



PACT RAD

Creating a Permanent Affordability Commitment *Together*

Frequently Asked Questions (FAQs)

What is Permanent Affordability Commitment Together (PACT)?

PACT is a critical part of *NextGeneration NYCHA*, the Authority's 10-year strategic plan to repair public housing to improve residents' quality of life. Under PACT, NYCHA seeks to identify resources and opportunities to make major improvements to developments, while preserving long-term affordability and maintaining strong resident rights. PACT includes portfolios under the federal Rental Assistance Demonstration (RAD) and NYCHA's Unfunded Units (also known as LLC II and PACT City/State Developments). PACT creates public-private partnerships to repair and manage the developments.

What are the goals of PACT?

- Raise money through new financing options for critically needed repairs
- Maintain long-term affordability for residents
- Protect resident rights
- Create public-private partnerships that retain NYCHA's oversight role

What is RAD?

RAD is an innovative HUD tool to preserve public housing and address capital needs (also called deferred maintenance). 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. This conversion puts the development on a more solid financial footing since Congress typically funds Section 8 at a higher percentage of need than Section 9. Furthermore, switching to Section 8 allows NYCHA to finance major critical repairs with non-governmental funds. In New York City, RAD is a collaboration between the Authority, NYCHA residents, development partners, and community and housing advocates.

According to HUD, here are five things you should know about RAD public housing conversions (source: <https://www.hud.gov/RAD>):

1. RAD allows public housing authorities to **leverage public and private debt and equity in order to reinvest in the public housing stock.**
2. In RAD, units move to a Section 8 platform with a long-term contract that, by law, must be renewed. This ensures that the units remain **permanently affordable to low-income households.**
3. Residents continue to pay 30% of their income towards rent and they **maintain the same basic rights** as they possess in the public housing program.
4. RAD **maintains the public stewardship** of the converted property through clear rules on ongoing ownership and use.
5. The RAD program **is cost-neutral and does not increase HUD's budget.** This program simply shifts units from the Public Housing program to the Section 8 program so that providers may leverage the private capital markets to make capital improvements.



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How were developments selected for PACT-RAD?

Developments currently undergoing PACT-RAD conversions are scattered sites, which are smaller than conventional NYCHA developments and are typically located away from larger “tower-in-the-park” developments. Some of these developments are already privately managed.

Is this privatization?

No, this is a public-private partnership. NYCHA will enter into a long-term ground lease with a development partner that will repair and manage the development. NYCHA will continue to own the land, maintaining a significant stake in the ownership structure of the buildings and overseeing major decisions as the Section 8 contract administrator.

How will long-term affordability be guaranteed?

Like public housing, all residents will pay no more than 30% of their adjusted gross income towards rent. Long-term affordability will be required under HUD’s Section 8 contract and the NYCHA ground lease with the development partner.

What rights will residents have?

PACT residents have the same strong rights as residents in traditional public housing, including the right to a hearing to resolve any grievances along with succession rights.

What repairs will be made?

Repairs for each development will be based on that development’s physical needs assessment and resident input. Repairs could include roof replacements, façade upgrades, new kitchens and bathrooms, renovated common spaces, upgraded lighting, enhanced security features, and improved outdoor areas.

How does this affect property management?

Post-conversion, a third-party property manager, which will be part of the development team, will operate the property instead of NYCHA.

What if the new property manager is not doing a good job?

NYCHA will have an ownership interest in the development and can change property managers if the management company fails to uphold their commitments.

Will residents still be part of NYCHA?

Yes, residents will be participants in NYCHA’s Section 8 program.

How much rent will residents pay after the conversion?

Residents will pay no more than 30% of their adjusted gross income towards rent.

What if a resident earns too much to qualify for Section 8?

HUD allows residents in the converting developments to earn up to 80% of AMI and still qualify to live in a Section 8 project-based voucher development. Residents who earn more than 80% of AMI will be allowed to remain in their unit and pay 30% of their income as rent.



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Are the Section 8 vouchers portable?

One year after the Section 8 conversion, a family can move out of their unit with a “Choice Mobility” tenant-based voucher, subject to funding availability. The voucher program allows tenants to move anywhere in the United States where Section 8 vouchers are accepted.

How will new residents be chosen when there are vacancies?

Vacancies will be filled through a NYCHA Section 8 site-based wait list.

Will there be annual inspections?

Yes, units will be inspected according to the Section 8 Housing Quality Standards (HQS). If a unit passes inspection, it may be inspected every two years. If a unit fails inspection, it will be inspected every year. A resident can request an inspection of their unit at any time.

Will residents be forced to move under PACT-RAD?

No. Residents will not be asked to move or be displaced. No relocation is planned. Residents converting to Section 8 under RAD will not be re-screened for program eligibility. Additionally, the rehabilitation work will occur with tenants-in-place in order to minimize disruption to residents’ lives. Residents with medical conditions may be accommodated during the construction period.

Can residents opt out of PACT?

No. All residents in PACT developments, both RAD and Unfunded Units, will remain in their development and convert to Section 8. Any resident who wishes to remain in the public housing program may request a transfer, but the transfer must be for a valid reason, such as that the apartment is uninhabitable due to fire or flood, the tenant has a special need due to a disability, or the apartment is under- or over-occupied. There are currently more than 203,000 families on NYCHA’s public housing wait list and more than 8,000 families are awaiting a transfer. Vacancy within NYCHA’s public housing developments is less than 1% and transfers are extremely difficult to fulfill.

What is the timeline for the PACT-RAD conversions?

NYCHA completed its first PACT-RAD conversion at Ocean Bay (Bayside) in Queens in 2016; the development partner for that conversion of 1,395 units is RDC Development, Catholic Charities, and Ocean Bay Community Development Corporation. NYCHA has selected partners for three bundles of scattered sites in the Bronx and Brooklyn:

- **Bronx Bundle 1:** 648 units in 15 residential buildings across 6 developments will be redeveloped by Gilbane Development Company, Dantes Partners, Apex Building Group, and The Kraus Organization with social services from BronxWorks. Projected closing: 2018
- **Bronx Bundle 2:** 1,088 units in 39 residential buildings across 10 developments will be redeveloped by RDC Development and Catholic Charities with social services from Catholic Charities and BronxWorks. Projected closing: 2018
- **Brooklyn Bundle 1:** 1,315 units in 60 residential buildings across 5 developments will be redeveloped by Pennrose and Acacia Network with social services from Acacia Network and RiseBoro Community Partnership. Projected closing: 2019

NYCHA has also begun resident engagement on three additional bundles of scattered sites in Brooklyn and Manhattan, covering 2,398 units in 61 residential buildings across 21 developments. NYCHA will select partners for these sites via a competitive RFP in 2018-2019, with closings projected for late 2019 and 2020. NYCHA will continue to share information to ensure that residents remain informed of the most current timeline.



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How can I learn more about PACT?

Please attend resident meetings to engage directly with NYCHA and our development partners. For more info, please visit <http://on.nyc.gov/nycha-pact> or reach out at pact@nycha.nyc.gov or (212) 306-4036.