

Testimony of Brendan Cheney, New York Housing Conference

New York City Council Public Housing Committee
Oversight Hearing on the Impact of PACT / RAD

May 3, 2022

Good afternoon. My name is Brendan Cheney. I am Director of Policy and Communications at the New York Housing Conference (NYHC). I would like to thank the Committee Chair Alexa Avilés as well as the other members of the City Council Committee on Public Housing for the opportunity to testify about the New York City Housing Authority's PACT / RAD program.

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. Preserving public housing has been one of our top policy priorities over the last seven years.

Like so many others, we are extremely concerned about conditions at the New York City Housing Authority. NYCHA's 335 developments and 177,000 apartments are in serious disrepair and need \$40 billion in repairs – an amount that is growing \$1 billion every year that repairs are not addressed.

What this means for the half a million residents living in NYCHA is unhealthy and unsafe conditions, including mold, lead paint, leaks and inconsistent elevators and heat and hot water. Every year we get closer to a day when repairing NYCHA units becomes too costly. But if we lose even one unit of public housing, it will worsen our housing crisis. These conditions are unacceptable.

While funding to maintain public housing should be the responsibility of the federal government, it is unlikely that we will see significant federal capital funding from Washington. Currently, the federal government allocates only \$500 million per year for capital funding for NYCHA. This is grossly insufficient to meet NYCHA's needs and this level of underfunding over decades is the reason NYCHA is not providing decent housing for residents.

The federal government has shirked their responsibility for decades, and while there was a brief window of hope last year that Congress might come to the rescue, Build Back Better is now stalled and federal housing funding is very unlikely. To avoid receivership, NYCHA is obligated by a federal monitor agreement to improve living conditions for residents through operations transformation and a capital repairs plan.

The New York Housing Conference (along with United for Housing partners) has called on the City and State to provide \$1.5 billion per year each for NYCHA's capital repairs. Unfortunately, neither Governor Hochul nor Mayor Adams have agreed to that level of support. We will keep pushing for the State and City to step up.

With or without significant City and State support, the Permanent Affordability Commitment Together (PACT) program, utilizing the federal Rental Assistance Demonstration program, has proven to be an effective way to preserve public

housing. The program allows public housing developments to switch funding from Section 9 public housing to Section 8 rental assistance— a more stable and greater revenue stream.

Under the program, the units are converted to a public-private partnership. NYCHA owns the land and leases the buildings to a joint partnership with a private developer where NYCHA maintains control and the private developer manages the development. The new partnership can borrow against new rental assistance funding to raise public and private funding for repairs. Right now, PACT is the only program making significant repairs for NYCHA residents.

Through the PACT program, NYCHA has successfully partnered with affordable housing developers to implement building systems replacement and apartment upgrades that should have been done decades ago. This program has produced results that are impressive including modernizing antiquated and unreliable heating systems; sealing the building envelopes; refreshing common spaces; and often updating kitchens, bathrooms and windows in resident's apartments.

NYHC participated in the RAD Roundtable and Chelsea Working Group and we advocated to ensure that PACT tenant protections replicate Section 9 rights as much as possible and that they are codified in the NYCHA RFP, NYCHA lease, and program guidelines. NYCHA has made great strides in improving outreach and opportunities for residents to contribute to the scope of work for repairs and developer selection and we hope that they build on this progress in the Adam's Administration.

Thank you for your time and I am happy to answer any questions.