

NextGeneration NYCHA

4th Quarter 2015 Report

January 2016



The City of New York
Mayor Bill de Blasio

Alicia Glen, Deputy Mayor for
Housing & Economic Development





Letter from the Chair

Dear New Yorkers,

In May 2015, we launched NextGeneration NYCHA, a 10-year plan to protect and strengthen public housing. It outlines 15 strategies to transform the way we do business and create safe, clean, and connected communities. By changing how NYCHA is funded, operates, rebuilds, and engages with our residents, the Authority will overcome the challenges of declining government funding and aging infrastructure. We will address \$17 billion in major repair needs across the portfolio and improve the quality of life for residents. Here are a few of our accomplishments since NextGeneration NYCHA was released eight months ago:

- **Payments to City:** Secured forgiveness from the City for long-standing payment requirements totaling more than \$100 million annually, including payments for police services.
- **Digital NYCHA:** Released the MyNYCHA app, which enables residents to place work orders from the convenience of their phones, and deployed an online tool for Section 8 annual income recertification.
- **Sustainability:** Selected an Energy Service Company (ESCO) to audit and perform capital improvements at 80 developments (900+ buildings; 76,000+ apartments) as part of our Energy Performance Contract (EPC) program funded by HUD. Residents will experience improved safety and comfort while NYCHA reduces its energy and water consumption.
- **Recycling:** Rolled out recycling program at 99 developments, impacting 850+ buildings that serve 150,000+ residents.
- **Affordable Housing:** Issued requests for proposals (RFPs) for 100 percent affordable new housing at Ingersoll, Mill Brook and Van Dyke Houses.
- **Design Standards:** Modernized our design standards, focusing on efficiency, accessibility, safety, and visual appeal. We developed new standards for roofs, grounds, playgrounds and windows.
- **Community Centers:** To improve social services delivery to residents, 24 community centers and 17 senior centers are now managed by New York City Department of Youth and Community Development (DYCD) and the Department for the Aging (DFTA). Residents are now receiving high-quality, life-enhancing services directly from specialized providers.
- **501(c)(3):** Launched the Fund for Public Housing, a not-for-profit organization that will raise funds to connect NYCHA residents to partners and opportunities.

This is an auspicious beginning we could not have realized without the support of Mayor de Blasio and the partnership of our employees, our residents, and City agencies. We are deeply grateful for your collaboration and assistance.

Shola Olatoye
Chair & CEO

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FUND GOAL:
CHANGE THE WAY NYCHA IS FUNDED

PAY LESS TO NYC

DO A BETTER JOB
COLLECTING RENT AND FEES

MAKE WISER USE
OF GROUND FLOOR SPACE

REDUCE CENTRAL
OFFICE COSTS



OPERATE GOAL:
CHANGE THE WAY NYCHA OPERATES

GO DIGITAL AND **USE TECH** TO UPGRADE SERVICE

LOCALIZE DECISION-MAKING
TO **HEIGHTEN CUSTOMERS' SATISFACTION**

PURSUE SUSTAINABILITY FOR A CLEANER
AND GREENER NYCHA

IMPROVE SAFETY AND SECURITY



**OUR VISION FOR
NEXTGENERATION NYCHA**
SAFE, CLEAN, AND CONNECTED COMMUNITIES



(RE)BUILD GOAL:
CHANGE HOW NYCHA LOOKS

USE DATA TO DRIVE CAPITAL DECISIONS

PROVIDE LAND FOR NYC'S AFFORDABLE HOUSING GOALS

MAXIMIZE FEDERAL PROGRAMS TO RENOVATE
AND PRESERVE BUILDINGS

CHOOSE AND **USE GOOD DESIGN**

ENGAGE GOAL:
CHANGE HOW NYCHA ENGAGES WITH RESIDENTS

IMPROVE RESIDENT AND COMMUNITY SERVICES
WITH A NEW TYPE OF ENGAGEMENT

CREATE A NONPROFIT ORGANIZATION
TO FUND SOCIAL SERVICES

CONNECT RESIDENTS TO **QUALITY JOB OPPORTUNITIES**

NextGeneration NYCHA: Progress to Date

NextGeneration NYCHA's four goals contain 15 strategies that refocus the Authority's work on our core business: owning and operating public housing. Taken all together, they have enabled as over the past eight months to:

FUND: Achieve short-term financial stability and diversify funding for the long term



NYCHA secured forgiveness from the City for long-standing payment requirements totaling more than \$100 million annually, including payments for police services. We launched a resident rent collection pilot program that includes testing of automated reminder calls and notices. One of our revenue-generation strategies is to lease non-residential ground floor spaces at NYCHA developments. We conducted a pilot study and developed a sample leasing strategy at Mill Brook, Van Dyke and Wald Houses. Finally, we continue to explore options to integrate NYCHA services into other City agencies.

OPERATE: Operate as an efficient and effective landlord



Working more effectively requires new strategies and programs. NYCHA launched the asset-based Optimal Property Management Operating Model (OPMOM) at 18 developments. It localizes property management by empowering on-site management to build budgets, hire employees, and purchase materials.

As part of NYCHA's sustainability program, we rolled out recycling at 99 developments. We also selected an ESCO to manage an EPC that will help lower the Authority's energy consumption at nearly 80 developments, spanning 76,000+ apartments.

Improving safety and security are critically important. NYCHA has installed 184 temporary light towers at 15 high-crime developments identified through the Mayor's Action Plan for Neighborhood Safety. We have also removed 53,000+ linear feet of the legacy sidewalk sheds that no longer performed a safety function. Additionally, we completed the installation of City- and State-funded closed-circuit television (CCTV) projects on time and on budget.



(RE)BUILD: Rebuild, expand, and preserve public and affordable housing stock

NYCHA issued a request for proposals for the creation of 100 percent affordable housing at Ingersoll, Mill Brook and Van Dyke Houses and will be selecting developers shortly. We've also developed new design standards for roofs, grounds, playgrounds, and windows, and launched a peer review program for renovation projects with partners at architecture firms.

ENGAGE: Connect residents to best-in-class social services



NYCHA re-established one youth council, established three new youth councils, created two new resident associations, and is developing a policy on Tenant Participation Funds. To improve social services delivery to residents, 24 community centers and 17 senior centers are now managed by DYCD and DFTA. Our Resident Economic Empowerment and Sustainability (REES) program graduated 90 students from a new entrepreneurship training program developed in partnership with City agencies.

Finally, the Fund for Public Housing, an independent 501(c)(3) not-for-profit organization, was created to support NYCHA's transformation from a direct service provider to a partnership-based model. The Fund will work to attract philanthropic dollars to support opportunities for residents.

Spotlight: Think Local (OPMOM)



Katie Harris, Wagner Houses Resident Association President (back row, second from right), with NYCHA property management staff at Wagner Houses.

“OPMOM has really made a difference here. We have so much involvement from residents and we have a beautiful development now.”

-Katie Harris, Wagner Houses Resident Association President

OPMOM Metrics 2015 Sample

Rent Collection Rate (%)	
Metric Target: 95	
Jan	Dec
63	69

Emergency Service Level (Hours)	
Metric Target: 24	
Jan	Dec
21.5	19.9

Maintenance Service Level (Days)	
Metric Target: 7	
Jan	Dec
21.4	8

Skilled Trades Service Level (Days)	
Metric Target: 25	
Jan	Dec
34.2	48.6

Data Source: NYCHA Department of Research Management and Analysis

Becoming a more efficient and effective landlord means providing better customer service and property management to residents. NYCHA’s new model, OPMOM, empowers managers at 18 developments citywide to build their own budgets, hire their own staff, and purchase materials from the central office. The Authority is developing benchmarks to gauge the success of this model as it evolves.

Last fall the initial achievements of this streamlined management structure were on display, literally, at Wagner Houses. A plot of grass where weeds once flourished outside the development’s management office had been transformed into a garden of perfectly trimmed shrubs and multicolored perennials atop a bed of dark brown mulch. An attractive way to greet residents, visitors, and staff alike, this landscaping was designed and planted with input from the development’s resident leadership. They let management know that Wagner Houses residents wanted the building entrance to look like a place they would be proud to call home.

Resident input into budgeting is built into the new management model. Katie Harris, Wagner Houses Resident Association President, described how development staff work with resident leaders to select the things residents want and need, and how the new model has opened the door for residents to suggest improvements that will boost everyone’s quality of life. “We don’t need to wait for things like new refrigerators; we can order them ourselves. This works well because it enables us to help ourselves,” she said. “I love the open communication.”

Wagner’s Property Maintenance Supervisor, John Rolon, agrees: “With OPMOM, the Housing Authority is definitely moving in the right direction to provide better service for residents.”

Spotlight: NYCHA Goes Digital



MyNYCHA stats Sept-Dec 2015

Over 15,000 app
downloads

Over 31,000 work
tickets (8% of total)
were created using
MyNYCHA

On weekends ~18% of
all tickets are created
using MyNYCHA

Data Source: NYCHA Department of
Information Technology

A new digital service is improving customer service and helping NYCHA operate more efficiently, all at the tap of a screen. The MyNYCHA mobile application allows residents to take the apartment repair process into their own hands — by creating work orders on a smartphone or tablet. Previously, these requests could only be scheduled by calling the Customer Contact Center. Now, with MyNYCHA, to complete a work order, residents simply identify the room and then indicate the repair task from a menu of choices.

Since it was released in September, about 15,000 residents have downloaded the free MyNYCHA app, and it is currently used to create 8 percent of the thousands of work orders generated every day. Residents can also sign up on MyNYCHA for email notifications about elevator, gas, heat, and hot water outages in their developments and can view scheduled dates for apartment inspections.

While empowering residents and making NYCHA more transparent and accessible, this customer service enhancement is also promoting more efficient operations. Residents' ability to conveniently reschedule their appointments at any time, day or night, is also projected to reduce the number of instances in which tenants are not at home for repairs.

A web version of the MyNYCHA app was released in December 2015, and a Spanish version will debut in the first quarter of 2016.

"It's great that I can feel like I have NYCHA right in the palm of my hands."

"It's fast, simple, and very efficient."

-Resident Feedback

NextGeneration NYCHA: Moving Forward

FUND: Rent Collection CHANGE THE WAY NYCHA IS FUNDED

- **NYCHA will connect** residents to financial counselors to budget for upcoming rent payments and to make back payments that are due.



OPERATE: Sustainability CHANGE THE WAY NYCHA OPERATES

- **NYCHA will announce** the first 40 to 50 developments to receive lighting, hot water, and heating system upgrades through our EPC program that was announced in April 2015. This is the initial phase of the \$100 million project funded by the Department of Housing and Urban Development (HUD). Construction is expected to start this summer and last 18 to 24 months.



(RE)BUILD: Affordable Housing CHANGE HOW NYCHA LOOKS

- **NYCHA will select** real estate developers for the creation of 100 percent affordable housing at Ingersoll, Mill Brook, and Van Dyke Houses.
- **NYCHA will release** an RFP for NextGen neighborhoods for the creation of 50 percent affordable/50 percent market-rate housing at Holmes Towers and Wyckoff Gardens.



ENGAGE: Fund for Public Housing CHANGE HOW NYCHA ENGAGES WITH RESIDENTS

- **The Fund will create** an Advisory Council comprised of prominent NYCHA alumni, members of the business and philanthropic communities, and other key stakeholders that will promote the organization's mission.

FUND

ACHIEVE SHORT TERM FINANCIAL STABILITY AND DIVERSIFY FUNDING FOR THE LONG TERM

#	Strategy	Description	Milestone	Status
1.	Secure relief from annual payments to the City	Reach agreement with City on funding relief.	Secure forgiveness from the City for long-standing payment requirements totaling more than \$100 million annually, including payments for police services.	Completed
2.	Improve rent and fee collection	Improve rent collection by working closely with residents and changing internal procedures.	Test automated reminder calls and reminder notices, and analyze their effectiveness.	In Process
			Launch pilot that connects residents to financial counseling, which helps them stay current on rent.	In Process
3.	Maximize the revenue from ground floor spaces	Conduct an inventory of all NYCHA-owned ground floor spaces and assess the costs and benefits of renovation.	Devise a design strategy for the ground floor level and formulate a sample leasing strategy informed by resident needs and the real estate leasing submarkets for the pilot sites (Mill Brook, Van Dyke, and Wald Houses).	Completed
		Boost parking revenue by raising rates to market value, up to a cap of \$150 a month, and by increasing occupancy.	Determine appropriate procurement vehicle.	In Process
4.	Integrate with City agencies and reduce central office expenses	Reduce central office costs through attrition and integration into other City agencies.	Conduct initial feasibility assessment.	In Process

OPERATE

OPERATE AS AN EFFICIENT AND EFFECTIVE LANDLORD

#	Strategy	Description	Milestone	Status
5.	Transform into a digital organization	Provide modernized and better customer service for residents.	Release the MyNYCHA mobile app for electronic scheduling of work order appointments.	Completed
			Launch online annual recertification tool for Section 8 residents.	Completed

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#	Strategy	Description	Milestone	Status
6.	Localize decision-making at the developments	Deploy the new, asset-based OPMOM at 18 properties, which empowers development staff with more decision-making responsibility previously held by central office staff.	Launch online annual recertification tool for public housing residents.	In Process
			Develop a “balanced scorecard” that tracks developments’ management performance in four key areas: financial metrics, internal business processes, customer service, and stakeholders.	In Process
		Improve transparency around performance through key performance indicators (KPIs) that measure success.	Develop new actionable and performance-driven metrics.	In Process
7.	Pursue a comprehensive sustainability agenda	Install recycling infrastructure across the full NYCHA portfolio on a phased timeline.	Roll out recycling programs at ~1/3 of developments.	Completed
			Install recycling bins at all public housing developments.	In Process
		Undertake capital improvements financed through a series of EPCs to improve resident safety and comfort, while reducing NYCHA’s energy and water consumption.	Select an ESCO to audit and perform capital improvements at up to 80 developments (900+ buildings; 76,000+ apartments).	Completed
			Initiate investment-grade energy audits at the selected developments.	In Process
		Deploy \$3 billion of funding from the Federal Emergency Management Agency (FEMA).	Sign a Memorandum of Understanding (MOU) between NYCHA and New York State to provide a means of releasing funds to NYCHA.	Completed
8.	Improve safety and security at NYCHA developments	Deploy \$100 million in asset forfeiture funds to install exterior lighting, cameras, new doors, and layered access, and develop programming at 15 high-crime developments designated through the Mayor’s Action Plan for Neighborhood Safety (MAP).	Place 184 temporary light towers at MAP developments.	Completed
			Install CCTV, lighting, doors, and layered access and develop programming at 15 high-crime developments.	In Process
			Remove all legacy sidewalk sheds.	Completed
			Install the 2015 portfolio of 31 City- and State-funded CCTV projects on time and budget.	Completed

(RE)BUILD

(RE)BUILD, EXPAND AND PRESERVE PUBLIC AND AFFORDABLE HOUSING STOCK

#	Strategy	Description	Milestone	Status
9.	Devise a capital planning strategy	Adopt a new capital planning strategy to better prioritize repairs and upgrades across the portfolio.	Procure contract for new Physical Needs and Green Physical Needs assessments for submission to HUD.	In Process
		Seek capital support from the City and State to fund a vital roof replacement program. The City allocated \$100 million per year from 2015-2017 and calls on the State to match the funds.	Repair roofs at Queensbridge North and South (26 roofs), Albany I and II, Parkside (14 roofs), and Sheepshead Bay (18 roofs).	In Process
10.	Provide underutilized NYCHA-owned land to support the creation of affordable housing units	Provide underutilized land for the creation of 10,000 new affordable housing units in 100 percent affordable buildings, including a mix of uses to provide additional amenities.	Issue RFP for three 100 percent affordable sites (Mill Brook, Ingersoll, and Van Dyke Houses).	Completed
			Establish review committee and evaluate proposals. Continue resident engagement.	In Process
		Explore opportunities to generate revenue and reinvest in developments needing repairs by leveraging a 50-50 split of market-rate and affordable housing units in mixed income neighborhoods.	Draft RFP for anticipated Q1 2016 release for Holmes and Wyckoff Houses. Continue resident engagement.	In Process
11.	Leverage HUD programs to preserve housing	NYCHA has preliminary HUD approval to convert approximately 1,400 units at Ocean Bay Apartments - Bayside in Far Rockaway to project-based Section 8 funding through HUD's Rental Assistance Demonstration (RAD) program.	Issue RFP for RAD developer at Ocean Bay Apartments - Bayside. Continue resident engagement.	In Process
		Subject to HUD approval, NYCHA will more aggressively pursue federal subsidy, including Section 8, for its 5,000 unsubsidized City-and State-built units.	Develop a financing plan in conjunction with HUD.	In Process
		Devise a plan to preserve 6,500 scattered-site units and 8,500 "obsolete" units by converting them to project-based Section 8 funding through RAD and HUD Tenant Protection Vouchers.	Develop a conversion strategy in conjunction with HUD. Select first bundle of preservation properties (approximately 1,000 units).	In Process

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#	Strategy	Description	Milestone	Status
12.	Adopt design excellence practices to improve the quality of NYCHA's interior and exterior spaces	Update decades-old design guidelines for renovations and new construction, focusing on modern and efficient design, accessibility, appeal, and safety.	Comprehensively overhaul construction design guidelines.	Completed
			Create design guidelines for new construction on NYCHA campuses	Completed
			Finalize standards for kitchens and bathrooms.	In Process

ENGAGE

ENGAGE RESIDENTS AND CONNECT THEM TO BEST-IN-CLASS SOCIAL SERVICES

#	Strategy	Description	Milestone	Status
13.	Transition from direct service provision to a partnership-based model, and transform resident engagement	Continue the transition from direct service provision to a partnership-based model.	Conduct an assessment of the existing service structure, outcomes, and partnerships.	In Process
			Collaborate with residents and resident leaders to create 25 new resident associations and youth councils.	In Process
			Improve social services delivery to residents, 24 community centers and 17 senior centers are now managed by DYCD and DFTA.	Completed
			Draft policy on Tenant Participation Funds.	In Process
14.	Attract philanthropic dollars for resident services through the creation of a nonprofit 501(c)(3)	Create an independent, not-for-profit 501(c)(3) organization, the Fund for Public Housing, to support NYCHA's transformation from a direct service provider to a partnership-based model.	Establish the Board for the Fund for Public Housing, hold first Board meeting, and secure first financial investment.	Completed
			Secure funding for resident leadership program; Create resident leadership program; Create new design guidelines; Establish innovative workforce platform.	In Process
15.	Connect residents to quality workforce opportunities	Double the number of residents connected to quality jobs to 4,000 annually by 2025 through greater coordination with City agencies, Section 3 hiring, and REES' efforts.	Graduate 90 participants from NYCHA's Food Business Pathways Program.	Completed
			Connect residents to financial counseling partners, apprenticeships, and technology education/training programs.	In Process