

## **Executive Summary**

### **NYCHA's Final Agency Plan for FY 2022**

Federal law requires the New York City Housing Authority (NYCHA) to develop – with input from public housing residents, Section 8 participants, elected officials, and the public – a plan outlining its major initiatives for the coming year.

The Final Agency Plan for Fiscal Year 2022 is available for public review on NYCHA's website: <http://www1.nyc.gov/site/nycha/about/annual-plan-financial-information.page>. NYCHA will also provide a copy of the Final Agency Plan to each development's Resident Association President.

NYCHA held a virtual public hearing on July 27, 2021 and accepted written comments on the Draft Agency Plan through July 30, 2021. Please see the Notice on page 10. NYCHA met with the Resident Advisory Board members for their comments in six meetings between March and September 2021.

NYCHA's Final Agency Plan will be submitted to the U.S. Department of Housing and Urban Development (HUD) by October 18, 2021. Following NYCHA's submission, HUD has 75 days to review and approve the plan.

NYCHA's priorities for the coming year are outlined on pages 21 through 31. Through its *Blueprint for Change* proposals, NYCHA aims to strengthen its business model (*Blueprint's* Transformation Plan) and raise much-needed capital funding for its developments (*Blueprint's* Stabilization Plan). In January 2019, NYCHA and the City of New York signed an Agreement with the U.S. Department of Housing and Urban Development (HUD), which outlined specific deadlines and objective compliance standards for making significant improvements in several high-priority areas, including lead-based paint, mold, heat, elevators, annual inspections, pests, and waste management. NYCHA is committed to achieving these deadlines, and updates for each of these high-priority areas are highlighted below. With NYCHA's capital projects work, the Authority is investing in projects outlined in its recently approved City Capital Action Plan, initiatives that are already underway, and projects focused on environmental resiliency and sustainability. Finally, NYCHA continues to pursue NYCHA 2.0 initiatives that fund vital building and apartment upgrades while also exploring innovative strategies to build new 100% affordable housing.

#### ***A Blueprint for Change***

*A Blueprint for Change* charts how NYCHA will strengthen as an organization and improve the quality of life for its residents by comprehensively renovating their buildings and protecting their full rights and protections permanently. *Blueprint* includes a **Transformation Plan**: a top-to-bottom reorganization of NYCHA, with proposed strategies for restructuring NYCHA's business model and operations to improve the delivery of services to residents. *Blueprint* also includes a **Stabilization Plan**: ideas for raising much-needed capital funding using a Public Housing Preservation Trust that can completely rehabilitate the Authority's developments while keeping them fully and permanently public and affordable – investments that will also generate job and job training opportunities for residents.

#### ***Transformation Plan and NYCHA's Monitoring Agreement***

On January 31, 2019, NYCHA and the City of New York signed an Agreement with HUD. The Agreement's overarching goal is to remedy the deficient physical conditions in NYCHA properties

to benefit residents across the city. It establishes a foundation for NYCHA to continue strengthening the Authority and improving residents' quality of life. The Agreement sets objectives to significantly improve in seven high-priority areas: lead-based paint, mold, heat, elevators, inspections, pests, and waste management.

The work undertaken as part of the Agreement is overseen by a third-party federal Monitor. The efforts include, for instance, conducting visual assessments and completing interim controls for lead-based paint each calendar year, improving the response times for heat and elevator outages, completing capital improvements to replace aging boilers and elevators, remediating mold conditions and preventing mold recurrence, and utilizing Integrated Pest Management practices. To achieve these objectives, NYCHA is making a variety of operational improvements and capital investments, as described below.

The Transformation Plan was conceived as part of the 2019 HUD Agreement and includes a set of strategies that will improve the resident experience and set the agency on a path to a stronger future.

On March 8, 2021, NYCHA released its Transformation Plan, a vision for significant yet sustainable change to NYCHA's governance and leadership structure, property management systems, and central support functions. The release of the Transformation Plan marks the beginning of a multi-year process. In partnership with residents and stakeholders, NYCHA now will turn to the challenging task of reviewing, testing, and implementing these structural and process changes in a resource-constrained environment.

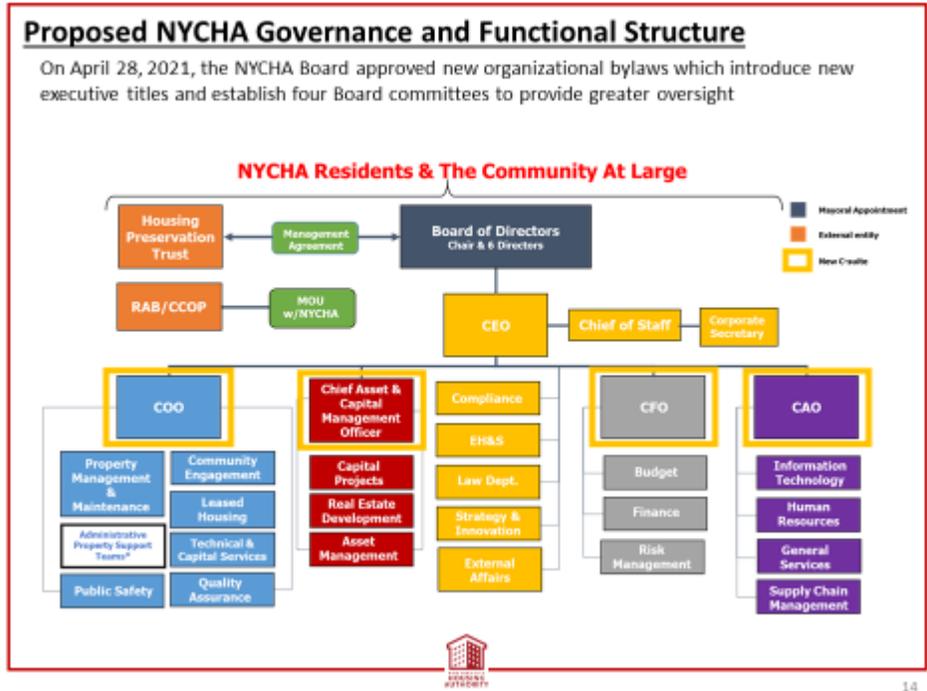
HUD and the United States Attorney's Office for the Southern District of New York (SDNY) have concurred to the Transformation Plan. NYCHA, HUD, SDNY, the federal Monitor, residents, and other stakeholders will now focus on analysis and implementation efforts. This includes evaluating the costs and benefits of each possible change and beginning to make difficult choices that are necessary to better serve residents. These results, based on modelling and analysis, will be submitted in an Implementation Plan as a supplement to the Transformation Plan. The first part of the Implementation Plan will be submitted to HUD, the federal Monitor, and SDNY for review and approval by the end of 2021. The second part is due at the end of June 2022. Together, the Transformation Plan and the Implementation Plan will result in the Organizational Plan required under the HUD Agreement.

As of spring 2021, NYCHA has begun implementing a first group of priority projects from the Transformation Plan and has started drafting the Implementation Plan. The priority projects include key changes to NYCHA's operating model, as well as numerous business process improvements that focus on service delivery pain points identified by residents and employees. The full descriptions and scope of work of all projects, including schedule and stakeholders, will be part of the September 2021 Implementation Plan.

Resident-facing business process changes include: a full revamping of our repair and work order management process, an updated more user-friendly annual recertification process, changes to our approach to janitorial work and cleanliness, and a new approach to lease enforcement issues at developments. In addition, NYCHA is also pursuing a set of back office reforms, including a comprehensive asset management strategy and a restructuring of our central office support functions.

In April, the NYCHA board approved a new organizational structure, which creates a C-suite of leadership and modifies some existing roles. This structure will enable additional accountability

across the organization and better coordinates existing functions. The approved organization chart is below:



**Stabilization Strategy**

NYCHA’s Stabilization Strategy proposes creating a new public entity – the Public Housing Preservation Trust – to improve residents’ homes while protecting their rights.

The State-created Public Housing Preservation Trust would transform residents’ homes by expediting massive, historic levels of rehabilitation and accessing new, more stable funding streams. With this Trust, repairs and improvements would be made faster, and the properties would receive more funding through switching from traditional Section 9 public housing subsidy to the more reliable and valuable Tenant Protection Vouchers (TPV), a project-based Section 8 subsidy. NYCHA would remain the permanent owner of the properties, and a long-term ground lease with the Trust would allow NYCHA to raise money for major rehabilitations. With the additional subsidy from the TPVs, NYCHA could raise funds through bonds and loans to pay for the top-to-bottom renovations. Debt obligations would be paid back using the additional TPV subsidy that NYCHA would receive each year.

The Public Housing Preservation Trust would be able to make higher quality repairs in a shorter period of time by using the more flexible procurement methods outlined in the legislation that would authorize the Trust. The Public Housing Preservation Trust would oversee the construction work and contract back to NYCHA for day-to-day management of the properties.

Through the Public Housing Preservation Trust, NYCHA would make all necessary major repairs at the properties. This means new kitchens and bathrooms (including appliances and fixtures), boilers and heating systems, elevators, building pipes, ventilation systems, facades, and high-security front doors. It also means addressing lead, mold, leaks, and pests and improving waste management – creating healthier homes for residents. State law, along with applicable federal laws and regulations, would guarantee full tenant rights and protections. No residents would be displaced.

NYCHA is in the process of engaging residents and other stakeholders around the ideas outlined in *Blueprint for Change*, including the Public Housing Preservation Trust. Since December 2020, NYCHA has held small group meetings with all active Resident Associations, hosted weekly town halls open to all residents as well as development-specific town halls, sent mailings to all residents (which are also available at management offices), and posted development flyers. This resident engagement will continue NYCHA-wide as well as on a property-by-property level over the coming year.

In June 2021, the New York State Senate and Assembly paused legislation that would have created the Public Housing Preservation Trust. Through continued engagement with residents and other stakeholders, NYCHA will further refine the *Blueprint* plan, and will continue working with its elected official partners to help pass this vital legislation in the 2022 session.

Additional information on *Blueprint* and NYCHA's resident and stakeholder engagement is available on NYCHA's website: <https://www1.nyc.gov/site/nycha/residents/blueprint-for-change.page>.

### **A Culture of Compliance**

As required under the Agreement with HUD, NYCHA established new departments and units – a Compliance Department, an Environmental Health and Safety Department, and a Quality Assurance Unit – which have established programs for monitoring NYCHA's work at its developments, making recommendations for improvements and then providing technical assistance to development staff to improve performance. In the coming year, NYCHA will continue to scale up these departments and units while using data-centered risk assessments, sampling, and field monitoring to ensure Operations complies with all local, state, and federal regulations and internal policies and procedures.

### ***Compliance Pillar Areas***

The Agreement requires NYCHA to remediate living conditions at its properties by specific deadlines and to meet strict, objective compliance standards regarding the aforementioned high-priority areas of lead-based paint, mold, heat, elevators, inspections, pests, and waste management. NYCHA is setting up systems and has established a dedicated unit, Strategy & Innovation, to track its progress on all the deadlines outlined in the Agreement. NYCHA is also building dashboards and other analytical reporting tools for each pillar area to show progress towards meeting these metrics. If any managing jurisdiction is not meeting the clearly defined data-driven benchmarks, they will need to design a plan – in partnership with their colleagues in other departments – to solve the problem.

As part of the Agreement, the City is providing \$1 billion for capital improvements over the first four years and \$200 million per year in capital funding for at least the six years following – for a total of at least \$2.2 billion in capital funding. These funds, described in detail in the City Capital Action Plan recently approved by the Federal Monitor, will be invested in lead abatement, comprehensive lead- and mold-related capital projects, elevator and heat system replacements, and improvements to NYCHA's waste management equipment across the portfolio.

These funds are in addition to Mayor de Blasio's unprecedented financial support to NYCHA, which includes approximately \$4.3 billion in capital and operating funds to replace roofs and boilers, fix facades and upgrade heating systems, and more over the next decade.

The Agreement goals, as well as other priority areas, are outlined in the Goals Section of the Final Agency Plan (pages 175 to 193). The following text includes examples of progress in Compliance Pillar Areas to date, as well as anticipated future progress.

*Lead-Based Paint:*

In April 2019, NYCHA kicked off an unprecedented effort to test approximately 135,000 apartments for the presence of lead-based paint using x-ray fluorescence (XRF) analyzers and is on track to complete testing by December 2021. NYCHA has attempted to test 113,835 units and completed tests in 101,729 units (89.3%) as of September 17, 2021. NYCHA will also continue its door-knocking campaign to identify units where a child under 6 years old either resides or regularly visits the unit for more than 10 hours a week.

In 2021, NYCHA completed its lead-based paint biennial risk assessment and is beginning re-evaluation activities. NYCHA has also been scaling up efforts to abate or rapidly remediate lead in units with a positive or presumed positive lead-based component where a child under 6 either resides or regularly visits the unit for more than 10 hours a week. Per its Lead Action Plan, NYCHA developed a Team for Enhanced Management, Planning, and Outreach (TEMPO) for apartments with a child younger than 6 years old with known or presumed lead-based paint. NYCHA commenced abatement in TEMPO apartments with fewer than two positive components and has been deploying the team to conduct repair work orders while utilizing enhanced assessment, clearance, interim controls and oversight protocols in TEMPO apartments with three or more positive components. In addition, NYCHA will be conducting two rounds of visual assessments in TEMPO units.

*Mold:*

In September 2019, NYCHA completed the roll out of the *Mold/ Mildew Control in NYCHA Residential Buildings Standard Procedure* (“Mold SP” or “Mold Busters SP”) and by the end of that year trained all the staff Authority-wide. In July 2021, NYCHA published the *Roof Fan Inspections at NYCHA Residential Buildings Standard Procedure* (Roof Fan SP). In 2022, NYCHA intends to roll out the *Leak and Moisture Control in NYCHA Residential Buildings Standard Procedure* (“Leak SP”). NYCHA is installing new roof fans to prevent mold conditions, adding staff and/or vendor capacity to address mold and leak work orders, and continuing to train existing and new staff on the Mold Busters Standard Procedure. NYCHA is on pace to complete installations of more than 8,000 roof fans and cleaning lateral ventilation systems in more than 100,000 units in 2022. NYCHA is also using new dashboards and other analytical tools to deploy staff as well as to determine which management jurisdictions are failing to respond quickly to mold complaints or have recurring mold conditions in residents’ units. However, NYCHA recognizes that fully addressing the root causes of mold will require significant, comprehensive capital investment in properties. It is important to note, though, that addressing mold and leaks in NYCHA’s developments in the long-term requires sustained investments of capital and comprehensive upgrades in addition to the more immediate operational and maintenance work currently being undertaken. Many of NYCHA’s buildings are in a general state of disrepair with years, if not decades, of deferred maintenance. Many persistent mold and moisture issues within NYCHA buildings are, at their core, capital issues that are symptomatic of buildings that have not received the regular reinvestment that all buildings require. The majority of NYCHA’s buildings are more than a half century old and have not received the needed major capital improvements vital to their infrastructure. NYCHA’s decades-old buildings are in such a deteriorated condition that they need about \$40 billion to bring them to a state of good repair – an overwhelming figure that increases by about \$1 billion a year. To address each of the factors that have led to mold growth, leaks and moisture complaints, NYCHA needs to invest in the comprehensive modernization of all the properties with chronic mold and leak problems across its entire portfolio.

In addition, over the next year, NYCHA will work on the following goals:

- Decreasing mold incidence and recurrence;
- Working towards improving the compliance metrics on inspection, mold removal, remediation, and completing repairs;
- Continuing to train staff on the Mold Buster process (including *Refresher* training);
- Rolling out the Leak Standard Procedure and begin training staff on the enhanced leak inspection process.
- Implementing a mold awareness and educational campaign; and
- Providing improvements with exhaust ventilation by replacing roof fans where needed and cleaning vents inside apartments.

*Heat:*

In the 2019-2020 heat season, heat outages were resolved in 7.7 hours. NYCHA improved its performance in the 2020-2021 heating season with an average duration of 7.33 hours. 99.8% of outages were resolved within 24 hours and no outage lasted over 48 hours. These improvements can be attributed to the continued utilization of a heating team dedicated to resolving service interruptions 24/7, the activation of a “Situation Room” during periods of extreme cold to coordinate the response to interruptions and mobilization of resources in real time, and the constant monitoring of outage data through the use of dashboards and reports to identify issues proactively.

Prior to and throughout each heating season, NYCHA’s Heating Management Services Department (HMSD) develops a list of operational improvements that consist of heat-and-hot-water-generating and ancillary equipment needing replacement or extensive repair. As part of this ongoing operational investment strategy, NYCHA has identified 177 projects totaling \$22,015,103.83. To date, NYCHA has completed \$5,150,433.71 in equipment improvements, and has active purchase orders for the remaining \$16,864,670.12 that NYCHA seeks to complete before the end of 2021.

Additionally, prior to the start of the 2020-2021 heating season, NYCHA:

- Added one trade Supervisor to focus and streamline plumbing and other trade-related repairs.
- On January 4, 2021, transferred 16 additional plumbing teams and 2 Plumbing Supervisors from the Maintenance, Repairs, and Skilled Trades Department (MRST) to HMSD. This strategy gave HMSD full control of its plumbing workforce, enabling NYCHA to add additional evening plumbing teams and overnight teams when a cold spell is expected.
- Procured two skilled labor and material contracts, which provided additional skilled labor resources during emergencies or as needed. These consisted of:
  - a \$5M Plumbing Labor and Material requirement contract, and
  - a \$5M Electrical Labor and Material requirement contract.
- Procured six new mobile boilers, receiving four of these during this most recent heating season. These include:
  - one 100 HP mobile boiler, and
  - five 600 HP mobile boilers.

NYCHA completed its installation of heat sensors at 44 developments and is now expanding its installation of Building Management Systems to other sites. NYCHA will work to make additional year-over-year improvements to its heat outage response times in the coming heat season. By 2026,

NYCHA will replace 297 boilers and address an additional 200 boilers through its Permanent Affordability Commitment Together (PACT) housing preservation initiative, making heat more reliable for hundreds of thousands of residents. Since the HUD Agreement was signed in 2019, NYCHA has turned over 60 new boilers at 21 developments. NYCHA projects 41 boiler replacements for completion in 2021 and 25 boiler replacements in 2022.

#### *Elevators:*

NYCHA continues to strive to make improvements to its elevator operations. NYCHA is continuing to hire and train additional elevator mechanic teams while also investing in air conditioners in motor rooms, door lock monitors, and other equipment that will help improve elevator service. By 2024, NYCHA will replace or address 425 elevators. There are 316 elevators in active replacement status as of 2021. One of these elevators has been replaced and put back into service, and another is scheduled for replacement later in 2021. An additional 84 elevators are scheduled to be replaced in 2022. Additional updates include:

- The increase of average service restoration time from 10.34 hours in 2020 to 11 hours in 2021.
- The implementation of NYCHA's Elevator Motor Room Air Conditioner Installation Initiative. As of September 10, 2021, 2,110 out of 2,294 air conditioning units have been installed (92% completed) with the assistance of MRST and Elevator Services and Repairs Department (ESRD) staff. The implementation of Door Lock Monitoring (DLM) Installation (NYC DOB-Mandated Code).
- As of August 16, 2021, 3,043 elevators have been installed (97% completed) with Door Lock Monitoring Units, with 93 pending installation. NYCHA's elevator in-house staff and vendors continue to perform this DLM installation work.
- ESRD has also successfully submitted and awarded a contract to install Remote Elevator Management Systems (REMS) at 200 elevators. The REMS contract was approved at the May 26, 2021 Board Meeting. The vendor is currently complying with the contract start up requirements and the work is projected to start in October 2021.

#### *Pests and Waste Management:*

In January 2021, NYCHA launched a new Integrated Pest Management (IPM) standard procedure across its portfolio that sets new standards for pest management. NYCHA will continue training its workforce on proper pest control methods for exterminators. Training will also be provided to non-pest control staff since IPM requires that grounds staff and skilled trades fix issues causing pests such as a lack of exclusion and good waste management practices.

NYCHA also established a new Waste Management and Pest Control Department to manage these workflows across the Authority. By 2022, NYCHA plans to hire 15 more exterminators; reduce rat burrows by 70%; respond to 75% of all rat complaints within 2 business days, and to all rat complaints within 5 days; respond to 75% of all other pest complaints within 7 days, and to all other pest complaints within 10 days; and implement new digital reporting methods. NYCHA is also establishing enhancements to its IT system to automate follow-ups for pest infestations that require more than one visit. NYCHA is also investing in reducing the rat population by concreting 50 dirt basements, installing 8,000 door sweeps, and installing new compactors and bulk crushers at 10 developments. To advance NYCHA's Waste Management Plan, Design Build Requests for Proposals (RFP) were released in 2021 for seven waste yard redesigns and a new pneumatic waste collection system for Polo Grounds Towers. The contracts are targeted for award in April 2022, with all to start construction in 2022. By 2028, waste yards will be completely overhauled at 194 developments.

*Public Housing Assessment System (PHAS) and Annual Inspections:*

As of August 2021, NYCHA has made progress in the following key areas:

- Completion of the first phase of PHAS/Uniform Physical Condition Standards (UPCS) standards training (three-day class) for Maintenance Workers and supervisors, and launch of a two-day version of the training for Caretakers;
- Completion of the pilot program for supervisory inspections of buildings and grounds; and
- Completion and roll-out of a new standard procedure for Annual Apartment Inspections.

In FY 2021 – FY 2022, NYCHA will focus on the following initiatives:

- Completing PHAS/UPCS standards training for Caretakers and launching a three-hour refresher course for existing staff, as well as an ongoing bi-annual course for new employees;
- Rolling out the supervisory inspection for buildings and grounds to proactively identify potential deficiencies and prevent against deceptive practices; and
- Completing PHAS dashboard and Annual Apartment Inspection dashboard to identify anomalies and track progress.

*Other Capital Projects*

In addition to the capital funding outlined in the City Capital Action Plan, NYCHA also continues to invest additional federal and City capital funds in other high-priority initiatives.

*Community Partnership: Basketball Courts:*

As part of an initiative to build trust and community relationships, the NYPD is investing in NYCHA neighborhoods by building and/or upgrading basketball courts at 14 locations. With \$4M in funding made possible through the District Attorney of New York asset forfeiture process, NYCHA has designed and will complete the courts in 2021. This placemaking approach builds on NYCHA's Connected Communities program, which uses participatory design to activate and improve open space connections at NYCHA developments.

*Recovery & Resilience:*

As of the end of Q2 2021, NYCHA had invested over \$2.2 billion in the 35 developments most severely impacted by Superstorm Sandy. Completed work includes 6 new heat and hot water systems serving almost 2,700 units, 185 roofs replaced, 61 full-power backup generators operational, and storm surge protection installed at 12 developments ahead of the 2021 hurricane season. NYCHA is releasing a Draft Climate Adaptation Plan identifying the main climate hazards threatening its portfolio and residents. During the summer of 2021, the department is engaging with a cohort of residents for input on finalizing the strategies for addressing sea level rise and coastal storms, extreme heat, and extreme rain, among other risks. This year, NYCHA will launch the development of a screening tool which ensures that climate hazards are considered in the planning of all capital projects. NYCHA is pursuing resources to invest in the health of its urban forest, starting with an inventory of trees, and pursuing funding to expand the in-house expertise on tree preservation and replacement. NYCHA is analyzing the costs and benefits of including stormwater management and heat mitigation in outdoor space renovations. NYCHA is pursuing all available funding sources for resiliency, including via the newly expanded FEMA Building Resilient Infrastructure and Communities program, by developing compelling resiliency plans that maximize co-benefits to residents.

### *Energy & Sustainability:*

NYCHA is releasing a new Sustainability Agenda to outline its commitment to healthy and comfortable homes that showcase environmental stewardship and sustainable design. A stakeholder engagement process was conducted from May until August and a final version will be released during Climate Week in September 2021. NYCHA is committing to host 30 megawatts of renewable energy on public housing by 2026 and the Authority's first two solar roof leases for 3 MW of rooftop solar are currently in the final stages of construction. In 2021, NYCHA also kicked off construction of the next batch of \$70M in green infrastructure projects totaling \$70M that are in design or under construction in partnership with the NYC Department of Environmental Protection. There are currently \$310M active Energy Performance Contracts, and \$15M in weatherization upgrades are completed or in construction. Design is 60% complete for NYCHA's RetrofitNY project, which involves panelized cladding and heat pumps at one building in Ravenswood Houses. NYCHA has also begun a demonstration project to fully electrify 1471 Watson Avenue with heat pumps, induction stoves, and point-of-use water heaters in each apartment.

### ***Comprehensive Modernization***

As highlighted in the earlier sections, NYCHA initiated significant capital repairs in many developments that will be completed over the next few years. These and previous capital projects have been predominantly component-level replacements and upgrades. Moving forward, NYCHA aims to transition to more integrated and comprehensive renovations spanning multiple building systems, interiors and exteriors, and grounds improvements, wherever feasible. This will allow developments to be comprehensively renovated more quickly, at a higher quality, and with better value for money. A comprehensive modernization approach will also holistically address the HUD Agreement pillar areas and the broader needs of residents and reduce NYCHA's comparatively high operations and maintenance costs. NYCHA intends to pursue this approach for any new influxes of funding, whether through the *Blueprint for Change*, additional federal capital funding, or sources of capital funds from other levels of government. As outlined in the Transformation Plan, all capital investment will fall under the purview of one department and position: the Chief Asset and Capital Management Officer (CACMO).

### **NYCHA 2.0**

Considering the multibillion-dollar decline in federal Section 9 funding and massive repair needs across its portfolio, NYCHA must pursue innovative ways to fund the building and apartment upgrades that residents deserve. Launched in December 2018, NYCHA 2.0 is a 10-year plan to address \$24 billion in vital repairs that NYCHA's buildings desperately need. NYCHA 2.0 includes the following programs:

#### ***PACT to Preserve***

As part of its Permanent Affordability Commitment Together (PACT) initiative, NYCHA is addressing \$12.8 billion in overdue repairs in 62,000 apartments – a third of its units and home to approximately 140,000 New Yorkers. PACT relies on partnerships with private and non-profit development partners and converts developments to a more stable, federally funded program called Project-Based Section 8.

All 62,000 apartments converted to Section 8 funding will remain permanently affordable. The Project-Based Section 8 program provides a more stable flow of federal subsidy and allows NYCHA

and its development partners to raise external financing to address a development's capital repair needs. Once developments are converted, quality private managers, including non-profit partners, will maintain and operate the buildings. The PACT program provides residents with important rights and protections. Residents will only pay 30 percent of their household income towards rent, will not have their applications re-screened, and will have the right to remain in their homes during the renovations.

Renovations will provide residents with new kitchens, bathrooms, windows, and common areas while addressing critical repairs to elevators, boilers, roofs, and facades. The PACT program also enhances on-site social services by funding valuable community programming that will be provided by a growing list of non-profit partners. PACT renovations will be completed on a rolling basis – between 7,500 and 10,000 apartments per year – by the year 2028.

Approximately \$579 million in renovations have been completed at more than 3,200 apartments in Queens and the Bronx. An additional 6,300 apartments, home to approximately 13,600 New Yorkers, are under construction in the Bronx and Brooklyn, totaling \$1.2 billion in major upgrades. An additional 20,500 units are part of active development projects in the process of resident engagement or pre-development. In sum, NYCHA has approximately 30,000 units completed, in-construction, or in a stage of resident engagement or pre-development.

### ***Build to Preserve***

With the "Build to Preserve" program, NYCHA will use a mixed-income model to build on its underused land, dedicating 100 percent of the proceeds to make repairs first at the surrounding development (any remaining funds will be invested in repairs at other NYCHA developments in the neighborhood). Build to Preserve is expected to fund approximately \$2 billion in capital repairs. New buildings will be subject to Mandatory Inclusionary Housing levels of affordability and will increase the city's permanently affordable housing supply.

NYCHA released an RFP in April 2021 to implement a community-driven preservation and investment strategy at Fulton, Chelsea, Chelsea Addition, and Elliott Houses in the Chelsea neighborhood of Manhattan. The four developments, which include 2,073 apartments across 24 buildings, have an estimated total of \$366 million in extensive capital need and repair costs ranging from heating infrastructure to building security improvements. NYCHA anticipates selecting partners by the end of 2021.

In developing the RFP, NYCHA and resident leaders worked to incorporate the recommendations of the Chelsea Working Group – a cohort of residents, elected officials, community representatives, and housing and legal organizations – which convened regularly since late 2019 to evaluate the different options available for modernizing the properties. In February 2021, the Working Group published a set of recommendations to fund comprehensive repairs, while ensuring resident rights are protected and that residents remain deeply engaged in the planning process going forward. Among other strategies to raise revenue for repairs, the Working Group recommended that the Fulton and Elliott-Chelsea developments be included in PACT and identified appropriate locations and design guidelines for mixed-use redevelopment. As part of the RFP process, resident leaders will review proposals, interview respondent teams, and work with NYCHA to ultimately select the partners who will rehabilitate and manage the properties over the long term.

### ***Transfer to Preserve***

NYCHA continues to tap into its extensive unused development rights, known as “air rights,” to raise revenue for the Authority. By transferring only a portion of the Authority’s approximately 80 million square feet of air rights, NYCHA expects to generate \$1 billion in capital repairs for adjacent apartments. In 2020, NYCHA completed two air rights transfers, one at Ingersoll Houses in Brooklyn and another at Hobbs Court in Manhattan, generating approximately \$27 million in proceeds for capital repairs.

### ***Commitments to Build New 100% Affordable Housing***

New York City is confronting an affordable housing crisis, and New Yorkers have called for more affordable housing. In support of the City’s plan to build or preserve 300,000 affordable apartments by 2026, NYCHA has pledged to provide underused land (such as parking lots and storage spaces) for the creation of 11,000 new, affordable apartments for both families and seniors – more than 3,000 of which are already in the pipeline.

Since 2015, NYCHA has closed on 15 transactions located in the Bronx, Brooklyn, Manhattan, and Queens. To date, 2,120 affordable apartments have been built or are under construction. An additional 72 co-op homeownership units began construction at the end of 2020. NYCHA also has numerous other affordable housing developments in the planning and pre-development phases.

Many of these buildings will include community facilities and neighborhood retail that will serve new and current residents. For instance, the new affordable housing at Ingersoll Houses features a new ground-floor senior center operated by Services and Advocacy for LGBT Elders (SAGE) that provides supportive services for seniors. The development at Mill Brook Houses includes a new senior center with a commercial kitchen, large dining room, community space, and activity rooms for programming for seniors. Other planned features across the 100% affordable housing portfolio include green roofs, upgraded basketball courts, and new community gardens and seating areas.