



PACT

Permanent Affordability Commitment Together (PACT) Frequently Asked Questions (FAQs)

What is Permanent Affordability Commitment Together (PACT)?

PACT is a critical part of *NYCHA 2.0*, the Authority's long-term 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 creates public-private partnerships to repair and manage NYCHA's developments. PACT utilizes a number of Housing and Urban Development ("HUD") approved strategies, including the Rental Assistance Demonstration Program ("RAD"), to convert public housing developments to Section 8.

What are the goals of PACT?

- Raise money for critically needed repairs
- Maintain long-term affordability for residents
- Protect resident rights
- Retain NYCHA's oversight role while creating public-private partnerships

How does PACT work?

PACT encompasses a number of federal tools but is centered around the Rental Assistance Demonstration program ("RAD"), which was launched by the Obama administration in 2012. Under RAD, public housing authorities like NYCHA convert the funding source that supports a development from the public housing subsidy (under Section 9 of the U.S. Housing Act of 1937, as amended [the "Act"]) to assistance under Section 8 of the Act. NYCHA also converts public housing developments to Section 8 using Section 18 of the Act ("Section 18") and 2 CFR Part 200 ("Part 200"). By converting a project to Section 8 funding, developments are placed on more solid financial footing since Congress typically funds Section 8 at a higher percentage of need than Section 9. Furthermore, moving to Section 8 funding allows NYCHA to finance major critical repairs with non-governmental funds. To summarize:

1. RAD allows public housing authorities to access funding to **make critical investments and repairs to your home**.
2. Under RAD, apartments remain **affordable to low-income households**. This is possible through a long-term contract that, by law, must be renewed.
3. Residents continue to pay no more than 30% of their income towards rent and they **maintain the same basic rights** as they possess in the public housing program.
4. RAD **allows NYCHA to maintain an ownership stake** in the converted property.
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 can access private funds to make capital improvements.

[Source: <https://www.hud.gov/RAD>]



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What makes PACT unique?

In New York City, PACT is a collaboration between the Authority, NYCHA residents, development partners, and community and housing advocates. NYCHA partners with a range of for-profit and non-profit development teams, which consist of developers, contractors, social service providers, and property managers, to make renovations and manage the property over the long term.

One of the primary benefits of RAD is the tenant protections that it provides. **PACT prohibits the permanent involuntary displacement of residents as a result of the conversion.** NYCHA also ensures that the development partner complies with the RAD tenant protections through its lease of the land and buildings (the “Lease Agreement”), a control agreement with the developer (the “Control Agreement”), and the organizational documents of the developer entity (of which a NYCHA entity is a part) – all of which provide NYCHA with certain approval rights over project operations and oversight rights.

Is this privatization?

No, **PACT projects are not privatization.** NYCHA will continue to own the land and buildings and will lease the building and improvements through the Lease Agreement. NYCHA will also remain actively involved in your development by administering the Section 8 program and through various contractual agreements with the developer, including the Lease Agreement, Section 8 HAP contracts, Control Agreement, regulatory agreements, and the developer’s organizational documents.

How will long-term affordability be guaranteed?

Households will not pay more than 30% of household income for rent, **ensuring long-term affordability.** This cap on the resident-paid portion of the rent is a requirement of the Section 8 program, and NYCHA will impose this requirement on the developer through the Section 8 Housing Assistance Payments (“HAP”) contracts through which the developer receives the rental subsidies from NYCHA. This cap is also a RAD tenant protection, which will be imposed on the developer through the Lease Agreement, the Control Agreement, and organizational documents.

What rights will residents have?

Your rights will not change. 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 may 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 day-to-day 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 remove the property manager if it fails to perform.



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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?

Existing residents can keep their lease and stay in their apartment after a development converts to RAD, even if their income is above the Section 8 income limit. As noted above, households will never pay more than 30% of their income for rent.

Are the Section 8 vouchers portable?

One year after converting to Section 8 through RAD, an income-qualified family can move out of their unit with a "Choice Mobility" tenant-based voucher, if funding is available. 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 authorized residents will be required to move from a development because of the conversion. Residents converting to Section 8 under RAD will not be re-screened for program eligibility. **No permanent relocation is planned.** Rehabilitation work will occur without having to relocate tenants in order to minimize disruption to residents' lives. **If the renovations require you to leave your unit temporarily, you will be provided another unit while the renovations take place.** Once the renovations are completed, you will be able to return to your renovated unit. You will not have to pay relocation expenses if you have to relocate temporarily. Residents with medical conditions will be accommodated during the construction period, on a case-by-case basis.

Can residents opt out of PACT?

No. All residents in PACT developments will convert to Section 8 through RAD, while being able to remain in their development. Any resident who wishes to transfer out of Section 8 and live in a unit within the public housing program may request a transfer, but the transfer must be for a valid reason (for example, the apartment is uninhabitable due to fire or flood, the tenant has a special need due to a disability, an emergency transfer is necessary, or the apartment is under- or over-occupied). Please note that 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.



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What PACT conversions have occurred to date?

DEVELOPMENT NAMES	BOROUGH	UNITS	DEVELOPMENT PARTNER	CLOSING
Ocean Bay (Bayside)	Queens	1,395	MDG Design & Construction; Wavecrest Management; Catholic Charities; Ocean Bay Community Development Corporation	December 2016
Twin Parks West	Bronx	312	Gilbane Development Company; Dantes Partners; Apex Building Group; Kraus Management, Inc.	October 2018
Betances I; Betances II, 9A; Betances II, 13; Betances II, 18; Betances III, 9A; Betances III, 13; Betances III, 18; Betances IV; Betances V; Betances VI	Bronx	1,088	MDG Design & Construction; Wavecrest Management; Catholic Charities	November 2018
Franklin Avenue Conventional (I-III); Highbridge Rehabs (Anderson Ave and Nelson Ave)	Bronx	336	Gilbane Development Company; Dantes Partners; Apex Building Group; Kraus Management, Inc.	November 2018
Baychester Houses; Murphy Houses	Bronx	722	Camber Property Group, LLC; L&M Development Partners Inc.; MBD Community Housing Corporation	December 2018
Hope Gardens; Palmetto Gardens; Bushwick II (Groups A&C); Bushwick II (Groups B&D); Bushwick II CDA (Group E)	Brooklyn	1,321	Pennrose; Acacia Network	July 2019
Independence Towers; Williams Plaza; Armstrong I and II; Weeksville Gardens; Berry St-South 9th St; Marcy Ave-Greene Ave Site A & B; 572 Warren St	Brooklyn	2,625	The Arker Companies; Omni New York LLC; Dabar Development Partners; Bedford Stuyvesant Restoration Corporation	February 2020
335 East 111th Street; Park Avenue-East 122nd, 123rd Streets; Manhattanville Rehab (Group 2); Public School 139 (Conversion); Samuel (MHOP) III; Fort Washington Avenue Rehab; Grampion; Manhattanville	Manhattan	1,718	Monadnock Development LLC; Lemor Development Group LLC; Kael Holdings LLC; The Community League of the Heights (CLOTH)	Q3/Q4 2020 (anticipated)



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Rehab (Group 3); Washington Heights Rehab (Groups 1&2); Washington Heights Rehab Phase III; Washington Heights Rehab Phase IV (C); Washington Heights Rehab Phase IV (D); Samuel (MHOP) I; Samuel (MHOP) II; 344 East 28th Street; Wise Towers				
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How can I learn more about PACT?

For more info, please visit <http://on.nyc.gov/nycha-pact> or reach out at pact@nycha.nyc.gov or (212) 306-4036.