

**TESTIMONY FROM NYCHA'S EXECUTIVE VICE PRESIDENT FOR REAL ESTATE DEVELOPMENT
JONATHAN GOUVEIA
NYCHA DEVELOPMENT: NYCHA 2.0 AND PACT/RAD
COMMITTEE ON PUBLIC HOUSING
WEDNESDAY, JANUARY 13, 2021 – 1:00 PM
REMOTE HEARING (VIRTUAL ROOM 2)**

Chair Alicka Ampy-Samuel, members of the Committee on Public Housing, other distinguished members of the City Council, NYCHA residents, and members of the public: good afternoon. I am Jonathan Gouveia, NYCHA's Executive Vice President for Real Estate Development. I am pleased to be joined by Lisa Bova-Hiatt, Executive Vice President for Legal Affairs and General Counsel; Lakesha Miller, Executive Vice President for Leased Housing; Leroy Williams, Director for Community Development; and members of the Real Estate Development team: Simon Kawitzky, Vice President of Portfolio Planning; Marissa Schaffer, Vice President of Transactions; Lamar Fenton, Vice President of Asset Management; and Matthew Charney, Vice President of Design & Construction.

Thank you for this opportunity to discuss our efforts to stabilize a critical source of affordable housing in New York City; make investments that support resident health and prosperity; and engage more deeply with our communities in planning for the future.

Launch of NYCHA 2.0

It has been clear, for several years, that a new direction is needed for public housing in New York City. In an effort to begin comprehensive repairs and put our buildings on a more solid and secure footing, the NYCHA 2.0 program – a comprehensive strategy to rehabilitate and preserve over 62,000 apartments in our portfolio – was launched in late 2018. NYCHA 2.0 consists of three key tools: PACT to Preserve, Build to Preserve, and Transfer to Preserve. Since the launch, NYCHA has made significant progress in advancing the NYCHA 2.0 program. As I will describe in greater detail later in the testimony, we are bringing comprehensive repairs to several thousand apartments

across the city through the PACT program. We have also closed two Transfer to Preserve transactions and are working toward a Build to Preserve project in Manhattan.

Despite the progress made to date, we know some residents and elected officials have questions and concerns about our programs, specifically related to resident rights and protections and oversight of our PACT partners. Thus, in addition to updating you today on the progress of our repairs, we want to update you on the very concrete steps we are taking to better engage with residents, meaningfully incorporate resident input, maintain and strengthen resident rights, and provide strong oversight of our projects and our partners.

Program Management

The NYCHA 2.0 program is managed by NYCHA's Real Estate Department, supported by a number of other NYCHA departments, including Community Development, Law, and Leased Housing, which administers the HUD Section 8 subsidy. Since 2019, we have been building a team of real estate professionals, public housing experts, architects, planners, and urban designers to develop a fresh approach to our work. We now have four sections: Portfolio Planning, Design & Construction, Transactions, and Asset Management, each of which is led by the vice presidents on the panel today.

NYCHA is fully committed to:

- Preservation of NYCHA's deeply affordable housing stock;
- Protection of resident rights;
- Creation of complete and healthy communities;
- Oversight of our development partners;
- Continual improvement of our policies and procedures; and
- Customer service to our residents.

The design of our department and the concepts to which we are committed are the driving force behind the critical improvements that we have launched, which I am happy to share with you today.

Putting Residents First

We recognize that residents need to play a more significant and active role in our projects. It is our residents who are living with unacceptable conditions, in aging buildings with failing systems that have been neglected by a scarcity of federal funding. NYCHA's residents are the backbone of New York City – something that has become only more evident during the pandemic, as countless NYCHA residents have stepped up like so many other New Yorkers to keep this city running: as essential workers delivering essential services; as parents, grandparents, and caretakers attempting to do the impossible of home schooling and caring for children while working; and – most central to what we'll focus on today – as residents expecting safe, healthy, and livable homes and communities for their families.

The Real Estate Department's approach is centered on three key principles:

- **First**, improving residents' lives through comprehensive repairs, relevant social services, and the creation of complete communities;
- **Second**, maintaining and strengthening resident rights and protections, and meaningfully engaging communities in planning for the future of their homes; and
- **Third**, building partnerships and collaborative working relationships with residents, elected officials, housing rights advocates, non-profits, general contractors, developers, and property managers.

This approach will be brought forward and amplified in all of the work that NYCHA's Real Estate Department undertakes moving forward.

When NYCHA 2.0 was launched, three distinct tools were identified as part of the program: PACT to Preserve, Build to Preserve, and Transfer to Preserve. I will now provide an update on each of the programs.

PACT to Preserve

Through the Permanent Affordability Commitment Together (PACT) initiative, we will address nearly \$13 billion in desperately needed and long overdue repairs in 62,000 apartments – a third of our portfolio and home to about 140,000 New Yorkers – by the year 2028. PACT is New York City’s implementation of the federal Rental Assistance Demonstration (RAD) program.

To date, we have converted eight PACT projects totaling nearly \$1.8 billion in capital improvements – more than 9,500 apartments are in construction or rehabilitated. Another nearly 12,000 apartments are part of projects that are in the process of resident engagement or pre-development, and there are more to come.

NYCHA Ownership and Oversight

I’d like to emphasize the fact that this is not privatization and not a path toward it – NYCHA continues to own the land and buildings converted through PACT, and all apartments continue to be subsidized through HUD. Accordingly, NYCHA and HUD both have a regulatory and oversight role. For example, affordability is a requirement of the PACT program that runs with the land and cannot be undone without NYCHA and HUD approval.

I will go into a bit more detail on this point to explain how PACT developments remain under public control and oversight. NYCHA remains involved in the developments after PACT conversions through a few different and significant roles.

- First, as I mentioned earlier, NYCHA is the Section 8 administrator for the entirety of the PACT program. This means that NYCHA administers the Section 8 waitlist. Private developers cannot lease up a new apartment outside of the NYCHA-administered Section 8 waitlist. In this role, NYCHA also controls the release of the HUD Section 8 subsidy. This means that the PACT developers do not receive any rental subsidy from the government without NYCHA oversight

and without meeting federal standards in each apartment for which they seek subsidy.

- Second, NYCHA monitors conditions at the developments and ensures that developers adhere to their obligations to residents. The PACT projects are monitored through numerous reporting and tracking efforts, including:
 - Monitoring the construction scope and progress or repairs;
 - Creating new strategies to prevent displacement;
 - Monitoring on-going maintenance and repairs at the properties;
 - Job placement and training related to the Section 3 program;
 - M/WBE contracting; and
 - Monitoring the financial health and financial performance of each transaction.

Strengthening these efforts is an integral part of our Design & Construction and Asset Management strategies as we build out the teams, processes, and supporting technology to bolster these efforts.

- Finally, we are supported by the Asset Management infrastructure of our PACT financing partner, and sister agency, the New York City Housing Development Corporation (HDC).

Resident Rights

PACT preserves resident rights and protections, including the following:

- Rent remains capped at 30 percent of household income.
- Residents continue to have succession rights.
- Residents and tenant associations continue to have the right to organize and receive funding.

- Residents will not be re-screened before signing a new Section 8 lease – which means that so long as a household is in good standing, it can transition to Section 8 regardless of income or family composition.

These rights are codified in the HUD RAD program requirements and also through the PACT Section 8 lease, which has been strengthened based on feedback from resident leaders and housing advocates. NYCHA requires that PACT developers all use the same PACT Section 8 lease, and they do not have discretion to revise it without NYCHA's approval.

Scope of Rehabilitations

Importantly, it is a HUD requirement of the PACT program that the developments are fully and comprehensively renovated. We work closely with our development partners and residents to craft comprehensive rehabilitation plans to address:

- Building systems, such as elevators, boilers, roofs, windows, and facades;
- Grounds, including landscaping, lighting, security, and playgrounds and public spaces;
- Common areas, including lobbies, hallways, stairwells, and community spaces; and of course,
- Resident apartments, where kitchens, bathrooms, and flooring are all typically replaced, among other improvements.

We are also prioritizing project plans that foster sustainability and better connect our communities to their surrounding neighborhoods through good urban design.

We are committed to not only repairing these developments but improving them: improving the delivery of heat and hot water by repairing and replacing antiquated systems and distribution lines behind the walls, to reduce outages while simultaneously reducing our energy consumption and greenhouse gas emissions; by implementing security plans that provide new cameras, doors with remote access *that work*, intercom systems, better lighting, and other enhanced security measures; improving accessibility

and accommodations for our senior and aging residents; and critically, because PACT results in a comprehensive renovation, it is the primary tool that allows NYCHA to address the underlying causes of issues that have plagued NYCHA residents for decades – such as leaks, mold, lead, and pests – improving the health and safety of our residents.

Also, through PACT, there are additional resources brought into the community:

- NYCHA requires that PACT developers partner with community-based non-profits to deliver social services and community programming based on the needs of the specific community. Service providers are required to staff dedicated, on-site social workers.
- NYCHA is asking PACT partners to implement programs such as affordable broadband internet and credit-building initiatives.
- NYCHA also requires the PACT developer to create employment opportunities for NYCHA residents through the PACT construction scope and ongoing property management.

We are proud of the work we have been able to accomplish for residents, as shown here in the photos of some of the upgrades.

Engaging Residents and Improving the PACT Program

Residents must be meaningfully engaged in planning for the future of their homes and communities. To ensure our PACT investments achieve community goals and priorities, we have built a new team of planners to learn directly from residents about their lived experiences and conditions at their developments; educate them about the PACT program; and work directly with residents in shaping our final plans. I will summarize a number of important changes we are making to our engagement approach.

- First, we have created a new planning process that is transparent and starts much earlier than in the past. At the beginning of each process, we lay out the full project timeline and all of the key milestones. We want every meeting, workshop, and engagement activity to have a clear purpose and agenda. In this way, we are

striving to make the best use of the valuable, but limited, time that residents have to take out of their busy lives to engage with us.

- Second, we are making resources available to support residents during the planning stages. We recently announced the creation of an exciting new initiative, called the Resident Planning Fund, to provide residents with free technical assistance by trusted, third-party providers. As part of this new program, residents will be allocated a pool of funding that they can use at their discretion. For example, residents could hire a local community-based organization to serve as an independent advisor; a tenant advocate to mediate and resolve tenancy issues; a financial or legal consultant to vet NYCHA's plans; or an urban design consultant to help craft a community vision for public spaces – just to name a few ideas. We released an RFP in December to select a consultant team to help us build out and implement this new program and look forward to getting it up and running later this year.
- We are also now providing free legal services in connection with PACT lease signings so that residents can get independent, professional advice regarding their new PACT lease and ensure a seamless transition into the Section 8 program. Most recently, at the PACT Manhattan Bundle, the Legal Aid Society participated in information sessions and set up a free hotline that residents could call for assistance. We plan to continue making free legal services available at all PACT developments going forward.
- Third, we are giving residents a greater voice in the planning process. Going forward, we will be inviting resident leaders to participate in selecting the developers, general contractors, property managers, and social service providers who will be renovating and maintaining their development. Resident leaders will have the opportunity to review proposals, interview development teams, and provide feedback before final selections are made. This is a step we have never taken until now, and we are excited to bring residents closer into this critical element of the program.

- Lastly, we recognize that information sharing and clear communication are key factors to success. We have created new print materials, videos, and web resources to ensure that residents have the latest information about PACT and their development and that they understand their rights and protections, the rehabilitation process, and other program elements. We are now hosting monthly PACT information sessions so any resident or member of the community can learn more and get their questions answered at times that are convenient for them. Since mid-November, we have already hosted four PACT information sessions, with attendance ranging from approximately 80 to 420 participants.

Engagement During the Pandemic

Early last year, the COVID-19 pandemic effectively ended our ability to continue hosting in-person meetings, and forced us to rethink and expand upon the ways we connect with residents. Currently, all of our resident meetings are taking place over Zoom and phone conference. To address the digital divide, in advance of a resident meeting we mail hard copies of our presentation materials to every household in that development. We follow that up with pre-recorded and personal phone calls to every phone number we have on record. Staff running the phone lines make sure that residents have received the meeting information and answer any specific questions residents may have about the PACT program. During the Zoom meeting itself (which residents can also join as a phone conference), we run conference lines in multiple languages, and residents who write down their questions can have them answered immediately by a staff member monitoring the chat – instead of waiting for the live Q&A at the end of the presentation. Anyone who doesn't get their question answered can reach us via a dedicated email address or telephone hotline. Messages received are returned later that day. And recordings of the sessions are immediately posted online. I tell you all of this to say that while adapting to this new reality has not been easy, I believe that we are actually connecting with more people, and with greater efficiency and ease, than we ever have before.

Other Initiatives to Support PACT and NYCHA residents

There are two other “prongs” of NYCHA 2.0 which are also available to supplement the PACT program to bring capital to NYCHA developments. These are the Build to Preserve program and the Transfer to Preserve program.

Build to Preserve

With the Build to Preserve program, NYCHA can generate funding for NYCHA developments while creating housing and other neighborhood amenities where they are desperately needed. This is done by creating new buildings on underused land, with the proceeds going first toward repairs at the surrounding development. All new residential buildings will be subject to the City’s Mandatory Inclusionary Housing levels of affordability, contributing new and permanently affordable homes for New Yorkers.

NYCHA is exploring Build to Preserve at the developments in Manhattan’s Chelsea neighborhood with a working group of residents, elected officials, community representatives, and housing organizations. Except for a pause in the spring and summer of 2020 due to COVID-19, this working group has been meeting since the fall of 2019 to produce community-driven recommendations to address the future of Chelsea, Chelsea Addition, Elliot, and Fulton Houses. The working group aims to publish a list of recommendations soon, which would inform the RFP issued by NYCHA to select development partners. Build to Preserve at these developments will be combined with PACT to leverage each of these transactions to bring comprehensive repairs.

Transfer to Preserve

In 2020, NYCHA successfully completed our first two stand-alone transfers of excess development rights (a.k.a. “air rights”), one at Ingersoll Houses in Brooklyn and another at Hobbs Court in Manhattan, generating approximately \$27 million in proceeds for capital repairs at the neighboring NYCHA properties.

Early last year NYCHA also released a Request for Expression of Interest (RFEI) for further air rights transfers, with the hopes of generating additional revenue for capital repairs at the nearby NYCHA developments. The RFEI established criteria for how NYCHA will evaluate proposals in consultation with residents. While the amount of revenue each proposal generates is of significant importance, we also consider how the proposed development directly benefits NYCHA residents, the developer's experience completing similar developments, and how well the proposed development integrates into the surrounding neighborhood.

We are currently in the process of evaluating several air rights proposals and will be reaching out to the NYCHA resident leaders soon about these opportunities.

Partnering to Strengthen and Preserve NYCHA

With all of these initiatives – and the hard work applied toward them – we are transforming and preserving our buildings so that they can better serve residents today and for the generations to come. We are proud that our mission is fundamentally about improving residents' quality of life while protecting their rights.

But we will only succeed if we come together in service to our shared goal of strengthening NYCHA and ensuring that it remains a vital source of affordable housing for New Yorkers.

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

Descriptions of photos in the “NYCHA 2.0” PowerPoint
Committee on Public Housing’s 1/13/21 Remote Hearing

- Slide 3: Engaging residents in various settings, including in-person meetings and tours of renovated developments.
- Slide 6: A map of developments that have been converted to PACT and where PACT conversion is underway.
- Slide 9: An example of building systems (heating system and facade), common areas (lobby and mailbox area), grounds and building entrances, and apartments (living room and kitchen) that have been renovated at various developments through PACT.
- Slide 10: More improvements and investment at various PACT developments, including an upgraded facade and building entrance, heating system, backup power, and grounds.
- Slide 11: Additional examples of rehabilitation at PACT developments: bathroom, playground, facades, kitchen, and common hallway.
- Slide 13: Examples of informational materials for residents about the PACT program: handouts and a video.

NYCHA 2.0

City Council Hearing
January 13, 2021



Program Management

Our team of real estate professionals, housing experts, architects and urban planners help us fulfill our commitments:

- ✓ Preserve NYCHA's deeply affordable housing stock
- ✓ Protect resident rights
- ✓ Create complete and healthy communities
- ✓ Provide public oversight of private and non-profit partners
- ✓ Continually improve our policies and procedures
- ✓ Provide excellent customer service to our residents

Putting Residents First



NYCHA 2.0 Principles

1. **Improving residents' lives** through comprehensive repairs, relevant social services and the creation of complete communities.
2. **Strengthening resident rights and protections** and meaningfully engaging communities in planning for the future of their homes.
3. **Building partnerships** and collaborative working relationships with residents, elected officials, housing rights advocates, non-profits, general contractors, developers and property managers.

NYCHA 2.0 Strategy Overview

1

PACT TO PRESERVE (PTP)

Use HUD Section 8 programs, including Rental Assistance Demonstration, to fund renovations and convert public housing apartments to permanently affordable housing

2

BUILD TO PRESERVE (BTP)

Build new mixed-income buildings on NYCHA sites to generate revenue for comprehensive capital renovations at adjacent NYCHA developments

3

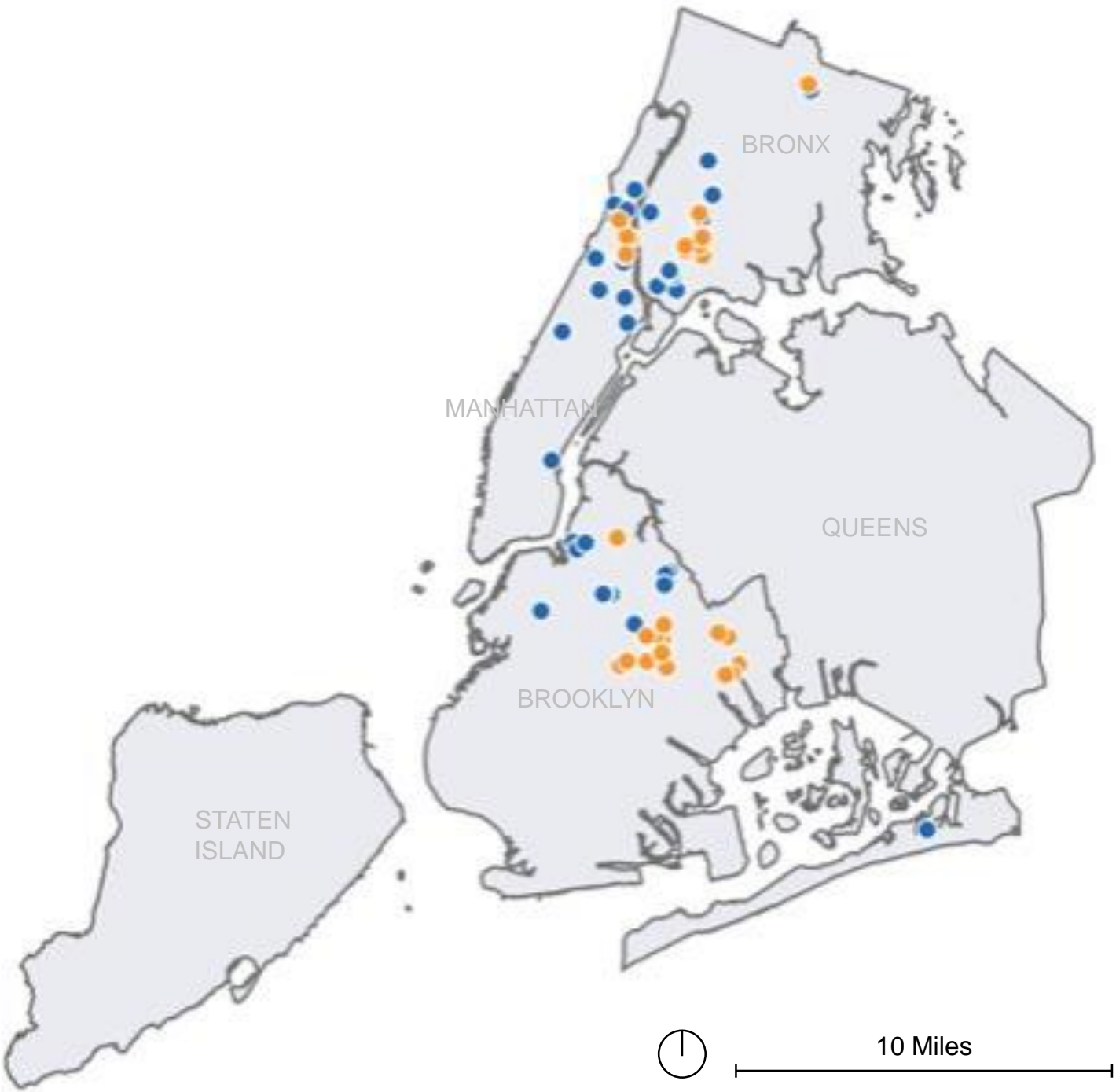
TRANSFER TO PRESERVE (TTP)

Transfer air rights at high-value sites to generate revenue for renovations at adjacent developments

PACT to Preserve

	# Developments	# Units
● Converted PACT Developments	49	9,517
● Active PACT Projects	35	11,860
	84	21,377

**Nearly \$1.8 billion in capital repairs
already completed or underway**



NYCHA Ownership & Oversight

NYCHA **continues to own the land and buildings** converted through PACT, and all units continue to be subsidized through HUD.

- NYCHA is the Section 8 administrator and controls the waitlist and release of subsidy for the PACT program.
- NYCHA monitors conditions at the developments and ensures that developers adhere to their obligations to residents, including:
 - **Monitoring the construction scope and progress of repairs**
 - **Job placement and training related to the Section 3 program**
 - **Creating new strategies to prevent displacement**
 - **Monitoring the financial health of each transaction**
 - **Monitoring on-going maintenance and repairs at the properties**
 - **Monitoring M/WBE contracting**
- NYCHA is supported by the Asset Management infrastructure of our PACT financing partner, and sister agency, NYC Housing Development Corporation.

PACT Resident Protections

- **Rent** remains capped at **30% of household income**.
- Residents continue to have **succession rights**.
- Residents have the right to **organize**.
- **Resident associations** will continue to receive funding.
- Residents will **not be re-screened** upon conversion.
- Residents have the right to **renew their leases**.
- Residents can **add relatives** onto their leases.
- Residents have the right to **grievance hearings**.
- Residents can **apply for jobs** created by PACT.

PACT Investment & Improvement

Building Systems



New and improved building systems and facades at Ocean Bay (Bayside) and Baychester



Common Areas



Building improvements at Ocean Bay (Bayside)



Sites and Grounds



Site improvements at Baychester and Betances



Apartments



Newly renovated apartments at Twin Parks West

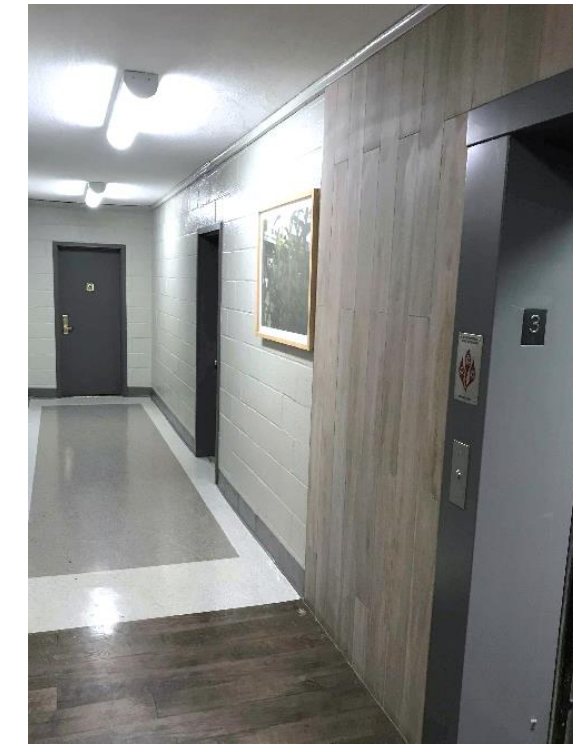


PACT Investment & Improvement



From top left, clockwise: Betances, Ocean Bay (Bayside), Hope Gardens, Ocean Bay (Bayside), Baychester, Ocean Bay (Bayside)

PACT Investment & Improvement



From top left, clockwise: Brooklyn II, Twin Parks West, Baychester, Betances, Murphy, Betances

Improved Engagement Process

Meaningful engagement requires centering resident expertise. Plans must strive to achieve residents' goals and priorities.

- 1. The process is transparent and starts much earlier to incorporate feedback.**
 - Ample time is allocated to each project to allow for robust resident participation and dialogue prior to reaching key milestones and decision points.
- 2. Residents are supported with technical and legal resources.**
 - Residents can request services including research and policy analysis, financial and legal consultation, architecture and urban design, and tenant organizing and advocacy.
- 3. Give residents a greater voice in the planning process.**
 - Residents are shaping key components of PACT plans based on the specific needs in their community.
- 4. Information sharing and clear communication are key factors to success.**
 - We are crafting new educational materials, videos, and web resources and adapting our engagement approach for the COVID era.

PACT Informational Resources



Residents watch this video when they are introduced to the PACT program.

Also available [online](#).

New print collateral are available for residents (and translated in appropriate languages).

Also available [online](#).



Engagement During COVID-19

We have also moved to hosting all of our resident meetings virtually so we can ensure everyone's safety. We have had great success in reaching residents across all of our PACT developments.

- All of our resident meetings are taking place over Zoom and phone conference in multiple languages.
- We mail hard copies of all presentation materials to residents in advance of Zoom meetings.
- We conduct phone banking in advance of meetings to ensure residents have the correct meeting information and speak one-on-one about our plans.
- We have set up a PACT hotline and email address where we can follow up with specific issues, questions, or concerns.
- All resident meetings are recorded and posted online the next day.

Other Initiatives to Support PACT

Build to Preserve

- Goal is to generate funding for NYCHA developments while creating housing and other neighborhood amenities where they are desperately needed.
- Residential buildings must comply with Mandatory Inclusionary Housing (MIH) levels of affordability.
- NYCHA is exploring Build to Preserve at the developments in Manhattan's Chelsea neighborhood with a working group of residents, elected officials, community representatives, and housing organizations.

Transfer to Preserve

- Goal is to identify sites with excess development rights to generate proceeds for capital repairs at the neighboring NYCHA developments.
- In 2020, NYCHA successfully completed our first two stand-alone transfers of excess development rights (a.k.a. "air rights") at Ingersoll Houses in Brooklyn and Hobbs Court in Manhattan, generating approximately \$27 million in proceeds.
- NYCHA issued RFEI in 2020 to solicit proposals and establish criteria for how NYCHA will evaluate proposals in consultation with residents.



NYCHA's Mission

“To increase opportunities for low- and moderate-income New Yorkers by providing safe, affordable housing and facilitating access to social and community services.”

Questions?

Contact us at:

Email: PACT@NYCHA.NYC.GOV

Phone: (212) 306-4036

General Info & Resources:

on.nyc.gov/nycha-pact

NYCHA 2.0

City Council Hearing
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Appendix

Converted PACT Projects

Development Name	Borough	Units	Capital Repairs*	Conversion Date	Stage
Ocean Bay (Bayside)	Queens	1,395	\$317m	Dec 2016	Complete
Twin Parks West	Bronx	312	\$46m	Oct 2018	Construction
Betances: Betances I; Betances II, 9A; Betances II, 13; Betances II, 18; Betances III, 9A; Betances III, 13; Betances III, 18; Betances IV; Betances V; Betances VI	Bronx	1,088	\$145m	Nov 2018	Construction
Highbridge-Franklin: Franklin Avenue Conventional (I-III); Highbridge Rehabs (Anderson Ave and Nelson Ave)	Bronx	336	\$38m	Nov 2018	Construction
Baychester & Murphy	Bronx	722	\$116m	Dec 2018	Construction
Hope Gardens: Bushwick II (Groups A&C); Bushwick II (Groups B&D); Bushwick II CDA (Group E); Hope Gardens, Palmetto Gardens	Brooklyn	1,321	\$280m	Jul 2019	Construction
Brooklyn II: Independence; Williams Plaza; Armstrong I & II; Weeksville Gardens; Berry St-South 9th St; Marcy Ave-Greene Ave Site A & B; 572 Warren St	Brooklyn	2,625	\$434m	Feb 2020	Construction
Manhattan I: 335 East 111th Street; 344 East 28th Street; Park Avenue-East 122nd, 123rd Streets; Manhattanville Rehab (Groups 2&3); Public School 139 (Conversion); Fort Washington Avenue Rehab; Grampion; Washington Heights Rehab (Groups 1&2); Washington Heights Rehab Phase III & IV (C&D); Samuel (MHOP) I-III; Wise Towers	Manhattan	1,718	\$383m	Nov 2020	Construction
Total:		9,517	\$1.76b		

* The Capital Repairs data have been updated to reflect both hard and soft costs, which is consistent with how NYCHA's Physical Needs Assessment is calculated. Previous versions of this table included only hard costs.

Active PACT Projects

Development Name	Borough	Units	Capital Repairs Estimate*	Anticipated Conversion Date	Stage
Boulevard, Belmont-Sutter Area & Fiorentino Plaza	Brooklyn	1,673	\$319m	2021	Pre-development
Linden & Penn-Wortman	Brooklyn	1,922	\$403m	2021	Pre-development
Williamsburg	Brooklyn	1,630	\$338m	2021	Pre-development
Harlem River I & II	Manhattan	693	\$104m	2021	Pre-development
Audubon, Bethune Gardens & Marshall Plaza	Manhattan	558	\$65m	2021	Pre-development
Edenwald	Bronx	2,039	\$445m	2021	Engagement
Frederick Samuel Apartments	Manhattan	664	\$262m	2021	Engagement
Reid & Park Rock: 104-14 Tapscott Street; Fenimore-Lefferts; Lenox Road-Rockaway Parkway; Ralph Avenue Rehab; Reid Apartments; Rutland Towers; Sutter Avenue-Union Street; Tapscott Street Rehab; Crown Heights; Howard Avenue; Howard Avenue-Park Place; Ocean Hill-Brownsville; Park Rock Rehab; Sterling Place Rehabs (Saint Johns-Sterling and Sterling-Buffalo)	Brooklyn	1,698	\$357m	2022	Engagement
Union Avenue: Eagle Avenue-East 163rd Street; Claremont Parkway-Franklin Avenue; Davidson; South Bronx Area (Site 402); Stebbins Avenue-Hewitt Place; Union Avenue-East 163rd Street; Union Avenue-East 166th Street	Bronx	983	\$166m	2022	Engagement
Total:		11,860	\$2.46b		

* The Capital Repair Estimate is based upon NYCHA's 5-year Physical Needs Assessment (2017) and is not an actual cost of the final scope of work.



**TESTIMONY OF
LOCAL INITIATIVES SUPPORT CORPORATION – NEW YORK CITY (LISC NYC)
BEFORE THE NEW YORK CITY COUNCIL COMMITTEE ON PUBLIC HOUSING
REGARDING NYCHA DEVELOPMENT: NYCHA 2.0 AND PACT/RAD**

January 13, 2021

Thank you, Chairwoman Ampy-Samuel and members of the Committee on Public Housing, for the opportunity to submit this testimony. My name is Valerie White, and I am Executive Director of LISC NYC. I am submitting this testimony on behalf of LISC NYC.

About LISC NYC

The Local Initiatives Support Corporation (LISC) is a national nonprofit organization that equips underinvested communities with the capital, strategy, and technical expertise to become places where low- and moderate-income (LMI) Americans can thrive. LISC NYC, established in 1980, is one of 36 LISC field offices. LISC NYC supports local partners whose services and programs aim to create a more equitable and inclusive New York City. Over the past 40 years, LISC NYC has invested over \$3.1 billion and leveraged an additional \$7.6 billion in support of low- and moderate-income New York City communities. This has resulted in over 42,000 affordable homes built and preserved and nearly 2.5 million square feet of retail and community space preserved, helping to stabilize neighborhoods. LISC NYC's investment strategy seeks to advance racial and economic equity through the deployment of community-based financing, services, and programs.

NYCHA Reorganization

LISC NYC is committed to advancing policies that have the potential to promote racial and economic equity in underserved communities and for underrepresented populations in New York City. Our mission prioritizes the long-term preservation and revitalization of safe, high-quality, affordable housing for low- and moderate-income New Yorkers. Any public housing program that also promotes that mission must include meaningful resident engagement. Specifically, LISC NYC supports practical programmatic approaches to ensuring that residents can play a central role in any development plans aimed at improving their housing conditions and the communities in which they live. The proposed reorganization of the New York City Housing Authority (NYCHA)'s Real Estate Department must take this resident engagement goal into account, along with mechanisms to prevent displacement.

Opportunities for Emerging, Minority-Owned Developers

LISC NYC also supports efforts to grow opportunities for minority-owned, emerging developers in conjunction with preservation and revitalization plans and to grow opportunities under the Section 3 program. As part of our overall affordable housing program, LISC NYC's strategic plan includes capacity building and capital investment support for minority-owned development

companies. We look forward to a potential partnership with NYCHA to expand project opportunities for emerging minority developers in New York City.

Contact: Nisha Mistry, Director of External Affairs, LISC NYC (nmistry@lisc.org)



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Gale A. Brewer, Borough President

January 13, 2021

**Gale A. Brewer, Manhattan Borough President
Testimony before the New York City Committee on Public Housing
On NYCHA 2.0 and PACT/RAD**

My name is Gale A. Brewer and I am the Manhattan Borough President. Thank you to Chair Ampry-Samuel and members of the Committee on Public Housing for the opportunity to testify.

On December 8, 2020, I testified before NYCHA at its annual hearing. I shared what had worked and failed from my interactions with NYCHA residents throughout the PACT/RAD conversion process of the Manhattan mega bundle, which comprised 1,718 units in 16 developments. My comments centered around poor and no communication coming from NYCHA and the development team, PACT Renaissance Collaborative (PRC). The result was confusion that ranged from unanticipated apartment inspections to residents not knowing where and how to send their rent checks to PRC.¹

PRC closed on the Manhattan mega bundle on November 30, 2020, transitioning all 1,718 units into private management. In just under two months, I have already received many complaints:

- There is insufficient ground staff. I was onsite at Wise Towers with TA President Ernesto Carrera after a recent fire there. The super was nowhere to be found, and Mr. Carrera was told by PRC office staff that there was no fire. I later learned that there is only one super for all four buildings at Wise Towers. PRC tells Mr. Carrera that they are short-staffed as a reason to justify the filthy condition of the grounds. How is this different from insufficient staffing when the development was under NYCHA management?
- Residents cannot file complaints. Now under private management, residents can no longer call NYCHA's CCC hotline designated for public housing residents. However, when residents call 311, they cannot log their complaints either since Manhattan mega bundle properties are still registered as NYCHA properties. Specifically for Wise Towers tenants who have gone without heat or hot water for long periods of time, their calls were redirected back to CCC, which would not take their complaints.
- PRC is installing bath fitters for apartments. Residents informed my staff that they were told they would get new bathrooms. They are concerned that the bath fitters will only cover up issues such as leaks and molds that should be completely fixed. NYCHA's own

¹ <https://www.manhattanbp.nyc.gov/wp-content/uploads/2020/12/2020-12-08-Testimony-to-NYCHA-on-the-FY21-Draft-PHA-Agency-Plan.pdf>

press release states that PRC will "provide more than \$271 million in major repairs and renovations" and lists as one of its work items "renovation of apartment interiors, including kitchens, bathrooms, windows, and flooring."² PRC may see this differently, but I do not consider covering an existing bathtub with a fitter a bathroom renovation.

Regrettably, the above missteps confirm residents' suspicion that things would not get better under new management, reinforcing a strong sense of mistrust that has been present since the beginning of the PACT project. Since NYCHA still owns the land of all 16 properties, it must work with residents and PRC to resolve the many problems that have come up.

NYCHA should also proactively build trust with residents. To date, PACT/RAD has been conducted in a top-down fashion: NYCHA determines which developments will be converted into Section 8, NYCHA issues the RFP and selects the winning development team, NYCHA conducts informational sessions for residents, and NYCHA works with the development team toward project closing. At all stages, residents are told what is going to happen without the opportunity to suggest anything that will alter what NYCHA has already prescribed.

NYCHA cannot continue to equate resident engagement with one-way communication of plans and timelines that have already been decided. To gain resident buy-in, residents and their representatives such as TA leaders must have an active role in making decisions for the future of their developments. To that end, I call on NYCHA to bring resident leaders to the table when selecting the winning bidder of the PACT RFP of those leaders' developments.

This is not a new concept. The RAD Roundtable that NYCHA convened in 2016 developed a robust set of recommendations that included engaging resident leaders with the development team early on in the process. I am taking the idea one step further and asking for resident representatives to be part of the review of finalists and their proposals. This is also not a new concept. It is a recommendation developed by members of the Chelsea Working Group out of a one-and-a-half-year planning process during which residents, community stakeholders, content experts, elected officials, and staff from NYCHA and Deputy Mayor Been's office designed their own plan to renovate Fulton Houses and Chelsea-Elliott and Chelsea Addition buildings. Members of the Resident Engagement subcommittee felt strongly that residents must be part of the decision-making process to bring on a development team that they will have vetted and approved. This ensures that the partnership between residents and the development team will start from a position of trust.

I am aware that making changes to the RFP selection process will generate legal questions and uncover details pertaining to HUD guidelines and NYCHA contracting policies that must be worked out. This is why NYCHA should commit all the more to making this work, first for the Chelsea Working Group proposal, then for all PACT projects in the pipeline.

I ask the committee to join me in this call to empower NYCHA residents to make decisions for their own future.

² <http://nychanow.nyc/nycha-closes-271-%E2%80%AFmillion-pact-deal-to-renovate-16-sites/>

**Testimony of
Victor Bach, Senior Housing Policy Analyst
At Oversight Hearing on
NYCHA Development: NYCHA 2.0 and PACT/RAD
NYC Council Committee on Public Housing
January 13th, 2021**

The Community Service Society (CSS) appreciates the opportunity to testify on these issues. CSS is a non-profit, anti-poverty organization, based in NYC, over 175 years old, that works to improve conditions and opportunities for low-income New Yorkers.

In late 2018, NYCHA launched Plan 2.0 to address its \$40 billion capital backlog. It centered on the transfer of 62,000 units—over a third of its housing—to private ownership/management through PACT/RAD conversions, expected to generate \$10 to \$12 billion for major capital repairs. Last October, NYCHA proposed its Blueprint, calling for state creation of a public benefit corporation—the NYC Public Housing Preservation Trust—which would take over the remaining 110,000 units under a long-term lease, to carry out capital repairs and restore decent living conditions.

CSS supports both NYCHA plans in concept, as sensible ways to address a daunting capital backlog with no further government assistance in sight, provided that decisions and plans are made with resident involvement and consensus. Whatever the potential policy merits or deficits of these plans, and their potential to address the abysmal conditions residents struggle with daily, it needs to be acknowledged there has been significant resident resistance. Their concerns and objections need to be heard, be taken into account, and fully addressed. To that end, this testimony puts forward several recommendations. ,

Resident Views on NYCHA Plans

Since 2003, CSS has conducted an annual Unheard Third Survey of Low-Income New Yorkers.ⁱ Beginning in August 2019, several questions were directed at a random sample of public housing residents. We found that grassroots residents were sharply divided in their views of NYCHA capital generation strategies.ⁱⁱ About half were opposed to PACT/RAD conversions, as well as to Mixed-Income Infill, while half supported them. Major reasons for opposition were concerns about privatization under PACT/RAD and fears of gentrification and potential displacement.

From what we understand the views of resident leaders—the Citywide Council of Presidents (CCOP) and others—are more firmly opposed to PACT/RAD conversions, as well as to the pending NYCHA Blueprint proposal. They can and will speak for themselves. The Committee and NYCHA should respect their views and respond to them.

CSS believes that NYCHA's "top-down" approach to plans for the restoration of its developments is a major obstacle to achieving greater consensus with resident communities. Despite differences on policy issues, at the core the major problem is one of process.

Strengthening Resident Roles in the NYCHA Planning Process

Stepped-up PACT/RAD conversion plans and the proposed Blueprint represent major changes in the way our public housing is owned, managed, funded, and restored. Whatever their benefits, they represent potentially disruptive shifts for residents:

- 1) their relationships to NYCHA and a changing cast of owners and property managers;
- 2) the need for more intensive resident engagement in preservation decisions;
- 3) potential abridgement of current resident rights and protections;
- 4) potential changes in the structure and functioning of resident organizations;
- 5) shifts in the resident culture: the way residents identify themselves and relate to each other citywide, as NYCHA developments are increasingly divided into PACT/RAD conversions, Preservation Trust conversions, and remaining conventional developments.

To address the policy issues involved and achieve consensus on preservation strategies, there need to be changes in NYCHA process, in how it deliberates and decides on plans, and the degree to which residents are meaningfully engaged in the process. We would forward several recommendations:

More Collaborative Planning from the Start

Under HUD 964 Tenant Participation regulations, resident leaders are entitled to a seat at the table when the authority is deliberating and deciding on policy. At present, resident leaders may receive advance briefings and webinars, but by then NYCHA plans are largely formulated. Resident leadership were not present in "the room where it happened", had no voice when options were being weighed and decided. As a result, they have no ownership in NYCHA plans that seem to be imposed on them. As Danny Barber, CCOP chair, put it, "Residents will not be bullied..."

Ideally, preservation strategies should not go forward without resident consent, as determined by systematic ballot.ⁱⁱⁱ Short of that, NYCHA needs to develop a more collaborative planning process with the communities it targets for restoration.

In New York, the existing Chelsea Working Group is a prime example of a more collaborative model. It was formed in late 2019, in response to resident objections to NYCHA's plan for Fulton Houses, which included RAD conversion and some demolition. Facilitated by Hester Street, the group includes resident leaders from the three Chelsea developments, community board members, NYCHA, the Mayor's office, elected officials, and several independent resource organizations, including CSS. Beginning from scratch, weighing all available options, the group underwent a mutual education process, resulting in a community-generated preservation plan which, despite a pause due to the pandemic, is to be released shortly.

Admittedly, this process takes longer than NYCHA's current top-down approach to preservation planning. But it may be worthwhile as a way to lessen conflict with the community and achieve consensus. This is the kind of precedent-setting, collaborative model NYCHA should be attempting in all its planning.

Independent Technical Assistance

After decades of accelerating deterioration and NYCHA mismanagement of repairs, it should come as no surprise that residents are justifiably angry and distrustful of the authority. As a result, they should not have to rely exclusively on NYCHA for information and technical assistance. Preservation planning is highly technical process, weighing capital generation options, zoning considerations, scoping major repairs, assuring resident protections, and the like. If resident leaders are to be fully engaged in the process, they will need their own independent technical assistance resources.

NYCHA's recent announcement of the Resident Planning Fund Program is a step in the right direction. It plans to fund independent technical assistance to resident associations engaged in the PACT/RAD conversion process.

The Question of Timing—A Pause in the Process?

The pandemic was a devastating blow to NYCHA residents and other communities of color across the city. After struggling with abysmal conditions for decades, now compounded by the deadly health and economic impacts of the pandemic, resident leaders are under unprecedented stress to protect their communities and provide essential services to vulnerable households. The pandemic has also made it difficult to engage residents in plans, apart from the small proportion who have the digital capacity to participate in virtual meetings. PACT/RAD conversion and the proposed Blueprint are complex mechanisms that would be difficult to explain and understand in the best of times. The question is: Is this the time for stepped-up conversions or consideration of the Blueprint proposal?

It might make sense for NYCHA to press the "pause button" on further conversions and forward movement on the Blueprint for the time being, at least until the pandemic subsides and residents can muster the time and information they need to participate fully in the decision process. In the interim, NYCHA should convene a collaborative working group with key resident leaders to assess from scratch the Blueprint, PACT/RAD plans, against other potential options, and attempt to develop a consensual, comprehensive preservation plan.

NYCHA's eagerness to move forward rapidly is understandable given a looming \$40 billion capital gap that only grows as time passes. But if its plans have a future, one that includes the willing consent of residents, it will have to move at the pace of meaningful resident engagement and trust.

Thank you.

ⁱ The CSS annual Unheard Third Survey began in 2002 to track the views and experiences of low-income New Yorkers. It is designed and conducted by telephone with the collaboration of Lake Research Partners, a leading national polling organization. The overall margin of error is between 2 and 3 percent.

ⁱⁱ See CSS Report: *NYCHA IN FLUX: Public Housing Residents Respond*, Community Service Society, May 2020. www.cssny.org.

ⁱⁱⁱ This is now the case in the London boroughs. See: Citizens Housing & Planning Council, *Public Housing Revolution: Lessons from London*, October, 2019.

January 13, 2021

Good Day

I thank you all for holding this meeting and giving NYCHA residents the opportunity to be heard.

My name is Mary McGee, I am a Fulton Houses resident and member of the working group. I would like to talk about NYCHA, RAD/PACT, the working group and the past and future of public housing.

For a long time NYCHA hasn't received full funding from HUD.

For example:

NYCHA has a tumor and everyone knew this and did nothing but point fingers. Instead of our elected officials stepping in and treating this tumor they let the cancer spread and everyone knew NYCHA misused fundings and did nothing. No one put a stop to it. The only people being affected are the residents, we are the ones paying the price living in deplorable conditions even though we pay our rents. We can't dwell on the past but we can protect the future of public housing. We can't allow programs like RAD/PACT make public housing a thing of the past. We need to protect the rights and voices of NYCHA residents. We don't trust NYCHA for these reasons and many more.

While NYCHA continues to move forward with RAD/PACT during a pandemic is disgraceful and only shows the lack of respect they have for its residents. The residents are not involved in the decision making and are being told this is what is going to happen. Yes residents want repairs, new elevators, better security, new roofs, bathrooms, kitchens and everything this program offers but not this way.

Everything should be paused not only because we're in a pandemic but because there is minimum resident outreach and residents are being silenced. We're being spoken to but not asked.

As for Manhattan Borough President Gale Brewer's statement about the working group financial part is not so. I am a member of the group and sat in all three subcommittees and have yet seen the actual numbers no matter how many times I requested them. I was constantly told it's too difficult yet was never given the opportunity to judge for myself. The group was never given the actual numbers, only what NYCHA and the chair of the group wanted us to see. We the residents understand there is a need for funding but don't approve of the way this is being handled.

As for the working group it was started because residents of Fulton houses weren't going to allow NYCHA to demolish two buildings, privatization and selling the air rights. We protested and made sure our voices weren't silenced. We met with our elected officials and voiced our concerns. They were given a petition with over 600 head of household signatures. In the start of this working group I was the one questioning everything, demanding more information and being very vocal. I gave them hell with knowledge and sought answers and wouldn't give in. The only part that we were never given were the actual numbers. I always questioned if RAD/PACT

was a good program, why do we need infill? We live in a prime real estate area and they just want the land and only see numbers and not the residents. We gave the group other options like resident management and had Norman Siegel present it and he was dismissed. It was never brought up again even though we wanted to explore this option and others. This group was only formed to pretend they cared and the only outcome would be RAD/PACT. This needs to be paused until the pandemic is controlled and residents can be heard.

As for the RAD/PACT program in OceanBay it's disgraceful how they let this happen. I visited and saw what they had done there. I wasn't impressed, the apartments looked the same just bath fitters and other cheap replacements. The grounds were beautiful but that was never the problem. Did you know that only half of this development went RAD/PACT? They used FEMA funds as well as the developers to only fix the part that went with RAD. If you cross the street and see how NYCHA neglected the other half and didn't apply much of the FEMA money allocated for the entire development should have everyone fighting for the rights of those residents but as always NYCHA does as they please.

I'm very passionate about this and hope you are too. I'm asking this committee to please pause all RAD/PACT until the pandemic is under control and residents can be heard. We matter, our voices matter and our quality of life matters. If we allow this to move forward public housing will no longer exist. Please help save public housing.

Thank you
Mary McGee

January 12, 2021

New York City Council – Oversight - NYCHA Development: NYCHA 2.0 and PACT/RAD

Paola M. Martinez, Director of Social Services at Betances Houses - Catholic Charities of the Archdiocese of New York

Background & Demographics

Good afternoon, Chair Alicka Ampy-Samuel and members of the Public Housing Committee. My name is Paola M. Martinez and I work for Catholic Charities Community Services as the Director of Social Services at the Betances Houses, located in the Mott Haven neighborhood in the South Bronx. As NYCHA site participating in the PACT program, in partnership with RDC Development LLC (Wavecrest & MDG) and Catholic Charities, we have rehabilitated 1,088 units of housing that are home to over 3,000 low-income New Yorkers. As the Social Services provider onsite, we collaborate with community partners and city agencies to provide much needed services to our residents. In 2019, we conducted a needs assessment and learned that residents at the Betances Houses desperately needed access to eviction prevention programs, jobs, education and vocational trainings, as well as primary and mental health services. With these priorities in mind, we developed our community engagement strategy, strengthened partnerships with important service providers in the area and launched our own programs to address the needs of our residents. In 2020, we conducted a needs assessment to determine the needs of individuals with disabilities residing at Betances and we are currently conducting an assessment to determine how COVID-19 has affected our residents.

Case Management & Eviction Prevention Programs

Our Tenant Advocate and onsite Case Manager advocate for individuals and families by helping them navigate city resources and apply for assistance, especially when they are enduring hardships, such as loss of employment or the death of a family member. The long and tedious application process for benefits can be discouraging, such was the experience of one of our residents, Luis and his wife, who prior to moving to Betances lived in the streets and then in a shelter for over two years. With our support, we were able to secure furniture, health services, immigration legal assistance, help with HRA benefits and additional support during the pandemic. Since the launching of our program in May 2018, our team has secured over \$100,000 in grants to cover arrears, referred numerous residents for immigration services, HRA benefits and provided over \$60,000 in direct assistance to residents impacted by COVID-19.

Addressing Food Insecurity and Implementing our E-Mentoring Program

The COVID-19 pandemic presented itself as an opportunity to be more intentional and strategic about our work to support our residents many of whom are essential workers. Food insecurity and lack of quality education are challenges for our community. Therefore, to support residents

engaging in remote learning we develop our E-Mentoring Program providing laptops and school supplies, as well as connecting students with an E-mentor that motivated and guided students. Thanks to our partners and private donations, 20 students participated in a pilot program that will continue through this academic year due to its positive impact, both for the mentors and the mentees. Being a mentee has allowed to students to improve their communication skills, express their feelings, find new interests and role models.

Additionally, in partnership with the NYC Food Emergency program, Fresh Direct and Feeding our Neighbors program we have distributed over 500,000 meals since the beginning of the pandemic in March of 2020.

Community Engagement

Through partnership with corporations, non-profits and city agencies, we have engaged our residents to provide assistance in a variety of topics, such as financial empowerment, workforce and training opportunities, including OSHA trainings. Our resources fairs are well attended by over 300-400 residents each.

Lessons Learned:

Over a year and half, we have learned important lessons: 1) the most important lesson is that listening to our residents needs allows us to plan and engage the right partners to deliver much needed services. 2) Having social service team onsite has allowed us to respond faster to our residents needs when faced with challenges or a crisis, such as the COVID-19 pandemic. We recommend that the city expands this programs and increases the staff providing social services in NYCHA properties participating in the PACT program.

Dear Committee,
I am writing to oppose RAD for the following reasons:

PRIVATIZATION THREATENS THE FUTURE OF PUBLIC HOUSING

- By transferring public housing from Section 9 to Section 8, tenants would lose key rights and protections.
- RAD brings in private companies whose main priority is profiteering to manage the properties. Their conflict of interest makes them deeply unfit for this responsibility.
- Tenants have repeatedly expressed that they do not want this change.

THIS IS PANDEMIC PROFITEERING

- There is no need for these negotiations to happen right now, during a pandemic.
- These proceedings are unjust and undemocratic due to unequal access to technology and significant language barriers.
- Families living in NYCHA have been some of the hardest hit by the negative impacts of the pandemic. The death rate from COVID-19 reported at NYCHA complexes is more than twice that of New York City, according to an analysis by [Gothamist](#). Our city government should be helping New Yorkers survive this devastating time, instead the city is threatening to take away their homes.

RAD WILL LEAD TO EVICTIONS. THE CITY IS HIRING KNOWN PREDATORS TO TAKE OVER NYCHA

- The City and NYCHA are working with some of the worst known landlords in the city. These landlords, including Wavecrest Management, L+M Development Partners, Omni New York LLC, Acacia Network, The Kraus Organization, Apex Building Group, C+C Management and Kalel Holding have well-documented histories of tenant harassment and evictions, and abuse of public money (tinyurl.com/NefariousByNature).
- RAD will lead to evictions! More than 300 households were brought to housing court at Ocean Bay Houses in the Rockaways, the first conversation to RAD. 80 households were evicted.

THE CHELSEA WORKING GROUP IS A SHAM

- The Working Group that was formed to listen to tenants' point of view blatantly ignored tenants and shut out objections.
- The "Working Group" was established in October 2019 with the stated intent to "ensure that the plan to improve these developments meets all of the residents' needs, because they deserve nothing less," according to New York City Mayor de Blasio. Instead, tenant organizers who had led the struggle for repairs were not even invited to the Working

Group. Only a few pro-RAD residents were invited. One organizer said, "We had to push our way in." Ultimately, when the Working Group proposal was released, it was nearly identical to the RAD proposal. Those who still objected to the plan after it was announced were asked to leave the Working Group. (via [Liberation News](#))

- Shame on our elected officials who are silent and complicit! Mayor De Blasio, Congressman Nadler, Speaker Johnson, Public Advocate Williams, Comptroller Stringer, Manhattan Borough President Brewer, State Senators Hoylman and Jackson, Assembly Member Gottfried-- all of you are on the Chelsea Working Group, which is working to convert Fulton and Chelsea Houses to privatization, while locking tenants out of the process.

Sincerely,

Michael Robinson Cohen
Violette de la Selle

Joshua Barnett, RA, NYCHA RAD/PACT City Council Hearing 1/13/21

President.ch25@local375.org, 374 564 2783

My name is Joshua Barnett. I've worked for the NYC Housing Authority as an architect since 1999. I am also a member of Local 375, DC 37, AFSCME, member of the NYCHA Union Coalition, and president of Chapter 25, Local 375, NYCHA. I also worked for the Boston Housing Authority in the late 1990s.

What should come out of this hearing is an immediate moratorium on the RAD/PACT program, an audit NYCHA's funding to shift spending from outsourcing and management hires to renovations and resident services, a serious attempt to get stakeholder input and national results on RAD conversions to date, and a much stronger advocacy from NYCHA for public funding for public housing.

We know that the repairs to NYCHA's public housing developments are desperately needed by the residents and site staff. We're dealing with at least 40 years of underfunding and deferred maintenance on buildings that were often poorly designed and constructed to begin with. But it can't come at the expense of privatization, and that is what RAD/PACT represents. Public housing needs to be maintained, and in an era of a national affordable housing crisis public housing needs to be expanded, but public housing needs to remain public. There are alternative funding streams that NYCHA, and HUD, are not advocating for. That needs to change.

We have to put this in perspective. The influx of private sector funding into previously publicly funded services almost always amounts to a dissipation of services for the public. The public/private partnerships for such essential public services as parks, museums, schools have an over-reliance on the rich and a precarious revenue stream. It's also meant an uneven funding for those services in areas which are gentrified, while those in lower income neighborhoods continue to be neglected. The privatization of such vital services as transportation and sanitation has led to disorganization, lack of accountability, and diminution of services. The privatization of prisons and law enforcement has led to outright systemic violations of human rights.

Housing is no different. For all the supposed safeguards in RAD/PACT it means bringing in private entities whose bottom line is the bottom line. NYCHA retains ownership of the land, but the safeguards for residents, threadbare already, are rendered even thinner. In almost every city where RAD has been enacted—Baltimore, San Francisco, Raleigh, Minneapolis—there have been reports of increased evictions and as is typical with private landlord's lack of accountability.

The basic justification for the RAD/PACT program is that there is a lack of funding, so this kind of public/private partnership is necessary. What's really lacking is political will. While income inequality is at the highest point since the late 1800s tax rates on the top 1% are at historic lows. The tax on all Wall Street transactions has yet to be re-introduced. While corporate profits and CEO salaries are at all-time highs, the percentage of tax revenues from corporate taxes are at all-time lows, if not non-existent. New York City continues to provide tax abatements and subsidies for market-rate and luxury developments. City Hall and Albany have in recent years increased funding for NYCHA, and the PILOT (payments in lieu of taxes) to the city were halted, but local and state funding has not increased nearly enough. And since NYCHA receives federal funding through HUD, the military budget consumes almost 60 cents of every dollar of federal discretionary spending.

NYCHA, however, is silent on all of this, as they are silent about the tens of millions of dollars management wastes every fiscal year on hiring outside consultants for long-term contracts and outsourcing work previously performed by experienced in-house staff. NYCHA initiated

privatization of construction management in 2004 with the CM/Build program, but has yet to produce an independent cost/benefit analysis in the last 17 years to verify the program's performance. In the central offices it is literally impossible to tell if someone sitting in a cubicle is a consultant or a civil service worker. And NYCHA remains an incredibly top-heavy organization. None of that was addressed in planning for RAD.

There is widespread dissatisfaction among resident and community groups for the late and rote motions NYCHA has made in obtaining input from stakeholders, including staff. NYCHA has not made any attempt to reach out to those groups which have opposed RAD conversions in other cities, including Minneapolis, where the RAD program initiated by Greg Russ was opposed, a struggle that is currently on-going. The supposed model of the Cambridge Housing Authority, where renovations were provided for residents in place and workers retained their jobs, has not been verified, nor has it been verified if either has been duplicated in other cities, or if a plan developed for a housing authority with 2,300 units can be replicated for a housing authority with 174,000 units. And across the river in Boston the National Alliance of HUD Tenants opposes RAD, yet NYCHA, unsurprisingly, will not reach out to groups like that to obtain their input.

We have no reason to trust NYCHA's transparency on the RAD/PACT program. The fact that management has not addressed cutting in-house privatization, outsourcing, top-heavy management, waste and inefficiency, the on-going revelations about the severity of lead-based paint, asbestos and chronic mold infestation, leave NYCHA management with a well-deserved credibility issue that their current biased and selective presentation of the need for and effects of RAD privatization only exacerbates. Previous initiatives such as NextGen NYCHA have had no independent, public or stakeholder evaluations. It was just reported that NYCHA is issuing a request for proposal to spend \$10 million on resident input. That it is spending yet another \$10 million on a private consultant, and is reaching out after the program has already been initiated, is another example of an inefficient and wasteful approach to obtaining serious input from those most directly affected.

From the point of view of the staff, RAD/PACT represents a potential union-busting tactic. There are no provisions in RAD/PACT to guarantee that hires for design, construction or maintenance will be paid prevailing wage or union scale, that Section 3 resident hires will be maintained (it's under-enforced by management as it is), that union hiring will be maintained. Our requests for information on this to management have gone unanswered. NYCHA staffing levels have gone from almost 16,000 in 1999 to under 12,000 now. We have no assurances that RAD/PACT will address proper staffing levels. As it is there have been complaints from Wavecrest Houses about the private management company's performance.

RAD/PACT has already started to generate waste. On-going design projects have been shelved at developments now slated for RAD conversion. As one example, in-house design staff had been working on a \$44 million renovation at Harlem River Houses, a city designated landmark, and had spent over a year on the project, spending hundreds of hours on the plans. It was more than two-thirds complete. The landscape designs had just been approved by the NYC Landmarks Preservation Committee. But it was all shelved when it was decided that Harlem River Houses was converting to RAD, and the project was now being given to a private design firm, who was starting from scratch.

Which leads to the question of how developments are chosen for RAD/PACT conversions in the first place. Why would a landmarked property like Harlem River Houses be given over to private management? Was the city Landmarks Committee consulted? If RAD/PACT funding is supposed to address the backlog of capital repairs at 62,000 units, has NYCHA shown that the developments slated for conversion to private management are in fact the most distressed

properties listed in the latest physical needs assessment? And if not, what criteria are being used for selection?

It also leads to the question of why the institutional knowledge of the NYCHA employees is being virtually ignored. The “experts” consulted in the NYCHA RAD/PACT presentations not only don’t include the residents, it also doesn’t include the staff with years, if not decades, of experience in what makes public housing safe, sustainable, green, and more than that, inviting, as all housing should be. Because we’re not just talking about housing. We’re talking about homes. The experts who know the difference, and can make difference real, live in public and work on public housing, but as is typical we’re consulted after the fact, if at all.

There are alternative, progressive plans for public housing that NYCHA ignores. The Green New Deal for Public Housing, sponsored by US representative Alexandria Ocasio-Cortez and US Senator Bernie Sanders lays out in detail the funding and benefits for the sustainable upgrades of public housing. Representative Ilhan Omar has proposed the “Homes for All Act of 2019” that outlines a massive national commitment to public housing. Other cities have enacted mandatory inclusionary zoning for affordable housing and mandatory linkage between market and affordable housing to take the pressure off public housing as the last stock of housing available to low-income city residents. Yes, it’s political struggle. But it speaks volumes that NYCHA is silent on all of it, and does not even advocate for stronger political will to provide shelter for all and housing as a human right.

It must be noted that NYCHA will advocate openly and aggressively for private funding, but not for public funding. NYCHA has supported plans such as leasing or selling air rights, building infill new housing on NYCHA open land, and public/private partnerships. But NYCHA has not exerted the same advocacy for increased funding at the city, state, and national levels.

It cannot be overstated how direly needed the capital repairs are that the RAD/PACT funding is supposed to address. NYCHA is the last stock of truly affordable housing in a city and country in the midst of an affordable housing crisis, and the residents, staff and the city need public housing to be safe, sustainable, and livable. We cannot see NYCHA go the way of Chicago or other public housing where chronic underfunding and neglect made the developments unlivable and were demolished.

But the short-term fix of bringing in private funding, while neglecting the available funding from stopping privatization and increased public revenues, is taking the public out of public housing. NYCHA’s current Transformation Plan, which includes the proposed “public housing trust”, accepts the conversion of 62,000 units under the RAD/PACT program. As public housing workers, residents, as people living in a horribly gentrified city, we cannot—absolutely cannot—accept this as a given. As union representatives for public housing workers we are calling for an immediate moratorium on RAD/PACT, till we see the effects of the few renovated developments, till NYCHA makes a serious commitment to input from residents and staff—lacking so far—as to the possible effects, and till we see what funding can come from the new administration in Washington. RAD/PACT is privatization of public housing. It seems like a bargain, but we can’t afford it.

Hi there,

My name is Lindsey Weiss and I'm a Queens resident. I am writing to express my sincere objection to RAD, and to any actions toward privatization of NYCHA housing. Moving NYCHA-owned housing from HUD to Section 8 funding puts public housing residents at risk by eliminating key rights and protections for tenants, such as affordable rent, protection from large rent increases that affect subsidy availability, and the guarantee that units will not be removed from subsidized housing for listing on the open market. Upon RAD conversion, many NYCHA tenants classified as "Extremely Low Income" will see their rents increase to 30% of their income. Privatization of public housing puts tenants at risk of exploitation by management companies who, by definition, will seek to profit from financially vulnerable residents of NYCHA housing.

Thank you for considering my testimony,
Lindsey Weiss

PRIVATIZATION THREATENS THE FUTURE OF PUBLIC HOUSING

- By transferring public housing from Section 9 to Section 8, tenants would lose key rights and protections.
- RAD brings in private companies whose main priority is profiteering to manage the properties. Their conflict of interest makes them deeply unfit for this responsibility.
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- There is no need for these negotiations to happen right now, during a pandemic.
- These proceedings are unjust and undemocratic due to unequal access to technology and significant language barriers.
- Families living in NYCHA have been some of the hardest hit by the negative impacts of the pandemic. The death rate from COVID-19 reported at NYCHA complexes is more than twice that of New York City, according to an analysis by [Gothamist](#). Our city government should be helping New Yorkers survive this devastating time, instead the city is threatening to take away their homes.

RAD WILL LEAD TO EVICTIONS. THE CITY IS HIRING KNOWN PREDATORS TO TAKE OVER NYCHA

- The City and NYCHA are working with some of the worst known landlords in the city. These landlords, including Wavecrest Management, L+M Development Partners, Omni New York LLC, Acacia Network, The Kraus Organization, Apex Building Group, C+C Management and Kalel Holding have well-documented histories of tenant harassment and evictions, and abuse of public money (tinyurl.com/NefariousByNature).
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THE CHELSEA WORKING GROUP IS A SHAM

- The Working Group that was formed to listen to tenants' point of view blatantly ignored tenants and shut out objections.
- The "Working Group" was established in October 2019 with the stated intent to "ensure that the plan to improve these developments meets all of the residents' needs, because they deserve nothing less," according to New York City Mayor de Blasio. Instead, tenant organizers who had led the struggle for repairs were not even invited to the Working Group. Only a few pro-RAD residents were invited. One organizer said, "We had to push our way in." Ultimately, when the Working Group proposal was released, it was nearly identical to the RAD proposal. Those who still objected to the plan after it was announced were asked to leave the Working Group. (via [Liberation News](#))

- Shame on our elected officials who are silent and complicit! Mayor De Blasio, Congressman Nadler, Speaker Johnson, Public Advocate Williams, Comptroller Stringer, Manhattan Borough President Brewer, State Senators Hoylman and Jackson, Assembly Member Gottfried-- all of you are on the Chelsea Working Group, which is working to convert Fulton and Chelsea Houses to privatization, while locking tenants out of the process.

Dear Committee,

My name is Sam Lipp, I am a Lower East Side resident, and I strongly oppose the proposal for RAD.

Most NYCHA tenants also oppose RAD. Privatization threatens the future of public housing! By transferring public housing from Section 9 to Section 8, tenants would lose key rights and protections. This is not what NYCHA tenants want. NYCHA residents just want to live in dignity and have their homes kept in working conditions, as is their human right!

RAD brings in private companies whose main priority is profiteering to manage the properties. Their conflict of interest makes them deeply unfit for this responsibility. Tenants have repeatedly expressed that they do not want this change. THIS IS PANDEMIC PROFITEERING!! There is no need for these negotiations to happen right now, during a pandemic. FULL STOP NOW.

These proceedings are unjust and undemocratic due to unequal access to technology and significant language barriers. Families living in NYCHA have been some of the hardest hit by the negative impacts of the pandemic. The death rate from COVID-19 reported at NYCHA complexes is more than twice that of New York City, according to an analysis by [Gothamist](#). Our city government should be helping New Yorkers survive this devastating time, instead the city is threatening to take away their homes.

Time and time again, the city says they want to help low income residents and NYCHA residents, in theory, but the only action they ever take is to bring in developers and private capital. We all know this is a

bait and switch. The developers will never help low income people, because it is not in their favor to do so.

STOP the LIES. RAD WILL LEAD TO EVICTIONS and GENTRIFICATION, and the destruction of public housing, for the public.

NYCHA residents want livable housing conditions. Not a bait and switch to have their homes taken over by developers and private real estate.

If the city actually prioritized the NYCHA residents, if they actually listened to residents, and didn't just pay lip service, plans like RAD would never come into being.

Where there's a will, there's a way. But the only will the city has is to do the developer's bidding. SHAME on our elected officials for their complicity and their silence.

WE DEMAND A NEW PLAN.

Sincerely,
Sam Lipp

TAKEROOT JUSTICE

The New York City Council - Meeting of Committee on Public Housing *Oversight: NYCHA Development: NYCHA 2.0 and PACT/RAD*

January 13, 2021

My name is Sophonie M. Joseph. I am speaking today as Community Planner & Advocacy Coordinator in the Equitable Neighborhoods practice of TakeRoot Justice. TakeRoot works with grassroots groups, neighborhood organizations and community coalitions to help 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 work together with our partners and clients to ensure that residents in historically under-resourced areas have stable housing they can afford, places where they can connect and organize, jobs to make a good living, and other opportunities that allow people to thrive.

Thank you for listening to our testimony on NYCHA 2.0 and PACT/RAD today. This hearing is particularly crucial since NYCHA has been moving forward with disposition of its property without ULURP and approval of this council.

Our clients and partners, who are and work closely with NYCHA residents, have serious concerns about continued attempts to implement the aforementioned programs in the current climate. The context, i.e. COVID-19, directly inhibits inclusive public participation. Simply put, implementing such programs are not acceptable to the coalition of residents and allies we work with, including CAAAV: Organizing Asian Communities, Good Old Lower East Side (GOLES), the Holmes-Isaacs Coalition, Housing Justice for All Coalition, and the Justice for All Coalition.

PACT/RAD: How could residents lose out?

In transitioning from public housing to PACT/RAD, formerly NYCHA buildings will be taken out of the 2018 *Báez v. NYCHA* settlement and the 2019 federal monitorship agreement.¹ The *Báez* settlement currently requires NYCHA to adhere to strict practices in remediating chronic mold and water leaks, and makes NYCHA answerable to the Mold and Leak Ombudsperson Call Center through the end of 2021,² which has had success in forcing NYCHA to follow through with proper repairs. Federal monitorship ensures

¹ See <https://nychamonitor.com/wp-content/uploads/2019/03/Final-Executed-NYCHA-Agreement.pdf>

² See <https://ombnyc.com/>; see also Greg Smith, NYCHA is Required to Rid Apartments of Mold. But its Latest Money-Raising Plan Could Hamper Clean-up Efforts, The City (Dec. 8, 2020), <https://www.thecity.nyc/2020/12/8/22164564/nycha-mold-clean-up-rad-privatization-public-housing>.

oversight of a more broad set of conditions in NYCHA buildings. Transfer of NYCHA's buildings from NYCHA to private developers through RAD/PACT will not automatically alleviate the conditions that led to the need for both monitoring systems; NYCHA is simply taking it on faith that developers will remedy them without these court-mandated systems of oversight.

HUD has already granted NYCHA approval to convert 33 campuses, i.e. 76 buildings, to Section 8 using the RAD/PACT programs. Five campuses have already been converted, with repairs supposedly in progress. These conversions have been completed without any oversight from this Council. Residents of those campuses, who used to be NYCHA's tenants, are now tenants of private landlords.

NYCHA's Draft FY21 Annual Plan includes 20 additional campuses that are slated for transfer to private management and conversion to Section 8; NYCHA admits that it has only applied to HUD for approval to do these conversions, and has not yet received that approval, yet it seems to be taking some liberties with eight of these campuses: NYCHA has already announced specific developers to take over them, apparently assuming that HUD will rubber stamp its applications.³

A major concern of tenants and tenant-organizers is that in Section 8 tenants will always pay 30% of their income no matter what. All public housing under Section 9 has flat or ceiling rents--that is, limits on how high the rent can go. Section 9 public housing tenants can opt to pay the flat rent instead of the rent as determined by calculating 30% of the respective household's income. For example, if the ceiling rent for a unit is less than 30% of the renter's income; the former public housing tenant may see a significant increase in a converted unit's rental costs. Section 8 private housing tenants are required to pay 30% of their income without any ceiling.

Another thing tenant stakeholders worry about is who is getting public money. Most of the subsidy money through Section 8 is passing straight from the federal government to the private landlord, acting as a subsidy for these landlords while not at all supporting public housing. RAD/PACT does not generate funds to make repairs for other NYCHA buildings. Instead of generating money, this program just moves responsibility for maintaining buildings from NYCHA to private companies.

A third issue our clients and partners are concerned about is what is called a "public-private partnership." Although NYCHA calls it a "public-private partnership" because there's a public partner — NYCHA, and a private partner — the developer who will act as residents' landlord, who work together. If it is a "partnership," which partner is

³ See NYCHA Press Release, February 13, 2020, *NYCHA DESIGNATES DEVELOPMENT PARTNERS TO REPAIR AND PRESERVE OVER 5,900 AFFORDABLE APARTMENTS IN MANHATTAN AND BROOKLYN*, available at <https://www1.nyc.gov/site/nycha/about/press/pr-2020/pr-20200213-1.page>.

responsible for what? This is where it gets complicated. Since the private developer is leasing the land from NYCHA, the developer is supposed to do what NYCHA says. But the NYCHA has not been explicit about how it will monitor developers to make sure they are taking care of the buildings they take over. And it is not clear how easy it will be for NYCHA to get rid of a bad developer “partner.” Our clients and partners worry that over time public-private partnerships in this context and others will mean public agencies do less and the services that used to be provided by the government might only be available from private, for-profit companies.

Infill: How could residents lose out?

NYCHA has announced plans to lease land for developers to build 50% market rate housing on three of its campuses; the remaining 50% of the units in these new privately-owned buildings will be “affordable” at levels the developers agree to.⁴ There are also thirteen campuses slated for the private development of “affordable” housing on them across NYCHA’s portfolio per the FY21 Draft Annual Plan.⁵

Our clients and partners are very concerned that the new “affordable” housing infill projects will be too expensive for current NYCHA residents. New developments will replace valuable green spaces, parking, playgrounds around NYCHA developments with new infill buildings.

This is a precarious context that may lead to displacement of pre-existing NYCHA residents. If new buildings for wealthier people are built near NYCHA buildings, neighborhoods will adapt to the new residents. Local stores will charge more because wealthier people can pay more. Businesses for wealthier people will replace the businesses current tenants are familiar with. In existing housing stock near the NYCHA campuses where infill will happen, rents will go up as wealthier people move into the neighborhood. There will be pressure in rent-stabilized buildings for residents to move out.

The new units in newly constructed buildings on NYCHA campuses probably will not go to current NYCHA residents: the “affordable” housing probably will not be affordable to most NYCHA residents, and the market rate units are even less likely to be. Under NYCHA’s terms, developers are not required to offer units to NYCHA residents first.

⁴ Holmes Towers and La Guardia Houses in Manhattan and Wyckoff Gardens in Brooklyn.

⁵ Queens: Astoria; Bronx: Soundview, Betances VI, Morrisania Air Rights, Twin Parks West, Justice Sonya Sotomayor Houses, East 173rd Street-Vyse Avenue; Brooklyn: Sumner, Bushwick II CDA (Group E), Kingsborough Houses and Kingsborough Houses Extension; Manhattan: Harborview Terrace and Dyckman Houses; Staten Island: West Brighton II.

Insufficient Resident Engagement during a Pandemic

First, NYCHA 2.0 and PACT/RAD continue to be implemented without adequate engagement with and consent from NYCHA residents, whose homes are at risk, during a time of national emergency. These are sweeping changes targeted at thousands of residents who are being asked to respond to specific plans for their specific campuses, while NYCHA is also purporting to invite their input on its *Blueprint for Change* proposal.⁶

This is a situation that can only lead to confusion.

It is unconscionable to push for massive changes to NYCHA and irreversible transformations on specific campuses through RAD/PACT and infill while the COVID-19 pandemic prevents full resident participation in the process. The consent of NYCHA residents is absolutely necessary for these sweeping changes to public housing in NYC to be approved within the spirit of federal public housing law. Ignoring resident participation and concerns, especially during a global emergency, is unacceptable.

Thank you so much for taking the time to consider our testimony today.

Sophonie M. Joseph, MUP, PhD
Community Planner & Advocacy Coordinator
Equitable Neighborhoods Practice
TakeRoot Justice
123 William Street, 16th Floor
New York NY 10038
sjoseph@takerootjustice.org
(646) 459-0360

###

The New York City Housing Authority (NYCHA) Land & Healthy Homes Coalition (LHHC) is an alliance of NYCHA residents and groups that work with, represent, and support them. This coalition includes CAAAV: Organizing Asian Communities, Cooper Park Residents Council, Good Old Lower East Side, Holmes-Isaacs Coalition, Red Hook Initiative, St. Nicks Alliance, and TakeRoot Justice.

[CAAAV Organizing Asian Communities](#) works to build grassroots community power across diverse poor and working class Asian immigrant and refugee communities in New York City. CAAAV Asian Tenants Union organizes working class Bengali, Chinese, and Korean public housing tenants in Western Queens.

⁶ See <https://www1.nyc.gov/site/nycha/residents/blueprint-for-change.page>. While the Blueprint is not the subject of this oversight hearing, it is an additional layer of complexity and confusion that NYCHA is adding to the COVID-19 context. The Blueprint is a proposal to create a new ownership entity to which NYCHA will transfer all its properties that are not being directed to RAD/PACT. This transfer cannot happen without State legislation to create the new entity, which has not yet been passed.

The [Good Old Lower East Side](#) works with low-income residents to preserve their homes, communities, and address displacement and gentrification. GOLES organizes to expand low-income housing, create good-paying jobs, and provide a clean and healthy environment for low- and moderate-income people.

The [Holmes-Isaacs Coalition](#) was formed to combat the public housing crisis that has plagued all of NYCHA campuses and fights for adequate funding and timely repairs for all NYCHA residents.

[Housing Justice for All Coalition](#) is run by the Upstate Downstate Housing Alliance is a coalition of over 70 organizations that represents tenants, homeless New Yorkers, and public housing residents from Brooklyn to Buffalo. We are united in our belief that housing is a human right; that no person should live in fear of an eviction; and that we can end the homelessness crisis in our State.

The [Justice for All Coalition](#) was formed to educate and organize neighbors in the fight for just development in western Queens. Our roots, base and leadership are in the local public housing developments. Our current campaign calls for public investment and repairs, reparations, and resident management for public housing residents.

[TakeRoot Justice](#) provides legal, participatory research and policy support to strengthen the work of grassroots and community groups in New York City to support community-based partners to dismantle racial, economic and social oppression.

From:
Vanessa Thill
624 Myrtle Ave #1
Brooklyn, NY 11205

PRIVATIZATION THREATENS THE FUTURE OF PUBLIC HOUSING

- By transferring public housing from Section 9 to Section 8, tenants would lose key rights and protections.
- RAD brings in private companies whose main priority is profiteering to manage the properties. Their conflict of interest makes them deeply unfit for this responsibility.
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- Shame on our elected officials who are silent and complicit! Mayor De Blasio, Congressman Nadler, Speaker Johnson, Public Advocate Williams, Comptroller Stringer, Manhattan Borough President Brewer, State Senators Hoylman and Jackson, Assembly Member Gottfried-- all of you are on the Chelsea Working Group, which is working to convert Fulton and Chelsea Houses to privatization, while locking tenants out of the process.

Ahidsa Mateo

High School Student, Bronx Academy of Letters

Organization Affiliation: HERE to HERE

**Testimony Submitted to the New York City Council
Committee on Youth Services**

January 13, 2021

Oversight Hearing Topic: ***The Summer Youth Employment Program (SYEP)***

Recommendation: ***Support SYEP as a Key Lever for the City's Recovery
and Youth Reengagement***

Hi New York Council ! My name is Ahidsa Mateo and today I want to testify about the Summer Youth Employment Program for all students across the world. I would like to talk to you about my experience with SYEP. I went to one of their meetings and I was super excited to work with them so once the meeting finished, I never heard back from them again. In that moment I realized I, like many other students, was not selected to work with them. Once I realized this, I felt a little down but quickly realized that there will be more opportunities and so I shouldn't worry about it so much.

I want all the students all over New York City to be able to work with SYEP so they can get a great work experience. In addition, young people should be able to provide for their families, especially now since there are so many families struggling during this pandemic. It is rough at this time during COVID-19 because many families don't have access to food and some don't have jobs to be able to provide for their families.

In my opinion, I think that we should create a healthy and safe environment for all students across the world where they are able to work in SYEP and are able to provide for their families. Also, I think that we should maybe help them find nearby places where they can go get lunches if they don't have nothing in their homes or maybe we can create a place for all students around the world where they can be able to go pick up food and have good people to interact with them on how they are doing during this pandemic like mentors.

Here are some locations where they can pick up food (FE: Bronx Students) :

- The Walton Avenue School is located at 1425 WALTON AVENUE.
Operating hours are
3:00pm - 5:00pm Monday to Friday for the general public.
- New Millennium Business Academy. MS is located at 1000 TELLER AVENUE.
Operating hours are
3:00pm - 5:00pm Monday to Friday for the general public.

- The Urban Assembly Bronx Academy of Letters is located at 339 MORRIS AVENUE.
Operating hours are
3:00pm - 5:00pm Monday to Friday for the general public.

Here are some locations where they can pick up food (FE: Manhattan Students) :

- P.S. 130 Hernando De Soto is located at 143 BAXTER STREET.
Operating hours are
3:00pm - 5:00pm Monday to Friday for the general public.
- Stuyvesant High School is located at 345 CHAMBERS STREET.
Operating hours are
3:00pm - 5:00pm Monday to Friday for the general public.
- BATTERY PARK CITY SCHOOL is located at 55 BATTERY PLACE.
Operating hours are
3:00pm - 5:00pm Monday to Friday for the general public.

I find it unfair that certain students get collected to be a part of the SYEP and the other students don't. I testify that all students from all over New York City should have the opportunity to work in SYEP so that we can be able to provide for their families, support our household during a pandemic, and enable us to think more intentionally about our future. This program will help us be able to find other jobs that can help them provide for their family but, also help them to create good connections with professionals, allowing us to expand our network, and ultimately create more opportunities for economic mobility.

This pandemic has amplified many inequities in our community and joblessness has been at the top, especially for young people. Young people should have the comfort in knowing they don't have to rely on a raffle in order to get work experience - it should be something that's provided for each and every New York City student, regardless of school or zip code.

I hope you take my testimony into consideration and really think about the students' future!

Warmly,
Ahidsa Mateo

Dear Committee,

I am writing to oppose RAD for the below reasons, among many others. Public housing should not be sold to private developers. This is a ludicrous proposition. Thousands in public housing do not have heat, do not have hot water, are infested with cockroaches and rats. The solution to this is not to sell off previous public housing but to actually invest in that housing. This is unbelievable.

1. By transferring public housing from Section 9 to Section 8, tenants would lose key rights and protections.
2. RAD brings in private companies whose main priority is profiteering to manage the properties. Their conflict of interest makes them deeply unfit for this responsibility.
3. Tenants have repeatedly expressed that they do not want this change.
4. There is no need for these negotiations to happen right now, during a pandemic.
5. These proceedings are unjust and undemocratic due to unequal access to technology and significant language barriers.
6. Families living in NYCHA have been some of the hardest hit by the negative impacts of the pandemic. The death rate from COVID-19 reported at NYCHA complexes is more than twice that of New York City, according to an analysis by [Gothamist](#). Our city government should be helping New Yorkers survive this devastating time, instead the city is threatening to take away their homes.
7. The City and NYCHA are working with some of the worst known landlords in the city. These landlords, including Wavecrest Management, L+M Development Partners, Omni New York LLC, Acacia Network, The Kraus Organization, Apex Building Group, C+C Management and Kalel Holding have well-documented histories of tenant harassment and evictions, and abuse of public money ([tinyurl.com/NefariousByNature](https://www.tinyurl.com/NefariousByNature)).
8. RAD will lead to evictions! More than 300 households were brought to housing court at Ocean Bay Houses in the Rockaways, the first conversion to RAD. 80 households were evicted.

Signed,

Andreas Petrossiants

Brooklyn Resident for 25 years

Honorable NYC Council Members,

From my reading of the Legislative Summary for Assembly Bill 11149, I have several questions to which we need answers to better understand the Blueprint for Change.

1) Section 589 - The NYC Housing Development Corp. can issue bonds on behalf of the Trust and make loans thereto and "related entities with the proceeds of such bonds." - What are these "related entities" which can get "the proceeds of such bonds"? Who oversees which "entities" are entitled to get these loans?

2) Section 598-2: The Trust can accept funds from any source to be used for development, rehab and operations

- How does the Trust remain independent of these funding sources?

- Could such funds be used for the hiring of staff and would such staff be in civil service titles and still be covered by the relevant union contracts?

3) Section 594-5: Civil Service Law and DCAS laws are applicable to protect civil service rights of "current NYCHA employees who may be transferred to the Trust."

- What about future employees, will they also be covered by these laws?

- Which NYCHA employee titles will be transferred to the Trust? In addition to the laws, will the language of the individual union contracts also remain in force?

- Will all NYCHA employees be transferred to the Trust? If not, what will continue to function as NYCHA, as opposed to the Trust?

- If the Trust will only oversee 2/3 of current NYCHA housing units, will only 2/3 of the employees be transferred to the Trust? What will happen to the others?

4) Sections 584 [et.al.](#): The Trust will not be an Authority but will be subject to investigation. Investigation by what entity? In response to individual or union complaints?

- The Legislative Summary indicates \$200,000/unit is needed in renovations. What does this include both within apartments and system wide? Will the use of fossil fuels be eliminated? Will HVAC systems become entirely electrical based? Will Energy Recovery Ventilators (ERVs) be installed?

- The Legislation allows the Trust to access "more valuable funding streams." Is this only for reducing energy consumption or for other projects as well? Are there any limits on the kinds of sources accessed?

- The Legislation allows the Trust "to utilize innovative project delivery methods." Does this include the privatization of design, construction oversight, and M&O? The outsourcing of public sector jobs has not only reduced our membership but has consistently resulted in greater costs to NYCHA. Does this plan stop the outsourcing of civil service jobs and encourage the hiring of NYCHA residents in in-house? Who or what body has to approve these "project delivery methods?"

5) Who or what body will oversee the Trust and its decision making? What are the recourses for contesting a decision by the Trust?

Thank you,

Jon Forster
Local 375/DC37/AFSCME

De Blasio Administration Unveils NextGeneration NYCHA: A Comprehensive Plan to Secure The Future Of City Public Housing May 19, 2015 this was the first installment

In December 2018, the second and seemingly final installment of **NextGeneration NYCHA (NextGen) was announced**. This version includes three mechanisms that the city claims will address the housing authority's financial deficits, failing infrastructure, and deteriorating living conditions. These mechanisms invite private developers to build on NYCHA's campuses, convert units to private management, and allow private developers to purchase untapped air rights hovering over some public housing buildings. The city claims this plan will generate \$24 billion to fix vital repairs, and secure a future for public housing that would otherwise not be possible. In a *Star Wars*-esque fashion, the city says, *NextGen*, you're our only hope. Rather than preserving public housing, **NextGen** is the continuation of the opening up of investment opportunities for already-wealthy private actors and entities. History also tells us this usually comes at a high cost for residents and existing community members.

This plan rezones neighborhoods, or repurposes the land in neighborhoods, in ways that make them more attractive to private investment firms. This often means converting manufacturing or industrial zones to mixed-use, meaning tall residential towers with commercial space on the ground floor. **NextGen** is another step in this direction of opening up land and housing for private investment and profiteering.

In some cases like at Holmes Towers, community resources like playgrounds are being targeted for replacement by largely market-rate residential towers built and owned by private developers. In other cases like at Wise Towers, buildings are being targeted for conversion to private management. On many occasions NYCHA property grounds are being rented for a dollar for 99 years to build some market-rate and residential towers. The question that comes to mind is how this is helping to offset the finance that is needed for the repairs of our units.

The city could also work to create new funding streams, perhaps starting with pied-a terre tax. Or Sunnyside Yards—with more than \$22 billion—could be better used for NYCHA repairs. Beyond the city's own budget, public officials could help us recoup the public's money that has been allowed to be sent offshore and untaxed thanks to tax loopholes. The Assembly and the City Council needs to make NYCHA a budget priority.

The Peril of RAD / PACT CONVERSIONS

The main challenge with the RAD program is that the articulated tenant rights are not always implemented or enforced. Many communities will see most or all of their public housing converted through RAD, likely with many different private property owners, so the lack of oversight and inconsistency of the program can have major impacts on residents. And the local government and housing authority must determine what their role will be in monitoring and overseeing the RAD-converted properties in their community to ensure that residents are protected and that the property remains habitable and affordable for the long term. As it stand now there isn't any true oversight with RAD / PACT Conversions.

Further confirmation comes from Ocean Bay Apartments, NYCHA's pilot project that was transferred to private management in 2016. As City Limits has reported, from January 2017 to February 2019, Ocean Bay had the highest rate of eviction of public housing developments across the city, and that rate was more than double the development with the second-highest eviction rate.

The main challenge with the RAD program is that the articulated tenant rights are not always implemented or enforced. Many communities will see most or all of their public housing converted through RAD, likely with many different private property owners, so the lack of oversight and inconsistency of the program can have major impacts on residents.

We are asking that the City Council form a resident oversight committee team that can aggressively monitor the oversight and the inconsistency of this program.

The team members should consist of residents who are residing in any RAD / Pack conversation development.

Residents and advocates can be especially helpful partners in drafting and editing house rules, relocation plans, grievance procedures, and any other written documents that residents will be subject to before after the RAD conversion.

On March 22, 2018, the Government Accountability Office (GAO) released a 72-page report evaluating the program. The report, *Rental Assistance Demonstration: HUD Needs to Take Action to Improve Metrics and Ongoing Oversight*, mirrors many of our concerns and experiences with HUD's implementation and oversight that we expressed to Secretary Carson last year. GAO's report includes findings of inadequate HUD oversight of tenant protections, serious questions about the long-term preservation of RAD properties, and inflated reports of private funding leveraged through RAD. The report describes HUD's inability to comprehensively monitor RAD residents' rights and HUD's reliance on resident logs kept by housing authorities and private owners. As the report states, "Without a comprehensive review of household information—one based on information in HUD data systems as well as resident logs—HUD cannot reasonably assess the effects of ongoing and completed RAD conversions on residents and compliance with resident safeguards." The report also finds that approximately one-third of RAD conversions nationwide do not involve any repairs at the time of the RAD conversion, despite the \$49 billion backlog of public housing repair needs nationwide.

City Council Members need to have an independent audit of NYCHA finances and also an independent study on NYCHA New AWS programs that is suppose to take care of the daily janitorial needs of the residents.

We need a political will that is guided by the needs of the people rather than the needs of profiteers.

Taken together, this unfolding history tells us that private equity is not the solution. It ties tenant's futures to the predatory practices of private actors which, for existing community members, has resulted in harassment, or displacement, or both.

These programs requires more oversight from HUD, and our local politicians must be involved in RAD / Pact conversions to support low-income residents.

We need the City Council Members to now stand up for the rights of their constituents of Public Housing.

FACTS SHEET ABOUT THE RAD / PACT CONVERSIONS

Lack of Transparency Before, During, and After RAD Conversion.

Public housing agencies (PHAs) routinely deny residents and advocates access to plans and documents related to RAD conversions, or do not provide the information in a timely manner. Consequently, residents are unable to make informed choices and exercise their rights. After conversion, HUD has not collected data to ensure compliance with the RAD statute or implementation requirements specified in Notice PIH 2012-32, REV3.

Resident Education about RAD Conversion.

HUD only requires PHAs to conduct three meetings with residents, which is inadequate to explain the changes that residents will experience as their property converts and which is insufficient to discuss the complex options presented at the time of conversion. Sometimes, PHAs do not present the minimum amount of information required by the statute. In other situations, PHAs include only the information required by HUD, leaving out important topics such as whether the conversion will be to PBVs or PBRA, whether there will be temporary relocation, how the PHA plans to maintain an interest in the property after the RAD conversion, and key resident rights provided by the RAD statute (i.e. right to remain, prohibition of re-screening existing residents, and grievance procedures).

Resident Grievance Procedures.

Although prohibited by the RAD statute, numerous residents have been denied their right to grievance procedures. Owners routinely fail to include references to the grievance procedures in their “house rules.” As a result, owners have evicted and attempted to evict residents without access to, or notice of, their right to a grievance procedure. Owners have also attempted to evict tenants without good cause and with notices that fail to give a sufficient reason for termination.

Fair Housing.

Explicit violations of fair housing and civil rights laws have been identified, such as familial status discrimination, failure to provide reasonable accommodations to residents with disabilities, and failure to provide translation services to individuals with limited English proficiency. Other examples include concentrating disability-accessible units in RAD properties and failing to adopt emergency transfer plans that allow survivors of domestic violence to move rapidly to escape life-threatening situations.

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Thank You: Mr. Daniel Barber Chairman of SBDCOP and Citywide Chairman CCOP

**CHPC DRAFT TESTIMONY
PUBLIC HEARING ON NYCHA DEVELOPMENT: NYCHA 2.0 AND PACT/RAD**

Wednesday, January 11, 2021 @ 1PM

Good afternoon, my name is Danny Cabrera, and I am a Policy Analyst at Citizens Housing & Planning Council. I am pleased to join you all here to testify today..

As we all know, NYCHA is in desperate need of more resources, and greater transparency and accountability to ensure they better serve NYCHA residents. While RAD in its current form is far from perfect, we do believe RAD is a good and necessary tool, as it provides the capital funding developments need along with additional oversight through a public-private partnership.

Through our research we have seen early examples that PACT/RAD can be successful. In 2018, CHPC conducted an evaluation on the Triborough Pilot Project, which utilized a structure similar to RAD's private-public model for six NYCHA properties. CHPC compared work orders for the Triborough properties with a group of properties that remained under NYCHA control. We found that after the investments were complete and the new management was in place, the number of work orders fell and the response time improved substantially.

We also conducted a tenant survey, and we heard from hundreds of residents about their impressions of the rehabilitation. The results were unsurprising, when \$80 million is spent to modernize a development, when tenants get new kitchens and new bathrooms and new operating systems, residents are happier. However, we also found residents in Triborough reported feeling safer, rated day-to-day management as more responsive, and experienced quicker repair times than residents in similar NYCHA properties.

While Triborough and early RAD projects have shown results that indicate RAD/PACT can be successful, the program remains controversial. NYCHA has earned the mistrust of tenants. RAD/PACT and other NYCHA 2.0 strategies can be an opportunity to center resident voices and resident decision-making in the process of redeveloping their own homes. CHPC's research from London provides a blueprint for how this could be done here in NYC.

Residents have the most knowledge about their housing needs and the needs of their community. This knowledge should be considered a resource to the city. Residents considered for RAD, BTP, or TTP should be given information about the physical and financial needs of their developments, why their development was selected, and play an active role in the decision-making process that

will shape the future of their developments. We believe this is not only the right thing to do, but the research we have conducted on public housing in the UK has shown that public housing residents can successfully work alongside a Housing Authority and the affordable housing sector to successfully decide what would happen to their homes. The same can be true here.

While the original conception of NYCHA 2.0 did not include a role for resident decision-making for tenants, we hope that NYCHA and the City have become open to the idea. At CHPC, we believe the success of RAD/PACT, Build to Preserve, Transfer to Preserve), and ultimately our City's public housing rest on NYCHA's and the City's ability to establish a true equal partnership with residents and establish NYCHA residents as decision makers for all preservation projects.

Thank you for your time this afternoon.

Dear Committee,

I am writing to oppose RAD for the following reasons:

PRIVATIZATION THREATENS THE FUTURE OF PUBLIC HOUSING

- By transferring public housing from Section 9 to Section 8, tenants would lose key rights and protections.
- RAD brings in private companies whose main priority is profiteering to manage the properties. Their conflict of interest makes them deeply unfit for this responsibility.
- Tenants have repeatedly expressed that they do not want this change.

THIS IS PANDEMIC PROFITEERING

- There is no need for these negotiations to happen right now, during a pandemic.
- These proceedings are unjust and undemocratic due to unequal access to technology and significant language barriers.
- Families living in NYCHA have been some of the hardest hit by the negative impacts of the pandemic. The death rate from COVID-19 reported at NYCHA complexes is more than twice that of New York City, according to an analysis by [Gothamist](#). Our city government should be helping New Yorkers survive this devastating time, instead the city is threatening to take away their homes.

RAD WILL LEAD TO EVICTIONS. THE CITY IS HIRING KNOWN PREDATORS TO TAKE OVER NYCHA

- The City and NYCHA are working with some of the worst known landlords in the city. These landlords, including Wavcrest Management, L+M Development Partners, Omni New York LLC, Acacia Network, The Kraus Organization, Apex Building Group, C+C Management and Kalel Holding have well-documented histories of tenant harassment and evictions, and abuse of public money (tinyurl.com/NefariousByNature).
- RAD will lead to evictions! More than 300 households were brought to housing court at Ocean Bay Houses in the Rockaways, the first conversation to RAD. 80 households were evicted.

THE CHELSEA WORKING GROUP IS A SHAM

- The Working Group that was formed to listen to tenants' point of view blatantly ignored tenants and shut out objections.
- The "Working Group" was established in October 2019 with the stated intent to "ensure that the plan to improve these developments meets all of the residents' needs, because they deserve nothing less," according to New York City Mayor de Blasio. Instead, tenant organizers who had led the struggle for repairs were not even invited to the Working

Group. Only a few pro-RAD residents were invited. One organizer said, “We had to push our way in.” Ultimately, when the Working Group proposal was released, it was nearly identical to the RAD proposal. Those who still objected to the plan after it was announced were asked to leave the Working Group. (via [Liberation News](#))

- Shame on our elected officials who are silent and complicit! Mayor De Blasio, Congressman Nadler, Speaker Johnson, Public Advocate Williams, Comptroller Stringer, Manhattan Borough President Brewer, State Senators Hoylman and Jackson, Assembly Member Gottfried-- all of you are on the Chelsea Working Group, which is working to convert Fulton and Chelsea Houses to privatization, while locking tenants out of the process.

Thanks for reading.

Michelle Rosenberg
415 Grand Street, E1206
New York, NY 10002

Mickeal F. Borruso

351 East Fourth St. #3-B
New York, Ny 10009
917-297-0669
suffolkbolo@yahoo.com

January 5, 2021

Council Member

There is a very real problem which jeopardizes the jobs and stability of NYC's minorities, women, and aging workforce. The very families which have made our companies great and form the backbone of NYC are being outsourced for younger cheaper labor. These jobs have often been held for decades by the NYC workforce. A workforce disproportionately comprised of women and minorities. We need an ordinance to protect NYC's most vulnerable:

NYC needs a city ordinance like the ordinance passed in Philly under the banner of "Black Jobs Matter". This ordinance would give laid off employees the right to their jobs back after business resumes until 2025, even if the property changes the ownership, just like in the case of Philadelphia.

I have been employed as a Bartender at the Broadway Lounge, located inside the Times Square Marriott Marquis, for the last 24 years. I started my Marriott career at their West Shore property in Tampa, Florida, in 1980, while still serving in the US Air Force.

In March of this year, I was furloughed, along with approximately 1,000 other hotel workers, due to the restrictions stemming from the COVID pandemic. Although we were put on furlough in March, Both the Broadway and Crossroad Lounges and restaurant had been scheduled to close between June and December of 2020 for renovations. For the past two years the staff were expecting to be furloughed and return to work in December, and we were led to believe that we would, indeed, return to our jobs.

On December 9th, I received a letter from Marriott stating, "Marriott International, Inc., doing business as the New York Marriott Marquis (the location), will implement job eliminations on March 12, 2021. The position you hold will be permanently terminated.", and in that same letter, "Conditions will improve in 2021 and beyond and invite you to consider pursuing other career opportunities at the Marriott by visiting careers.marriott.com

The letter basically directed us to visit the same career website that the general public, including prospective employees who lack not only experience, but also history with the Marriott company would use. This would certainly be a disadvantage to over 850 of us, many spending 20 plus years working at the Marquis. If we are forced to start over, being middle-aged, with some even in their 70s, and most of us being minorities, we would have a hard time finding new employment and be left without medical benefits in the midst of a pandemic. Being a Veteran I have health benefits for life, unfortunately most of my Marriott family does not.

In December of 2019 there were creditable rumors, that all the bars and restaurants on the 8th floor of the Marquis would be outsourced, once renovations were completed, meaning that our jobs would have been eliminated, even if the pandemic hadn't become part of the landscape. Outsourcing for NYC Marriott and Host Hotel owned properties is a corporate policy which has been implemented for years by them.

Recently Marriott and Host divided into two separate companies. Marriott will oversee lodging, food and facilities and Host will handle Marriott's real estate properties. In addition to the NY Marquis, Host owns

the Copley Hotel in Boston. Last month, Host terminated over 200 employees at the Copley; you may have read about this. Boston City Councilor Ed Flynn Filed a resolution in Support of Hotel Workers' Statewide, "Right to Recall" Other politicians and industry leaders in Massachusetts are also organizing in support of workers. Cities in several states, including California, Philadelphia, Baltimore and Vegas have already passed the same type of ordinances. Still others are in the process.

It is imperative that the ordinance includes a bill that establishes the right for recall for workers, even when the hotel, restaurant, lounge etc. is sold, rented out, goes through a foreclosure or new management takes over. This will prevent companies from splitting into separate entities to enhance profits at the cost of their long term dedicated staffers.

We know tourism is coming back to New York at some point. Hard-working employees deserve an opportunity to reclaim their positions and return to the businesses they help build. We need your help to get this passed in NYC. Many employees are contacting their state representatives, I am writing to you in hope that New York City will join other communities throughout the country by passing a Right to Recall City Ordinance.

Our city can be a powerful voice in the fight against corporate greed that will protect thousands of hard-working employees, some who have worked their entire careers for these corporations who are now discarding us.

On December 23rd we had a rally in front of the Marriott Marquis, Time Square. We asked for Right to recall or a fair severance package. We were fortunate to have State Senator Brad Hoylman join us and speak on our behalf, Times Square is in his district. We do plan on having at least one more rally in Time Square within the next two weeks and would be honored if you would consider speaking at it. We're also planning on a possible rally in February at Marriott/Host corporate headquarters in Bethesda, Maryland.

If you have any questions or concerns please contact me. I look forward to hearing from you.

Thank you for your time.

Sincerely,
Mickeal F. Borruso

Below are links to the ordinances passed in other cities

Information about Philadelphia:

<https://whyy.org/articles/majority-of-city-council-supports-giving-laid-off-tourism-workers-first-dibs-on-jobs/amp/>

Information about Baltimore:

<https://www.baltimoresun.com/politics/bs-md-pol-recall-hotel-workers-20201005-yzw37gujkrep7p2pk3jfp4cbu-story.html?outputType=amp>

Here is a link to info about what's happening in Boston:

<https://caughtinsouthie.com/news-politics/councilors-flynn-file-resolution-in-support-of-marriott-copley-place-hotel-workers-statewide-right-to-recall/>

This resolution has been approved by the Boston City Council.

Here is link to the Boston resolution:

<https://twitter.com/EdforBoston/status/1339306362187223042?s=20>

New Haven has also passed a right to recall law:

<https://www.nhregister.com/news/article/Workers-to-be-first-in-line-New-Haven-15821390.php#:~:text=News-,Workers%20to%20'be%20first%20in%20line'%3A%20New%20Haven%20adopts,of%20recall%20for%20hotel%20jobs&text=That's%20the%20scenario%20the%20Board,hotel%20industry%20begins%20hiring%20acaagain.>

Here is a link to info about the LA Law : <https://www.employmentlawworldview.com/city-of-los-angeles-right-of-recall-and-worker-retention-ordinances-take-effect-us/>

LA Resolution:

[http://file.lacounty.gov/SDSInter/bos/supdocs/145786.pdf?](http://file.lacounty.gov/SDSInter/bos/supdocs/145786.pdf?utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=)

[utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=](http://file.lacounty.gov/SDSInter/bos/supdocs/145786.pdf?utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=)

From: **Gabrielle Giattino** giattino@bureau-inc.com
Subject:
Date: January 12, 2021 at 7:56 PM
To:



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ensure that the plan to improve these developments meets all of the residents needs, because they deserve nothing less,” according to New York City Mayor de Blasio. Instead, tenant organizers who had led the struggle for repairs were not even invited to the Working Group. Only a few pro-RAD residents were invited. One organizer said, “We had to push our way in.” Ultimately, when the Working Group proposal was released, it was nearly identical to the RAD proposal. Those who still objected to the plan after it was announced were asked to leave the Working Group. (via [Liberation News](#))

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Thanks for reading.

Gabrielle Giattino
gjattino@bureau-inc.com
+1 917 861 9300

Testimony for RAD Hearing held by Public Housing Committee

By Kristen Hackett

Hello and thank you for this opportunity to speak with you today.

My name is Kristen Hackett and I'm an executive committee member of the Justice For All Coalition -

I am also a doctoral candidate at CUNY's graduate center where I study housing policy and urban development.

From what I have seen in both these roles, RAD is a raw deal for tenants, and one with larger societal consequences that negatively effect us all.

We are being told by Greg Russ and by NYCHA that RAD is about preserving public housing - when in fact, RAD conversions transfer buildings out of Section 9, meaning that those buildings - categorically - are no longer public housing. So this in fact is moving us in a direction towards ending public housing all together.

Its important that's clear.

In addition to being transferred to Section 8, private companies are brought in to manage the properties. I did a preliminary analysis of the private actors the city and NYCHA have brought in - just based on what was easily available online, that anyone could find if they looked - and these are some of the worst landlords in the city. Wavecrest is notorious for tenant harassment and high rates of eviction, but #2 and #3 on 2019's worst evictors list are also in multiple deals - in fact, these three together now control the majority of units that have been converted so far - amounting to more than 10,000 households.

The other deals are not different - they also include similar actors with long histories of abuse of tenants or abuse of public money.

When I started this analysis, I didn't think it would be good, but this is egregious. It is hard to imagine a worse lineup. Its almost like the city went looking for the worst landlords in the city - and there is some evidence of that as well - but I think more so, this is about profit.

Tenant harassment and abuse and eviction doesn't happen because private actors don't like tenants - for them, this isn't personal - this is about money and profit. Landlords engage in tenant harassment and eviction because that tenant is deemed to be standing between them and more money.

And that reality is the driving force behind these conversions -

These RAD deals are being structured in a way that maximizes profit for private actors without real concern for what that means for tenants or society.

Ron Moelis, head of L+M Development, #2 on the 2019 Worst Evictor's list, and now in control of nearly 3,000 former public housing units bragged about this at The Real Deal's 12th annual New York Showcase in 2019 when he stated - "There's money to be made in affordable housing... its great business.. the government directly and indirectly subsidizes about 70 percent of the capital stack."

And he was talking about RAD.

This is achieved through massive financing deals - to the tune of \$200 million - that are tied up with Low Income Housing Tax Credits.

First, if we don't think these companies are over leveraging themselves by taking on this much debt, then we're kidding ourselves. Over the last 20 years, we have learned that over leveraging is a key business practice of these firms - and that's concerning because when economic downturns occur, it translates into neglect and abandonment and deteriorating living conditions for tenants. Meanwhile private companies walk away scotch free. So while the immediate effects of RAD conversions are bad enough, the future looks worse, with more tenants in peril and the state even less equipped to address their needs.

Its also worth talking about these tax credits a bit more. They were developed in 1986 supposedly with the intent of subsidizing affordable housing, but there is evidence of backdoor dealings with corporate actors, and within a year, they had figured out how to exploit them for financial gain, and they have become a main source of corporate welfare, providing massive tax abatements for corporations. In part, this is because these tax credits exist alongside a loophole that was never closed that allows corporations to double-dip in the tax pool.

This reality, which RAD furthers, is key to the decline in corporate contributions to our tax base, even before Trump rewrote the tax code further in their favor.

Over time this has cost us dearly — both in terms of less public money to provide for public goods like public housing, and the affordability of “affordable housing” has become shallower and shallower.. it also has consequences for economic and political inequality writ large as wealth becomes increasingly concentrated thru these practices.

Research shows that the most cost effective way to provide deeply affordable housing is through direct investment, not through subsidizing private profits. To say this another way - fully funding public housing through Section 9 is not only the more humane approach, it is also the more fiscally responsible.

Also and lastly, on the whole, what this tells us about RAD conversions is that this is not about public housing, or affordable housing, or tenants, or at all - it is about converting what was a non-speculative form of housing into a functional tax shelter for private actors - a vehicle through which private actors not only profit, but also shield their profits from the tax responsibilities we are all subjected to as members of this society.

With this in mind, I implore this committee to publicly, and loudly demand a halt to all RAD conversions in NYC, and further, to demand public investment.

There should always have been the political will to do this - and none of the committee members before us today are new in their roles, so we know that this is something you all could have always done - but with the political factions realigning, there is more political will to fund public housing now than in years past - not doing so is irresponsible and willfully inhumane.

I also want to stress that advocating for public funding is the bare minimum. Really, I implore you to throw your support behind robust legislation like the Green New Deal for Public Housing - which is simultaneously a housing, a jobs and a climate change bill that not only preserves public housing for existing tenants, but for generations to come, while also repositioning it as a central mechanism to addressing the national housing crisis and altering the trajectory of our society.

Housing is a human right, and its time our elected officials started enacting that moral imperative.

Thank you for your time today.



TESTIMONY BEFORE THE NEW YORK CITY COUNCIL COMMITTEE ON PUBLIC HOUSING

In relation to the Rental Assistance Demonstration (RAD)/Permanent Affordability Commitment Together (PACT) program and the New York City Housing Authority (NYCHA) Blueprint for Change Proposal

January 13, 2021

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

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

I write to provide testimony on the Rental Assistance Demonstration (RAD)/Permanent Affordability Commitment Together (PACT) program as well as NYCHA's Blueprint for Change proposal. As we see in our work, NYCHA's public housing stock is in the midst of an urgent crisis, with over 400,000 New Yorkers forced to live in substandard conditions that adversely impact their day-to-day lives.¹ Apartments and buildings regularly lose heat in the winter; have extensive mold, leaks, crumbling walls, and lead paint issues; and suffer from infestations of pests, including rats, mice and cockroaches. We, therefore, thank the legislature for holding this hearing on NYCHA oversight of programs for addressing these critical repair issues.

The RAD/PACT program as well as the proposed Blueprint for Change are NYCHA's proposals to address the severe deterioration of New York City's public housing stock and the many conditions issues that current tenants face on a daily basis. Both these plans rely on the conversion of public housing to project-based section 8 and the leveraging of private capital, rather than public funds, to make much needed repairs. While both these programs may indeed allow for more capital access to fund repairs, we have three overarching concerns about these plans: (1) the extent to which the leveraging of private resources may lead to unscrupulous or problematic landlord and management practices in the long-term; (2) the extent to which these programs lack accountability and oversight in program structure and implementation; and (3) the extent of tenant confusion, fear and anxiety about these programs and their implementation due

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

to lack of adequate tenant outreach and/or rushed timeframe for public notice and comment. I will discuss these concerns in turn in relation to each separate program.

I. Concerns Relating to RAD/PACT

A. The extent to which reliance on private landlords and management companies may lead to unscrupulous landlord behavior

In the RAD/PACT context, many tenants fear that the conversion of their building will lead to displacement, rights violations and lack of affordability in the long-term. Tenants' concerns about RAD/PACT are tied to real issues stemming from how private landlords and management companies operate to maximize profits from all forms of rental housing—whether private, rent regulated or subsidized—by evicting, harassing or otherwise violating tenants' rights. Studies show that housing owned and operated by private equity companies and for-profit corporations have extremely high eviction rates, whether these companies operate private market housing or rent regulated housing.² Even during the COVID-19 pandemic, and despite a nationwide CDC moratorium on evictions, large corporate and private equity landlords have continued to file evictions against tenants without regard for public health consequences.³ These for-profit landlords also try to minimize costs by passing them onto tenants, failing to address

² See generally, e.g., Elora Raymond, et. al., *Corporate Landlords, Institutional Investors, and Displacement: Eviction Rates in Single Family Rentals*, Federal Reserve Bank of Atlanta (Dec. 2016), <https://www.frbatlanta.org/-/media/documents/community-development/publications/discussion-papers/2016/04-corporate-landlords-institutional-investors-and-displacement-2016-12-21.pdf>; *Billionaire Corporate Landlords Exacerbating California's Housing Crisis*, Center for Popular Democracy (June 2019), https://populardemocracy.org/sites/default/files/HP69_CorpLandlords-CA-Housing_V14.pdf; *The Rise of the Corporate Landlord: The Institutionalization of the Single-Family Rental Market and Potential Impacts on Renters*, Homes For All Campaign of Right To The City Alliance (July 2014), <https://homesforall.org/wp-content/uploads/2014/07/corp-landlord-report-web.pdf>.

³ Gretchen Morgenson, *Large corporate landlords have filed 10,000 eviction actions in five states since September*, NBC News (Oct. 26, 2020), <https://www.nbcnews.com/business/personal-finance/large-corporate-landlords-have-filed-10-000-eviction-actions-five-n1244711>; Emma Ockerman, *Corporate Landlords Are Still Filing Eviction Cases After CDC Order*, Data Show, Vice (Sept. 28, 2020), <https://www.vice.com/en/article/m7jz43/corporate-landlords-are-still-filing-eviction-cases-after-cdc-order-data-show>.

conditions issues and performing shoddy repairs and construction.⁴ In the rent regulated and affordable housing context, we have seen, and others have documented how, such actors have engaged in similar egregious practices, such as refusing to do repairs or harassing tenants, with the ultimate aim of evicting or forcing tenants to move out so that the rents on such units could be raised or so these units could exit rent regulation entirely.⁵

Some of these issues have surfaced in RAD conversions. Tenants have complained of continuing conditions issues after conversion, and we have seen that NYCHA has used the prospect of a RAD conversion to delay or offload critical repairs that tenants have spent months, if not years, trying to have performed. The result is that tenants are forced to live in unsafe, unhealthy and illegal conditions during and after conversion. Tenants have also expressed concerns about how the renovation of their buildings and units have been carried out, including the quality of the work itself and potential harassment of vulnerable tenants such as the elderly.⁶

In terms of displacement, a preliminary review of court records concerning nonpayment and holdover proceedings at the Ocean Bay RAD conversion shows an uptick in the filing of nonpayment and holdover proceedings after conversion. More research and oversight is needed

⁴ Alana Semuels, *When Wall Street Is Your Landlord*, The Atlantic (Feb. 13, 2019), <https://www.theatlantic.com/technology/archive/2019/02/single-family-landlords-wall-street/582394/>.

⁵ See *id.*; Steven Wishnia, *How Forcing Tenants to Move Became a Business Model for NYC Landlords*, Village Voice (Sept. 18, 2017), <https://www.villagevoice.com/2017/09/18/how-forcing-tenants-to-move-became-a-business-model-for-nyc-landlords/>; Abigail Savitch-Lew and Amelia Spittal, *Boom and Bust Have Gone, But 'Predatory Equity' Remains a Housing Threat*, Say Advocates, The City (July 6, 2017), <https://citylimits.org/2017/07/06/boom-and-bust-have-gone-but-predatory-equity-remains-a-housing-threat-say-advocates/>; Laura Gottesdiener, *How Wall Street Screwed Over Tenants in New York City*, Mother Jones (April 8, 2014), <https://www.motherjones.com/politics/2014/04/predatory-equity-wall-street-screwed-over-renters-new-york-city/>; Gretchen Morgenson, *Questions of Rent Tactics by Private Equity*, New York Times (May 9, 2008), <https://www.nytimes.com/2008/05/09/business/09rent.html>. It should be noted that unlike the rent regulation context, in which private landlords have sought to force apartments out of rent regulation under the rent stabilization scheme, units exiting the Project-Based Section 8 program under RAD/PACT is much less of a concern due to the way the conversions are structured in transactional documents.

⁶ Amir Khafagy, *NYCHA's Embrace of RAD Program Brings a Mix of Praise and Worry*, Shelterforce (Oct. 9, 2018), <https://shelterforce.org/2018/10/09/nychas-embrace-of-rad-program-brings-a-mix-of-praise-and-worry/>.

to determine if there has been an increase in commenced or completed evictions in RAD buildings. Any such research, if performed by NYCHA or another public entity, should be publicly and transparently disclosed, including both the methodology and results.

Even with project-based Section 8 regulations in place, allowing private landlords and management companies to earn a profit from public housing will change enforcement and management practices and may lead to unscrupulous landlord behavior.

B. The extent to which NYCHA fails to protect tenants' rights both pre- and post-conversion

The RAD/PACT program also presents particular enforcement and oversight challenges, both during the conversion process and afterwards. We, and other advocates, have seen that the conditions in buildings slated for RAD conversion tend to deteriorate significantly right before conversion and closing, with NYCHA management refusing or moving very slowly to fix serious conditions issues. This is difficult to address even in HP actions, as NYCHA counsel argues that their duty to perform repairs has ended or will end at a conversion date. Even if a judge orders a rent abatement or grants an order to correct, NYCHA simply does not perform the repair work in anticipation of the conversion and transfer for responsibilities.

We have also heard of management issues prior to conversion that may be detrimental to tenants preserving their rights in the conversion process. For example, before tenants are asked to sign new RAD/PACT leases, it is best practice for tenants to add additional family members, appliances and pets. In this administrative process, NYCHA has lost tenants' applications repeatedly, refused to provide service for the additions in the lead up to conversion, or offered confusing instructions. As a result, we have handled unauthorized occupant holdover cases from

RAD conversions, which, even if settled or remedied, causes significant trauma, anxiety and fear for tenants.

On top of this, once buildings are converted, there is no concrete mechanism to hold NYCHA accountable for their oversight responsibilities of the new private landlord and management company. Such a mechanism, whether through an independent oversight entity or by providing tenants a private right of action to sue under the transactional documents as third party beneficiaries, would go far in ensuring accountability in the RAD/PACT context.

C. The extent of tenant confusion, fear and anxiety about these programs and their implementation due to lack of adequate tenant outreach

Some tenant fear and confusion is also attributable to poor outreach to tenants about RAD/PACT and how this will practically affect their tenancies. We have heard from residents and organizers that notification of tenants about NYCHA outreach meetings can be scarce and inadequate, with tenants either not receiving notification at all or receiving notification in a way that is not accessible or in multiple languages. We have learned that materials on the conversion, whether these are draft leases or FAQ materials, may not be distributed to all tenants and in the appropriate non-English language if a tenant's primary language is not English. During the COVID-19 pandemic, this outreach issue has been exacerbated, as these meetings have moved online; residents may not have the necessary electronic devices or skills to log onto these meetings and ask questions in the webinar format.

Further, we have seen that many tenants deeply mistrust NYCHA due to the years of neglect, mismanagement and abuse that they have suffered as buildings have deteriorated and services dwindled. NYCHA does not appear to have accounted for this mistrust in their outreach to tenants about RAD/PACT, further aggravating tenants' fears and anxieties. As NYCHA

moves forward with tenant outreach for prospective RAD/PACT conversions across the city, we recommend that NYCHA spends the time and resources necessary to ensure that all residents fully understand the RAD/PACT program and how it will impact their tenancies. This could include varying types of informational sessions, provision of independent technical assistance to tenants, and full transparency and disclosure of relevant conversion documents.

II. Concerns Relating to the Blueprint for Change

In the Blueprint for Change context, similar issues are presented in the draft legislation (NYS Assembly Bill Number A11149) to establish a Public Housing Preservation Trust for properties owned or operated by NYCHA and allow said Preservation Trust to issue bonds. This legislation is the first step in NYCHA realizing its Blueprint for Change plans to provide comprehensive repairs and renovation to 110,000 units that are not undergoing RAD.⁷

A. The extent to which reliance on private investment may lead to unscrupulous landlord behavior

NYCHA has stated that the Blueprint for Change will rely on unlocking Tenant Protection Vouchers (TPVs)—a more generous federal funding stream than the housing authority current receives under Section 9 of the Housing Act—to leverage for additional financing.⁸ This is reflected in this draft legislation, which allows for the Preservation Trust to issue bonds, secured with TPVs and other federal vouchers, as a way to raise capital. Unlike the statute creating the School Construction Authority⁹, on which NYCHA stated that this draft legislation would be based¹⁰, the current draft legislation does not provide any mechanism for the

⁷ See *A Blueprint for Change: Resident Town Hall*, NYCHA 4 (July 2020), https://www1.nyc.gov/assets/nycha/downloads/pdf/NYCHA-Blueprint-for-Change_NYHC_Final.pdf.

⁸ *Id.* at 6-8.

⁹ See Public Authorities Law § 1736 (1).

¹⁰ *A Blueprint for Change*, at 6.

Preservation Trust to request state or city budgetary appropriations, suggesting that financing for repairs and modernization will depend on continued Congressional appropriations for TPVs and investor interest in bonds issued by the Preservation Trust.

While NYCHA estimates that accessing TPVs will bring in an additional \$650 per unit per month, totaling an additional \$3.4 billion in capital investment, this amount is far below the \$25 billion necessary to fully stabilize and revamp the identified 110,000 units.¹¹ Accordingly, the success of the Preservation Trust would depend heavily on raising money through bonds and loans.

Since the proposed bond financing structure is reliant on the federal government maintaining existing levels of TPV availability and funding, a decrease in federal funding for TPVs could leave the Preservation Trust with more expenses than revenue, consequently leading the Trust to have to make difficult decisions on how to allocate limited financial resources between servicing the bonds and providing adequate repairs and services to public housing tenants.¹² Similarly, if the Preservation Trust defaults on its bond obligations for any number of

¹¹ *Id.* at 7, 4.

¹² One comparable agency that has seen similar issues as debt levels have grown is the New York Thruway Authority, a state public benefit corporation, which has been pressured to raise tolls on drivers (*see Moody's Wants New York to Raise Tolls on Thruway*, NBC New York [Nov. 2, 2019], <https://www.nbcnewyork.com/news/local/moodys-wants-new-york-to-raise-tolls-on-thruway/2081919/> [Moody's, the credit ratings agency, warning the New York Thruway Authority, a state public benefit corporation, that it must raise tolls in order to maintain its bond's ratings and lower borrowing costs]; Mark Weiner, *NY Thruway toll hikes needed by 2022, analyst says*, Syracuse.com [Oct. 17, 2019], <https://www.syracuse.com/news/2019/10/ny-thruway-toll-hikes-needed-by-2022-analyst-says.html>; Mark Woziak, *Toll hike proposed by NYS Thruway Authority*, WBFO NPR [Dec. 19, 2019], <https://news.wbfo.org/post/toll-hike-proposed-nys-thruway-authority>). Another comparable agency is the Metropolitan Transit Authority, a state public benefit corporation that has seen revenues decrease, poor service performance, and a steep rise in debt costs that have increasingly been paid through rider fares, which have been rising over time (*see Clayton Guse, One-fourth of MTA money to go towards debt in 2021: Comptroller*, New York Daily News [Oct. 13, 2020], <https://www.nydailynews.com/new-york/ny-dinapoli-mta-report-finances-20201013-vivakib2mvgvy7amb6xd4zvph7q-story.html>; David Meyer and Vincent Barone, *Subway riders might pay for MTA's debt with fare raises, cut service*, New York Post [March 11, 2020], <https://nypost.com/2020/03/11/subway-riders-might-pay-for-mtas-debt-with-fare-raises-cut-service/>; Ameena Walker, *MTA could face \$42B in outstanding debt by 2022: report*, NY Curbed [Oct. 11, 2018], <https://ny.curbed.com/2018/10/11/17964786/mta-budget-deficit-debt-report-thomas-dinapoli>).

reasons, this default could dramatically impact tenant rights, protections and basic living conditions.¹³ In both instances, it is possible that bond repayment could take precedence over the well-being of tenants, which could lead to repair neglect as well as an increase in evictions of the most vulnerable tenants.

Furthermore, the Trust may be incentivized to pass on additional costs to tenants, such as utilities or additional services costs, or to allow for poorer quality construction work to reduce costs. While some of these costs would be regulated under the project-based Section 8 statute and regulations, a modest increase could prove to be difficult for tenants on fixed or very low incomes.

For all of the above reasons, adequate accountability and oversight of the Preservation Trust's activities, finances, rules and regulations, which will be discussed more *infra*, are all the more necessary in the context of linking the success of rehabilitating public housing units with creating financial value for bondholders.

B. The extent to which the Blueprint legislation lacks accountability, oversight and protections for public housing tenants' rights

We would like to bring to the City Council's attention three potential accountability issues with the draft legislation: (1) the potential for inadequate tenant representation on the Preservation Trust Board; (2) the lack of effective community participation mechanisms associated with the construction and rehabilitation projects; and (3) the lack of clarity on how public housing rights will be carried over for Trust tenants.

First, the structure and appointments process of the Preservation Trust Board does not ensure that tenants will have a voice in who represents their interests on the Board. While the

¹³ *See id.*

NYCHA CEO and the Mayor are both required to appoint two NYCHA tenants each to sit on the Board, there is no process governing how these appointments are to be made. Leaving the appointment of tenant representatives up to the sole discretion of the NYCHA CEO and Mayor may result in Board members that:

- may not be representative of the diversity of NYCHA tenants;
- may not fully appreciate the full range of needs and wishes of all NYCHA tenants; or
- may not bring into their respective roles a sense of accountability and responsiveness to tenant concerns.

Stronger models for the tenant appointment process could include requirements that the NYCHA CEO and Mayor receive tenant comments on who should sit on the Board, consider such comments, and be bound by the preferences of NYCHA tenants when it comes to selecting these Board members. This could be performed through, or in conjunction with, an election or voting process for NYCHA tenants and community leaders to formally seek the appointment of their tenant representatives on the Board.

Second, the draft legislation does not provide for or require any mechanism for tenant and community participation in the construction and rehabilitation processes for the identified public housing. This is significantly different from the SCA statute, which requires the SCA to give notice, receive community input and disclose certain information prior to carrying out construction or acquisition plans for NYC schools.¹⁴ The legislation also does not subject the Preservation Trust's construction, rehabilitation and operating plans to Mayoral, City Council or tenant approval. In addition, the Preservation Trust is exempt from a whole host of city land use

¹⁴ Public Authorities Law § 1731.

procedures and approvals that typically foster community engagement, and does not create a replacement engagement and approval process for the Trust. Given this, the draft legislation does not contain an adequate outside oversight mechanism to ensure that the Preservation Trust's plans for rehabilitating public housing buildings are sufficient to meet tenant needs. We recommend that the Preservation Trust's construction projects be at least subject to the Uniform Land Use Review Procedure in accordance with law.

Similarly, the draft legislation does not contain any clear or concrete mechanism to ensure that the Preservation Trust adequately and effectively carries out its duties and legislative mandate. Although the Trust is required to report on its completed work and shortcomings to the Mayor and the NYCHA Board, and will be subject to audit and investigation by the Comptroller and the NYC Department of Investigations, these provisions are not strong enough to compel the Trust to act. Moreover, these provisions do not provide tenants or the public any way to push or force the Trust to carry out its duties. A stronger addition to this legislation would be to create an independent oversight board, similar to the Office of the Inspector General for the Metropolitan Transit Authority (MTA) under Public Authorities Law § 1279, to independently review the operations of the Preservation Trust, receive and consider public and tenant comments, and make recommendations to the Trust, some of which may be binding. An additional protection and accountability mechanism is a private right of action for tenants, who are the *raison d'être* of the creation of the Preservation Trust and whose living conditions and quality of life would depend on the Trust carrying out its duties in a timely, efficient and careful manner.

Third, Section 607 (1) of the draft legislation states that “[t]he protections afforded to a resident of a housing facility shall be *consistent with* those afforded to a public housing resident, to the extent permitted in accordance with federal law, and subject to and with the approval of

the United States department of housing and urban development.”¹⁵ The language in this provision raises questions about whether and how public housing resident rights and protections would be fully preserved and protected for residents of the Trust. These questions include:

- Would all the federal regulations governing tenants’ participation in public housing (24 CFR part 964) be carried over?
- Would tenants in Trust conversions enjoy the same return rights as public housing tenants converting under RAD?¹⁶
- Would the *Escalera* consent decree termination procedures remain in place?¹⁷

Tenants would benefit most if the answers to these questions were “yes,” and the draft legislation’s language should be revised to clearly protect tenants’ rights in relation to these areas of concern.

C. The extent of tenant confusion, fear and anxiety about the Blueprint for Change due to lack of adequate tenant outreach and rushed timeframe for public notice and comment

Finally, the rushed timeline of the release of this draft legislation and its public hearing schedule is deeply concerning in terms of giving adequate notice and ensuring high levels of

¹⁵ 2020 NY Assembly Bill A11149 § 607 (1) (emphasis added).

¹⁶ HUD mandates the following in relation to RAD return rights:

“Any resident that may need to be temporarily relocated to facilitate rehabilitation or construction has a right to return to an assisted unit at the Covered Project once rehabilitation or construction is completed. Permanent involuntary displacement of residents may not occur as a result of a project’s conversion of assistance, including, but not limited to, as a result of a change in bedroom distribution, a de minimis reduction of units, the reconfiguration of efficiency apartments, or the repurposing of dwelling units in order to facilitate social service delivery” (HUD, Notice H-2019-09 PIH-2019- 23 [HA], Rental Assistance Demonstration – Final Implementation, Revision 4 1 [Sept. 5, 2019]).

¹⁷ See “New York City Housing Authority Grievance Procedures,” NYCHA, https://www1.nyc.gov/assets/nycha/downloads/pdf/grievance-procedure_040302.pdf (last accessed January 6, 2021).

public engagement comment. This draft legislation was introduced on November 13, 2020, one and a half weeks prior to Thanksgiving. The public notice for the New York State Assembly Standing Committee on Housing's public hearing on December 8, 2020 was posted on November 24, 2020, two days before Thanksgiving. And the Assembly's hearing took place less than one and a half weeks after the Thanksgiving holiday weekend. Given the holiday schedule, the dramatic increase in COVID-19 cases in the prior month¹⁸, and the ever-changing public health situation that touches all aspects of daily life, less than one month was not an adequate amount of time to ensure that all concerned tenants and members of the public are notified of, have reviewed, and have the time to prepare comments on this complex piece of legislation. Indeed, numerous tenants and organizers testified that most public housing tenants have not heard about this draft legislation or the Assembly's December 8, 2020 hearing, and that NYCHA's outreach to tenants on this plan has been inadequate, especially since some outreach was not conducted in tenants' primary language.

Moreover, NYCHA released its 97-page Transformation Plan on November 16, 2020 and requested public comment on this plan by December 28, 2020.¹⁹ The timeframe for this public hearing and any other legislative actions on this bill is extremely short and rushed given how these two public comment periods overlap and the complex nature of this legislation and the Transformation Plan. This is especially compounded by the holiday season stretching from

¹⁸ See Nolan Hicks and Bernadette Hogan, *NYC sees COVID-19 positivity rate surge to highest level since June*, New York Post (Nov. 11, 2020), <https://nypost.com/2020/11/11/nyc-covid-19-positivity-rate-surge-to-highest-level-since-june/>; *Cuomo Warns COVID Surge to Last Through January, Expects 1st NY Vaccine Doses by Dec. 15*, NBC News New York (Dec. 2, 2020), <https://www.nbcnewyork.com/news/coronavirus/nj-reports-most-daily-deaths-since-early-may-as-question-of-new-large-scale-restrictions-looms/2755902/>.

¹⁹ *NYCHA's Blueprint for Change: Transformation Plan*, NYCHA (November 16, 2020), <https://www1.nyc.gov/assets/nycha/downloads/pdf/NYCHA-Transformation%E2%80%93Draft-Version-3%E2%80%93November-16-2020.pdf>; Public Comment Form for Blueprint for Change, NYCHA, <https://www1.nyc.gov/site/nycha/about/contact/transformation-plan-public-comments.page>.

Thanksgiving to New Year's Day and the ever-changing nature of the COVID-19 public health emergency, which has since been exacerbated by a rise in COVID-19 cases in New York State and the discovery of a new, more contagious mutation of the virus in the state.²⁰ Given this, even this hearing by the City Council Committee on Public Housing, held in mid-January 2021, may not be sufficient to ensure that all tenants' voices and concerns are heard. We recommend that the legislature keep the record open and hold a more hearings in 2021 to ensure maximum tenant participation. If it appears that tenant outreach and participation is hindered by the COVID-19 pandemic, we recommend that this draft legislation be held until the public health emergency has abated so that all tenants—regardless of socioeconomic means, disabilities and language barriers—may participate.

I thank the New York City Council Committee on Public Housing for the opportunity to testify. Should the Committee have any questions or require any further information from LSNYC concerning RAD/PACT or the Blueprint, you may contact me at egyori@lsnyc.org or at (646) 442-3307.

²⁰ Joseph Goldstein, *Virus Numbers Are Surging. Why Is New York's Vaccine Rollout Sluggish?*, New York Times (Jan. 1, 2021), <https://www.nytimes.com/2021/01/01/nyregion/nyc-covid-vaccine-rollout.html>; Brian Price, *Cuomo Confirms 1st Case of New, More Contagious UK Strain of Virus in New York*, NBC News (Jan. 4, 2021), <https://www.nbcnewyork.com/news/coronavirus/cuomo-confirms-case-of-new-more-contagious-u-k-strain-of-virus-in-new-york/2811244/>.



Testimony of Lorraine Y. Collins

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Enterprise Community Partners, Inc.

For the New York City Council Committee on Public Housing

Public Hearing-Oversight-NYCHA Development: NYCHA 2.0 and PACT/RAD

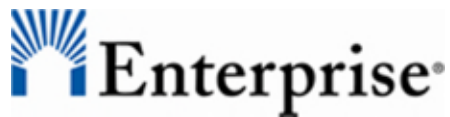
January 13, 2021

My name is Lorraine Collins, and I am the Senior Director of Public Policy and External Affairs for the New York office of Enterprise Community Partners, a national affordable housing non-profit whose mission is to create opportunity for low- and moderate-income people through affordable housing in diverse, thriving communities. We invest capital to create and preserve quality affordable homes, reinvest revenues to develop programmatic solutions, and scale these solutions through policy change.

On behalf of Enterprise Community Partners, I would like to thank Chair Ampry-Samuel and the Committee on Public Housing for convening today's hearing on The New York City Housing Authority's (NYCHA's) *Blueprint for Change* and PACT/RAD. Enterprise provides comprehensive programmatic, capital and policy support for public housing agencies and stakeholders in New York City and across the state, working to ensure that public housing is preserved as green, healthy and resilient communities connected to opportunity. Enterprise is also a co-convenor of the Family Homelessness Coalition, a broad group of advocates, shelter and service providers and affordable housing owners working to combat family homelessness. Preserving public housing as permanently affordable is essential in addressing the family homelessness crisis, as NYCHA provides deeply affordable housing for low-income families who would otherwise have few options.

This work has become all the more crucial amid the Covid-19 crisis, as public housing residents, who are predominantly Black and Latinx, face disproportionate health and economic impacts from the pandemic. NYCHA still faces a major capital backlog, estimated at over \$40 billion, with CARES Act funding providing only \$680 million for all housing authorities nationwide.

Given the challenges facing NYCHA, we support the *Blueprint for Change* plan, as well as the creation of the New York City public housing preservation trust to enact this plan, as a strategy to make more resources available, allowing the agency to make vital investments to ensure these homes remain viable and affordable for residents long-term. The plan also provides the ability to address much-needed repairs more efficiently and effectively through access to traditional



municipal financing tools, while maintaining flexibility to leverage new public housing capital if allocated by Congress to meet the authority's extensive capital needs.

While the draft plan is promising, it is critical that the finalization and rollout of *Blueprint for Change*, as well as establishment of the preservation trust, is inclusive, empowering and leverages partnerships with NYCHA residents. To this end, the *Blueprint for Change* should ensure that procedures are put in place to support transparency and meaningful partnership with NYCHA residents on a continual basis at both the entity and property levels, including meaningful engagement in design, workforce, economic mobility, contracting and management opportunities. Resident rights and protections consistent with those afforded public housing residents – including rights during relocation, succession rights and access to tenant protection funds – as well as maintaining affordability in perpetuity will be integral to the plan's long-term success. Finally, we want to stress the importance of ensuring public housing is not lost, that the scopes of work be deep enough to fully address each building's capital needs, and that the strategy to leverage Tenant Protection Vouchers does not put NYCHA's existing vouchers at risk.

We believe that the Rental Assistance Demonstration (RAD) and Permanent Affordability Commitment Together (PACT) programs can provide a framework for preservation through public-private partnership that protects residents' rights and has become the clearest path to preserving public housing and guaranteeing long-term affordability protections given the woeful lack of traditional public housing resources.

Enterprise has developed [educational tools](#) and convened a [series of trainings](#) and peer-to-peer learning opportunities focused on the PACT/RAD program for a range of stakeholders including community-based organizations, residents, and development teams to explore topics such as service coordination, joint venture partnerships, and employment and training opportunities at PACT/RAD sites. NYCHA collaborated with a broad set of stakeholders to enhance protections through the RAD Roundtable for Resident Rights and Protections, co-convened by Enterprise and the Community Service Society.

It is critically important that NYCHA continues its ongoing commitment to assuring the rights and protections of residents, and ensures that any and all concerns and objections from residents are heard, taken into account, and fully addressed. NYCHA's proposed Resident Planning Fund, a new technical assistance program for residents whose developments are being included in PACT, is a promising approach to empowering NYCHA communities to ensure that they have access to the resources and assistance to meaningfully plan for the future of their communities with the support of independent, third-party professionals.

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



Thank you for your time and we look forward to working with NYCHA and the New York City Council to ensure the rights of public housing residents are protected, and that public housing is preserved for generations of New Yorkers to come.