

## **Executive Summary**

### **NYCHA's Agency Plan for FY 2008**

Federal law requires housing authorities to develop, with input from residents of public housing, Section 8, elected officials and the public, a plan that sets forth its major initiatives of the coming year.

In publishing this Agency Plan for FY 2008, the New York City Housing Authority (NYCHA) reached out to the public, elected officials and interested residents to elicit their comments and recommendations. To facilitate such comments, the Authority held five (5) town hall meetings during the month of June and ended with a public hearing at The Manhattan Center on August 1<sup>st</sup>. In addition, written comments on the Agency Plan for FY 2008 were provided through the post office box that NYCHA maintained during the statutory review period which ended on August 1, 2007.

Following the public hearing, the Authority met with the Resident Advisory Board (RAB) to obtain their final comments. The Authority revised the FY 2008 Draft Agency Plan based upon comments received from both the RAB and the public. The final plan will be submitted to the U.S. Department of Housing and Urban Development (HUD) by October 17, 2007. HUD then has 75 days in which to review and approve the plan. The plan will be in effect during Calendar Year 2008.

The Agency Plan for FY 2008 is available for public review at the Authority's main office and is available at all times on NYCHA's web page, which is located at [www.nyc.gov/nycha](http://www.nyc.gov/nycha). Copies of the Agency Plan for FY 2008 are also available at each development's Management Office and have been provided to each public housing Resident Association president.

NYCHA's priorities for the coming year are outlined on the following pages. In 2007/8, these include developing strategies to maintain fiscal balance in light of reduced federal funding, improving and expanding the stock of affordable housing as well as maintaining core services to residents.

#### ***Federal Policy Issues***

On July 24, 2007, the U. S. House of Representatives approved the FY 2008 HUD appropriations bill that fully renews all Section 8 vouchers, provides incremental vouchers for non-elderly disabled families and allocates 1,000 vouchers for homeless veterans. The FY 2008 appropriation for public housing Operating Subsidy is \$4.2 billion, \$336 million higher than the FY 2007 appropriation and \$200 million more than the President's budget request. The additional funding is greatly needed as NYCHA's operating expenses will be reimbursed at approximately 84 cents on the dollar.

The Federal Public Housing Capital Fund is the primary source of dollars for major capital improvements. The House bill funds the Public Housing Capital fund at \$2.439 billion, the same funding level provided for in FY 2006 and 2007. This funding level reflects a 16% decrease in funding since 2001. The U.S. Senate bill funding HUD programs for FY 2008 was approved on June 12, 2007 by the Senate Appropriations Committee, however full Senate consideration is not expected until after the August recess.

In 2007, HUD will also change the way it subsidizes public housing operations and requires public housing agencies to budget, account for and manage their operations on a development based format called asset management. NYCHA is required to implement asset management by October 15, 2007 or be subject to additional reductions in subsidy. If NYCHA is able to demonstrate that it has implemented asset management as specified by HUD, it could limit its loss to 5% or \$3 million per year. If HUD determines that NYCHA is not compliant, those losses will amount to \$60 million per year.

An amendment by Representatives Charles Rangel and Barney Frank proposed to suspend the Community Service requirement during FY 2008. Community Service is an unfunded Federal mandate that requires

certain public housing residents to provide eight hours of monthly service as a condition of occupancy. The Rangel-Frank Amendment failed by a vote of 207-220.

Despite these challenges, the New York delegation is aggressively pursuing an agenda to preserve public housing. On February 20, 2007, Senator Charles E. Schumer (D-N.Y.) and Congresswoman Nydia M. Velázquez (D-N.Y.) introduced legislation to increase funding for public housing. The proposed *Public Housing Equal Treatment Act of 2007* will introduce a steady and dedicated funding stream into 21 City- and State-built NYCHA properties containing approximately 20,000 units currently operating without adequate funding. The bill will allow these 21 developments, which deserve the same funding opportunities as the rest of public housing, to receive approximately \$100 million in direct operating and capital federal aid starting in January 2008. At the same time, the passage of this bill helps NYCHA's remaining 322 developments, because money will no longer have to be diverted from them to support the unfunded units.

### ***State Policy Issues***

On August 15, 2007, Governor Elliot Spitzer signed legislation to equalize NYCHA's shelter allowance for public assistance recipients with the allowance received by private landlords. The shelter allowance increase will be phased in over three years – immediately rising to 50 percent of the maximum level provided to private landlords, and then increasing to 75 percent in 2008-2009, and 100 percent in 2009-2010. Under the former law, increases to the shelter allowance were limited to ten percent per year which would have taken NYCHA ten years to reach the maximum level.

Twenty-one of NYCHA's 343 public housing properties were never fully federalized. As a result, those developments are not included by HUD when it determines the amount of subsidy NYCHA is allocated to run its public housing program. These properties are allowed to share in the funding NYCHA receives to administer its public housing program. However, with no money directly allocated, NYCHA has had to operate 343 developments with a funding allocation meant for 322 developments. Continuing this funding sharing arrangement puts residents and the properties at risk as it spreads limited resources even thinner. NYCHA incurs an annual deficit of nearly \$83 million to run these 21 developments.

In light of the continuous underfunding of the Federal subsidy for the public housing program, NYCHA is earnestly advocating for a renewal of the State's subsidy to finance the 15 State-built developments which cost the Authority approximately \$62 million to operate. In the budget approved in April 2007, the State of New York appropriated \$3.6 million in operating assistance. This assistance, first time received in almost a decade is an important first step towards restoration of an ongoing operating subsidy. We very much appreciate the efforts of all involved.

### ***Section 8***

On January 29, 2007, NYCHA announced the availability of 22,000 Section 8 housing vouchers for very low-income families seeking affordable housing in New York City. Because of the availability of these vouchers, NYCHA's Section 8 waiting list reopened for the first time in 12 years. NYCHA accepted applications from February 12 through May 14, 2007.

Individuals and families who secure Section 8 vouchers can seek housing in a neighborhood of their choice from any private landlord who accepts the vouchers. Approximately 3,000 of these vouchers will be targeted specifically to households at risk of homelessness. With a voucher, qualified families pay 30% of their income toward the Fair Market Rent set by the Federal government; NYCHA pays the remainder directly to the private landlord.

NYCHA's Section 8 program is the largest in the United States. NYCHA administers over 82,000 Section 8 vouchers serving over 270,000 New Yorkers. Over 30,000 private landlords accept the vouchers. The

22,000 vouchers - 12,000 this year and 10,000 next year - are available because of changes made at the local and Federal level.

### ***Unsubsidized Federal Apartments***

As part of its overall Plan to Preserve Public Housing (released in 2006), NYCHA submitted Voluntary Transition Plans to HUD on October 17, 2006, for its 21 unsubsidized City- and State-built developments. Under the proposed Section 8 Voluntary Transition Program, NYCHA proposes to transition 8,400 City and State apartments into the Section 8 Program as they become vacant and also issue Section 8 vouchers to interested residents of City or State developments on a voluntary, first come, first served basis. NYCHA will continue to own, manage and provide services at these developments. NYCHA's goal is to preserve public housing and secure the future viability of these 21 City and State developments. HUD is in the process of reviewing the submitted Voluntary Transition Plans.

### ***Continued Implementation of Savings Plan***

On May 30<sup>th</sup>, the NYCHA Board adopted a budget for Fiscal Year 2007 along with a multi-year financial plan. In putting forth this budget, NYCHA was faced with a \$271 million deficit. The budget includes several key initiatives aimed controlling spending and achieving long-term financial stability.

For the past five years, NYCHA's expenses have outpaced revenues. To close the gap between revenue and expenses, NYCHA instituted various cost savings measures that have resulted in a savings of \$527 million since FY 2003. These measures included the reduction in NYCHA's full-time headcount from 14,671 to 12,810; cutting administrative expenses and reducing overtime spending. In FY 2007, NYCHA reduced overtime on the weekends and is proposing to further reduce costs and increase efficiencies by eliminating personnel vacancies. The current budget reflects the cumulative effects of initiatives NYCHA has taken to reduce spending. Despite these efforts, NYCHA is still projecting a \$51 million budget deficit for the current fiscal year.

### ***Limited Rent Reform Initiative***

Rent is a critical source of revenue for the day-to-day operations of NYCHA's 343 developments. It is the only source of revenue over which NYCHA has direct control. In 2007, NYCHA implemented the first year of a two year phase in of increased rents for only the segment of NYCHA households (31%) who pay flat rents. In 2008, these households will be divided into three levels and rent increases will be 5%, 10% and 20% for the second year of the rent increases. In no case will any rent exceed 30% of income. The vast majority of NYCHA households (69%) whose incomes average \$11,776 and who already pay 30% of the family income towards rent will not be impacted by this increase.

### ***Accelerated Modernization of Housing Stock***

On average, NYCHA's 2,653 buildings are more than forty (40) years old. NYCHA is constantly challenged to maintain these older buildings' systems and infrastructure at a significant expense to the operating budget. Mayor Bloomberg announced in February 2005, the most comprehensive plan in the City's history to modernize and preserve thousands of units of public housing: Through this \$2 billion, 5-year plan, NYCHA will sell up to \$600 million in bonds to finance and accelerate vital construction initiatives as a part of the capital fund financing program. In May of 2005, NYCHA issued \$300 million in bonds, in conjunction with the New York City Housing Development Corporation to address these critical capital needs. Construction on structural, brickwork and roof replacements began in 2005 and expanded in

2006 to include 38 NYCHA developments and 340 buildings. NYCHA anticipates issuing a second round of bonds, which will increase from \$300 million to \$400 million during the fall of 2007. The proceeds from the bond issuance will be used for additional exterior building restoration work and building systems upgrades.

Enhancing the capital program is the Construction Management/Build Program (CM/Build). The CM/Build Program was established in the fall of 2003 and NYCHA currently has seven (7) contracts with CMs totaling \$788 million. An additional 11 contracts totaling \$475 million are anticipated to be in place by the fall of 2007. These new contracts will be focused largely on repairs to building exteriors such as brickwork, concrete repairs and roof replacements.

### ***Public Safety***

Crime continues to decrease in public housing. From 2002 to 2006, serious crime fell by 11.6 percent. NYCHA and the New York City Police Department (NYPD) have instituted a number of initiatives to continue the downward trend in crime incidents and to further increase public safety.

Through the innovative use of technology, police resources and the cooperation of local government, NYCHA has created a highly successful program to install small-scale closed circuit television systems (CCTV). CCTV is helping to achieve the desired goals of crime reduction and improved resident quality of life. In 2006, the members of the New York City Council allocated \$3 million in funding for CCTV installations at 10 additional sites. A contract was awarded and the contractor anticipates that the installation of these CCTV systems with 260 cameras will be fully operational by September 2007. For 2007, the City Council has allocated additional funding of \$5.8 million for 14 new CCTV sites.

### ***Technological Enhancements to Improve Efficiencies and Services***

#### ■ *Centralized Call Center*

In 2005 NYCHA rolled out the Centralized Call Center (CCC) for residents living in developments on Staten Island and Queens, as part of NYCHA's ongoing tenant and property management enhancement initiative. The CCC receives calls and schedules repair appointments for NYCHA residents 24 hours a day, seven days a week. In the spring of 2006, NYCHA expanded the CCC service to all residents living in Manhattan developments. In the fall 2007, this service will be provided to the residents of Brooklyn and by the first quarter of 2008, to the Bronx. NYCHA's review of the CCC program has demonstrated that the CCC is maintaining a customer satisfaction rate of over 98%, and has a first call resolution rate of 80%.

#### ■ *Integrated Information Technology Systems*

In 2007 NYCHA will procure a vendor to establish an integrated residential property management and customer relationship system which will enhance the business processes and customer service in the areas of Applications and Tenancy Administration, Leased Housing, and Maintenance Operations. It is estimated that this new system will result in over \$10 million in savings annually.

### ***Energy Conservation***

#### ■ *Computerized Heating Automation System (CHAS)*

The remote monitoring capability of CHAS provides instantaneous information on the status of NYCHA's extensive boiler systems that is accessible on NYCHA's wide area network. CHAS benefits residents by providing improved heating and hot water service while NYCHA benefits from the ability to monitor multiple buildings from a single location. Within two years of full deployment (by the 2007-2008 heating season), reduced fuel consumption from CHAS is projected to save NYCHA \$10 million annually.

NYCHA's Computerized Heating Automated System (CHAS) received an award for Most Innovative Use of Technology at the 2006 Excellence in Technology Awards Program (ETAP) on November 2, 2006. Established by the NYC Department of Information Technology and Telecommunications (DoITT), the ETAP awards salute innovative projects and exceptional service by the city's IT professionals and their agency partners.

### ***Increasing New York City's Stock of Affordable Housing***

NYCHA has a current pipeline of new affordable housing production of over 2,000 units. Expanding upon these efforts, in December 2006, NYCHA and the Department of Housing Preservation and Development (HPD) released a Request for Proposals (RFP) for the development of affordable housing at four NYCHA sites located in West Chelsea, Clinton and East New York. The development of housing at these four sites will yield 600 residential units for low- to moderate-income families. This effort is the product of an innovative collaboration between HPD and NYCHA implemented as part of Mayor Michael R. Bloomberg's \$7.5 billion New Housing Marketplace Plan. By redeveloping surplus NYCHA land in East New York and the West Side of Manhattan, the City is building mixed-income communities and providing safe, quality housing for working families. In addition, in 2006 NYCHA and HPD released an RFP for the redevelopment of 422 units at Metro North in East Harlem and the development of 145 new housing units at Stanley Avenue Homes in East New York, Brooklyn.

Also in December 2006, private developers finalized details of the \$60 million redevelopment initiative at Markham Gardens in Staten Island. The initiative will create a total of 290 new affordable residential units comprising 240 rental apartments and 25 two-family homes. Financing for the homeownership component is scheduled to close in early 2007. The initiative is also expected to receive \$600,000 toward energy-efficiency measures from the New York State Energy Research and Development Authority. In an effort to further the expansion of affordable housing, NYCHA plans to retain an acre of the 12-acre site for future development of a residence complex where 80 units will be set-aside for low-income seniors.

In September 2007, NYCHA and HPD will release an RFP for creation of approximately 1,000 units of affordable housing in the Bronx. A portion of these units will be set aside for NYCHA residents or residents on the NYCHA Section 8 waiting list.

NYCHA continues to work with the City to identify excess land within NYCHA's portfolio. This land, to be developed following the issuance of requests for proposals, will increase the supply of affordable housing and generate income for the on-going operation and maintenance of existing public housing stock. In anticipation of private sector site acquisition and development of these sites, NYCHA and the City are negotiating a minimum \$50 million acquisition fee to offset a portion of its current budget deficit.

### ***Victims of Domestic Violence***

NYCHA continues in its efforts to be responsive to the needs of victims of domestic violence (VDV). In 2006, NYCHA expanded the documentation required to establish a VDV priority for public housing and extended the timeframes for valid documents for both applicants and transfers. In January 2006, the Violence Against Women Act (VAWA) was signed into law legislating new tenancy and safety protections for victims of domestic violence residing in public housing or using Section 8 vouchers. VAWA protects public housing and Section 8 applicants from discrimination in the provision of housing assistance and protects residents from eviction, based on acts of violence committed against them. VAWA allows victims of domestic violence to self-certify as to their status. This self-certification process does not change documentation requirements needed to receive priority status for admission, transfer, or receipt of a Section 8 voucher. Self-certification is accepted to prevent eviction or termination of assistance when acts of

violence suffered and these acts are the only grounds for those actions. The law also requires public housing authorities to notify all tenants participating in public housing and Section 8 voucher programs, as well as owners participating in the Section 8 voucher program, of the requirements of VAWA. NYCHA has forwarded letters to landlords and included information in residents' rent bills informing them of the VAWA requirements and provided training for NYCHA personnel who have direct contact with applicants and residents.

In 2006, NYCHA was honored for excellence by HUD's New York Office of Public Housing at its 2006 Housing Authority Awards Program. Community Operations' Domestic Violence Aftercare Program was honored with an award for Exemplary Service to Residents for delivery of key transitional services to individuals and families relocated as a result of domestic violence.

### ***Community Programs***

The Authority provides numerous education and recreation programs for youth and seniors through its network of community and senior centers. Since 1996, NYCHA has expended over \$100 million to renovate, expand or build 62 new state-of-the-art Community Centers. In 2006, six (6) community centers were completed: Bronxdale, Independence Towers, Manhattanville, West Brighton, Edenwald, and Baruch. As of May 2007, two additional community centers were also completed: Latimer Gardens and Queensbridge. By the end of 2007, 12 community centers are expected to be completed: Saratoga Village, Ingersoll, Marcus Garvey, Polo Grounds/Rangel, Richmond Terrace, Johnson, 1162 Washington Avenue, Betances, Marlboro, Ft. Washington, Boston Road, and Bay View. Stapleton's community center is expected to be completed and opened in 2008.

NYCHA continues to explore opportunities to leverage its capital and programmatic investments with external entities in an environment of shrinking financial resources. In City fiscal years 2006 and 2007, the Authority successfully secured \$5.6 million in after-school services by participating in the Department of Youth and Community Development's Out of School Time (OST) initiative. As new community centers open, NYCHA will be looking for additional community-based partners to further supplement youth and senior services.

### ***Resident Employment Opportunities***

NYCHA works with training providers who, agree to accept referrals into training programs that offer a diversity of jobs skills training, e.g., computer, painting, culinary arts, and environmental remediation. Most training providers also offer job placement services for students who successfully complete training. In addition, job developers are informed of the various trainings job seekers are participating in, so that job development efforts are specifically targeted to these areas of interest. In 2006, NYCHA's Department of Resident Employment Services programs resulted in 415 job placements.

NYCHA recently implemented a Pre-Apprenticeship Training Program (P-ATP) to create permanent, highly skilled, and highly paid trades apprenticeship jobs for up to 300 Housing Authority residents. NYCHA has contracted with a not-for-profit educational corporation to provide recruitment, assessment, training and supportive services to qualified Housing Authority residents (both high school students and adults), that will lead to successful participation in State-certified apprenticeship programs. One hundred and thirty-two candidates completed the first cycle of training for the spring 2007 Pre-Apprenticeship Program and are in the process of interviewing for jobs with unions for apprenticeship positions.