July 23rd, 2013

Chairman John B. Rhea
New York City Housing Authority (NYCHA)
250 Broadway
New York, NY 10007

Dear Chairman Rhea,

Participants in the **NYC Alliance to Preserve Public Housing** respectfully submit the attached comments as our collective response to the proposed NYCHA Draft FY2014 Annual Plan. The **Alliance** is a collaboration of resident leaders/organizations, housing advocates, and concerned elected officials to press for policies to strengthen our public housing communities and extend housing opportunities under the Section 8 voucher program. We seek a stronger resident and community voice in government decisions that affect these communities, as well as greater openness and accountability on the part of the New York City Housing Authority.

Alliance members have reviewed the NYCHA Draft FY2014 Annual Plan. This position paper describes key issues we have identified in the plan and puts forward our joint recommendations. Our concerns are organized under the following issue headings:

- NYCHA Must Retain All Its Operating Revenues
- Halt the Current NYCHA Infill Land-Lease Plan
- Moving-to-Work (MTW): Binding Agreement Needed
- Section 8 Housing Choice Voucher Cuts
- Keep NYCHA Centers Open; Retain NYCHA Jobs
- Where is the NYCHA Disaster Preparation Plan?
- Is a One-Evening, Three-Hour Public Hearing Enough?

This is a crucial time for renewal and preservation of our affordable, low-income housing resources and a return to NYCHA communities that have sustained hope for generations. We offer our perspectives and ideas as partners in a shared vision of a renewed, persevering, and accountable New York City Housing Authority.

Respectfully submitted,

**The New York City Alliance to Preserve Public Housing**
(*participants listed on following page*)

*Contact: Victor Bach, Coordinator, ybach@cssny.org, (212) 614-5492*
PARTICIPANTS AND SUPPORT

The attached position paper on the NYCHA Draft FY2014 Annual Plan has the support of the following organizations and concerned elected officials (list in formation):

**Advocacy Organizations**

- Citizens Committee for Children of New York
- City Employees Union Local 237, International Brotherhood of Teamsters
- Community Service Society (CSS)
- Community Voices Heard (CVH)
- Families United for Racial and Economic Equality (FUREE)
- Good Old Lower East Side (GOLES)
- Legal Aid Society
- New York Environmental Law and Justice Project
- Pratt Disaster Resilience Network
- Pratt Programs for Sustainable Planning and Development’s RAMP Program
- Tenants Political Action Committee (Tenants PAC)
- United Neighborhood Houses (UNH)
- Urban Justice Center

**Resident Organizations**

- Alfred E. Smith Resident Association, Manhattan
- Clinton Houses Resident Association, Manhattan
- Davidson/Site 166 Resident Association, Bronx
- Harborview Houses Resident Association, Manhattan

**Government Officials**

**New York State Legislature**

- NYS Assemblymember Richard N. Gottfried
- NYS Assemblymember Brian Kavanagh
- NYS Assemblymember Daniel O’Donnell
- NYS Assemblymember Linda B. Rosenthal
- NYS Senator Brad Hoylman
- NYS Senator Velmanette Montgomery
- NYS Senator Daniel Squadron

**New York City Council**

- NYC Council Member Gale A. Brewer
- NYC Council Member Margaret Chin
- NYC Council Member Letitia James
- NYC Council Member Melissa Mark-Viverito
- NYC Council Member Rosie Mendez
MAJOR ISSUES: NYCHA FY2014 DRAFT ANNUAL PLAN

Background

The issues identified and the recommendations forwarded in this position paper were developed in light of the ongoing pressures NYCHA and its residents face:

- A $61 million public housing annual operating deficit and increasingly inadequate government funding at all levels—federal, state and local.
- A $6-7 billion backlog in needed major capital improvements, leading to further deterioration of building conditions and long resident waits for repairs.
- Long waiting lists for public housing and for Section 8 vouchers, fewer opportunities through turnover of apartments and vouchers.
- Continuing, high unemployment rates among the NYCHA resident labor force, continued need for workforce development, training and job opportunities,
- The need to preserve our public housing and Section 8 housing choice voucher resources in the face of declining government commitments.

NYCHA MUST RETAIN ALL ITS OPERATING REVENUES

As Washington grapples with deficit reduction and sequestration, public housing is threatened by further decreases in inadequate federal support. Yet, Washington is the only level of government that provides operating support to NYCHA public housing, while New York City is the only level of government that draws HUD operating funds away from NYCHA:

- $75 million dollars annually for the Police Department (NYPD) for “special services”, under a 1995 Memorandum of Understanding (MOU),
- $23 million annually for PILOT payments (in lieu of property taxes),
- $1.8 million annually for special pick-ups by the Department of Sanitation.

NYCHA no longer has enough operating funds to afford to underwrite city services. At a time when it cannot sustain basic management operations—such as repairs and elevator maintenance—or continue community and senior center services, these non-expiring agreements need to be seriously considered by the Mayor and NYCHA for immediate termination.

We recommend:

- New York City immediately terminate the $75 million annual NYCHA payment for police services. Oddly, the NYPD provides comparable services free to private landlords under the “Clean Halls” program,. NYCHA residents already pay for police protection through their local income taxes—they should not have to pay twice.
NYC ALLIANCE TO PRESERVE PUBLIC HOUSING

- New York City immediately terminate the $23 million annual PILOT payment to NYC—payment in lieu of taxes. Nonprofit housing developers and many institutions are exempt from property taxes.

- New York City immediately terminate the $1.8 million in annual payments to the Department of Sanitation. Additional pick-ups are and should be provided by the Department as needed, without special payments.

HALT THE CURRENT NYCHA INFILL LAND-LEASE PLAN

The draft Annual Plan emphasizes the NYCHA Infill Land-Lease Plan as a key strategy to generate needed revenue, an estimated $30 to $50 million annually. In early 2013, the Infill plan targeted eight “prime market” Manhattan developments, where fourteen available parcels—parking lots and open spaces—were designated for 99-year leases to private developers of residential housing, largely apartments at high-end market rents. Attachment B lists seven of the developments—Smith, Meltzer, Baruch, LaGuardia, Douglass, Washington, and Carver Houses—for which NYCHA will prepare Section 18 Disposition proposals to be submitted to HUD in 2014.

The Infill Plan has generated substantial controversy. It is opposed by seven of the Resident Councils in the eight target developments. The three affected Manhattan Community Boards—Boards 3, 7, and 11—have registered strong objections to Infill, particularly to the rushed, secretive way NYCHA moved forward, without meaningful community engagement. Concerned State legislators introduced legislation requiring NYCHA dispositions to comply with New York City’s Uniform Land Use Review Procedure (ULURP), which was supported in a May 23rd City Council resolution and passed by the State Assembly.

The Infill plan has serious shortcomings, in both substance and process. Briefly mentioned in the 2011 PLAN-NYCHA, the Infill plan was further described in October, 2012, when NYCHA announced at an elite breakfast meeting its plan to release Requests for Proposals (RFPs) to developers in early 2013. However, the 8 Resident Councils did not learn they were targeted until February and only through a leak in the Daily News. NYCHA had been “at the drawing boards” for some time, without resident and community engagement in critical plans for their communities. Since then, the Councils have not had ample time or resources to obtain independent technical assistance to review and assess the impacts of Infill proposals on open space, access to light and air, and other issues concerning community costs and benefits.

The release of RFPs is now expected in July. But the Authority’s concern for speed has constrained Infill redevelopment plans to within existing zoning constraints—nearly exclusively residential towers—without considering broader community planning issues, such as needed retail and commercial facilities, or whether “tower in the park” campuses should be woven into the fabric of the surrounding community. Infill is an example not only of unilateral planning
decisions made without real community engagement, it is also an example of “bad planning”, limited to narrow development objectives, primarily leasing parcels to private developers for residential construction.

NYCHA’s rush is inexplicable. Its long-term, structural financial issues might be better addressed with more thoughtful, inclusive, long-term planning. The Authority must work communities to determine whether and how private redevelopment capital can significantly benefit public housing communities as well as generate revenues. The current Infill plan is only the first wave of escalating dispositions across NYCHA developments. Transforming public housing communities is too serious a matter to be done quickly, without careful planning and extended dialogue with community leaders. NYCHA must take the time to develop a consensus on future plans, one that envisions robust, mixed-use communities to which all can look forward.

We recommend:

- **NYCHA call a halt to its current Infill plans.** It should go back to the “drawing boards” and set up a meaningful community planning process from the start, one that includes both Resident Councils and the Community Boards. Since the Annual Plan (Attachment B) indicates NYCHA will submit Infill applications/proposals to HUD in October, 2014, there is time to reconsider, rather than waste resources by moving forward with faulty or unpopular proposals. (The timeline now calls for approval of “conditional designation letters” to developers by December 2013.) In 2014, it will be up to the next Mayor and a newly appointed NYCHA Board to approve the Section 18 Infill applications/proposals to HUD. Many mayoral candidates, and virtually every elected official representing the proposed sites, have registered objections to the current Infill plan. There is still time to work with resident and community leaders to seek consensus on whether and how private redevelopment can benefit NYCHA communities.

- **NYCHA must agree to comply with ULURP.** In the absence of State legislation to require compliance, NYCHA should comply voluntarily. Given the density of city neighborhoods, plans to redevelop NYCHA communities also have spill-over impacts on the surrounding community that should be addressed through ULURP.

- **NYCHA must comply with HUD Section 18 disposition regulations** if it moves forward with current Infill plans. NYCHA does not plan to submit Section 18 applications or proposals to HUD until October 2014 (Attachment B.) Since this Annual Plan does contain such applications or proposals, HUD regulations require that NYCHA either include them in next year’s Annual Plan (2015) or offer them as “significant amendments” to the 2014 plan. In either case NYCHA is required to release the written applications/proposals, allow 45 days for public review, and conduct a public hearing.

- **NYCHA must expedite the allocation of HUD TPA (Tenant Participation Activity) funds** to targeted Resident Councils, so that they can assemble the independent technical assistance they need to review development proposals and strengthen their voice in plans for the future of their communities.
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- **NYCHA Infill plans must retain existing community services.** The Infill plan for Washington Houses calls for demolition of the standing Union Settlement Community Center. Any redevelopment plan must include construction of new community center facilities as well as provision of temporary facilities during construction.

- **NYCHA must hold special public hearings on all Section 18 disposition proposals,** preferably at the affected developments. Each initiative deserves close attention, including its own special review and hearing process. Each is too important simply to be mentioned in a voluminous 200+ page NYCHA Draft Annual Plan and crammed into a 3-hour citywide public hearing one night a year.

MOVING-TO-WORK (MTW): BINDING AGREEMENT NEEDED

This year the Annual Plan again registers NYCHA’s intention to apply to HUD to become an MTW authority when and if that is made possible by legislation that has been moving slowly through Congress. MTW started in 1996, allowing a limited number of housing authorities to demonstrate how deregulation—waiving federal laws and regulations—could promote more effective public housing programs.

One of its provisions was “funding flexibility”, allowing authorities flexible use of all HUD funds received, for public housing—operating and capital funds—and for Section 8 vouchers. But MTW also conveys special powers to housing authorities:

- **The number of assisted units—public housing and voucher units combined—can be reduced.** If NYCHA allocated voucher funds to public housing operations, the number of vouchers available to current holders and waiting-list families would be reduced.

- **MTW authorities can seek waivers to existing federal laws and regulations,** such as the Brooke Amendment (capping rents at 30% of income), and the HUD 964 resident participation regulations. Most current MTW authorities have received such waivers.

- **MTW authorities have the power to impose new restrictions on residents.** Some MTW authorities have instituted work requirements; others have imposed time limits on tenancy.

NYCHA’s express intention is to obtain MTW funding flexibility, not to waive basic resident rights and protections, or impose new restrictions on residents. However, there is no assurance that once it becomes an MTW authority, NYCHA will not use those special powers. Intentions and needs can change over time, depending on the NYCHA Board and the Mayor who appoints them, as well as the HUD administration. At last reading, authorities can revise their MTW agreements as long as HUD agrees. There is a risk. The central question is: What binds NYCHA to its original intentions under MTW over the foreseeable future?
NYC ALLIANCE TO PRESERVE PUBLIC HOUSING

We recommend:

Any NYCHA proposal to become an MTW authority must include:

- A limit on the reduction in the total number of assisted public housing and Section 8 voucher units.
- A list of the federal laws and regulations that NYCHA will retain under MTW.
- A list of restrictions—such as time limits and work requirements—that NYCHA is prohibited from imposing on residents.

NYCHA must hold a special public hearing on any MTW proposal prior to submission to HUD, with 45 days for advance review of the written proposal.

A local Memorandum of Understanding (MOU) should be signed, which binds NYCHA to its original proposal. No change in the MTW agreement with HUD can be made without a special local approval process to be specified in the MOU.

NYCHA presentations of the MTW option to residents must be fair and balanced. At recent Roundtables, NYCHA staff presented MTW, focusing only on the advantages of flexible funding, without describing the potential risks of waivers and new restrictions on residents.

SECTION 8 HOUSING CHOICE VOUCHER CUTS

As a result of funding reductions due to the federal sequester, NYCHA is proposing draconian cuts to its Section 8 Housing Choice Voucher program:

- There will be no new rentals for the 124,000 households on the Section 8 voucher waiting list. Turned-over vouchers will not be reallocated in order to reduce the number of assisted households and units. As of December 2013, NYCHA estimates 1,200 Section 8 vouchers will be eliminated.
- NYCHA vouchers will not cover rent increases for households already in the Section 8 program. Although most voucher holders are protected by rent regulation, they face rent increases set by the Rent Guidelines Board. As a result, many families will have to pay increased out-of-pocket costs for rent, above the 30-percent of income considered “affordable.”
- NYCHA plans to reduce the “payment standard” from 110 to 90 percent of the allowable HUD Fair Market Rent (FMR). This will result in rent increases for about 9,600 voucher holders, which NYCHA estimates at an average increase of $57 a month. This is a steep increase that imposes a significant additional burden on families, which can result in growing rent arrears, evictions, and risks of displacement and homelessness.
- NYCHA has announced plans to apply to HUD for a waiver that would allow it to impose these rent increases immediately, rather than wait for the next recertification.
We recommend:

- **NYCHA and the City** press the State to immediately increase the shelter allowance received by Section 8 tenants on public assistance to the levels now received by private landlords. This modest increase could significantly mitigate the consequences of the cuts due to sequestration.

- **NYCHA must press HUD** for its fair share of the $100 million the agency has set aside to deal with the impact of the sequester on Section 8 residents. NYCHA presently holds about 5 percent of the 2 million Section 8 vouchers nationwide.

- **NYCHA should conduct a “rent reasonableness review”** for the 9,600 voucher households likely to be impacted, to determine whether there is a need for a reduction in the payment standard.

- **NYCHA should refrain from seeking a HUD waiver to expedite voucher rent increases.** The Authority should continue to impose rent changes only upon recertification—that is its ongoing contract with Section 8 residents.

**KEEP NYCHA CENTERS OPEN, RETAIN NYCHA JOBS**

NYCHA estimates a $205 million reduction in federal funding this year, a major gap that would prevent it from maintaining current operations. Sequestration has been looming since early 2013, but NYCHA waited until mid-June—at the eleventh hour in the NYC budget process—to announce the cuts would require closing the 69 community centers and 37 senior centers it operates, which would be disastrous for young and senior residents. A loss of 500 NYCHA jobs would also result. City Council agreed to restore $58 million; with additional effort from the NYC Department for the Aging (DFTA) and the NYC Division of Youth and Community Development (DYCD), it is hoped the closings can be prevented. Job losses are now estimated at 70 to 100. It is unclear whether retrenched NYCHA workers can be absorbed by nonprofit organizations that will be operating some of the centers.

We recommend:

- **NYCHA adopt the recommendations made in the recent report of the Teamsters Local 237 NYCHA Task Force to improve efficiencies, retain jobs, and strengthen front-line repairs.**

- **NYCHA should open itself to a systemic audit—conducted by the State Comptroller—to identify where and how its operations can be made more efficient.** Resulting savings could be used to retain Center operations and expedite lagging repairs. Management operation improvements enabled NYCHA to accelerate repairs this year. A more thorough audit is needed.
NYC ALLIANCE TO PRESERVE PUBLIC HOUSING

- **NYCHA should not renew or initiate new private management contracts.** If NYCHA jobs are to be retained, the Authority should discontinue current contracts for private management. It should back off its plan to outsource management of an increasing number of developments to private management companies. Every operating dollar should be used to retain in-house jobs and minimize job losses.

- **NYCHA should strengthen its strategic planning capacity.** There is no excuse for the last-minute announcement of dire cuts in community and senior center programs. Contingency plans to absorb sequestration losses should have been in place earlier.

WHERE IS THE NYCHA DISASTER PREPARATION PLAN?

Superstorm Sandy had a devastating impact on NYCHA residents and communities in Lower Manhattan, Red Hook, Coney Island, and the Rockaways. It is startling to find the Annual Plan makes no reference to an Authority plan for how NYCHA will organize its response to future disasters. (Page 23 mentions a $7 million Department of Labor grant to create 441 temporary work positions for repair, restoration, and outreach at Sandy-impacted developments. Page 118 describes a pilot program to “advise residents of all ages to prepare for emergencies.”) The omission is surprising in light of Representative Nydia Velazquez’ proposed bill—the Public Housing Disaster Planning Act (H.R.1669)—requiring housing authorities to develop plans.

The question is how NYCHA plans to prepare itself, as a responsible agency, to respond to catastrophes like Sandy and prevent a repeat of the Authority’s apparent disorganization and the stranding of older and infirm residents in their apartments. An “evacuation order” is not enough. With autumn, and the next hurricane season only months away, it is critical that NYCHA be better prepared.

We recommend:

- **NYCHA must develop a Disaster Preparation Plan** as part of the Draft Annual Plan, describing how the Authority will organize itself to respond to emergencies like Sandy.

- **The Plan should include** resident training/certification and NYCHA collaboration with agencies and community organizations that can offer disaster relief.

- **The Plan should include** infrastructural improvements to vulnerable NYCHA buildings to assure resiliency to future flooding disasters, as recommended in *PlanNYC: A Stronger, More Resilient New York, June 2013.*

- **The Plan should be subject to public review and a special public hearing.**
IS A ONE EVENING, THREE-HOUR PUBLIC HEARING ENOUGH?

The 1998 Housing Act gave greater autonomy to public housing authorities to set their own plans. To promote accountability, the law required authorities to release a draft Annual Plan each year, allow 45 days for public review, and then conduct a public hearing on the Plan.

The law applies to housing authorities across the country, regardless of their size. But NYCHA is the largest public housing authority in the country. With 180,000 households living in 344 public housing developments and 93,000 voucher holders, NYCHA-assisted residents constitute a sub-city of 800,000 people, larger than some of the country’s largest cities. This year’s Draft Annual Plan is 173 pages thick, excluding supporting documents. Attachment B lists 28 mixed-finance and Section 18 disposition plans at various stages of development. Three hours, for one evening a year, is simply not enough time to for the nation’s largest housing authority to obtain public input on a wide range of issues.

At every such hearing, those who want to be sure to testify must arrive early because there are always many waiting to testify who are turned away when the hearing ends. A mix of “first-come-first served” residents, elected officials, and concerned organizations do testify, but the time is not used well. There are no guidelines: for how many individuals from the same organization can speak to similar issues. Residents use their three minutes as a rare opportunity to describe substandard living conditions and demand repairs—although they are ushered aside to be assisted by NYCHA staff, there are no guidelines for allocating the time needed to address concerns about the Annual Plan. It is conceivable that significant, controversial issues—like the Infill plan and mixed-finance developments—will get short shrift at the hearings, though they represent significant transformations of the targeted public housing communities. If these proposals are to be included in the Annual Plan, they merit the time and attention they deserve.

We recommend:

- **NYCHA must plan and hold hearings that allow all interested individuals to testify.** Time-limited hearings that turn away potential testimony when the time runs out defeat the purpose of the hearings. Guidelines on the number of testifiers from any one organization may be in order.

- **NYCHA should conduct separate hearings on mixed-finance and Section 18 disposition proposals,** so that they get the time and attention they deserve. Preferably these hearings should be held at the affected developments. At each stage of proposal revision and development, the amended proposal should go through a similar review process—written release, 45-day review, and public hearing.