

Executive Summary

NYCHA's Final Agency Plan for FY 2016

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 setting forth its major initiatives for the coming year.

The Final Agency Plan for FY 2016 is available for public review at NYCHA’s Central Office and each development’s management office as well as on NYCHA’s web page (www.nyc.gov/nycha). NYCHA will also provide a copy of the Final Agency Plan to each public housing Resident Association President.

NYCHA held five town hall meetings during July and a public hearing at Pace University in Manhattan on August 11, 2015. NYCHA accepted written comments on the Draft Agency Plan through its post office box and fax through August 30, 2015. Please see the Notice on page 6. Comments were also accepted through email at annualplancomments@nychanyc.gov. NYCHA met with the Resident Advisory Board (“RAB”) members for their comments in nine meetings between February and September 2015.

NYCHA’s Final Agency Plan to the U.S. Department of Housing and Urban Development (“HUD”) will be submitted on October 19, 2015. Following NYCHA’s submission, HUD has 75 days in which to review and approve the plan.

NYCHA’s priorities for the coming year are outlined on pages 12 through 20.

NextGeneration NYCHA

On May 19, 2015, Mayor de Blasio and NYCHA Chair and CEO Shola Olatoye announced NextGeneration NYCHA (“NextGen”), a comprehensive ten-year plan to stabilize the financial crisis facing New York City’s public housing authority and deliver long-needed improvements to residents’ quality of life by changing the way NYCHA is funded, operated and how it serves its residents. Developed with the input of hundreds of stakeholders and residents, NextGen is the most inclusive plan in City history to tackle the critical needs in public housing head on.

In its worst financial position in more than 80 years, NYCHA faces nearly \$2.5 billion in a cumulative projected operating deficit over the next ten years, and nearly \$17 billion in unmet capital needs for major infrastructure repairs. Billions in underfunding from all levels of government, outdated and inefficient management, and rapidly deteriorating buildings have jeopardized the future of the nation’s oldest and largest public housing authority.

Developed over one year from 150 collaborative meetings with NYCHA residents, stakeholders and elected officials, NextGen builds on the de Blasio administration’s commitment to stabilize, preserve and revitalize public housing. By cutting costs, instituting modern and effective management practices, and targeting new sources of revenue, over ten years the plan’s 15 strategies will both reduce NYCHA’s capital needs by \$4.6 billion and produce a cumulative operating surplus of over \$200 million. NextGen will transform NYCHA into a more effective and efficient property management that has the funding and flexibility to be more responsive to the over half-million New Yorkers it serves. Collectively, these advances will help physically and financially safeguard public housing for future generations.

The full report – including complete goals and strategies – can be viewed at on.nyc.gov/nextgeneration and social media activity can be followed at [#NextGenNYCHA](https://twitter.com/NextGenNYCHA).

Goal 1: A Secure Financial Future – *achieves short-term financial stability and diversify funding for the long term*

- ***Immediate Stabilization***: City relief of NYCHA’s Payment in Lieu of Taxes (“PILOT”), building on the already-waived \$70 million annual payment to the NYPD, to achieve an additional \$30 million in operating savings per year.
- ***Streamlining Operations***: Integration and attrition of 1,000 central office positions into other City services and agencies to achieve approximately \$90 million in operating savings per year.
- ***Modernized Rent Collection***: Improving rent and fee collection by working closely with residents and updating procedures to achieve \$30 million in revenue per year.
- ***Reducing Commercial Vacancies***: Efficiently lease more of the over two million square feet of non-residential ground floor spaces to achieve up to \$1 million in operating revenue per year.
- ***Increasing Parking Revenues***: Boost parking revenues – while capping resident parking rates at no more than \$150 a month – by increasing occupancy and rates to achieve up to \$5 million in operating revenues per year.

Goal 2: Property Management For Tomorrow – *operate efficiently and effectively*

- ***Mobile Solutions***: Launch MyNYCHA, a mobile app for residents to create, submit, track and update maintenance service requests, view alerts and outages, and schedule inspections 24/7 to achieve enhanced customer service. There will still be a call-in number for residents.
- ***Enhanced Development Operations***: Immediately begin reducing time to deliver basic maintenance to seven days at 18 developments identified for NYCHA’s new Optimal Property Management Operating Model (“OPMOM”) system. During 2016, begin to roll out best practices from this work to all NYCHA developments with the goal of achieving similar service response times portfolio wide.
- ***Improved Sustainability***: Join citywide efforts to reduce waste and implement recycling across NYCHA developments by the end of 2016 to achieve greater sustainability.
- ***Increased Energy Efficiency***: Execute a series of competitive Energy Performance Contracts (“EPCs”) to upgrade and retrofit thousands of buildings to achieve lower energy costs and energy consumption.
- ***Resiliency***: Deploy \$3 billion of funding from FEMA to repair and protect over 200 buildings that sustained significant damage from Super storm Sandy to achieve more resilient developments.
- ***Safety & Security***: Building on capital from the Mayor and City Council, NYCHA will invest an additional \$100 million to install enhanced security measures, including exterior lighting, cameras, news doors and layered access, which have already led to a 10% reduction in violent crime at 15 high-crime developments.

Goal 3: (Re)build & Reinvest – *rebuild, expand, and preserve the City’s public and affordable housing stock*

- ***Roof Replacements***: Allocate \$100 million per year for the next three years and call on the State to match the funds for a comprehensive roof replacement program to reduce mold, repair leaks, and restore paint to reduce capital needs by \$600 million.
- ***Expand Affordable Housing***: Transform underutilized NYCHA-owned property to create 10,000 affordable housing units – 5% of the new construction called for in Housing New York. NYCHA will also explore a limited number of mixed-income developments on underutilized land over the next ten years, with 50% of new housing dedicated to low-income families making no more than 60% AMI, or approximately \$46,600 for a family of three (the average NYCHA household size is 2.3). These efforts will bring at least \$500 million in revenue over ten years for building improvements and better community amenities at adjacent developments, and to support NYCHA's broader financial needs.

- **Leveraging HUD preservation programs:** NYCHA will renovate and upgrade thousands of units by maximizing the more prevalent and flexible federal subsidy available through Section 8. In all circumstances, NYCHA retains decision-making control, ensuring that affordability and tenant rights are maintained and protection is in place from future conversion to market-rate units.
- **Rental Assistance Demonstration (“RAD”) Program:** NYCHA will shift approximately 1,400 units at Ocean Bay Apartments – Bayside in Far Rockaway to project-based Section 8 through HUD’s Rental Assistance Demonstration (“RAD”) program, financing critical building repairs and achieving ten-year operating revenue of \$66 million and reducing capital needs by \$87 million.
- **Increase Operating Subsidy:** Subject to HUD approval, over the next ten years NYCHA will more aggressively pursue federal subsidy, including Section 8, for its 5,000 currently unsubsidized units, achieving new operating revenue of \$60 million per year.
- **Convert Scattered-Site Portfolio to Section 8:** Over ten years, subject to HUD approval, NYCHA could convert 6,380 public housing units in scattered site developments – which are more difficult and costly to manage – to project-based Section 8 to achieve ten-year operating revenue of \$18 million and reduce capital needs by \$1.35 billion.
- **Rehabilitate “Obsolete” Units:** Over ten years, subject to HUD approval, NYCHA could convert 8,313 public housing units in properties where the cost of rehabilitation exceeds the cost of new construction to project-based Section 8 to achieve ten-year operating revenue of \$26 million and reduce capital needs by \$1.6 billion.
- **Strategic Planning for Capital Repairs:** For the first time, NYCHA will institute a capital planning process by analyzing the needs of the entire portfolio, rather than the current case-by-case basis, and prioritizing repairs and upgrades that make the most effective use of limited funds and deliver capital projects more efficiently.
- **Modern Design:** Update its decades-old design guidelines for renovations and new construction, focusing on modern and efficient design, accessibility, appeal, and safety to improve the quality of life for residents.

Goal 4: Forward, Together – connect residents to best-in-class social services

- **Better Social Services for Residents:** NYCHA will move away from directly providing social services to connecting residents to best-in-class services from expert providers. As part of this partnership coordination effort, beginning July 1, the Department of Youth and Community Development (“DYCD”) began to operate 24 community centers and the Department for the Aging (“DFTA”) began to operate 17 senior centers, providing residents best-in-class services from specialized providers, saving NYCHA an average of \$16 million per year.
- **Leverage Philanthropic Funding:** Launch the Fund for Public Housing, a nonprofit 501(c)(3) with the goal of raising \$200 million over three years in philanthropic dollars to support linking NYCHA residents to third-party service providers to improve social service delivery and access to economic opportunity for residents.
- **Economic Empowerment:** Double the number of residents connected to jobs in next ten years to 4,000 annually through NYCHA’s Office of Resident Economic Empowerment and Sustainability (“REES”) and community partners.
- **Pathway to Trade Jobs:** Provide over 500 residents with apprenticeships and a pathway to union membership over the next five years through a Project Labor Agreement with the Building and Construction Trades Council of Greater New York to help residents achieve skills and access to better paying jobs.

We have already begun to transform our operations through a *NextGeneration NYCHA* lens. Below are the major achievements from the first 100 days of *NextGen NYCHA*.

TRANSPARENCY & ACCOUNTABILITY

NYCHA TRANSPARENCY	<i>Webpage intended to improve NYCHA communications, transparency and accountability with residents and the public.</i>
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Key components of NYCHA Transparency page, include:

- **NYCHA Metrics**—NYCHA’s metric s system, which tracks repairs and program data by development.
- **Physical Needs Assessment** – A summary of the existing building conditions at each development. The Physical Needs Assessment is conducted every 5 years and an updated assessment is currently underway. (<http://www1.nyc.gov/assets/nycha/downloads/pdf/transparency-pna-2011.pdf>)
- **Contract Disclosure**– Details on all open capital construction contracts from the past 5 years. (<http://www1.nyc.gov/assets/nycha/downloads/pdf/transparency-awards-2015-09.pdf>).

SUPPLY CHAIN & INVENTORY OVERHAUL	<i>Initiative to reform NYCHA’s inventory management and procurement systems to improve efficiencies, eliminate waste and make smarter decisions on supplies based on use and demand.</i>
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- In June2015, an internal review identified about \$114,000 worth of window guards and window balances collected from NYCHA’s six warehouses; more than 65% or \$75,000 worth of the stock was sent back to developments for use.
- An external working group, which includes participation from NYCHA, HUD, the NYC Comptroller, and independent supply chain experts formed in July to improve NYCHA’s inventory control system.

PRESERVATION & STABILITY

NEXTGEN NEIGHBORHOODS	<i>Initiative to generate revenue to reinvest into NextGen Neighborhood development sites and across NYCHA by leveraging a 50-50 split of market-rate and affordable housing units built on underutilized NYCHA land.</i>
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- In September 2015, resident and stakeholder engagement started at NextGen Neighborhood sites—Holmes Towers (Manhattan) and Wyckoff Gardens (Brooklyn.) Stakeholder input will inform the size, scope and potential revenues generated by the construction of new housing units.

MORE AFFORDABLE HOUSING OPTIONS

AFFORDABLE HOUSING	<i>Plans to create affordable senior and family housing on underused NYCHA property following an extensive planning process with residents and community advocates at Ingersoll (Fort Greene, Brooklyn), Van Dyke (Brownsville, Brooklyn) and Mill Brook (Mott Haven, Bronx.)</i>
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- In July2015, NYCHA and the New York City Department of Housing Preservation and Development (“HPD”) released a request for a Request for Proposal (“RFP”) for potential developers to expand 100% affordable housing opportunities in Brooklyn and the Bronx. NYCHA will retain rights to the land developed through a long-term ground lease, provide critical oversight to the project, require developers to train and hire NYCHA residents, and proactively engage residents on a regular basis as the project moves forward. NYCHA and the City will require developers to provide stabilized rents and NYCHA residents will have a preference for 25% of the units. NYCHA and HPD will begin to review proposals in October.

REPAIR & REBUILD

FIX-IT-FORWARD

A major initiative to overhaul maintenance and repair operations with common-sense fixes to key parts of NYCHA’s repair process to decrease response times and increase customer satisfaction.

- **Optimal Property Management Operating Model (OPMOM)** – in the past four months, local property managers at 18 OPMOM test developments have been empowered to build their own budgets and determine staffing needs, which intends to reduce time to deliver basic maintenance to seven days. Repair times are trending downward, with an average service level time of 5.5 days.
- **Real-time repairs** – Since launching in June 2015, NYCHA has inspected more than 2,400 apartments across 41 developments and performed over 4,000 simple repairs, such as minor plumbing issues, smoke detectors, and window guards at the time of inspection.
- **Real-Time Dispatching** –In its first three months in deployment at Woodside, communication with residents on project repairs from start to finish have significantly improved. Work orders closed because scheduled appointments were missed, have been cut in half since the start of the year—down to 8% in September.
- **One-Call initiative** – rolled out to 5 pilot sites in August 2015, this initiative enables residents and property managers to schedule all necessary components of a repair project with ‘one call,’ instead of requiring multiple calls to schedule subsequent work every time a part of the repair project is complete. To date, 350 units have had an average of 70 multi-skilled trade jobs scheduled, reflecting over 700 skilled trades work orders. This pilot intends to improve customer service and shorten the time to complete repairs by avoiding unnecessary delays between open and closed work tickets related to a project.

ROOF REPLACEMENT PROGRAM

\$300 million City investment over the next 3 years to replace some of the worst roofs in NYCHA’s portfolio in order to reduce mold, repair leaks, and restore apartments impacted by aging roof infrastructure.

- Queensbridge Houses (North & South) construction to replace 26 roofs began in August 2015.
- Parkside Houses construction to replace 14 roofs began in September 2015.

SANDY RECOVERY

Nearly \$3 billion in FEMA funding to repair and protect over 275 buildings that sustained significant damage from Superstorm Sandy to achieve more resilient developments.

- In June 2015, NYCHA signed an agreement (Memorandum of Understanding) with the City of New York's Department of Investigations for independent auditors to monitor contracts for Sandy-related repairs and restoration.
- In July 2015, FEMA, New York State, and NYCHA reached final agreements for 33 Letters of Undertaking (“LOU’s”) for nearly \$3 billion of repair and restoration work at more than 275 buildings.

RAD (RENTAL ASSISTANCE DEMONSTRATION PROGRAM)

A federally-supported program to transition Ocean Bay Apartments – Bayside in the Far Rockaway, to from traditional public housing funds to a special project-based Section 8 in order to finance critical building repairs and achieve operating revenue.

- NYCHA has held monthly meetings with residents and community groups over the past four months to provide additional information on the RAD program, answer questions and collect feedback.
- In August 2015, NYCHA released a Request For Proposal” (“RFP”) for a physical building needs assessment, energy audit and utility consumption analysis of Ocean Bay Apartments-Bayside and

Oceanside in order to estimate the total capital needs of the development for participating in the RAD program.

SAFETY & SECURITY

MAP (Mayor's Action Plan for Neighborhood Safety)

A comprehensive initiative to reduce crime and strengthen neighborhoods in the 15 NYCHA developments that accounted for 20% of all violent crime in public housing.

- As of September 2015, overall crime is down 12% and shootings are down 18% across MAP sites since last year.
- Construction to install exterior lighting has started:
 - Polo Grounds broke ground on 357 new light fixtures in August.
 - Boulevard Houses broke ground on 498 new light fixtures in September.
 - Bushwick Houses broke ground on 297 new light fixtures in September.
 - Castle Hill Houses broke ground on 703 new light fixtures in September.

MODERNIZATION

myNYCHA

A mobile app for residents to create, submit, track and update maintenance service requests, view alerts and outages, and schedule inspections 24/7 to achieve enhanced customer service.

- Since being launched in September 2015, the myNYCHA app has been downloaded more than 4,500 times; residents have created nearly 3,150 work orders; and more than 3,350 have subscribed for NYCHA alerts.

RENT MADE EASY IN 8 WAYS

Pilot to test the effectiveness of new tools and approaches to improve the collection of rent and fees to help stabilize NYCHA's finances.

- In August 2015, NYCHA launched new efforts design to improve rent collection with a test of robocalls to residents with rent and other charges in arrears.
- In addition to new tools, a second pilot will launch in the fall to test the benefits of supportive services and early intervention.

RECYCLING

Initiative to join citywide efforts to reduce waste and implement recycling across NYCHA developments by the end of 2016.

- In August 2015, more than 460 recycling bins have been placed in designated recycling areas at 34 developments. NYCHA, DSNY, and GrowNYC have hosted nearly 60 educational activities, workshops and other events to promote recycling since launching this spring.

NextGeneration NYCHA – Community Visioning

In the summer of 2014, 3 NYCHA developments were selected to participate in the NextGeneration NYCHA pilot, an initiative to convene residents to create long-term visions for their communities. The pilot developments have a combined total of 4,917 apartments with almost 11,000 residents:

- Mill Brook Houses, Mott Haven, South Bronx

- Ingersoll Houses, Fort Greene/Downtown Brooklyn
- Van Dyke Houses, Brownsville, Brooklyn

Residents led the creation of community vision plans to guide each community into the next generation. The common and clear themes of the residents' visions informed the *NextGeneration NYCHA* vision of “safe, clean, and connected communities.” The community vision plans were published in November 2014, and NYCHA has been working directly with residents since then to facilitate implementation of the vision plans. The residents meet monthly to tackle the priorities they identified: topics like affordable housing, safety and security, maintenance and repairs, jobs, neighborhood services, issues concerning children and older adults, and needs of the physical environment.

NextGeneration NYCHA reflects the hard work and input of NYCHA's residents and staff to realize the vision of safe, clean, and connected NYCHA communities.

NextGeneration NYCHA – NextGeneration Neighborhoods

Centered on resident and community stakeholder engagement, the *NextGen Neighborhoods* program enables NYCHA to generate revenue to reinvest back into our development sites and across NYCHA by leveraging a 50-50 split of market-rate and affordable housing units. Stakeholder input will inform the size, scope and potential revenues generated by the construction of new housing units. Residents will have a voice in setting the priorities for capital repairs at the buildings participating in the NextGen Neighborhoods program.

NYCHA will be implementing a comprehensive stakeholder engagement campaign through the beginning of 2016 to inform and answer questions raised by residents and the community on the *NextGen Neighborhoods* program. The Authority will facilitate an ongoing dialogue and regularly seek resident feedback about the program's overall goals. As a community-driven process, resident ideas, priorities and expectations will be at the forefront as NYCHA shares information, listens and addresses resident concerns as engagement moves forward.

Primary communication goals of this process:

- *Transparency*: clearly identify specific outcomes proposed for each development site from the onset.
- *Priority Setting*: collect resident input on their vision and goals for their community.
- *Trade-offs*: outline direct and indirect benefits and constraints of the program in relation to priorities set by residents.

Stakeholder engagement is underway at two NYCHA sites: Holmes Towers located on the Upper East Side in Manhattan and Wyckoff Gardens in Boerum Hill, Brooklyn. There will be a series of ongoing stakeholder discussions at Holmes and Wyckoff on resident priorities for better connecting these developments with their neighborhoods, reinvesting in their top capital repair needs, new affordability housing opportunities, job creation, and other resident identified issues.

NextGeneration NYCHA – Rental Assistance Demonstration (“RAD”)

RAD is a U.S. Department of Housing and Urban Development (“HUD”) program that enables NYCHA to generate revenue to reinvest back into our developments by leveraging the Section 8 program. Starting in 2013, NYCHA started the process of meeting with residents and community members at Ocean Bay (Bayside) in the Far Rockaway, Queens to discuss ways the Authority could renovate, repair, and improve the quality of life at the development through the RAD program. Through its participation in RAD, NYCHA will be able to safeguard long-term housing affordability at this property, improve and modernize apartments, and stabilize the development by placing it on solid financial footing.

With program approval from HUD, NYCHA can begin to address the significant capital repair needs at Ocean Bay (Bayside) Apartments by converting the development's funding source from public housing funds to a special Project-Based Section 8 program. As a special voucher program under HUD, residents can remain in their apartments with tenancy protections in line with those provided to public housing residents, while NYCHA raises new sources of funding to repair the buildings and modernize apartments. HUD requires NYCHA to maintain the same number of affordable apartments prior to conversion, assure long-term affordability, guarantee the property is owned by a non-profit or public entity, and ensure information is shared with residents throughout the process.

NYCHA will continue to convene resident meetings and sessions to address questions and share information about the RAD conversion process. NYCHA will also ensure updates are shared in a regular newsletter to the residents at Ocean Bay (Bayside).

NYCHA will be submitting a Significant Amendment to the FY 2015 Annual PHA Plan and the Five Year Annual PHA Plan for FY 2015-2019 for the RAD program in October 2015.

Housing New York, One City: Built to Last, and OneNYC

In May 2014, Mayor de Blasio unveiled **Housing New York: A Five-Borough, Ten-Year Plan**, a comprehensive plan to build or preserve 200,000 affordable units over the coming decade to support New Yorkers with a range of incomes, from the very lowest to those in the middle class.

NYCHA has already played a key role in advancing **Housing New York's** goals. In 2014, NYCHA contributed land for the creation of 499 units of affordable housing. To combat homelessness, NYCHA has provided homes to more than 1,000 homeless families over the last year (1,443 in public housing and more than 470 through Section 8). **NextGeneration NYCHA** lays out how the Authority will contribute further to the affordable housing goals of **Housing New York**.

NextGeneration NYCHA is also informed by the Mayor's sweeping energy efficiency and reduction emission plan for City buildings, **One City: Built to Last**. This plan, released in September 2014, commits to an 80% reduction in the City's greenhouse gas emissions by 2050. **NextGeneration NYCHA** provides strategies for NYCHA to become more sustainable and resilient, to prepare for a changing climate, and to mitigate greenhouse gas emissions.

Lastly, **NextGeneration NYCHA** is a part of **OneNYC**, the Mayor's plan for growth, sustainability, resiliency, and equity released in April 2015. As NYC heads into its fifth century and tackles the challenges of a growing population, an evolving economy, and growing inequality, **NextGeneration NYCHA** plays an important role in ensuring the vision of a thriving, just, equitable, sustainable and resilient city.