



Legislation Text

File #: Res 1719-2013, **Version:** *

Preconsidered Res. No. 1719

Resolution calling upon the New York City Housing Authority to meaningfully engage residents on proposed lease plans, to provide predominantly and permanently affordable units and to include certain requirements in any ground leases for NYCHA land.

By Council Members Mendez, Chin, Mark-Viverito, Brewer, Dromm, Arroyo, Levin, Barron, Comrie, Dickens, Eugene, Gennaro, James, Koppell, Richards, Rose, Van Bramer and Williams

Whereas, The New York City Housing Authority (NYCHA) is the largest provider of public housing in the nation; and

Whereas, There are 334 NYCHA developments consisting of 2,597 NYCHA buildings with 178,895 public housing units; and

Whereas, Most of NYCHA's buildings were built in the 1940s or 1960s; and

Whereas, Sixty-six percent of NYCHA's current revenue comes from federal funding, thirty percent comes from rent, and four percent comes from grants and local government funding; and

Whereas, NYCHA's federal capital grants, which comprise the bulk of its capital funding, have declined substantially since 2001, falling from \$420 million annually to \$270 million annually; and

Whereas, As a result of the loss of governmental funding, NYCHA has encountered difficulty maintaining its infrastructure, resulting in unmet or delayed repairs and upgrades to brickwork, roofs, elevators, building systems and apartment interiors; and

Whereas, In 2006, NYCHA conducted a physical needs assessment where it identified that \$25 billion will be necessary over the next 15 years to keep NYCHA's housing stock in a good state of repair; and

Whereas, In order to generate revenue and address the funding gap, NYCHA intends to lease land on the grounds of its housing developments to developers who will be allowed to build residential towers; and

Whereas, Through these ground leases, thousands of new apartments will be built at selected sites, and of those apartments, 20 percent will have rents set at 60 percent of the area median income or below and the remaining units will have rents set at market rates; and

Whereas, NYCHA is considering such deals at all of its developments but has presently identified eight housing developments in Manhattan at which land including parks, playgrounds, parking lots and a community center will be leased for primarily residential development; and

Whereas, NYCHA will be issuing Requests for Proposals (RFPs) to solicit companies to lease and develop these selected sites; and

Whereas, Disposition of public housing property including the sale or lease of such property requires review and approval by the U.S. Department of Housing and Urban Development (HUD) pursuant to Section 18 of the Housing Act of 1937 (Section 18); and

Whereas, The Section 18 disposition process requires that public housing authorities consult with residents prior to the submission of a disposition application; and

Whereas, Federal law also requires public housing authorities to publish an Annual Plan, allow for a minimum 45-day public review period, and hold a public hearing in relation to the plan; and

Whereas, Although any Section 18 disposition proposal must be included in a public housing authority's Annual Plan, the complex issue of land dispositions is generally not adequately addressed in Annual Plan public hearings; and

Whereas, While NYCHA's land lease plan would not be subject to the city's Uniform Land Use Review Procedure (ULURP), NYCHA should voluntarily opt-in to the ULURP process in order to ensure significant consultation with affected stakeholders; and

Whereas, Recognizing that leasing parts of NYCHA land to private entities will eliminate the opportunity for NYCHA residents to utilize these sites, some of which have served recreational or other benefits for tenants, and that there may be no other similar publicly available spaces in a surrounding

community, NYCHA should meaningfully consult with residents on what is proposed for each site that may be leased; and

Whereas, Meaningful consultation with residents includes public meetings with affected communities prior to and after the release of RFPs related to private development in each community, and furthermore, NYCHA should consult and collaborate with all affected Community Boards; and

Whereas, In addition, assistance from a non-profit organization with a dedicated staff of legal, architectural, engineering, environmental, land-use and community organizing professionals should be provided to help tenants evaluate complex land-use, zoning and legal issues related to the disposition of NYCHA land; and

Whereas, Affected Resident Associations and residents should have adequate time to secure legal and technical assistance along with sufficient time between public meetings to consult with technical advisory staff; and

Whereas, An advisory committee consisting of residents should also be established at each affected development to propose the parameters of the RFPs for each site and ultimately participate in the selection of developers for such site; and

Whereas, Before any RFP is released, an additional public meeting should occur at each affected development where residents and technical advisory staff are able to review a draft RFP and comment on it before its release; and

Whereas, NYCHA should ensure that all comments on the land lease plan, collected at meetings or through their online portal, are addressed and responded to; and

Whereas, In addition, NYCHA should provide a method to allow those who do not have internet access to provide written comments on the land lease plan; and

Whereas, All comments and suggestions on any proposed land lease plan should be posted and made available online for all residents and the public to review; and

Whereas, There is currently a severe shortage of affordable housing in the City of New York; and

Whereas, According to the 2011 New York City Housing and Vacancy Survey (HVS), the vacancy rate for rental apartments was only 3.12 percent, this low vacancy rate is an indication of the city's affordable housing crisis; and

Whereas, According to a recent report, 49 percent of New Yorkers spend more than 30 percent of their income on rent, 30 percent of New Yorkers spend more than 50 percent of their income on rent and 25 percent of New Yorkers spend more than 75 percent of their income on rent; and

Whereas, Affordable housing keeps neighborhoods economically as well as culturally diverse and vibrant by allowing low to middle-income New Yorkers to remain lifelong residents of the city; and

Whereas, If the disposition of NYCHA land is necessary, NYCHA-owned land should be ground leased and never sold outright; and

Whereas, Any long-term ground leases of NYCHA land should explicitly include robust employment and job training opportunities for NYCHA residents during the construction phase and for permanent jobs thereafter; and

Whereas, If any new residential development will be created on NYCHA owned land, those developments should be comprised of predominantly affordable units rather than the 20 percent affordable units currently being proposed; and

Whereas, Any long-term ground leases of NYCHA land should specify the number of apartment units created by the developer that will be made permanently affordable and the income levels for those units should be commensurate with the income levels that demonstrate eligibility for traditional public housing; and

Whereas, Any long-term ground leases of NYCHA land should include provisions prioritizing residents in the affected developments for first preference to move into the new affordable units; and

Whereas, Any long-term ground leases of NYCHA land should include the developer's commitments to open space, local investment, security considerations and other relevant benefits to the community; and

Whereas, NYCHA should ensure that all parking spaces, yards, playgrounds, community centers and any other buildings or spaces that would be leased for private development are replaced in a manner that would allow residents to receive uninterrupted services; and

Whereas, All of the money generated from long-term ground leases of NYCHA land must be dedicated to making repairs and capital upgrades to existing public housing developments; and

Whereas, A significant portion of the money generated from the ground leases should be dedicated to the capital needs of the affected developments who will suffer from the adverse impacts of ongoing construction; and

Whereas, NYCHA should allow its residents to determine any capital needs at their developments which will be addressed using the money generated from the land lease plan related to such development; and

Whereas, NYCHA should not release any RFPs until it has ensured that stakeholders, especially affected residents, are given the opportunity to participate and to provide recommendations on its lease plans, incorporated those recommendations into any plans to lease public housing land and committed to including certain stipulations including predominate and permanent affordability in any ground leases of NYCHA land; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York City Housing Authority to meaningfully engage residents on proposed lease plans, to provide predominantly and permanently affordable units and to include certain requirements in any ground leases for NYCHA land.

LS# 4197
GP
04/08/2013