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THE CITY OF NEW YORK
MANHATTAN COMMUNITY BOARD SIX
211 EAST 43RD STREET, SUITE 1404
NEW YORK, NY 10017

April 19, 2019

Kathryn Garcia, Interim Chair
New York City Housing Authority
250 Broadway
New York, NY 10007

Resolution urging NYCHA to give TAs in PACT/Project Based Section 8 Conversions a say in choosing the developer for the conversion

At the April 10, 2019 Full Board meeting of Manhattan Community Board Six, the Board adopted the following resolution:

WHEREAS, the New York City Housing Authority (NYCHA) was created in 1934 in response to a citywide housing crisis;

WHEREAS, by the turn of this century, NYCHA was the largest public housing agency in the U.S. as many other major American cities such as Chicago, Atlanta, and St. Louis demolished much (if not all of) of their stock of public housing;

WHEREAS, with 179,000 apartments across 334 developments, NYCHA is also the city's largest landlord;

WHEREAS, as nearly all of the developments in NYCHA's portfolio were built with federal funding, NYCHA has relied on support from the U.S. Department of Housing & Urban Development (HUD) for funding for capital maintenance and repairs;

WHEREAS, NYCHA's portfolio contains 8 developments that receive no direct federal funding, commonly referred to as unfunded units or LLC II or City-State Units;

WHEREAS, these "unfunded units" were originally funded by the City and State, cost about \$23 million per year to operate, and have \$1 billion in capital needs;

WHEREAS, the 8 "unfunded units" are: Murphy, Baychester, Independence Towers, Williams Plaza, 344 East 28th Street, Wise Towers, Boulevard, and Linden;

WHEREAS, HUD funds public housing agencies like NYCHA through Section 9 of the U.S. National Housing Act of 1937;

WHEREAS, HUD also funds a rental housing assistance program for low-income households through payment vouchers to private landlords through Section 8 of the U.S. National Housing Act of 1937;

WHEREAS, Section 9 is a funding source that is used solely to fund Public Housing, which limits NYCHA's ability to tap into private funding sources. While the Section 8 Housing Choice Voucher Program (Section 8) is a funding source that allows private landlords to charge rents at fair market rates to qualified low income tenants, by using a rental subsidy which pays the difference between the resident's responsibility (30% of their income) and the fair market rent;

WHEREAS, in 2012, under the Obama administration, HUD created the Rental Assistance Demonstration program (RAD);

WHEREAS, under RAD, public housing authorities like NYCHA convert the funding source that supports a development from the public housing subsidy (Section 9) to the Section 8 voucher program;

WHEREAS, under RAD, units move to a Section 8 platform with a long-term contract that, by law, will be renewed. This ensures that the units remain permanently affordable to low-income households;

WHEREAS, the NYCHA 2.0 strategic plan unveiled a new preservation initiative called Permanent Affordability Commitment Together (PACT) to convert 62,000 units to alternative, private management;

WHEREAS, NYCHA, pursuant to this PACT initiative, has scheduled developments for Section 8 conversion and has issued a request for proposals (RFP) for financing, tenant-in-place rehabilitation, property management, and social services delivery to facilitate the conversion from the public housing program;

WHEREAS, once NYCHA selects a developer, the two parties will enter into a long-term lease agreement for the land and improvements with such terms as approved by NYCHA, New York City Housing Development, and HUD;

WHEREAS, under this lease agreement NYCHA will participate in the ownership structure and will reserve approval and removal rights. NYCHA will also require separate agreement(s) to govern resident rights and to satisfy certain HUD requirements;

WHEREAS, NYCHA has laid out their selection criteria and process for evaluating each proposal submitted by the submission deadline;

WHEREAS, the RFP does not state that NYCHA plans to give tenant association (TA) leaders, or community stake holders, at the affected buildings a role in evaluating the submitted proposals;

WHEREAS, NYCHA has given no such indication that TA leaders, or community stake holders, will be given any say in the evaluation process;

WHEREAS, HUD states that resident input at that stage is permitted;

WHEREAS, the residents and their elected TA leaders in the buildings set for Section 8 conversion are the most qualified to speak for the tenants of these buildings about existing building conditions, and what they would be important to be addressed by the chosen developer;

THEREFORE, BE IT RESOLVED that Manhattan Community Board Six urges NYCHA to make the proposal evaluation and selection process as transparent as possible, by consulting and surveying TA leaders, and other local community stake holders at the affected buildings;

BE IT FURTHER RESOLVED that Manhattan Community Board Six urges NYCHA to accept a statement of need from TA leaders, to be used when evaluating bids.

VOTE: 36 in Favor 0 Opposed 0 Abstention 0 Not Entitled

Best regards,



Jesús Pérez
District Manager

Cc: Hon. Gale Brewer, Manhattan Borough President
Hon. Carlina Rivera, Council Member
Polina Bakhteiarov, Deputy Director, Real Estate Development, New York City
Housing Authority
Leroy Williams, Director, Community Development, New York City
Housing Authority
Melanie Aucello, Vice President, 344 East 28th Street Residents Association
Carin van der Donk, Chair, CB6 Housing, Homeless, & Human Rights Committee