NYCHA proposal for higher density, 70/30 private development at Harborview Terrace not only violates promises made to residents, it violates the provisions in the standing NYCHA Plan and augurs a new era of NYCHA “infill development” that maximizes market-rate production at high density on NYCHA campuses in order to generate revenue to address the authority’s capital backlog. If that is the plan for the future, we believe there should be a thorough public airing of these new policies before NYCHA proceeds, as well as a review of resident rights and expectations in these engagements.

Recommendations—Changes in Harborview Terrace and Other Development Plans

- 1) Any change to 100-percent affordable, 225-unit development plans at Harborview should be considered a “significant amendment” to the NYCHA FY2019 Annual Plan, requiring a 45-day period for public review and a NYCHA public hearing.
- 2) Promises that NYCHA already made to Harborview residents and to other residents where development is currently planned should be kept, as if they were committed contracts. If changes are to be made, the resident engagement process should be restarted from scratch.

Recommendations— The Allocation of Generated Revenues

The purpose of the mixed-income (50% affordable) NYCHA development plan is two-fold: 1) to contribute to the mayor’s affordable housing construction goals, and 2) to generate NYCHA revenue to be used for major capital improvements in existing developments. In 2015, two developments were targeted for the program: Holmes Towers on Manhattan’s Upper East Side and Wyckoff Gardens in Brooklyn’s Boerum Hill/Gowanus neighborhood. More recently, LaGuardia Houses in the Lower East Side and Cooper Park in Brooklyn have also been selected.

Stakeholder committees—consisting of residents, advocacy organizations, elected officials, and other community stakeholders—were formed at each of the first two developments to work with NYCHA. A similar process is underway at the other two developments.

Early in the engagement process residents raised concerns about how much of the revenue generated at their sites would be used to meet the outstanding capital needs of their development. For months NYCHA refused to make any commitment. Then after strong advocacy by residents, the authority agreed to commit half of the revenues.

As an example, at Holmes Towers, where a developer has been selected, the deal will generate only \$25 million revenue, not enough to meet capital needs estimated at \$35 million.

The relatively low revenue yield seems to stem from “cross-subsidy” arrangements in which market-rate units support the affordable half of the building. Although the City is allocating \$13 million in Low Income Housing Tax Credits and bond financing, it did not commit direct HPD subsidies to support deeper affordability or a higher revenue yield. As a result, the generated revenue represents relatively meager benefits for NYCHA and for Holmes residents.

From the start of the mixed-income production plan, NYCHA indicated its intent that the revenues would be used to meet capital infrastructure needs, half for the development where production was sited. However, in recent testimony before the City Council, NYCHA asserted that the remaining half would be transferred to NYCHA operations. We believe that goes against the original intent of the mixed-income production plan, to generate funds to address the NYCHA capital backlog. We recommend

- 1) All revenues generated by mixed-income production be used as originally intended: to meet outstanding capital needs.*
- 2) That generated revenues be allocated to the maximum extent feasible to meet the capital needs of the designated development.*
- 3) Where revenues will otherwise not make a significant contribution to capital improvements, the city should commit direct rent subsidies to support deeper affordability and higher revenue yields.*

Thank you again for the opportunity to testify.

*** The Legal Aid 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 leading member of the NYC Alliance to Preserve Public Housing.

***The Community Service Society of New York (CSS)** is an informed, independent, and unwavering voice for positive action on behalf of more than 3 million low-income New Yorkers.

CSS draws on a 170-year history of excellence in addressing the root causes of economic disparity through research, advocacy, litigation, and innovative program models that strengthen and benefit all New Yorkers. It seeks to improve conditions and opportunities for low-income New Yorkers. For the last 15 years, CSS has convened the NYC Alliance to Preserve Public Housing, a working collaboration of resident leaders, housing advocates, community and labor organizations, and elected officials concerned about the future of our city's public housing.



**Testimony of Michelle Mulcahy
on behalf of
Enterprise Community Partners, Inc.**

**For the New York City Council
Committee on Public Housing
Oversight Hearing on
NYCHA Development and Privatization**

October 30, 2018

On behalf of Enterprise, I would like to thank Chair Ampry-Samuel and the City Council Committee on Public Housing for the opportunity to testify today. Enterprise is a national non-profit affordable housing organization with more than 35 years of experience creating and preserving safe and decent homes for low-income people.

The single largest portfolio of affordable housing in the country is owned and managed by NYCHA. Our city's public housing stock provides stable and affordable homes to more than 400,000 New Yorkers, including both our most vulnerable residents and those that work to make this city function every day. Public housing has been a stabilizing force and a springboard of opportunity for so many, including civic, business, and cultural leaders.

Preserving NYCHA for this purpose for generations to come is one of the most important tasks we face as a city. Unfortunately, NYCHA is in danger, both physically and financially, with a backlog of \$32 billion in unmet capital needs, many of which lead to serious health and quality of life challenges for residents.

We believe that the Rental Assistance Demonstration Program – or RAD – provides an effective framework for preservation through public-private partnership that protects residents' rights and has become necessary given the trends in funding for public housing. RAD is the best tool we have to make much needed repairs. The RAD program provides long-term affordability protections for residents and ensures the continuation of key resident rights. Other programs under the PACT umbrella, if bolstered with similar resident protections, can enable even more homes to be preserved.

Beyond the national regulations, NYCHA has collaborated with a broad set of stakeholders to enhance protections through the RAD Roundtable for Resident Rights and Protections, which was co-convened by Enterprise and the Community Service Society and included other advocacy organizations, community-based organizations, and resident leaders.

We also developed a handbook, which provides an introduction to RAD, an overview of resident rights, as well as guidance on how residents can prepare and engage throughout the RAD

conversion process. We have distributed over 2,000 handbooks so far and hope to distribute more so that residents can be informed and engaged.

With NYCHA's ongoing commitment to assuring the rights and protections of residents, we fully support the use of the RAD program, in tandem with other programs, and think it could be expanded beyond the 15,000 units committed in the NextGen NYCHA plan to improve the condition of public housing for New Yorkers.

This does not mean that we should stop advocating for more federal, state, and local dollars to preserve public housing. RAD should be a tool in addition to, not instead of, other coordinated and long-term strategies to eliminate NYCHA's capital backlog.

Thank you, again, for the opportunity to testify today.

FOR THE RECORD

**Testimony of Kevin Norman
Director of Public Housing,
Teamsters Local 237**



**Tuesday, 10/30/2018 at 10:00 AM
Council Chambers, City Hall
Oversight- NYCHA Development and
Privatization**

Honorable Chair, members of the Council, my name is Kevin Norman and I am the Director of Housing for Local 237 Teamsters. We represent Housing Authority personnel and welcome this opportunity to appear before you today.

Our union and its members have played major roles in the battle to protect New York City's truly affordable housing stock, NYCHA. Local 237 Teamsters has consistently worked in the past with federal authorities to provide funds for NYCHA operations and capital needs. The withdrawal by the Federal government in providing adequate funding for NYCHA is the root cause of many of the problems faced. The discussion of who manages the HA is a diversionary tactic. The answer is not complicated- provide adequate funding.

A clear example of this has recently happened. In evaluating the Oceanside-Bayside Houses now under private management, the Citizens Housing and Planning Council reported that there has been a significant reduction in outstanding repair orders. The headlines that followed all highlighted the better improvement as a result of privatization. They conveniently, or deliberately, forgot to mention that this occurred after \$80 million in capital funding was made available. One would expect that if you provide new facilities that the work orders would be reduced.

We ask that you look at the Cambridge, Massachusetts RAD as a model of how to induce capital funding, improve operations, and marry the best of a private-public operation. The RAD program in Cambridge successfully uses Teamster Housing members to manage the facilities. The goal there is to provide adequate services- not to provide a high investment return to

developers. I would welcome the opportunity to further discuss this model with you.

I appear here before you today to ask that you recognize the work done by our members. We are no strangers to NYCHA. Many of us live in NYCHA developments. We know the tenants. We know the physical plants of each development. We know the needs and we have warned for years about the problems that would likely bring us to this moment.

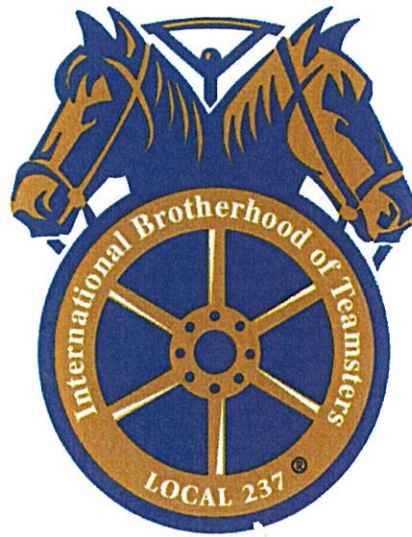
Today, I also ask you to understand that the calls to privatize NYCHA, arguing that the developers are the only solution to our city's long term needs, are false. The solution they will propose in years to come will be the end of public housing and the likely removal of adequate housing for whom NYCHA is the only choice.

Future generations will judge us if we fail to meet this moral moment. Do we work together with the people who attempted to help NYCHA function under the most adverse conditions—the members of Local 237 Teamsters—or do we fall into the far too easy path of those who say privatize?

The easy and misleading answer, honorable Councilmembers, is in our view no answer at all. Repair. Maintain, and let our members do their jobs. And do not privatize. It won't work for the citizens who need NYCHA. We ask that we join together and seek proper funding for housing- and not be diverted to other actions that do not solve the problem.

Thank you very much.

**Testimony of Gregory Floyd
President, Teamsters Local 237**



**Tuesday, 10/30/2018 at 10:00 AM
Council Chambers, City Hall
Oversight- NYCHA Development and
Privatization**

**Testimony of Gregory Floyd
President of Teamsters Local 237
New York City Council Hearing
October 30, 2018**

- *I AM GREGORY FLOYD,
PRESIDENT OF LOCAL 237,
THE UNION WHICH REPRESENTS THE
LARGEST NUMBER OF
PUBLIC WORKERS AT NYCHA.**

- *ONE THIRD OF THOSE 8,000 MEMBERS
ARE ALSO NYCHA RESIDENTS.**

- *SO, WE KNOW THE PROBLEMS WITH
NYCHA BOTH PROFESSIONALLY
AND PERSONALLY.**

***WE ALSO KNOW THAT THE
PRIVATIZATION OF NYCHA
IS NOT THE SOLUTION.**

***PROGRAMS LIKE RAD ARE
NOTHING MORE THAN A
LAND-GRAB BY PRIVATE DEVELOPERS
UNDER THE GUISE OF
SAVING PUBLIC HOUSING.**

***NOTHING COULD BE
FURTHER FROM THE TRUTH!**

***THE MONEY SUPPOSEDLY
GENERATED BY RAD IS
INSUFFICIENT AND UNPROVEN.**

**IT DOES NOT JUSTIFY A
WHOLESALE GIVEAWAY OF
PUBLIC PROPERTY
FOR PRIVATE PROFIT.**

***GENTRIFICATION IS THE RESULT.**

**IT WILL ULTIMATELY DISPLACE
NYCHA RESIDENTS AND ROB THEM OF
THEIR COMMUNITY.**

***THERE ARE MANY OTHERS WHO AGREE.**

**(FOR EXAMPLE, I HAVE HERE COPIES
OF LETTERS WRITTEN BY
CONGRESSWOMAN MAXINE WATERS
TO PRESIDENT OBAMA IN 2014 AND TO
THE GAO IN 2014,
TO EXPRESS HER CONCERN.)**

***YES, NYCHA IS BROKEN BUT
OUR MEMBERS HAVE BEEN
TRYING TO FIX IT.**

**AND, IT'S LOCAL 237 MEMBERS WHO
KNOW THE DEVELOPMENTS BEST.**

**THEY HAVE WORKED HARD TO KEEP
THE BUILDINGS OPERATING DESPITE
YEARS OF GROSS MISMANAGEMENT AT
THE HIGHEST LEVEL.**

**AND, THEY WORKED HARD DESPITE
DIMINISHED FUNDING AND
LIMITED RESOURCES.**

***BUT NOW, OUR MEMBERS ARE WORRIED
ABOUT LOSING THEIR JOBS OR
BEING DISPLACED.**

***NYCHA WAS ONCE A PLACE OF PRIDE
TO LIVE AND WORK.**

***IT WAS CONSIDERED THE SHINING
EXAMPLE OF CIVIC RESPONSIBILITY.**

***HOW DID A NATIONAL MODEL,
BECOME A NATIONAL NIGHTMARE
FOR SO MANY PEOPLE?**

***PRIVATIZATION IS NOT THE SAVIOR OF
PUBLIC HOUSING.**

***IT IS THE EXACT OPPOSITE.**

***PRIVATIZATION IS A HOAX WITH
GOOD PR.**

***THERE ARE SOME REAL SOLUTIONS
SUCH AS:**

**-MORE FUNDING AT ALL
LEVELS OF GOVERNMENT.**

-BETTER MANAGEMENT AT THE TOP.

**-AND, LET OUR MEMBERS DO THE
WORK THEY ARE TRAINED TO DO,
IN DEVELOPMENTS THEY KNOW.**

**THOSE ARE JUST SOME OF THE
REAL SOLUTIONS.**

***I THEREFORE URGE THE COUNCIL TO
VOTE “NO” TO PRIVATIZATION OF
PUBLIC HOUSING.**

***PUBLIC HOUSING SHOULD NOT BE
SOLD OFF.**

***THAT IS JUST A FALSE, QUICK-FIX TO A
DIFFICULT PROBLEM THAT PROMISES
TO HAVE LONG-TERM CONSEQUENCES
THAT FEW CAN LIVE WITH AND
MANY WILL REGRET.**

***THANK YOU.**

United States House of Representatives
Committee on Financial Services
Washington, D.C. 20515

December 10, 2014

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Mr. President:

I am writing to express my concerns about the expansion of a new demonstration program at the U.S. Department of Housing and Urban Development (HUD) that could have far-reaching and potentially long-term negative consequences for the nation's public housing stock and the residents who rely upon this important resource. While created with the intention of preserving the nation's stock of deeply affordable rental housing, I believe HUD's Rental Assistance Demonstration (RAD), may very well do more harm than good in diminishing a crucial public asset. I strongly urge the Administration to rethink its current strategy for preserving public housing, and renew the government's commitment to advocate for full funding for the program.

Public housing has served an important role on the continuum of affordable housing since the 1930s. The public housing program is integral to our nation's social safety net, providing housing for 1.2 million families. It serves a population of "hard to house" people who face challenges that often make it impossible for them to rent a unit in the private market. Over the last several years, public housing has been plagued by chronic underfunding, resulting in a backlog of capital needs of over \$26 billion and rising. We continue to lose units to demolition and disposition, and many families are currently experiencing deteriorating living conditions.

Rather than devise a strategy to improve federal funding and support for public housing, the Administration's solution to its chronic underfunding is RAD. While the program is well-intentioned, its primary reliance on private capital allows for the privatization of an asset that has always been, and should continue to be, publicly owned. Over 56 percent of currently approved applications propose using tax credits, and the statute allows for for-profit ownership in these cases. Moreover, the preservation of the public interest in properties converting to for-profit ownership is left up to the discretion of the HUD Secretary and can be redefined at any time. I am concerned this could be problematic with a future Administration whose goals may not include a commitment to preserving the public interest in RAD properties. Additionally, RAD permits public housing to be transferred to private nonprofit ownership in virtually all situations. The quality of continued public ownership and control

thus depends on the transactional documents of each RAD conversion, and unfortunately those materials are not generally readily available to the public for review. I fear that in leaving this crucial component so broad we run the risk of losing our public interest in this asset over the long term—an outcome I find simply unacceptable.

Collateralizing the public housing program to raise mortgage debt creates risks of potential default and foreclosure. I have concerns about this kind of exposure on the heels of a major foreclosure crisis that impacted so many homeowners and renters in both single and multifamily properties. Moreover, while the statutory intent is to maintain affordability even in the face of foreclosure, it is wholly unclear whether the Section 8 Housing Assistance Payment (HAP) contract will survive in all cases, since HUD might decide to terminate it or the foreclosure sale purchaser might refuse to accept it. The Use Agreement does not guarantee use of a Section 8 contract, complete with the affordability restrictions and tenant protections. Additional uncertainties surround defining HUD's role in ensuring proper ownership as required post-foreclosure, and how HUD will select the new owner where private debt is involved.

Put simply, if the price of accessing private capital is to put public ownership at risk, then that price is too high. A more appropriate and sustainable approach would be for the federal government to provide adequate funding directly to the public housing program. The capital needs backlog for public housing could be addressed if the federal government committed an additional \$5 billion in capital funds annually for 10 years. This amount is less than one half of one percent of the Administration's total discretionary budget authority. It is deeply troubling that when it comes to adequately housing our own country's poorest families, we continue to fall sorely short.

Providing federal dollars directly to public housing would also have positive economic impacts that go beyond the preservation of properties. For example, a recent infusion of \$4 billion in capital fund dollars as a result of the American Reinvestment and Recovery Act (ARRA) generated thousands of jobs and created an additional \$2.12 of economic activity for every \$1.00 spent by the federal government.¹

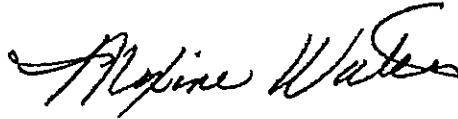
The government has been inattentive in its responsibility for the care and condition of public housing for years. That is why we are currently faced with this challenge of preserving public housing. The answer, however, is not to look to the private sector to correct these mistakes. Rather, the Administration should renew its commitment to serving those most in need by demanding the full amount of funding that the public housing program so desperately requires. Moreover, the Administration should stand with those of us who have been steadfast in our support for public housing to urge Congress to fully fund the program. I stand ready to engage in a meaningful dialogue about new strategies to educate the public and my fellow members of Congress about the benefits of adequately funding public housing, and the important role it serves in the lives of so many extremely low income Americans.

¹ Econsult Corporation (2011, March). Public Housing Stimulus Funding: A Report on the Economic Impact of Recovery Act Capital Improvements.

The President
Page 3
December 10, 2014

Thank you for your consideration. You or your staff may contact me or Theresa Dumais at theresa.dumais@mail.house.gov or at 202-225-0702 with any questions about this letter.

Sincerely,

A handwritten signature in cursive script that reads "Maxine Waters". The signature is fluid and elegant, with the first name "Maxine" and last name "Waters" clearly distinguishable.

MAXINE WATERS
Ranking Member

cc: The Honorable Julian Castro
The Honorable Shaun Donovan

United States House of Representatives
Committee on Financial Services
Washington, D.C. 20515

October 7, 2015

The Honorable Gene L. Dodaro
Comptroller General
U.S. Government Accountability Office
441 G Street NW
Washington, DC 20548

Dear Mr. Dodaro:

I am writing to request a GAO review of Component 1 (public housing) of the U.S. Department of Housing and Urban Development's (HUD's) Rental Assistance Demonstration (RAD) program. Over the last several years, public housing has experienced chronic underfunding, resulting in a backlog of capital needs of over \$26 billion and rising. We continue to lose units to demolition and disposition—10,000 a year by some estimates—and many families are currently experiencing deteriorating living conditions.

Established in the 2012 Consolidated Appropriations Act, RAD was created as a voluntary, limited demonstration program that provides the opportunity to test the conversion of public housing and other HUD-assisted properties to long-term, project-based Section 8 rental assistance. The demonstration was enacted to allow HUD the opportunity to determine whether this conversion would achieve certain goals, including the preservation and improvement of public housing properties through private debt and equity to address immediate and long-term capital needs. Despite serious concerns with the implementation of this demonstration, the 2015 Consolidated Appropriations Act expanded the unit cap under Component 1 of RAD from the original 60,000 authorized to 185,000 units, and the administration is advocating for the lifting of the cap altogether. Additionally, the Act requires HUD to assess RAD and publish findings on how the demonstration allowed for the preservation and improvement of public housing, how much PHAs were able to leverage their converted assistance with the private sector, and how tenants in converted properties were affected.

Over the years, I have been very vocal about several concerns regarding this demonstration. First and foremost, I am concerned that tenants' rights may not be properly protected throughout the process of conversion under RAD. I am also concerned that the demonstration's primary reliance on private capital essentially depletes our nation's stock of public housing over time by allowing for the privatization of an asset that has always been publicly owned. Continued public ownership and control depends on the complex, specific terms of each RAD conversion, and those materials are not generally readily available to the public for review. And even if a RAD application proposes an ownership structure that protects the government interest, using public housing properties as collateral to obtain private mortgage financing inherently creates risks of potential default and foreclosure, and it is unclear precisely how the government's interest in the property would be affected by such an event. I continue to have concerns about this kind of exposure on the heels of a major

foreclosure crisis that impacted so many homeowners and renters in both single and multifamily properties.

Moreover, while the statutory intent is to maintain affordability even in the face of foreclosure, it is wholly unclear whether the Section 8 housing assistance payment (HAP) contract will survive in all cases, since HUD could decide to terminate it or the foreclosure sale purchaser could refuse to accept it. The underlying use agreement, which becomes applicable if the HAP contract does not survive, does not guarantee use of a Section 8 contract, complete with the affordability restrictions and other tenant protections. Additional uncertainties exist around HUD's role in ensuring proper ownership as required post-foreclosure, and how HUD will select the new owner where private debt is involved.

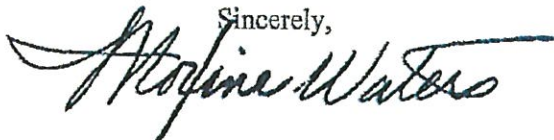
Specifically, I request that the GAO examine if and how the RAD program is operating to achieve the stated goals that RAD was enacted to accomplish. The review should include the following questions and others you may determine to be necessary to fully evaluate the performance of the demonstration.

- How have housing authorities proposed to maintain public ownership in the properties that have been converted under RAD? Are the main mechanisms being utilized adequate for protecting the government interest? In what ways could the public interest be maximized in RAD deals, and does HUD have adequate processes in place to ensure that housing authorities are maximizing the public interest in RAD deals to the greatest extent possible?
- If an owner defaults on a contract, HUD may transfer the HAP contract, along with the Use Agreement, to another entity for use at another property, or HUD may terminate the HAP contract. When the HAP contract is terminated, new owners are subject only to the Use Agreement's default affordability requirements, which only require rents be no greater than 30 percent of 80 percent of the area median income, a rent level that few residents of RAD-converted public housing units could afford. What would happen to these properties and the residents in these cases? What other options are available to residents of these properties if they can no longer afford the rent levels that a new owner could impose? What does the public interest look like, if any, in these scenarios?
- Have the rights of tenants been protected at the sites that have been converted under RAD, as required by the authorizing statute? What safeguards and protections are in place to ensure tenants' rights are not diminished and tenants themselves not harmed before, during, and after the RAD conversion process? Have any tenants been displaced due to RAD? What is HUD doing to ensure that tenants are protected during the conversion process and throughout any temporary relocation of tenants? How have tenants been educated about and involved in the RAD conversion process?
- What has been the physical and financial impact on the properties converted under RAD so far?

- In some cases, PHAs have made changes to their public housing programs in response to legal challenges made by tenant and legal aid groups. How do RAD conversions account for any agreements with tenants and/or legal settlements?
- Low-Income Housing Tax Credit properties typically serve relatively higher income households when compared to public housing. Considering that tax credits are a key source of funding to recapitalize projects converted under RAD, have PHAs participating in RAD been able to continue to serve very-low income and extremely low-income households? What can be learned from the developer community's approach to the opportunity posed by the conversion of public housing under RAD? How have income targeting and the income characteristics of public housing residents changed as a result of these conversions?
- Are RAD projects generally meeting their timeframes for conversion? Are there any patterns in complications that result in RAD transactions?
- What challenges have small PHAs faced in implementing RAD?
- What are HUD's plans for public housing developments that are not converted under RAD? What types of public housing properties are not good candidates for the demonstration program based on your analysis? Does HUD have any plans for addressing the needs of such properties that are not well-suited for RAD conversions?

Thank you for your cooperation and attention in this matter. If you have any questions, please do not hesitate to contact my staff, Theresa Dumais at Theresa.dumais@mail.house.gov, or Esther Kahng at Esther.Kahng@mail.house.gov.

Sincerely,



MAXINE WATERS
Ranking Member

New York City Council, Committee on Public Housing Oversight – NYCHA Development & Privatization
Wednesday, Oct. 29th, 10:00 AM, Council Chambers, City Hall
Presented By: Michael Kornspun, Pennrose, LLC

Good Morning Councilmembers,

It's a privilege to address the Committee on Public Housing regarding the work Pennrose and NYCHA are partnering to accomplish. Earlier this summer, my colleagues at Pennrose completed the final residential phase of the three phase "Prospect Plaza" project in Ocean Hill Brownsville, on what was, and partially remains, NYCHA owned land. This new construction project includes 394 housing units, 100% affordable, of which 80 are public housing units. Prospect Plaza also contains a three-quarter acre park currently under construction, which includes a playground, basketball courts, game tables and walking paths, and which we'll permanently turn over to Parks at completion for enduring community enjoyment.

We're currently in advanced pre-development with NYCHA, and our partners at the Acacia Network, on "Brooklyn Bundle 1", a 1,315 unit, scatter site development in Bushwick that includes Hope Gardens, Palmetto Gardens, Bushwick II Groups A&C, Groups B&D and Group E. Most people just call the whole development "Hope Gardens." Closing is scheduled for March 2019. Through the RAD program, Section 18 subsidy, a valuable allocation of NY State HFA private activity bonds, federal tax credits and our public private partnership with NYCHA, we plan to replace substantially all of the complexes boilers, roofs and windows, renovating all kitchens and baths, providing all new appliances and air conditioners, vastly improving security monitoring and lighting, remediating the environmental conditions, renovating and re-imagining the abundant green space – which is a unique neighborhood resource, redoing and securing building entrances and hallways, improving energy usage and provision, and engineering solutions to permanently deal with persistent resident complaints of sewer back-ups. The entire focus of our pre-development, project scoping has been to improve the living conditions of the

residents on a long-term basis, and protect the properties from future economic vulnerability. Through RAD, no residents will be displaced, and everyone's rent will remain, as it is now, at 30% of income. Roughly 4,000 residents call Hope Gardens home. Most really like Bushwick, but are frustrated and disheartened by the conditions of the buildings. All we need to do, and what we are going to do, is upgrade the physical plant to create a more secure and more pleasant home environment.

NYCHA's residents deserve that level of care. Yet NYCHA is facing difficult decisions in a difficult environment. Stepping back from the day to day headlines, what NYCHA is fundamentally coping with is the same as what every housing authority in the country is coping with: years of congress underfunding the operating and capital requirements of its own housing program. NYCHA's problems are larger because NYCHA is larger. We do RAD and RAD related work across the U.S., with major projects in Philadelphia, Atlanta, Chicago, Savannah, Portsmouth and New York. In fact, we've done more RAD work than any other firm in the country. We've been impressed by dedication, competency and preparedness of NYCHA's development staff. RAD is HUD's main program to address the backlogged capital needs of its projects. Over 100,000 units have already been preserved under RAD, and over 200,000 additional units are in various stages of application and pre-development. That's a substantial portion of HUD's 1.2MM public housing units. NYCHA's 176,000 public housing units constitute 15% by number of all public housing in the U.S., and a larger percentage, more 30%, of all U.S. public housing by cost. NYCHA's in the very early stages of employing the public private partnership tool that is RAD. We at Pennrose are committed to working with NYCHA in whatever possible as it proceeds with using RAD and other programs to tangibly improve the lives of its residents.

Tuesday, October 30, 2018

Testimony presented to:

New York City Council, Committee on Public Housing

Presenter:

Dena Davis

Senior Project Manager, Real Estate Development

West Side Federation for Senior and Supportive Housing, Inc.

2345 Broadway, New York, NY 10024

Chairwoman Ampry-Samuel and Members of the Committee, thank you for the opportunity to testify today. My name is Dena Davis, and I am a Senior Project Manager for Real Estate Development for the West Side Federation for Senior and Supportive Housing, Inc. – also known as “WSFSSH”. We are a non-profit housing and social services provider in New York City with over 40 years of experience in developing, owning, and managing 100% affordable housing.

WSFSSH both acquires existing housing and builds new housing. We own 27 buildings and we are in the process of building three more. Within this 30-building portfolio, eight of our developments have been built from the ground up – **and all eight have been built on publicly provided land. I mention this fact because it points to the absolutely critical role that public sites play in the effort to create new affordable housing.** Quite simply, there is neither enough privately-owned developable land nor enough reasonably priced privately-owned land to build housing that is affordable to those who are economically in need of it.

WSFSSH builds housing exclusively for vulnerable households. This includes, first and foremost, very low-income older adults, but it also includes low-income families. We house many older adults who have become homeless, whether for economic reasons, for lack of services and supports, or both. Accordingly, we are uniquely positioned to understand two critical concerns within the NYC housing market:

1. There is a crisis of housing affordability. A recent report from the Office of the NYC Comptroller indicates that 400,000 affordable apartments have been lost since 2005.ⁱ
2. There is a growing population of older adults, without the economic means &/or support services to live independently in the community. According to LiveOn, by 2030 the number of people over the age of 60 will be 1.84 million, a 47% increase from 2000, more than 20% of whom will live in poverty.ⁱⁱ

This hearing is focused on both the “development” and the “privatization” of NYCHA land. Thus, we are asked to answer two questions: whether new development is necessary and appropriate, and if so, whether it is reasonable for this to be done with private partners.

In answering the first question, I would stress that we cannot begin to address the concerns that I have noted above without building more housing. NYCHA’s efforts to create housing on its under-developed land have been vital in furthering new affordable housing opportunities in NYC; *this must continue*.

And yet, new development on NYCHA land can be done in a way that also benefits NYCHA residents. WSFSSH has partnered with NYCHA on several 100% affordable projects, two of which have been sited on NYCHA land and one of which is sited across the street from NYCHA land. In building and managing these buildings, we have witnessed important ways in which NYCHA residents benefit from new development. Specifically:

- Each development incorporates ground-level, community-oriented retail spaces that were previously lacking in the neighborhood. We are intentional in selecting tenants that will serve a broad community need and not just the needs of our residents. This includes senior centers, a dental clinic run by Montefiore Hospital, a federally qualified health center, and a retail pharmacy.
- Many NYCHA residents have aged-in-place and are in need of more service-enriched housing than NYCHA can offer. We recognized this challenge more than a decade ago when we first partnered to create Grandparent Family Apartments -- a building exclusively for NYCHA senior citizens with parental custody of their grandchildren. This month we began renting units in a new senior housing development called Tres Puentes. *We received over 1700 interested applicants for 175 available apartments. Of 154 applicants contacted to date for interviews, 27% presently live in NYCHA housing.*

So, returning to the first question, equitable development on NYCHA land is both necessary and feasible.

Let's turn to the second question – is it reasonable for new development to be privately owned? The answer must be yes, because the primary form of capital housing subsidy in this country -- the Low Income Housing Tax Credit – requires such. Public sector and non-profit entities have no tax liability, and thus cannot directly utilize tax credit financing. Accordingly, new housing developments must be structured as “privately owned” in order to gain access to this financing.

However, all of the developments that we have built in partnership with NYCHA have been set up so that WSFSSH (as the nonprofit partner) manages the affairs of the development, ensures that rent affordability is preserved, and most importantly – retains ownership of the development when the tax credit regulatory period ends. Thus, while the term “privatization” is an accurate structural description of how our affordable housing is built, it fails to capture the reality that the not-for-profit sector (not the private sector) is actually the long term steward for the development.

And when it comes to long term housing affordability, at WSFSSH we believe that nonprofits are ideal stewards. We have never sold or taken any of our properties out of affordability. We have no shareholders and we cannot distribute profits. Thus, every dollar that we earn is reinvested back into our buildings to ensure appropriate staffing and maintenance, with the goal of preserving perpetual affordability.

Land is one of our city's scarcest commodities. By prioritizing the expansion of its underutilized sites for affordable housing, and by working together with responsible nonprofit partners, NYCHA can help address the crisis of affordability that is preventing seniors and many others from living in dignity.

Thank you once again for this opportunity to testify in support of continued development of NYCHA land in furtherance of affordable housing.

ⁱ <https://comptroller.nyc.gov/reports/the-gap-is-still-growing-new-york-citys-continuing-housing-affordability-challenge/>

ⁱⁱ <https://static1.squarespace.com/static/562a3197e4b0493d4ffd3105/t/56e7095d9f726687df953d47/1457981794370/CSCS-Housing-Policy-Paper2014.pdf>



**NYC COUNCIL HEARING BY THE COMMITTEE ON PUBLIC HOUSING
NYCHA DEVELOPMENT AND PRIVATIZATION**

**Testimony for Rachel Fee, Executive Director, New York Housing Conference
October 29, 2018**

My name is a Rachel Fee. I am Executive Director of the New York House Conference, 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.

I would like to thank the Council for the opportunity to testify today and recognize the Committee Chair Ampry-Samuel for her leadership. New York Housing Conference acknowledges this body for an unwavering commitment to public housing, advocacy support for additional capital funding from the City and the State and this Committee's scrutiny of management practices to ensure safe and decent living conditions for public housing residents.

At this critical juncture for public housing in New York City, a fresh look must be given to all strategies that can help reduce costs or raise revenue to preserve NYCHA housing. We believe this can be achieved with the best interests of the tenants in mind and as part of a long-term preservation strategy. Such a strategy will require additional resources from the City, State and Federal government. Regarding private sector partnerships, I would like to comment today on both infill development and RAD conversions.

New York Housing Conference supports maximizing use of City-controlled land for the dual purposes of creating new affordable housing development opportunities and to generate revenue to preserve public housing. New York City is facing an unprecedented affordable housing crisis and the New York City Housing Authority is facing a financial and management crisis. Where there are suitable residential siting opportunities on NYCHA land that can benefit either or both of these priorities, they should be utilized. We believe that any revenue generated from infill should be allocated to repairs and improvements at the associated NYCHA development. All development plans on NYCHA property must also consider community needs and maintain adequate preservation of open spaces

and recreational spaces. NYCHA may also benefit from staff coordination with the Department of Housing Preservation and Development to bolster capacity to more expeditiously process infill plans or evaluate siting options. New York Housing Conference has also supported similar infill opportunities on Health & Hospital Corporation land as well as infill on underutilized 202 Senior Housing parking lots to creating affordable housing siting opportunities.

Regarding the Rental Assistance Demonstration program, we are in support of fully utilizing this program to leveraging financing for building and apartment repairs. Given the \$32 billion capital backlog and insufficient federal funding, RAD is a critical tool to bring private investment to preserve public housing. We have seen the program met with great success in Ocean Bay in the Rockaways as well as in other cities across the country. New York Housing Conference participated in the RAD roundtable or PACT, in helping to establish program implementation guidelines and protections for residents. We believe it is possible to expand on the work of this group of stakeholders to ensure that conversions outside of RAD, such a conversions using tenant protection vouchers or project-based Section 8, also provide similarly robust protections for residents and lasting affordability.

We recommend significantly expanding RAD in combination with other strategies to raise revenue and reduce NYCHA's capital backlog. We believe this approach should be adopted in a multi-prong strategy that also includes a long-term city/state capital commitment to entirely eliminate the capital backlog.

While NYCHA's current financial and management problems are significant, they are not insurmountable. New York City has been faced with great housing challenges before such as widespread real estate disinvestment prior to the Koch housing plan, which restored more than 130,000 vacant and occupied "in rem" properties. The City overcame this great challenge by targeting significant capital investment towards building rehabilitation and also by building strong partnerships with non-profit and for-profit partners. We now have a very well developed and capable infrastructure of affordable housing developers and managers in New York City. We should take advantage of this unique capacity and view partnerships with the private sector as part of the solution to restoring condition in public housing. We are hopeful that with the appointment of a federal monitor and the many eyes on NYCHA, a successful plan for preservation can be crafted that benefits from private sector partnerships to restore conditions for residents.

My Name: Karen Leader
Resident: Cooper Park Houses, One of the developments targeted for NYCHA's NEXTGEN 50/50 project.
Credentials: Secretary, Cooper Park Residents Council Executive Board

I am here on behalf of Cooper Park Residents to express our request to you regarding NYCHA's NEXTGEN proposals:

1. We are asking that each of you - city officials here today - strongly advocate on behalf of NYCHA's residents regarding all NEXTGEN projects. While we realize that you can't vote on NYCHA's infill or privatization schemes under the current law, we KNOW that you have the power to change that. We are asking that you change the law, to one that would require a "*Special Permit*" for any new construction on NYCHA's properties, to go through the ULURP process. This would allow you to then vote down any proposed construction or development to take place - in the event that goals that our community identifies - aren't met by the proposals - that NYCHA and/or the developers create.
2. It appears that NYCHA is simply "checking off boxes" as much as HUD requires them to. However, they missed a "box" in the case of Cooper Park Houses being included in their NEXTGEN project. In our case, NYCHA omitted Cooper Park Houses from its *draft* and instead of correcting their mistake by including us in their next *draft*, they had the audacity to bypass the *draft* process and instead we were squeezed into their *Final Annual Plan for 2018*. Because of this, not only did they fail to comply with HUDS requirements - where they were required to inform residents about any planned demolitions, any sale or *lease of land* or any plans to build...additionally residents were not afforded the opportunity to respond to the *draft* when it *came out* - which took away our opportunity to present our comments, concerns, suggestions and our opportunity to ask questions.
3. We are also asking that each of you insist that before NYCHA begins any of their "Community Engagement Processes" and in the cases where it has begun that it be Stopped! NYCHA is in need of "improved management" - At the very least, the very first step that NYCHA should take in any of its proposed infill projects - is to hire experts to complete a thorough Environmental Review that would allow them to identify any/all potential negative impacts that building on any given site would have on residents and on our environment as a whole. This should especially be done before a RFP is put out.

Along with this, developers must be made aware of these impacts and address them before any development begins. We are also asking that you see to it that NYCHA sits down with its residents and responds with copies of all written reports, which will expose any/all environmental impacts.

4. Next, when NYCHA sets aside a certain number of units to be “affordable” the fact remains that in NYC the government will allow the units to cost up to \$3,000.00 per month. At this rate the promise that NYCHA makes that we, residents will have preference to 25% of these “affordable” units is not practical. We are citizens, veterans, working parents, and tax payers yet; we are being disqualified from even applying for these “affordable” units. We would like to know that each of you here today would guarantee us that this percentage not only increases additionally, we need you to make sure that NYCHA honors their word and offers the “affordable” units at a range that would allow low-income families to respond to.

5. Additionally, we need you to stand besides us – using your power as our representatives and force NYCHA’s hand in being transparent. NYCHA knows the capital repairs amount needed at each development - yet they’re allowing private developers to suggest to them what the “ground lease payment should be. NYCHA should be asking for at least $\frac{3}{4}$ of what the capital needs amount is at each of the proposed infill projects. Additionally, whomever these “professionals” are that aren’t asking for “annual payments” in addition to the lump sum payment/ground lease payment for the duration of the 99 years - should be fired! We thought the goal of NEXTGEN was to create revenue to reinvest back into our developments and across NYCHA – Please note that this is continuously being done off the backs of the poor and not from the pockets of the developers who stand to make a substantial amount of money yearly! We need you to insure residents that you will insist that the ground lease payments are at least $\frac{3}{4}$ of the amount needed to cover each infill projects capital repairs amounts and that annual payments are mandated for all infill projects!

6. I’ll end with this; don’t let it be said that while you’re listening to us today, that you are not hearing nor addressing our valid concerns, comments and questions with your hearts, your pens, your voices and your votes. Don’t let it be said that you too are simply “checking off boxes” as “anyone who puts his hand to the plow and looks back is not fit for the kingdom or “a city council seat”. It is minutes to midnight and it’s time that each of you – Elected City Officials – to honestly do your share and each fiscal year you support those in your - district living in public housing - by including substantial amounts of your annual budgets towards NYCHA’s deficit.

New York City Council
Committee on Public Housing Hearing Testimony
October 30th, 2018

Good afternoon, my name is Hal Fetner, and I am President and CEO of Fetner Properties. My company was selected to partner with NYCHA on their first mixed-income 50/50 housing development at Holmes Towers. I am a third generation builder and developer and am exceptionally proud of the many affordable housing and mixed use projects we have completed over the past few years.

A guiding principal of Fetner Properties is that we believe each of our buildings and projects are thriving communities for all of our residents. It is with that principal we have always tried to be good members of the community in which we are developing. This is why since being selected as the partner for this new NYCHA Holmes development we have held over 15 community meetings with the residents of Holmes Tower, and have solicited guidance and advice from many residents as to what new amenities and features we can try to incorporate into the design of the new building and surrounding open space. We also used these meetings to listen to what the residents were concerned about, and how Fetner Properties could try to work with the residents to alleviate some of their fears.

Our hopes with these community meetings was to create an open forum for questions, and to try to create an open dialogue and working relationship with the residents of Holmes Tower. We have encouraged residents to stay in contact with Fetner Properties and ask question using an email address we created which is NYCHA@Fetner.com.

Fetner Properties will be developing a 336 unit building, where 50% or 169 new affordable apartments will be created on the upper east side of Manhattan. None of these apartments will have an AMI higher than 60%, and there will be a NYCHA resident preference for approximately 25% of the units. The building has been designed to include at least one affordable unit on every residential floor of the building. Additionally, there will be an 18,000 square foot community facility that will include an indoor basketball court and health facility, as well as an outdoor turf field. The Community facility will be run by Asphalt Green – a longstanding neighborhood non-profit with deep ties in the surrounding community – for the benefit of Holmes residents with programs such as teen basketball and soccer clinics, senior citizen programs and other health and wellness activities. Additionally, we will be improving the grounds around the entire development with new landscaping, recreation, play and senior areas as well as sculpture gardens and a community vegetable garden. Fetner Properties has also committed to hiring from within the community for at least 50% of all permanent jobs.

As part of the deal, NYCHA will receive both a \$25 Million dollar payment that can be used for capital repairs; as well the 18,000 square foot community facility, which is an additional cost to the development team of \$13 Million dollars.

Given the recent estimates that NYCHA needs \$32 billion for all of their capital repairs, and with very little hope for additional support from the Federal Government, NYCHA must look for creative ideas such as public private partnerships to generate revenue for repairs. The \$25 million committed by Fetner Properties can be used almost immediately to fix some of the capital needs at Holmes Tower. That is what the NextGeneration Neighborhoods program is all about. Understandably, residents are concerned about the new building, the noise and inconvenience of the construction. But, we have also seen through our many conversations that residents are starting to get excited with the prospects of the improvements that can and will happen in their apartments.

NYCHA residents deserve clean safe buildings with reliable heat and hot water, elevators that work and open space for their kids to play. Understandably people might not be happy with mixed-income buildings being built within their communities, but there are few, if any, alternatives to finding funding sources to meet NYCHA's \$32 billion worth of work that needs to be done. Fetner Properties is extremely proud to be partnering with NYCHA to take the first steps towards revitalizing the NYCHA communities.

Hal Fetner
President and CEO
Fetner Properties



Testimony of Stanley M. Isaacs Neighborhood Center

Gregory J. Morris, Executive Director
Oversight Hearing - NYCHA Development and Privatization
October 30, 2018

I'd like to thank Chair Ampry-Samuel and members of the Committee on Public Housing for organizing this important hearing and the opportunity to provide testimony. I'm Greg Morris, President and Executive Director of the Stanley M. Isaacs Neighborhood Center, a multi-service non-profit organization physically embedded within two public housing developments in upper Manhattan.

The Isaacs Center provides access to critical programs and social services on NYCHA property that include senior services, after school, career readiness and job placement services, mental health services, case management, and legal advocacy. We are located at the Isaacs Houses-Holmes Towers development in upper Manhattan and the James Weldon Johnson Houses in East Harlem. Between the two sites we serve more than 6,000 New Yorkers - the vast majority of whom are residents of public housing.

I appreciate the Committee's focus on the impact of privatization within public housing and am here to highlight the unique challenges that the residents our organization serves will likely experience, related to the NYCHA NextGeneration infill project - a 47 story luxury apartment building - being currently designed and to be soon built by Fetner Properties, just steps away from our Senior Center and Youth Center. **The project is unique, as it is one of only two NYCHA NextGen projects in the City that are a 50/50 (affordable/market) split.** Notably, all other privately developed projects on NYCHA land are comprised fully of affordable apartments.

Additionally, it is our understanding that in exchange for the use of public land in this development, Fetner Properties will provide \$25 million to the general operating budget for NYCHA, with a mere \$12.5 million going directly to capital improvements within the Isaacs/Holmes development. The investment is meager, considering the project's substantial profit to the developer and the significant need in the development, noted in a recent New York Post article from September 10, 2018¹. The article states that the Holmes Towers and Isaacs Houses, where our organization operates..."were given the system's worst quality ratings in years - and even were ranked among the most troubled in the nation - after recent federal inspections" by the Department of Housing and Urban Development. An investment of \$12.5 million will barely scratch the surface of the capital repairs, which are long overdue and desperately needed.

We continue to directly engage Chair Ampry-Samuel and several other elected officials about the impact of this project, including the direct impact to residents' quality of life (noise and air quality issues), as well as their ability to access the critical social services that we provide at our sites, which will be barely 50 feet from the proposed construction site. This community of public housing residents - many of whom are vulnerable seniors - will feel the impact of not only this project - but the new Marine Transfer Station and a NYCHA Recovery and Resiliency capital project, all unfolding simultaneously within feet of each other. It is unlikely that changes will be made from the private development side, even with attention from elected officials, without comprehensive legislation requiring private developers to invest further in public housing residents, in exchange for the use of the City's public land.

The Fetner project - if done well - could be a model for NextGen best practices, as a true partnership between the community, the developer, and the City. Accordingly, we implore Chair Ampry-Samuel and this Committee to **introduce and pass legislation requiring private developers with development projects on public land to invest in community based organizations, which are embedded within NYCHA developments and directly serve thousands of public housing residents.** Such legislation would then require organizations to use these investments to provide job training and

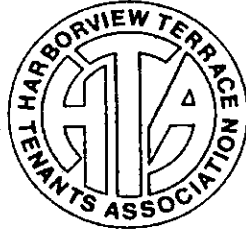
¹ <https://nypost.com/2018/09/10/feds-rank-ues-housing-projects-among-worst-in-nation/amp/>

placement for those seeking temporary or permanent employment connected to the project, legal services, case management, and other social services, as identified as needed, in partnership with public housing residents.

Multi-service non-profit organizations, like the Isaacs Center, which are physically embedded within public housing developments, play an extraordinary role in the lives of public housing residents. Our services are available at free or significantly reduced cost and are focused on the long-term success of vulnerable New Yorkers - children and families, young adults, immigrants, veterans, and seniors.

The future of public housing will hinge on the Authority's ability to strategically leverage investments from the private sector, to improve its infrastructure and respond to the urgent needs of its tenants. By strengthening the private investment in capital repairs and the non-profit organizations with whom NYCHA has existing relationships, the Authority will improve its capacity to create significant and tangible results for its tenants.

Thank you again for the opportunity to provide testimony. I hope to continue to work closely with the Chair and this Committee to better the lives of public housing residents through the private partnership opportunities we see. I'm happy to answer any questions that the Committee may have for me at this time.



Harborview Terrace Houses Tenants Association

Tuesday October 30, 2018 Public Housing Hearing; Oversight-NYCHA Development & Privatization,@City Hall

My name is Maria Guzman, and I have been the president of the Harborview Houses for over 18, years. We have two buildings, one family building and the other a senior building. There are a total of 376 families. I am here to support the original signed Hudson Yards agreement. Which provided for the construction of a 100% affordable residential building within the Hudson Yards confinement. The Harborview basketball court and parking lot were the only public land available for this project. We, along with Community Board 4 (CB4), elected officials, Clinton Housing Development Corporation (CHDC), Housing Conservation Coordinators (HCC) and other community groups have been working on the development design of this site for the last 14 years.

Highlights of the agreement are:

- 100% affordable housing development, with preference to Harborview, CB4 and Amsterdam Houses residents.
- The new building would be esthetically similar to Harborview.
- The developer would agree to do upgrades at Harborview like: new outdoor lighting to match the lighting of the new building; the replacement of children's play area; new gardens; redesign of open spaces. The Harborview Tenants Association would also have a meeting space in the new building. This is something we do not have now at Harborview.

In addition, the agreement provides for:

- The current number of Harborview parking spaces to be reallocated parking in the new building.
- Harborview garbage would be merged out of sight in the new building for safety reasons.

I have pictures of the proposals I could share with you, at your request. Please call me for more questions. Thank you for your time, I look forward to the completion of this project.

HARBORVIEW SUPPORTS 100% AFFORDABLE HOUSING!

Maria Guzman

Harborview Terrace; Tenant Association President
520 W 56 St. # Lobby
New York, NY 10019
212-757-1051

Harborview Tenants Association, Duly elected October 2018

Maria Guzman
President

Melba Carrillo
Vice President

Rafaela Ingles
Secretary

Carmen Verdejo
Treasurer

Leroy Williams
Sargent at Arms

Testimony of Joshua Barnett to the City Council on Privatization at NYCHA
October 30, 2018

My name is Joshua Barnett, and I'm a NYCHA employee. I'm an architect in the Design Department of the Capital Projects Division where I've worked since 1999. Privatization is something we deal with every day, since in addition to growing private management and private development at NYCHA, we've seen a rise in outsourcing of work and a decline in the staff, to the detriment of the residents, the city and the taxpayers.

When I started at NYCHA there were almost 16,000 employees. We're down to under 12,000. In my union, Chapter 25 Local 375 DC 37 which represents architects, engineers, and other technical titles at NYCHA we had 445 members in 1999. We're down to 198. Yet the NYCHA email list includes almost 620 consultants. In the Capital Projects Division we have consultants working in NYCHA cubicles, using NYCHA phones and computers. We're even starting to see consultants in supervisory positions. In 2004 NYCHA initiated the Construction/Management Build program hiring private firms to oversee capital projects. 14 years later no data has been gathered to show if the program is working, but the contracts are still in place. All design work to address the \$3.2 billion FEMA awarded to NYCHA after Hurricane Sandy was outsourced to private firms. Is it all cost effective? We don't know. NYCHA exempts itself from New York City Local Law 63 which requires a cost-benefit analysis for outsourcing of work.

This is much more than the erosion of the union workforce and an attack on civil service. It's an added expense when the Authority is facing \$32 billion in capital repairs. Thousands of units are again facing lack of heat, after NYCHA laid off boiler workers. We hear about chronic mold infestation and lead-based paint, but the workers who could perform the testing and abatement are long gone. Field staff are cut back after decades of deferred maintenance. Privatization always means spending more for less service, but that seems to be lost on NYCHA.

We know we're dealing with over thirty years of cuts to public housing and a huge deficit. NYCHA needs support at all levels and we all need a national shift away from supporting greed to supporting need. But with the loss of staff and increase in privatization NYCHA is making the worst of a bad situation. In the face of hyper gentrification public housing is a resource that cannot be put up for sale. We need a full audit of all private contracts, a moratorium on outsourcing, and hiring more staff and residents back to former staffing levels. The privatization has to stop, for the sake of public housing, the residents, the staff, and the city.

Good morning Chair Ampy-Samuel and members of the City Council Committee on Public Housing. My name is Robert Madison, Associate Executive Director of Jacob A. Riis Neighborhood Settlement. Jacob A. Riis Neighborhood Settlement has been dedicated to serving disadvantaged New Yorkers since 1889 to tend to the needs of the multitudes of poor immigrants living in the tenement slums on the Lower East Side.

In 1952, in response to changing demographics and the growing needs in the other boroughs, the agency relocated to Long Island City to the New York City Housing Authority's (NYCHA) Queensbridge Houses - the largest public housing development in the country.

Currently, Riis Settlement operates from eight sites across Western Queens and two of those sites are located in NYCHA developments: Queensbridge Houses, and, as mentioned before, the Ravenswood Houses. Our services includes programming that meets the needs of a very diverse population, including programs for youth, immigrants, and seniors.. In addition we are one of the communities identified in the Mayors Action Plan Initiative.

I am here on behalf of Riis Settlement to lend our voice in support of the request made by a number of settlement houses and CBOs for **the Administration to convene a joint task force comprised of a cross-section of stakeholders in order to establish a clear process that governs the rollout of privatization and development at NYCHA-owned properties.**

It is understood that the U.S. Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) is already in operation and will expand to other NYCHA properties throughout the city in the near future. This is causing a growing level of concern among NYCHA residents who do not fully understand the RAD process. These residents are reaching out to their local settlement house and CBOs in the community with question such as "when is it happening to my community?", "will I be displaced?", and "what's it all about?"

It is our contention that having CBOs at the table, as key stakeholders, in helping to develop strategies of rollout and planning is an excellent one. Excellent in incorporating the voice of the community. CBOs have decades of tenure in many of the NYCHA communities where they are housed. They know the community and can connect more effectively with its residents. The dissemination of accurate information to the community by our agencies increases transparency and encourages greater the confidence in the process. We act as credible messengers of guidance and direction. Our voice at the table will echo the sentiments and

concerns of the community and allow stakeholders to build a just process that encompasses those questions, sometimes fears and always concerns about what comes next for them.

In Queensbridge alone there are 3, 099 households and for decades, Riis Settlement has serves as a beacon for the community— hosting forums, meetings, workshops and press conference to share and support the community with necessary information for a healthy community. The administration should allow us and other settlement houses and CBOs to continue in that role by having us on the task force as a stakeholder in the process.

I want to thank you for your time and attention.
Thank you for the opportunity to testify.

Laverne Tucker

From: John Norvell
Sent: Tuesday, September 25, 2018 4:36 AM
To: L. Tucker
Subject: Short Statement to Accompany My Court Testimony

As I stated in my previous notice in compliance with your request concerning vocal testimony, I said that I would submit a short written statement to add to my testimony on September 26th.

Our Constitutional and civil rights as public housing residents have been trampled underfoot. we need a resident bill of rights first as an Intro in the City Council that will become a template for widespread legislation at the State and National level. We would like those law students preparing for their JED to assist in this effort. The 964 regulations are transitory in nature; they must be made statutory where relevant. We are most concern with provisions in RAD that could result in massive evictions; ~~indeed the termination of public housing~~ if any public housing authority goes into default. If default happens the for profit owners of tax credits can seize the buildings, raze them, build high rise developments and constructively evict all public housing residents who can't afford them. Residents must have protections against this doomsday possibility. We have no knowledge of who the tax credit individuals are because they are not on record in the Hall of records due to mayoral executive privilege given to NYCHA by the previous mayor, Bloomberg. In addition Bloomberg interfered with State statutes concerning resident participation on the NYCHA Board. Whereas other municipalities in the State like Buffalo were allowed to elect those residents to sit on the Board, Bloomberg obtained the privilege to subvert this right to public housing residents of New York City by employing residents to sit at the mayors pleasure. Transparency and democratic representation must be restored to public housing residents.

The QHWRA act of 1998 destroys both democratic and constitutional rights of public housing residents by nullifying their 13th and 14th amendment rights as well as being a dangerous slippery slope back to involuntary servitude and slavery. It must be opposed in federal court. The Trump administration wishes to compound this travesty by decreeing that all legal immigrants who reside in public housing be deprived of their right to green cards. Public Housing is neither a penitentiary detention center, nor slave quarters. Now there is a new non-smoking program that demands that residents must stop smoking in their apartments. This appears to be a violation of the fourth amendment in which the people are to reside peacefully in their homes without illegal search nor seizure. How is this edict to be enacted without invasion of the sanctity of one's domicile as provided by the Constitution? Although I am a non-smoker our Constitutional rights must be protected. What devices will NYCHA bring to detect smoke from tobacco products as opposed to a burning cooking pot?

In conclusion I pray that the Court will consider these legal issues as well as other structural issues in its deliberations today concerning any covenants or agreement with NYCHA. Protect our rights.

Sincerely,
John Derek Norvell
African American Pinkster Committee of New York



Join the NYCHA Board

DEADLINE EXTENDED TO OCTOBER 31, 2018



In or about November/December 2018, Mayor de Blasio will appoint one resident as a member of the NYCHA Board to fill a vacancy. Board Members represent the more than 400,000 people who call NYCHA home when it comes to voting on contracts, resolutions, policies, rules and regulations, and other administrative matters.

This is not a full-time position, but you should be able to devote a minimum of **15-20 hours each month**, for which you will receive a **monthly stipend** per hours of service up to \$1,500.



To qualify, you must be:

- At least 18 years old
- A NYCHA resident in good standing
- Cleared for service by the New York City Department of Investigation, the New York City Conflicts of Interest Board and/or NYCHA's Office of the Inspector General

Apply Online at on.nyc.gov/nycha-board

OTHER WAYS TO APPLY:

- Download the application at <http://on.nyc.gov/nycha-board>
- Get an application at any Property Management Office or Borough Management Office
- Or call 311

Applications can be sent via USPS regular mail to:

NYCHA Resident Board Member

PO Box 3422

New York, NY 10008-3422

The application period is extended to October 31, 2018. All applications must be submitted online or postmarked by October 31, 2018.

A translation of this document is available in your management office and online at
<http://on.nyc.gov/nycha-board>

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Investigating the City. Empowering Communities.

CityViews: NYCHA Must Fix Our Homes Before Developing New Ones

By Monica Underwood, Michael Higgins, Karen Blondel and Beverly Corbin | 1 hour ago



Jim Henderson

Wyckoff Gardens, one of the NYCHA developments where new housing is planned to be 50 percent market-rate and 50 percent affordable.

On September 26th, FUREE and Turning the Tide climate justice initiative members testified at a Federal hearing regarding a proposed settlement for two Federal cases, the U.S. and Baez cases, both against the New York City Housing Authority (NYCHA). The settlements address unmet lead & mold abatements in NYCHA, lack of timely repairs, lack of provision of adequate heat & water, functioning elevators, uncontrolled pest infestations, and fraudulent inspections whereby the City of New York (via NYCHA, NYC's largest landlord) admits to numerous housing-code, environmental and human-rights violations disproportionately impacting the health and safety of hundreds of thousands of low-income residents, in particular children and seniors of color. As the hours passed, we listened to story after story of how NYCHA's failure to provide adequate repairs and remediation to address lead, mold, water leaks, sewage backups, vermin, and broken boilers, elevators, doors, mailboxes and windows is causing severe consequences to both the mental and physical health of public housing residents.

Within the terms of a proposed settlement, the City of New York has committed to pay \$2 billion for false reports of work inspections on lead-paint and mold remediation, in addition to other essential maintenance failures. While we, as residents of and advocates for public housing, greatly appreciated the opportunity to testify in court and thank Judge

William Pauley and the office of the attorney general for their patience and understanding in listening to the multiple painful stories of NYCHA residents pleading for help, we left the Federal Courthouse adamant that more action must be taken to address this health and housing rights crisis impacting nearly one out of every 14 New Yorkers who lives in public housing.

In short, we believe that any NYCHA initiative that does not directly lead to improved living conditions in residents' apartments in NYCHA's existing portfolio must cease until this crisis is resolved.

CityViews (<https://citylimits.org/category/news/city-views/>) are readers' opinions, not those of City Limits. Add your voice today!
(<mailto:editor@citylimits.org>)

At the forefront of this position has been our collective experience engaging with, and as, public housing residents skeptical of many parts of Mayor de Blasio's public-housing fiscal sustainability plan, known as "NextGeneration NYCHA."

Within this plan, development sites on NYCHA grounds have been selected—including where some of us live at Wyckoff Gardens in Brooklyn—to be the site of new market-rate and city-funded affordable housing. At Wyckoff Gardens the proposed development project would build 500 new units of housing, 250 of which would have market rents, to raise revenue for repairs in our development and across NYCHA. The monies raised through 50/50 infill, as this program is called, are insufficient to cover a backlog of millions of dollars needed for repairs and ongoing maintenance required at our NYCHA development. The severity of our situation is only underscored by the fact that we are experiencing increasing building systems failures. We currently have a temporary boiler, since the existing one has failed. We also have a tremendous lack of confidence that the extensive repairs needed will be made promptly. We can envision a scenario where the new 50/50 infill buildings are built on our campus grounds before our current apartment interiors are fixed, simply furthering the "Tale of Two Cities" de Blasio said he wanted to end. .

The Wyckoff Gardens proposed development scheme involved the formation of a resident stakeholder committee which collapsed due to NYCHA's lack of transparency and zero communication from both NYCHA and the selected developers, the Arker Companies and Two Trees. This plan, which was originally marketed to be for the benefit of tenants, appears to be little more than a rubber stamp for additional development, as our homes crumble around us.

On October 22nd, we marked the sixth anniversary since Superstorm Sandy hit NYC. Local Sandy-impacted public housing developments in Red Hook and Gowanus are still waiting for new boiler replacements and repairs. Mold conditions in these buildings were greatly exacerbated by the Storm. NYCHA failed to satisfy the settlement conditions of the 2014 lawsuit *Baez v. NYCHA* to remediate mold in its apartments. To address this failure, they launched the Mold Busters pilot program last year, with Wyckoff Gardens and neighboring Warren Street houses as part of the pilot. Unfortunately, for some of residents, the remedy has been worse than the problem, as the anti-mold paint triggered acute asthma episodes necessitating hospitalization of residents in buildings where the program was implemented.

We continue to ask NYCHA to communicate local emergency response protocols to residents. With the heat and water outages over the past winter, there were no NYCHA communications in regards to building-specific outages and onsite protocols and services. Now with another winter, and hurricane season, we still have no resident emergency response plan and no tenant registry for those vulnerable residents who need assistance during life threatening emergencies.

As we await Judge Pauley's decision on the proposed settlements regarding lack of repairs and oversight at NYCHA, the New York City Council is also holding two hearings regarding NYCHA: one regarding the heat and hot water outages that impacted over three quarters of all NYCHA tenants this past winter, and another on NYCHA privatization and development. For all of these inquiries, our testimony remains the same: There needs to be a moratorium on any new development schemes until NYCHA housing complies with all New York City building codes, Authority officials and

workers who have acted criminally should face charges for their role in these scandals and there must be an overhaul of the Authority from the ground up that truly empowers the voice of ordinary residents and gives them ample opportunity to have active roles in the management and preservation of their homes.

Meanwhile, our community finds itself at a critical turning point about the future of our homes and what state they may be in. Our Gowanus neighborhood is undergoing a neighborhood-wide rezoning which is leading to billions in new real estate investments around us, while our developments continue to lack the basic necessities that any community should have. Even mayoral promises made to bring a bit of equity to our community in advance of a neighborhood wide rezoning, such as re-opening the Gowanus Houses Community Center, continue to go unfulfilled.

It's the 50th Anniversary of the Fair Housing Act prohibiting housing discrimination. In light of this, New York City Department of Housing Preservation and Development is leading the city's *Where We Live NYC* engagement process to make sure "the City of New York is developing the next chapter of fair housing policies that fight discrimination, breakdown barriers to opportunity, and build more just and inclusive neighborhoods." New York City must ensure fair housing law is followed in public housing for residents That means taking heating outages or other violations as seriously as in privately owned buildings. We cannot and should not have a double standard whereby private owners are held to one standard and NYCHA is held to another to the detriment of its residents. We must be active stakeholders because a government agency is our landlord and because so many of us live in public housing due to the failure to provide affordable housing without discrimination elsewhere.

Public housing has been vital for low-and moderate-income New Yorkers following the legacy of redlining, federal disinvestment and environmental racism. As part of the mayor's commitment to affordable housing in New York City and now Affirmatively Furthering Fair Housing – the best way to support equity, inclusion and justice for public-housing residents is to renew the city's commitment to public housing and build and preserve housing for extremely low income New Yorkers that is affordable to NYCHA residents.

It's time to end NYCHA operating outside of the City's code enforcement system, and separate from its Housing NY affordable housing plan. If the Mayor believes himself to be elected to end the "Tale of Two Cities", he should start by supporting public housing residents in getting the justice we deserve.

This op-ed is presented by Families United for Racial and Economic Equality (FUREE) a member of Turning the Tide, a Red Hook and Gowanus, Brooklyn Climate Justice Initiative and program of the Fifth Avenue Committee. Monica Underwood, Beverly Corbin, Karen Blondel and Michael Higgins are members of that movement.

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Name: Simon Bacchus

Address: 1004 Northern Boulevard, Roslyn

I represent: W Arker Companies

Address: _____

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Name: Carmen Quinonez

Address: 6110 Columbus Ave

I represent: Douglass Houses

Address: _____

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Name: William McLaughlin

Address: _____

I represent: NYCHA

Address: _____

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Name: Michael Higgins

Address: _____

I represent: FUREE

Address: _____

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Name: Karen Blondel

Address: 444 Columbia St

I represent: Myself

Address: _____

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Name: Manuel Martinez

Address: 106-56 160th St Apt 66 Jamaica NY 11433

I represent: South Jamaica Houses Tenant Association

Address: 108-47 159th St Suite 1H, Jamaica, NY 11433

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Name: Patrick Lee

Address: Trinity Finance

I represent: _____

Address: _____

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Name: Dr. John Derek Norvell

Address: 2175 5th Ave, Apt, 2B NY, 10037

I represent: Pinkster Comm. of NY

Address: LINCOLN HOUSES
Madison Ave

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Name: LARRY NEWMAN

Address: _____

I represent: THE LEGAL AID SOCIETY - JOINT with

Address: Community SERVICE Society

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Name: Rachel Lee

Address: 247 W 37th St

I represent: New York Housing Conference

Address: same

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Name: Robert Madison

Address: 10-25 41st Ave, LIC, NY, 11101

I represent: Jacob A. Rivis Neighborhood Settlement

Address: 10-25 41st Ave...

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Name: DAVID BEER

Address: _____

I represent: BREAKING GROUND

Address: 505 8th AVE NYC 10018

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Name: Charlene Nimmons

Address: 272 Wyckoff Street

I represent: Wyckoff Gardens Res. Assoc.

Address: 266 Wyckoff Street

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Name: JOHN FALCONE (J.T.)

Address: 45 BROADWAY

I represent: UNITED NEIGHBORHOOD HOUSES

Address: 45 BROADWAY

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Name: Michelle Mulcahy

Address: 1 Whitehall St

I represent: Enterprise Community Partners

Address: _____

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(PLEASE PRINT)

Name: Hally Chu

Address: 1 Centre St. 19th Fl. NY NY 10007

I represent: Gale A. Brewer, Manhattan Borough President.

Address: MBPO

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Name: Sidley Sherman

Address: _____

I represent: EVP for CEP, NYCHA

Address: _____

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Name: Stanley Brezenoff

Address: _____

I represent: Chair + Leo NYCHA

Address: _____

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Name: Lisa Kenner

Address: 422 Blake Ave.

I represent: _____

Address: _____

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(PLEASE PRINT)

Name: yoselin Maria Perez

Address: ocean bay

I represent: _____

Address: _____

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(PLEASE PRINT)

Name: Tris Collado

Address: 54-22 BCK #7 GARVENE NY 11692

I represent: Ocean Bay Resident

Address: _____

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Date: _____

(PLEASE PRINT)

Name: Lolita P. Miller Resident Council Treasurer

Address: 443 Beach 54th St. #9B Arverne, NY 11692

I represent: Ocean Bay R.A.D. Program

Address: _____

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(PLEASE PRINT)

Name: VICTOR BACH

Address: _____

I represent: COMMUNITY SERVICE SOCIETY

Address: 633 Third Ave., 10th floor, NYC 10017

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(PLEASE PRINT)

Name: Crystal Glover

Address: 225 E. 99 St.

I represent: Washington Hs

Address: East Harlem

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Name: JOSHUA BENNETT

Address: 270 5TH ST. BROOKLYN, NY 11215

I represent: LOCAL 375 / DC 37

Address: 125 BARCLAY ST, NEW YORK, NY 10007

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Name: Katelyn Hasey

Address: _____

I represent: Live On NY

Address: 49 W. 45th, 7th Floor

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Name: PAULA SEGAL, ESQ.

Address: _____

I represent: Community Development

Address: PROJECT

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Date: _____

Name: KAREN LEADER (PLEASE PRINT) (NYCHA resident)

Address: _____

I represent: Cooper Park Residents Council

Address: _____

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Date: 10/30/2018

Name: Maria Guzman (PLEASE PRINT)

Address: 520 W 56 HARBOVIEW

I represent: HARBORVIEW TERRACE

Address: _____

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Date: 10/30/18

Name: Justin LA MORT (PLEASE PRINT)

Address: _____

I represent: Mobilization for Justice

Address: 100 William St., 6th flr, NY, NY 10038

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(PLEASE PRINT)

Name: Gregory FLOYD

Address: 216 W. 14 Street, NYC 10011

I represent: President, TEAMSTERS Local 237

Address: _____

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(PLEASE PRINT)

Name: GREGORY J MORRIS

Address: 200 JEFFERSON AVE BKLYN 11216

I represent: STANLEY M ISAACS NEIGHBORHOOD CENTER

Address: 415 E. 93rd ST. NYC 10128

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(PLEASE PRINT)

Name: Dena Davis

Address: 2345 Broadway NY NY 10027

I represent: West Side Federation for Senior & Supp

Address: 2345 Broadway
orthup
Hamp

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(PLEASE PRINT)

Name: Margaretha Massac

Address: 349 Beach 54th St apt 317

I represent: NYCHA Resident

Address: _____

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(PLEASE PRINT)

Name: MICHAEL KORNSPUR

Address: 4 INTERNATIONAL DRIVE, RYE BROOK, NY

I represent: PENN ROSS

Address: _____

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