

Testimony of Rachel Fee, New York Housing Conference

**New York State Standing Committee on Housing
Hearing on New York City Housing Authority's Blueprint for Change proposal**

December 8, 2020

My name is Rachel Fee. I am Executive Director of the New York Housing Conference (NYHC). I would like to thank Committee Chair Cymbrowitz as well as the other members of the committee for the opportunity to comment on the New York City Housing Authority's Blueprint for Change.

NYHC is a nonprofit affordable housing policy and advocacy organization. As a broad-based coalition, our mission is to advance City, State and Federal policies and funding to support the development and preservation of decent and affordable housing for all New Yorkers.

This summer, the New York City Housing Authority (NYCHA) released the Blueprint for Change, which would stabilize 110,000 units of public housing through the creation of a Public Housing Preservation Trust, which would allow NYCHA to access additional federal funding to address \$18 billion to \$25 billion in capital needs. This plan not only could bring in needed federal resources but also maintains public oversight and ownership of NYCHA, while making large scale improvements, the size of which are not feasible under the current capital program or procurement rules. The New York Housing Conference supports this framework and encourages the legislature to put their support behind it.

NYCHA is the most important housing stock in New York City and its value was made even more clear during the pandemic. While tens of thousands of renters in private housing are at risk of eviction in New York state for nonpayment of rent, rent for NYCHA residents may be adjusted with income changes, providing housing security for hundreds of thousands of New Yorkers.

But as you know, we are at risk of losing this housing stock. NYCHA estimates that \$40 billion in capital funding is required for repairs to bring the housing stock into good repair. Before the blueprint, NYCHA had a plan to stabilize 62,000 units, less than one-third of the portfolio, mostly through their PACT program (which utilizes the Rental Assistance Demonstration program), but that left 110,000 units without a path for repairs.

This is the first feasible plan to bring needed capital repairs to *all* NYCHA units, which is required to meet the federal standards for housing quality, safety and health.

Without the preservation trust blueprint, NYCHA's options present no feasible path forward to meet their end of the bargain in their agreement with the federal monitor. NYCHA must either continue to wait for federal public housing capital appropriations from Washington or convert the whole portfolio through PACT. Neither of these seem like viable options to address the entire portfolio in a timely manner. NYCHA has been waiting decades for sufficient federal funding and there is little evidence that federal appropriations will increase in the future. Meanwhile, NYCHA does not have HUD approval to convert all of their units through PACT and even if they did, it is unlikely that it could happen fast enough to save all the units.

In other words, absent this plan, we just wait and we watch the units deteriorate further. NYCHA will be deprived of the resources needed to make improvements to meet the obligations of the agreement with the public monitor, potentially putting NYC's public housing in jeopardy of HUD receivership.

There are still many important aspects to work out in terms of federal appropriations and HUD rules to make this work. There are also many critical details of the State legislation regarding procurement, tenant rights and oversight that must be examined closely. We are still evaluating the legislation. We think it is important for NYCHA to have flexibility for procurement. It is also important for tenants to have the same protections they have under Section 9.

The legislation should also look at how to increase meaningful public involvement. Composition of the board should include an independent tenant voice and also reflect a set of stakeholders who care about NYCHA, including experts from the affordable housing industry. Finally, there is also an opportunity to increase oversight and we would recommend codifying public reporting of asset management performance along key indicators, for all converted NYCHA units converted through the Preservation Trust and also through PACT.

The current legislation gives assurances that this housing stock will be preserved into the future with permanent affordability, public ownership, and protections for residents. Moreover, it provides a pathway to sustainable financing, when paired with appropriations for tenant protection vouchers from Washington. Under this plan we could imagine a future of large-scale improvements implemented on a schedule that meets the urgency of the crisis. We encourage the legislature to support preservation through a public trust.