



HOME

New York City Housing Authority | 2012 Annual Report



NYCHA 2012 ANNUAL REPORT

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Mojica family, Baruch Houses

On the cover: Daiyan family, Queensbridge North Houses (top) and Washington Houses (bottom)

HOME

More than 625,000 people rely on the New York City Housing Authority for the place they call *home*. That, by itself, defines our mission. Most of them are low- and moderate-income people, with kids and often extended family in the home – a grandparent on Social Security or an uncle who served in uniform. Our job is to provide them safe and affordable homes, and connect them to the educational and economic opportunities that will help them prosper.

Officially, we are the landlord for 178,000 rental homes and the provider of Section 8 rent subsidies for another 93,000 apartments – but in practice we are a great deal more. NYCHA communities are anchors. Not just for our residents, but for the neighborhoods they define: Each one is a locus for stores, schools, job training centers, senior and veterans services, clinics, businesses, and all the services that support them. And jobs. More than half of NYCHA's own new hires are NYCHA residents.

The promise. NYCHA communities are among the most diverse on earth. They are the story of New York: No matter where you started, this is home and anything is possible here. There are some residents in our buildings who have never been over a bridge to another borough, and many who have soared to the highest levels of public life, enterprise, and the arts.

The reality. We are the story of New York City in another way. New Yorkers are resilient. More than a decade of successive funding losses totaling more than \$2.3 billion – and \$6 billion in unmet capital needs – have hurt, but not stopped us in forging innovative ways to meet increasing demand for homes despite rapidly aging physical structures. A new strategic plan, Plan NYCHA – the most comprehensive in our history – maps the steps to radical advances in systems, business processes, and operational tempo, and a cutting-edge matrix of public/private partnerships to generate sustainable funding for NYCHA and create new possibilities for our residents and their communities.

What can we accomplish together? More New Yorkers live in NYCHA homes than all of the citizens of Boston or Denver. And while individual household incomes are modest, the income *density* in NYCHA communities is a multiple of that in any surrounding suburb, making our communities high-value locations for the right partners: investors and developers looking for opportunities, nonprofit organizations ready to expand their missions, and marketers eager to connect with urban audiences.

NYCHA works with a wide range of public and private partners in our efforts to preserve the legacy of public housing in our City – and change what's possible for today's residents, and all who follow. Our scale, ubiquitous physical presence, and deep community connections provide an unmatched platform for partners with the creativity and desire to engage with a 21st-century public housing agency in the world's capital city.

Serves

625,000+

public housing residents and Section 8 participants

Operates

2,596

residential buildings

Invests

88%

of funding to directly benefit residents

NYCHA's Mission:

The New York City Housing Authority provides decent and affordable housing in a safe and secure living environment for low- and moderate-income residents throughout the five boroughs.

NYCHA: A ONE-OF-A-KIND ECONOMIC ENGINE

Every dollar that NYCHA spends
creates **\$1.80** of total economic output

Generating **\$6 billion+** annually in
New York City and State

Sustaining **30,000** full-time jobs

WE ARE WORKFORCE HOUSING

88,000+ residents are major contributors to New York City's
workforce in a variety of industries

WE ARE AN EMPLOYER

12,063 employees; 31% of them NYCHA residents
\$539 million+ gross salary of employees living in New York City

WE ARE A TAX BASE

Generates an average of **\$138 million** in direct and **\$173 million** in
indirect/induced tax revenue annually

Source of data: *Economic Impact of the New York City Housing Authority in New York City and New York State*



A MESSAGE FROM MAYOR MICHAEL R. BLOOMBERG

Dear Friends:

Public housing is tremendously important to New York City. Even after decades of federal disinvestment, the New York City Housing Authority continues to provide affordable housing and access to community services to more than 625,000 New Yorkers – and our Administration is committed to keeping NYCHA's neighborhoods strong.

Last year, we faced a number of challenges following Hurricane Sandy. The worst storm in our City's history hit NYCHA developments especially hard. As we always do during tough times, though, New Yorkers pulled together. NYCHA restored power, heat, and hot water as fast as possible – faster than many private landlords could. Residents and volunteers from across the five boroughs went to work as well, helping distribute food, clothing, and medicine to people in need.

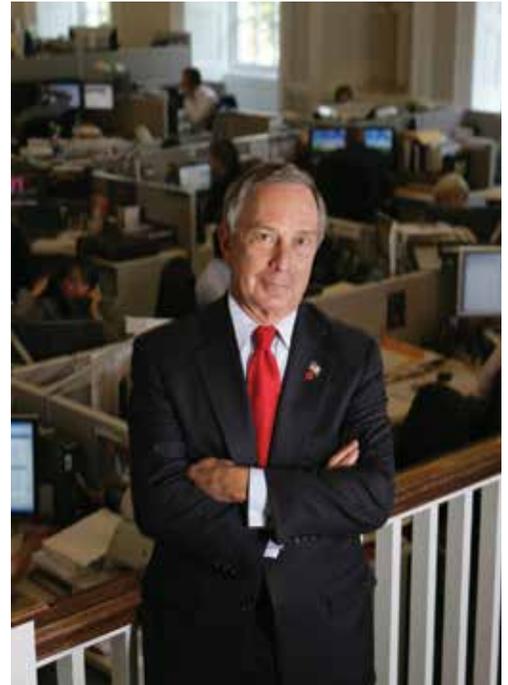
Our investments in public housing serve the same purpose that they have since NYCHA's founding in 1934. Whether we are expanding board leadership and management opportunities for residents, or exploring ways to generate revenue for building improvements, we do so confident that public housing can make a lasting positive difference in New Yorkers' lives.

As Chairman John Rhea and NYCHA continue to set the standard for public housing systems in America, I invite you to learn more about the scope and impact of our work in this annual report.

Sincerely,



Michael R. Bloomberg
Mayor



A MESSAGE FROM NYCHA CHAIRMAN JOHN B. RHEA



NYCHA Board: Emily Youssouf, Vice Chair; John B. Rhea, Chairman; Margarita López, Board Member; Victor Gonzalez, Board Member

The New York City Housing Authority spent 2012 busy with the work of implementing Plan NYCHA, our five-year roadmap to preserve the precious resource of public housing in New York City. Recognizing the need to completely transform the way we do business, NYCHA's 12,000 employees used every ounce of their passion and creativity to identify new savings in administrative costs, use our limited funds more effectively, and improve customer service across the Authority.

This work delivered concrete results for NYCHA residents and communities, and set a strong foundation for the future. We employed new strategies to expedite maintenance and repair work; invested in addressing our capital needs; added to the City's affordable housing stock; and re-envisioned our work to connect residents to much-needed community services and jobs.

Each of these actions and, indeed, everything we do, stems from our understanding that public housing is not simply a collection of buildings or a set of abstract ideas – it is an indispensable lifeline for many of New York City's most vulnerable citizens. That is why we made sure to engage residents to an unparalleled degree at every turn. We held meetings, roundtables, and public hearings on a wide range of important issues, helping us to refine our proposals and ensure that our work corresponds with the most important needs of our customers.

That spirit of collaboration carried over into our work to build and strengthen new partnerships with organizations in the private and nonprofit sectors who share our commitment to public housing. Those efforts connected residents to employment opportunities with world-class organizations and resulted in millions of dollars in contributions to our work. They also sustained us throughout the unprecedented impact of Hurricane Sandy – NYCHA staff worked side-by-side with concerned volunteers to restore services and deliver resources to people in need.

In order to build on the successes of 2012, we will need to expand this growing coalition of New Yorkers dedicated to the preservation of public housing. Please join us as we continue NYCHA's enduring contribution to our City's vitality and strength.

Sincerely,

John B. Rhea
Chairman

A MESSAGE FROM NYCHA GENERAL MANAGER CECIL R. HOUSE

The New York City Housing Authority had many accomplishments in 2012 – from enhanced customer service to investments in critical building improvements. A big factor in those achievements is our dynamic staff. As General Manager, I am continually impressed with the talent, resourcefulness, skills, and passion of our more than 12,000 employees. In visiting the Authority's 334 developments throughout the five boroughs, or talking with employees one-on-one, my appreciation for their dedication and service to residents only grows.

More than 3,700 of our employees live in public housing. This is significant because these residents have a vested interest to ensure the quality of housing not only for themselves, but for their families and neighbors as well. And those employees who do not live in NYCHA developments share our mission and commitment to public housing as a vital resource. I saw that commitment come to life following Hurricane Sandy when staff from all departments reached out directly to residents, including the mobility impaired and those depending on life-sustaining equipment; distributed non-perishable goods and blankets; conducted follow-up visits to residents; and helped relocate families whose apartments were severely impacted. If our staff can perform this kind of assistance following a crisis, imagine the work they do each and every day to address basic services and needs for our residents.

Our employees – whether new hires or those who have climbed the ranks at the Authority – bring a diversity of experience that I am proud to represent. At the end of the day, we are all one NYCHA – caretakers, maintenance workers, secretaries, painters, plasterers, analysts, etc. – strong, resilient, and dedicated to providing quality affordable housing to New Yorkers. As we work to fulfill our mission, I will continue to invest time and resources to make our staff the best in the business: prepared, trusted, and capable.

Sincerely,



Cecil R. House
General Manager



THE PATH OF TRANSFORMATION

Will there be homes that all New Yorkers can afford? This has become a real question. For policy makers and economists, it is a question about what kind of city we want to be. For our residents, and the people on our waitlist, it is a more urgent question. Plan NYCHA is our answer.

Plan NYCHA spells out how we will accomplish three big things: address our pressing challenges, build a more effective organization, and deliver better service to all those who call our communities home, and the many more who rely on us as the nation's largest administrator of Section 8 housing assistance. This is an initiative of massive scope. By themselves, NYCHA's residents would be America's 21st-largest city. We are, in a very tangible way, shaping the future of a city.

Change on this scale doesn't spring from PowerPoint presentations. Plan NYCHA is the work of deep engagement with more than 1,300 experts with direct experience – and a direct stake – in what we do: residents (including leaders such as the Citywide Council of Presidents), first and foremost, and the NYCHA employees who work for them; community leaders in all our geographies; every government agency we touch at every level; and the capital, commercial, and nonprofit partners who are part of the solution going forward.



The Citywide Council of Presidents Board includes Loretta Masterson, Lillie Marshall, John Johnson, Reginald Bowman, Ann Cotton Morris, and Geraldine Parker

When there are fewer dollars, every dollar has more work to do. Plan NYCHA focuses on what matters most and streamlines the mechanisms of service delivery. It identifies new revenue sources to address chronic funding shortages and balance budgets, and guided the formation of a capital plan that provides for vital infrastructure improvements. The Plan also calls for much-needed modernization of NYCHA's own processes and systems. The Boston Consulting Group helped us spotlight more than 100 specific internal efficiencies to save \$35 million a year, \$27 million of which is now flowing to front-line needs.

Unleashing the potential of our properties. Land at many of NYCHA's properties can generate community-changing development where it's needed most, producing construction and long-term jobs for our residents and predictable cash flow for NYCHA that can be reinvested in vital improvements to our own properties.

Identified

\$35 million

in annual savings over 4 years

Invested

\$27 million

in front-line resources serving residents



HOMES IN THE BALANCE

New Yorkers' needs don't get smaller when funding gets cut. Aging buildings don't get younger. Repairs only get more expensive when they are delayed. Losing more than a third of its federal capital funding since 2001 challenged NYCHA to be more efficient, more inventive, and quicker in everything we do.

When peoples' homes are in the balance, saying "We're sorry" is not an option. Twelve thousand of us have to look our residents in the eye every day.

Here is what we are doing.

We're putting the capital we have to work for New Yorkers. NYCHA consistently meets – or beats – every U.S. Department of Housing and Urban Development (HUD) deadline for obligation and expenditure of federal funds. In 2012, obligations through contract awards and commitments were more than \$330 million, including investments of \$145 million in elevator, heating, and roof repairs, which will improve the quality of life for more than 128,000 families.

NYCHA is not only the City's biggest residential landlord; we are the nation's largest administrator of Section 8 rental subsidies: \$952 million in 2012. This enabled us to help 225,000 low-income New Yorkers afford apartments and more than 30,000 private-sector landlords to keep up

their properties and pay building staff. And we enhanced customer service and communication with these landlords so that they can best serve their tenants.

Accelerated schedules serve residents better – and save money. NYCHA put the last of its \$423 million in American Recovery and Reinvestment Act funds to work in record time, completing more than \$13.7 million in capital projects on or ahead of schedule in 2012. In one example, we were able to award contracts for elevator rehabilitation at Sumner Houses in Bedford-Stuyvesant nearly a year ahead of HUD's deadline – and complete the project 136 days sooner than planned.

Faster action helps NYCHA's capital go further. How long should a capital project take? In the current economic climate, uncertainty about the size and timing of capital allocations makes project planning difficult. At the same time, every NYCHA project is a collaborative effort among residents and our stakeholders; it can take months to make sure everyone's needs are addressed. Designers and engineers need time to plan, and contractors need time to refine their bids as well as do the work itself. This is why HUD allows two years to obligate 90 percent of capital funding and four years to complete construction and pay out the full amount. NYCHA unfailingly meets these deadlines, but is changing our processes to serve residents even faster.

By committing all funds within 18 months and completing projects within three years, we can make the same money go further because costs only go up with time.

4.9%
of New York City's population lives in NYCHA public housing

70%+
of buildings are more than 40 years old

Invested
\$330 million
in capital improvements for elevators, heating systems, and roofs



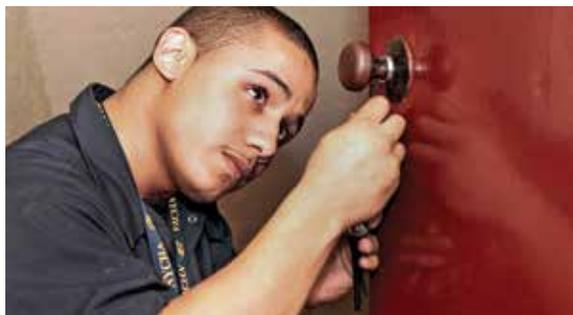
“The biggest improvement was the roof, which was a major concern for residents. My apartment was painted, and I’m happy with the work that was done.”

— Maurice Edwards, Marble Hill Houses, Manhattan

Effective Capital Management

NYCHA consistently meets or beats every HUD deadline

Invested more than
\$1.5 billion
in capital work from 2009-2012



Maintenance and repairs, Smith Houses

Innovative approaches are accelerating maintenance and repairs.

The pilot repair project that began in 2011, known as the Work Order Task Force, further reduced NYCHA's to-do list by 67,675 work orders in 2012, bringing together teams of seasoned plasterers, painters, electricians, plumbers, and carpenters who worked tirelessly to make crucial repairs. The Task Force served as an important learning tool for a holistic, system-wide repair effort launched at the end of 2012 to reduce a backlog of outstanding work orders.

Off-the-shelf technology helps turn "later" into "right now." NYCHA equipped its emergency services staff with GPS technology, which helps our elevator repair teams, heating crews, and after-hours maintenance teams go right where they're needed, when they're needed most.

Exterior repairs, Queensbridge North Houses



Resident Watch mobilization drill, Bushwick Houses

Secure at home, safer outside, and safe at work.

Security is a fundamental obligation to our residents and staff. We are outfitting our buildings with layers of security: electronic access controls, vandal-resistant doors, intercoms, and state-of-the-art security cameras. NYCHA residents were included in the decision making, along with the New York City Police Department (NYPD). Our own City and State elected officials found the money to fund the upgrades: New Yorkers helping New Yorkers.

More than 12,000 employees work in and around NYCHA properties, nearly a third of whom are residents as well. They are benefiting from new security upgrades and an interdepartmental task force, called SafeNYCHA, that is addressing potential hazards and taking proactive steps to reduce workplace injuries.

NYCHA's leadership team blends veteran insight with 21st-century management techniques and technological savvy.

They are among the industry's most respected talents. Cecil House joined the Authority in 2012 as General Manager, bringing unique expertise in making large, complex organizations work for their constituents. He and his team's focus on service, safety, and emergency preparedness is already making a difference in NYCHA operations at every level.

To ratchet up effectiveness, our top 500 managers got 360-degree feedback – not only from their supervisors, but also from their peers and the people they manage.

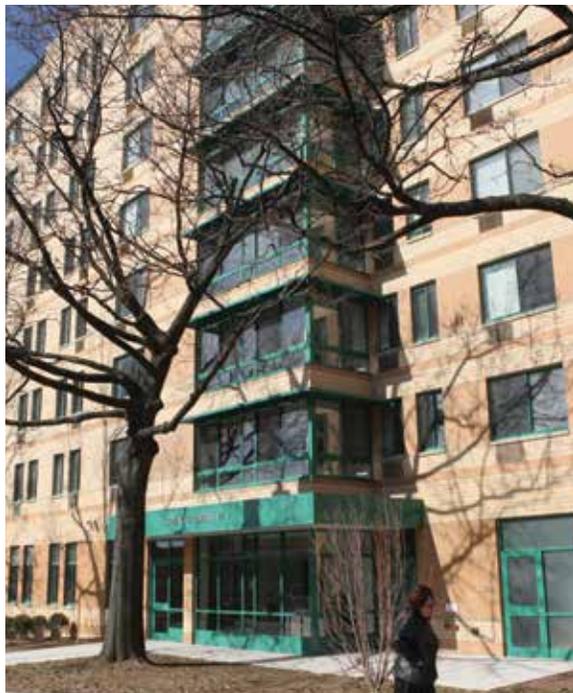
NEW SOLUTIONS TO LONGSTANDING NEEDS

Creative, collaborative strategies will put new affordable homes within reach for thousands of New Yorkers. We will not let them down.

This is a town that has never shrunk from bold civic undertakings. With that in mind, NYCHA is pioneering innovative financing programs and forging new public, private, and nonprofit partnerships that will literally change the landscape for families that need homes.

NYCHA is helping realize the nation's largest-ever municipal affordable housing program. As part of the Mayor's transformative New Housing Marketplace Plan, NYCHA has created 2,304 affordable apartments, with another 265 units under construction and approximately 2,468 units in pre-development, as of 2012.

NYCHA is partnering with the Department of Housing Preservation and Development (HPD) on the Prospect Plaza project, the City's first development to combine public housing units (80) with affordable housing units (284). Similarly, the rehabilitation of Harlem's historic Randolph Houses will create 147 NYCHA public housing units and 155 affordable housing units.



Council Towers VI

This is what partnerships can do. Another innovative building is rising at 1070 Washington Avenue in the Bronx – the first NYCHA project on private land. Along with 21 units of public housing and 28 units of affordable housing, 1070 Washington will provide on-site services for special needs and veteran tenants. Services for the UnderServed has been a partner from the start, along with Bronx Pro Group, LLC, Enterprise Community Partners, and JPMorgan Chase.

In Queens, low-income seniors have the homes and the services they need at Council Towers VI, thanks to a partnership among NYCHA, HUD, HPD, the New York City Housing Development Corporation, Met Council, local officials, and many others. Manhattan's \$65 million Elliot-Chelsea development now provides 168 low- and middle-income apartments on property that was once a parking lot: another public/private partnership.

Tax credit financing is helping us accelerate improvements while reducing costs. Six thousand three hundred families have already benefitted from building restoration projects made possible by our mixed-finance development portfolio. Restoration of all 13 developments in the portfolio was completed in 2012, and the strategy has generated \$105 million in tax credit equity – or about 46 percent of the expected \$228 million total when the close-out process is completed in 2013.

**224,000
families**
on the public housing wait list

**122,000
families**
on the Section 8 wait list



“I wake up in the morning and feel secure, safe, and peaceful. I’m disabled, and the building is conducive to everything I need. I love it here. It’s great that seniors can live with dignity and pride.”

— Laretta Fodera, Council Towers VI, Queens

PEOPLE NOT BUILDINGS

When the worst happens, our City shows its toughness, resourcefulness, and compassion. Hurricane Sandy proved that NYCHA is *New Yorkers*, not a collection of buildings.



Coney Island Houses

Restored services to

80,000+

residents in 400+ buildings

Created

441 jobs

for post-Sandy recovery through a
U.S. Department of Labor grant

Lessons from Hurricane Irene in 2011 were immediately put into practice. When Sandy hit, NYCHA staff raced to our most vulnerable properties – and residents: seniors, the mobility impaired, and those who rely on life-sustaining equipment. These employees worked around the clock to restore services, make repairs, and connect residents to resources and supplies, surpassing the efforts of most other landlords in affected communities. Many NYCHA residents deputized themselves, checking on neighbors, sharing supplies, communicating, and working side-by-side with employees. NYCHA's Emergency Services Department did some of its most important work long before the storm, helping residents develop emergency plans and briefing them on the City's sheltering system.

As the storm departed and temperatures fell, all of the affected structures needed to be inspected and repaired, often by employees whose own homes had suffered damage. Employees donated their accrued leave so displaced colleagues could look after their homes and families.

NYCHA restored critical services – elevators, hot water, heat – faster than many New York City private landlords, and on a heroic scale.

A National Emergency Grant from the U.S. Department of Labor enabled us to create 441 temporary positions for custodians, call center staff, and outreach workers to help restore homes, services, and disrupted lives.

Good neighbors. In concert with the Mayor's Fund to Advance New York City, we channeled donated food, clothing, replacement furniture, and a thousand other suddenly vital items to 80,000 residents affected by the storm. A big "thank you" goes to our numerous supporters who contributed their time and goods.



“Restoring electrical power was our first priority. After surveying the damage, my team installed 31 generators, then restored heat and hot water at 59 buildings by putting in mobile boilers. It was one big operation with many departments involved.”

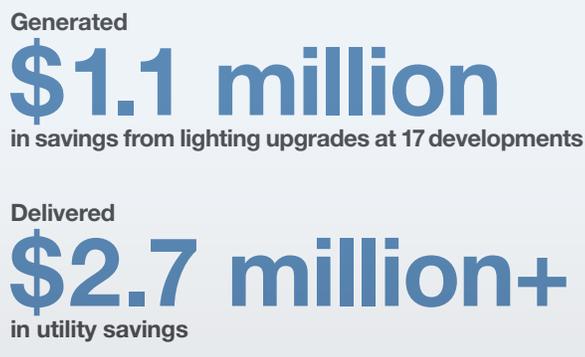
— Oscar Esposito, Supervisor of Mechanical Installations for Capital Projects (Bronx-Queens Unit)

SUSTAINABLE HOMES SUSTAINABLE CITY

Sustainability isn't just a buzzword. It's a strategy for efficiency that is helping NYCHA improve our residents' quality of life, reduce costs, and extend the life of our aging infrastructure.

Thousands of apartments are more resource efficient as a result of our partnership with Con Edison, saving \$1 million a year. Con Edison provided compact fluorescent lamps, new showerheads, and faucet aerators for 5,300 apartments in Brooklyn, Manhattan, and the Bronx. **The company named NYCHA its Public Partner of the Year for 2012.** We saved another \$2.7 million by analyzing energy usage and billing data. A new Utility Management Information System tracks energy expenses across all our properties, helping us catch billing errors, identify trends, and make smarter, more proactive decisions.

Reducing energy use across NYCHA's 2,596 properties is a big deal. It saves millions of dollars – and puts more power back onto the grid for all New Yorkers.



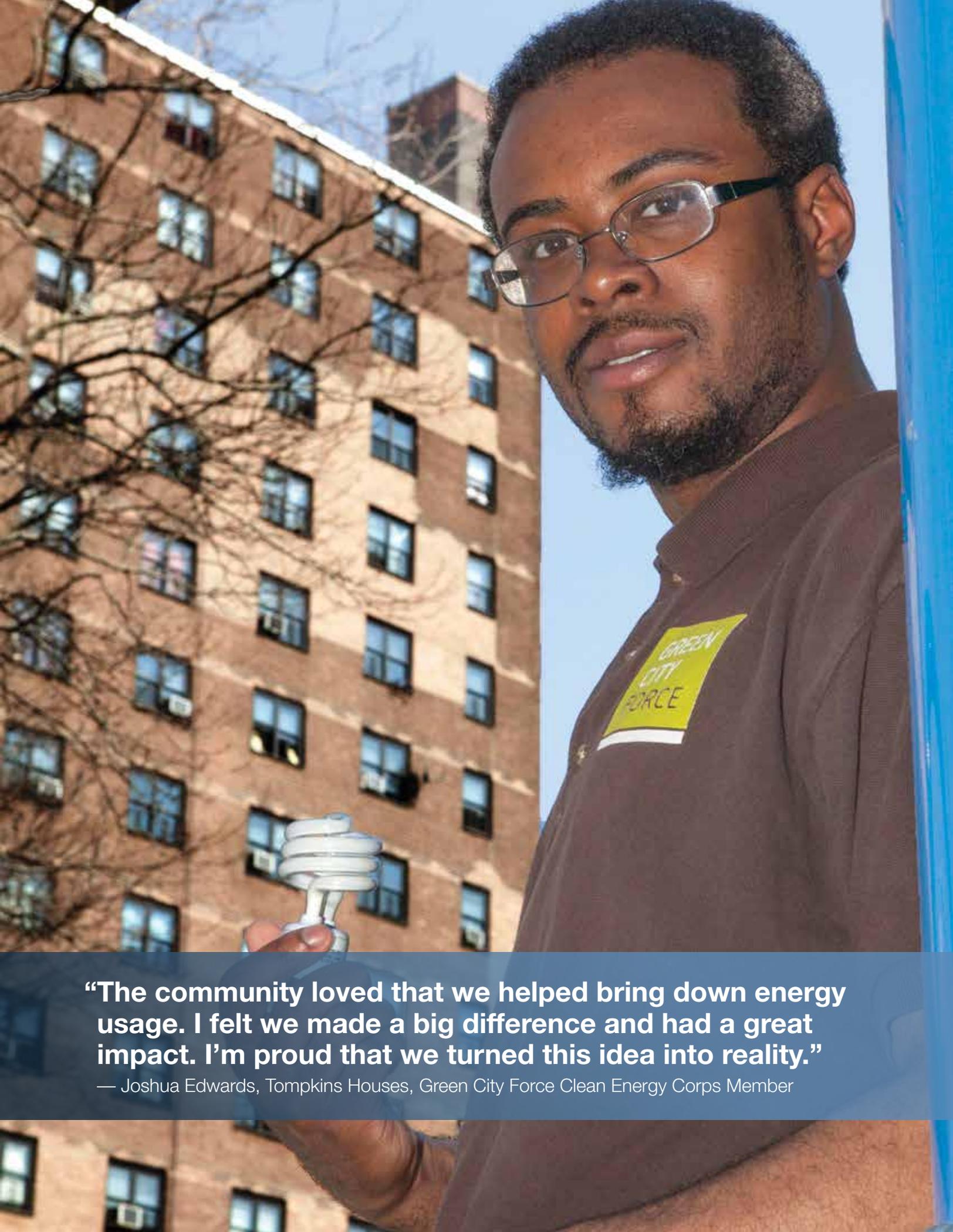
Engaged residents are helping shape sustainability strategies. Resident Green Committee members from 26 developments joined leaders of 13 NYCHA departments for our first environmental sustainability conference. Together, they explored tenant issues and worked out goals and strategies to expand residents' role in creating greener, more efficient NYCHA communities.

Private sector and nonprofit partners are coming up with ideas that change things, starting with light bulbs. NYCHA, in partnership with Green City Force, and sponsored by Google and Alcoa Foundation, launched a pioneering campaign designed by residents, for residents. A friendly competition among buildings at our Chelsea-Elliott Houses, the Love Where You Live Challenge engaged two-thirds of the residents and reduced energy use in the three developments by 11 percent, while providing valuable training and work experience to young residents. At NYCHA's scale, little things like light bulbs add up to major savings.

Awarded Con Edison's 2012 Public Partner of the Year



On NYCHA's behalf, Board Member Margarita López accepts Con Edison's award for 2012 Public Partner of the Year



“The community loved that we helped bring down energy usage. I felt we made a big difference and had a great impact. I’m proud that we turned this idea into reality.”

— Joshua Edwards, Tompkins Houses, Green City Force Clean Energy Corps Member

COMMUNITY IS ALL OF US

A community is *everyone*. NYCHA actively builds partnerships that support families, children, teens, veterans, and seniors – all the New Yorkers who call NYCHA home.



VASH voucher holder Army Specialist Carolyn McLaren and son

Quality of life isn't something that a neighborhood can import. It has to happen organically, on the ground in NYCHA communities, where our programs are as diverse as our residents.

We are working harder than ever to enhance our residents' quality of life. Lifting distressed communities is one of our greatest challenges, and where dedicated partners can make the greatest difference. After winning a competitive \$300,000 grant through the Obama Administration's Choice Neighborhoods initiative, we hope to make Mott Haven in the South Bronx a model for creative community engagement. We are working with public and private partners and neighborhood residents to create a plan that will transform the community through opportunity, and potentially win up to \$30 million to support the plan's implementation.

One thousand seven hundred forty-three apartments for veterans, plus the clinical and case management services they need. HUD-Veterans Affairs Supportive Housing (VASH) helps us provide Section 8 rental assistance for men and women who have served our country. We accelerated veteran rentals by 13 percent in 2012, to 375 apartments, for a total of 1,743 since the program's start in 2008.

Quality of life is more than social services. Brooklyn is home to more and more of the City's artists, and the Brooklyn Museum is helping us bring NYCHA residents and artists together through the GO Project, a collaboration that convenes a team of teaching artists to lead art walks from NYCHA community centers. This is another model we are pursuing: taking advantage of unique local resources to enrich NYCHA communities.

It's your home. We want to hear from you. This sounds basic, but in a 630,000-person city within a city, a broad spectrum of residents' voices doesn't always get heard. NYCHA's new Department of Resident Engagement was created in 2012 to see that they do.

A big part of the job is creating channels that expand dialogue beyond the thousands of residents who are already part of our Resident Associations. Wider and deeper communication is helping NYCHA focus attention where our residents want it – and helping them connect to the educational, economic, health, and social services, as well as green projects, that turn aspiration into achievement.

Ho family, Washington Houses





“I enjoy the programs very much. I teach English and Spanish to other seniors, lead a Tai Chi class, help residents study for citizenship tests, and am in the Walking Club. I’m also taking a computer class.”

— Ricardo Deschamps, Saratoga Square, Brooklyn

FROM HOME TO OPPORTUNITY

Helping more New Yorkers prosper is good for our City. NYCHA and far-sighted partners are helping our residents bolster skills, job prospects, and financial independence.



NYCHA Resident Training Academy

One of the best ways that an anchor institution like NYCHA can help create economic opportunity is simply by sourcing more of what it needs closer to home. Nearly a third of our employees are NYCHA tenants, and we increased resident hires by more than 20 percent in 2012. We also encourage NYCHA's contractors to hire our residents, and they came through with more than 500 new jobs.

The NYCHA Resident Training Academy equips residents with the skills they need to succeed for the Authority, our contractors, and the private sector beyond. More than 400 residents got their start in construction, maintenance, janitorial, and pest control services with training funded by the Robin Hood Foundation. A timely initiative with Public Housing Communities, Inc. and the Department of Small Business Services helped nearly 600 NYCHA residents land jobs at Brooklyn's new Barclays Center arena – almost a third of the total workforce at the arena. These positions provide real, livable wages and careers for talented New Yorkers.

In 2012, 559 NYCHA residents signed up for NYPD training programs, and 188 were hired – an increase of 68 percent versus 2011. NYCHA is an economic engine – we leverage our resources to help resident entrepreneurs realize their business dreams by building partnerships.

For example, a new collaboration with the Women's Initiative for Self Employment offers residents access to a proven 11-week business training program that is already changing lives.

NYCHA is connecting young adults to opportunities in the digital world. The nonprofit Workforce Opportunity Services helped us design an information technology (IT) training program for 18- to 24-year-olds with high school or some college education. Most landed paid IT positions where they have the opportunity to complete their degrees as they build careers. NYCHA was nominated as a Laureate of the 2012 Computerworld Honors program in the Training/Education category for this initiative.

Mobile computer labs are among NYCHA's most versatile innovations. The two vans boast laptops, flash drives, and printers and deliver computer training and Internet connections to residents in the 18 NYCHA developments they visit regularly. Training focuses on schoolwork and job seeking: A handful of residents can now say, "I got my job through the Digital Van."

After Hurricane Sandy, the vans became mobile offices for NYCHA staff working at storm-damaged sites, and mobile assistance centers for FEMA. Nearly 300 residents were able to apply for, or follow up on, disaster assistance online, with help from NYCHA's on-board Spanish, Russian, and Chinese interpreters.

21% increase

in Section 3 resident hires by NYCHA and NYCHA contractors

\$10 million

from the City Council funded 176 resident hires for maintenance and repair work

89%

 of NYCHA Resident Training Academy graduates placed into jobs



“The van was very helpful because I didn’t have access to the Internet and needed to update my resume. The staff helped reformat my resume. I’m an electrician and got a construction job.”

— Anthony Holiday, Washington Houses

THE RICHNESS OF LIVING

NYCHA's community centers are more than neighborhood resources; they are where people discover worlds far beyond home, school, and work.

NYCHA helps its residents connect to activities and services which promote their wellbeing and stability, in areas such as health and fitness, reading, music, theater, and art. NYCHA and its partners offer programs for a vast diversity of interests and ages, but education is a particular focus and programs begin as early as age one.

Early learning is the most effective way to improve later school performance. Some NYCHA community centers are home to a daily pre-school program of literacy activities, drawing, and communication development that prepares pre-K-age kids for success in school. The program, called NYCELL – New York City Early Literacy Learning, is a partnership of the Mayor's Fund, the Department of Education, and NYCHA, and is funded in part by JPMorgan Chase. The centers' proximity to homes helps introduce families to their important role in the learning process.

One hundred thirty girls in 4th through 6th grade are building their reading, writing, and language skills in our Write Girls program supported by the New York Community Trust. The communications skills they gain are more than academic: Girls learn how to resolve conflicts, build teams, and develop healthy relationships. Their parents and caregivers often join for family literacy nights, helping extend the program's reach into homes.

Singing for the City. The NYCHA Youth Chorus is one of the City's jewels, an "audition-only" chorus that combines music education with performance opportunities throughout the metropolitan area. Support from the David Rockefeller Fund enabled us to add more performances, hire piano and voice teachers, and upgrade the technology in the group's piano lab.

Thousands of boys and girls participate in NYCHA's year-round Education Through Sports programs, and for the next three years they'll be the best-dressed teams in the City. Hip-hop fashion label Enyce is donating thousands of basketball uniforms: a great example of a creative urban brand nourishing its urban roots while expanding opportunities for our City's kids.

\$63 million
invested in community and social services

450+
community spaces with 347 community partners providing programming

Enyce-donated uniforms, NYCHA's annual Citywide Basketball Tournament





**“We read and write. I like the spelling bee.
Write Girls helps me get better at writing poetry
and rhyming. It helps me with my homework.”**

— Maniya Henry, 2nd grade, Write Girls participant at Penn-Wortman Community Center

FINANCIAL STEWARDSHIP

Eighty-eight cents of every dollar in NYCHA revenue directly benefits the 628,736 New Yorkers we serve. Astute financial stewardship is not just our mandate on their behalf – it is fundamental to the preservation of affordable homes for generations of New Yorkers to come.

Over the last few years, decision making at NYCHA has become more data-driven, more collaborative, and more transparent. Accountability is essential in improving service to our tenants – and in attracting the new financial and programmatic partners who are so vital to our future. Clear and constant communication of our position, prospects, and plans is the currency of successful relationships with *all* our constituents, in NYCHA homes, government offices, and in the private and nonprofit spheres.

Most of our revenues come from the federal government. In 2012, 35 percent of our total revenues were provided by HUD for the Section 8 program, and an additional 30 percent for NYCHA-administered public housing. Rents paid by public housing residents contributed 31 percent of total revenues. The remaining four percent is from a variety of sources, including laundry rooms, service fees, grants, and philanthropic support.

Almost 90 percent of revenue is invested in service delivery, including repair and maintenance, property management, subsidies to landlords who provide Section 8 housing, and critical programs such as job training and placement, educational programs, and

senior services. We constantly seek new ways to reduce overhead costs, because every dollar saved improves quality of life for our residents and helps secure the future of public housing in New York.

We have made significant progress in identifying incremental sources of income. We plan to generate much-needed revenue by developing our under-built properties; leasing additional commercial space; creating new advertising and sponsorship opportunities; and subleasing excess office space.

We have the vision, the plan, and – as you’ve seen in this report – a record of progress to share. As never before, we welcome your ideas and ask for your support to complete the work. Together we can accomplish large and lasting change.

Largest Public Grants:

\$7.2 million

U.S. Department of Labor National Emergency Grant for Hurricane Sandy Relief

\$2 million

from U.S. Department of Commerce for Broadband Technology Opportunities Program

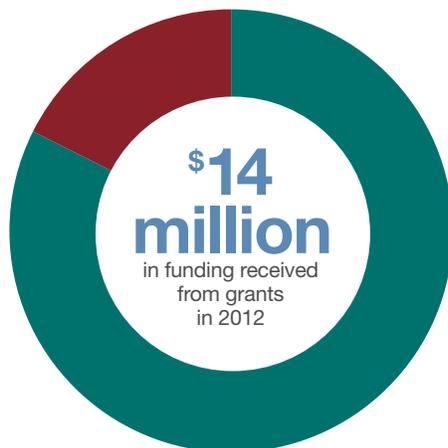
Largest Private Grants:

\$1 million

from Robin Hood for NYCHA Resident Training Academy

\$140,000

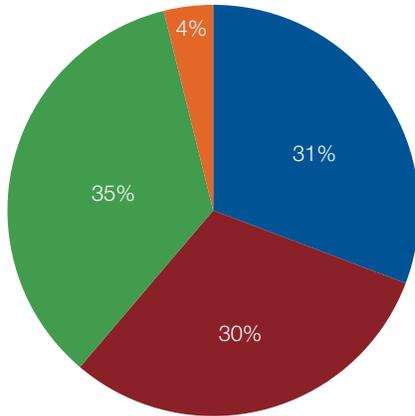
from New York Community Trust for Write Girls



84% Public \$12 million **16%** Private \$2 million

NYCHA 2012 REVENUES & EXPENSES

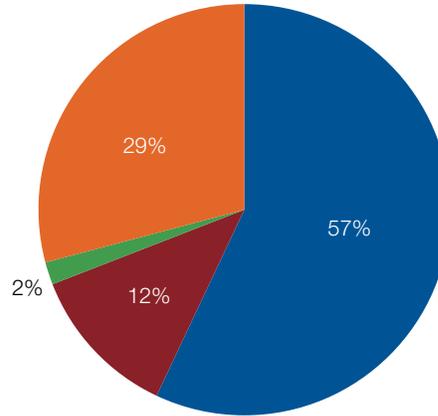
REVENUE: \$2.942 BILLION



- Section 8
\$1.027 billion
- Dwelling Rent
\$905 million
- Public Housing Subsidy
\$896 million
- Other Revenues
\$114 million*

65%
of NYCHA's revenue comes from federal funding. These subsidies allow low-income New Yorkers to pay affordable rents for housing in the public and private markets.

EXPENSES: \$3.268 BILLION**

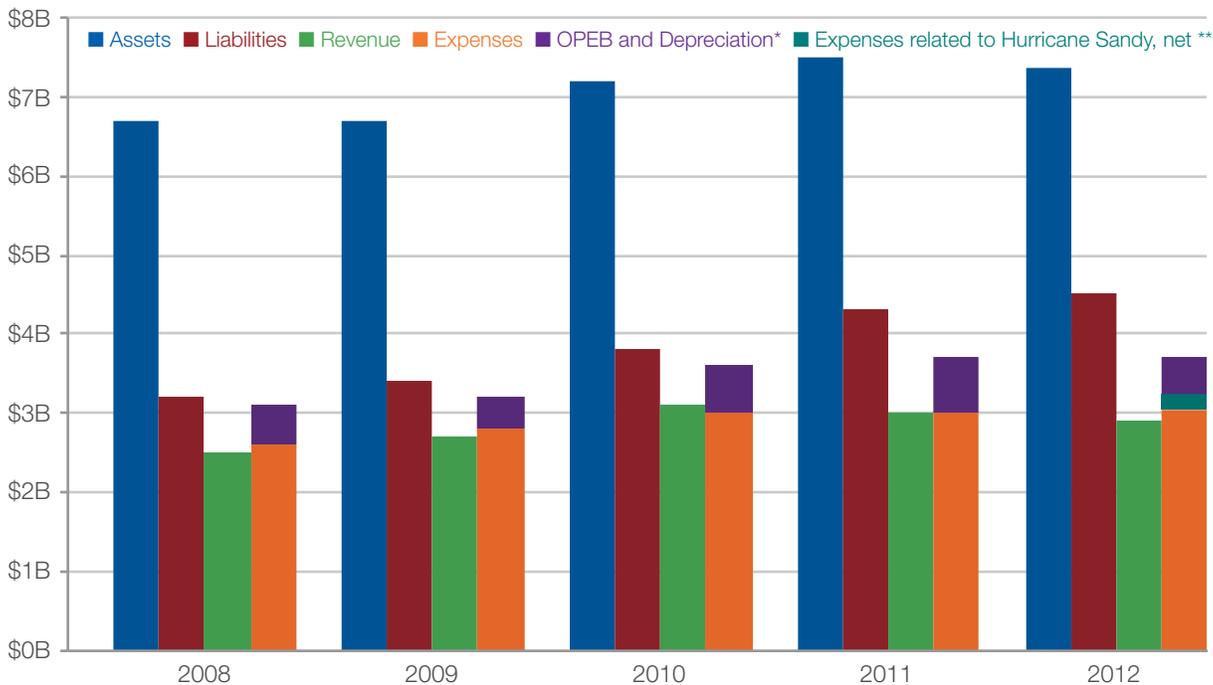


- Property Expenses
\$1.863 billion
- Section 8 Landlord Payments
\$952 million
- Program Oversight
\$395 million
- Resident Services
\$58 million

88%
of NYCHA's expenses directly benefit public housing and Section 8 families.

*Grants, service fees, commercial rent, interest, and gain on the sale of capital assets.
**Expenses exclude non-cash OPEB (Other Postemployment Benefits) and depreciation.

REVENUE, EXPENSES, ASSETS, & LIABILITIES: FIVE-YEAR ANALYSIS



Sources of data: 2012 CAFR, 2012 COCC Breakeven Analysis, 2012 Housing Choice Voucher Program Report, 2012 Non-Capital Grant Programs Report
*OPEB is the cost related to post-retirement health insurance, Medicare Part B contributions, and welfare contributions earned by employees in the current year.
**The Authority has recorded expenses, net of insurance recoveries received to date, of \$224.1 million. Substantially all costs related to Sandy are expected to be reimbursed by a combination of insurance recoveries, FEMA, and other sources.

NYCHA STATEMENT OF NET POSITION

DECEMBER 31, 2012 AND 2011

| | 2012 | 2011 |
|-------------------------------------------------|--------------------|--------------------|
| | (\$ in thousands) | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$670,795 | \$740,333 |
| Accounts receivable, net | 210,837 | 158,068 |
| Prepaid expenses | 96,411 | 94,546 |
| Inventories | 32,577 | 32,403 |
| Total current assets | 1,010,620 | 1,025,350 |
| NON-CURRENT ASSETS: | | |
| Capital assets, net | 5,662,281 | 5,761,352 |
| Cash | 268,778 | 248,893 |
| Restricted cash and cash equivalents | 408,957 | 420,987 |
| Restricted investments | 7,715 | 82,663 |
| Total non-current assets | 6,347,731 | 6,513,895 |
| TOTAL ASSETS | 7,358,351 | 7,539,245 |
| CURRENT LIABILITIES: | | |
| Accounts payable | 132,262 | 117,266 |
| Accrued liabilities | 514,952 | 219,478 |
| Claims payable | 64,950 | 59,705 |
| Bonds and mortgages payable, net | 84,020 | 16,578 |
| Accrued leave time | 63,028 | 57,623 |
| Pollution remediation obligations | 9,910 | 10,182 |
| Unearned revenues and other current liabilities | 77,108 | 73,564 |
| Total current liabilities | 946,230 | 554,396 |
| NON-CURRENT LIABILITIES: | | |
| Bonds and mortgages payable, net | 366,809 | 617,434 |
| Claims payable | 268,778 | 248,893 |
| Accrued leave time | 128,727 | 134,933 |
| OPEB liability | 2,787,077 | 2,691,035 |
| Pollution remediation obligations | 7,188 | 7,454 |
| Other liabilities | 26,081 | 28,126 |
| Total non-current liabilities | 3,584,660 | 3,727,875 |
| TOTAL LIABILITIES | 4,530,890 | 4,282,271 |
| NET POSITION: | | |
| Invested in capital assets, net of related debt | 5,336,914 | 5,349,279 |
| Restricted for housing assistance payments | 16,340 | 51,740 |
| Unrestricted (deficit) | (2,525,793) | (2,144,045) |
| TOTAL NET POSITION | \$2,827,461 | \$3,256,974 |

NYCHA STATEMENT OF REVENUES, EXPENSES, & CHANGES IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

| | 2012 | 2011 |
|-------------------------------------------------------|---------------------------|---------------------------|
| | (\$ in thousands) | |
| OPERATING REVENUES: | | |
| Tenant revenue, net | \$905,457 | \$895,864 |
| Subsidies and grants | 1,987,986 | 2,069,796 |
| Other income | 48,207 | 52,560 |
| Total operating revenues | <u>2,941,650</u> | <u>3,018,220</u> |
| OPERATING EXPENSES: | | |
| Section 8 payments | 952,269 | 944,704 |
| General and administrative | 842,854 | 781,459 |
| Utilities | 542,933 | 566,173 |
| Maintenance and operations | 513,273 | 518,297 |
| Depreciation | 351,388 | 342,378 |
| Expenses related to Hurricane Sandy | 224,104 | — |
| OPEB expense | 144,030 | 394,263 |
| Protective services | 87,094 | 86,679 |
| Tenant services | 29,913 | 29,597 |
| Interest expense | 20,119 | 20,113 |
| Total operating expenses | <u>3,707,977</u> | <u>3,683,663</u> |
| LOSS BEFORE CAPITAL CONTRIBUTIONS | <u>(766,327)</u> | <u>(665,443)</u> |
| CAPITAL CONTRIBUTIONS | <u>336,814</u> | <u>470,895</u> |
| CHANGE IN NET POSITION | <u>(429,513)</u> | <u>(194,548)</u> |
| NET POSITION, BEGINNING OF YEAR, as previously stated | 3,256,974 | 3,440,065 |
| Cumulative effect of accounting change | — | (10,240) |
| NET POSITION, BEGINNING OF YEAR, as adjusted | <u>3,256,974</u> | <u>3,429,825</u> |
| Cumulative effect of accounting change | — | 21,697 |
| NET POSITION, END OF YEAR, as adjusted | <u>\$2,827,461</u> | <u>\$3,256,974</u> |

THE PARTNERSHIP IMPERATIVE

NYCHA is enduring chronic and crippling funding cuts, challenging our ability to meet increased demand for homes and services for New Yorkers. More stringent management will not change this daunting equation. Innovation will. And so we are building partnerships with inspired social entrepreneurs, public-minded financial institutions, technologists, and leaders of enterprise willing to share their resources and their genius to make a new future possible.

NYCHA partners with investors and real estate developers to build a mix of affordable and market-rate housing that will generate new revenue for NYCHA – and benefit investors.

NYCHA partners with philanthropy to prototype bold ideas. We offer thought-leading foundations a one-of-a-kind platform for new approaches and the scale to prove they work.

NYCHA partners with innovative educators and training organizations that can equip our residents to succeed in a changing economy.

NYCHA partners with nonprofit organizations poised for growth. To meet the diverse needs of our residents, we can make it easier to expand by providing space.

NYCHA partners with corporations that see that the future is being created in today's cities by diverse, connected, urban consumers and workforce, and the small companies that serve and hire them.

In return, NYCHA offers strong management support, including:

Entrée to a unique economic ecosystem of residents and public, private, and nonprofit organizations

Potential access to employment positions supported through HUD's Section 3 regulations

Physical space in NYCHA properties

NYCHA's voice in New York City, Albany, and Washington, DC

This is one of those rare moments when new futures open up to those who are willing to innovate and collaborate for the greater good as well as their own.

We hope others will join us in this critical work.

To learn more about partnership opportunities, please contact the Office of Public/Private Partnerships at 212-306-8299 or email partnerships@nycha.nyc.gov.

In addition to our public sector partners, NYCHA would like to thank the following private funders and organizations that provided support in 2012:

100 Black Men of America, Affinity Health Plan, Bloomberg L.P., Brooklyn Museum, Children's Museum of Manhattan, David Rockefeller Fund, Duane Reade, Enyce, First Book, Goldman Sachs, Green City Force, Harlem Children's Zone, Harlem RBI, Health First, IBM Foundation, JetBlue, JPMorgan Chase, Mayor's Fund to Advance New York City, Mr. Joseph Rosenblatt, National Football League, New York Community Trust, New York Restoration Project, Rachael Ray's Yum-o! Foundation & The Sylvia Center, Robin Hood Foundation, Salvadori Center, St. Luke's-Roosevelt Hospital Center, United Way of New York City, Visiting Nurse Service of New York, WellCare

New York City Early Literacy Learning program, King Towers



ACKNOWLEDGEMENTS

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