

# NextGeneration NYCHA - Update

On December 12, 2018, Mayor de Blasio announced NYCHA 2.0

This plan is a 2nd installment of NextGeneration NYCHA, and builds on the former plan announced in 2015.

## This plan includes 4 mechanisms:

### **PACT TO Preserve**

- convert public housing units to section 8 programs to fund renovations
- Approx 62,000 apartments over 10
- NYCHA maintain land ownership and authority

## **Build to Preserve**

- "Infill" new mixed income housing developed on "under-utilized" NYCHA land
- Units distributed based on MIH

### **Transfer to Preserve**

 Generate revenue by issuing Requests for Expressions of Interest (RFEIs) to transfer air rights at neighboring private establishments

### **Fix to Preserve**

- Improve management through new oversight mechanism and increased staff
- Prioritize health and safety issues (elevators, heating, pests, lead and mold)
- New Rapid Response Team addressing multiple orders per apt and building.

"NYCHA 2.0 is "a comprehensive plan to preserve public housing. This plan will resolve \$24 billion in vital repairs to New York City's aging public housing and ensure residents have the safe, decent and affordable homes they deserve. The ten-year plan will deliver top to bottom renovations for 175,000 residents, fund essential capital repairs across the rest of NYCHA's portfolio, and launch aggressive new repair strategies to tackle lead paint, mold, elevators, heat and vermin."

- MAYOR BILL DE BLASIO

## A LINK BETWEEN SECTION 8 CONVERSIONS & DISPLACEMENT:

In 2017, Citizens Housing Planning Council (CHPC) was commissioned by NYCHA to investigate changes in 6 buildings that underwent section 8 conversation in 2014. Their report found this to be a viable model for moving forward - citing decreases in the volume of maintenance work orders and energy use, increases in rent collection, and reported resident satisfaction. Their report also found that turnover in apartments rose, as did re-rental time.

## What is RAD?

RAD or Rental Assistance Demonstration is a federal policy implemented in 2012 by the Obama Administration. It allows for the type of federal housing assistance at a property to be changed from Section 9 (aka public housing) to Section 8 (aka the housing choice voucher program). This change also transitions properties into private management. So far, 94,000 public housing units across the country have undergone RAD conversions. More conversions are expected given drastic expansions to the program under the Trump administration.

RAD has been a component of the City's plan for public housing since 2015, but was greatly expanded in the 2nd installment of the plan, released in 2018.

## Warning Signs

In 2016, the City piloted RAD at Ocean Bay Houses in Far Rockaway. Between Jan 2017 to Feb 2019, **Ocean Bay had the highest rate of eviction** of all public housing across the city - more than 2x the next highest rate.

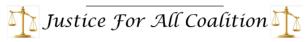
This is expected because displacement has accompanied RAD conversions across the country.

Research suggests tenants can also expect to be removed from their current apartment, relocated several times, experience difficulty with recertification after job changes and more.

## What Can I Do Now?

- VISIT <u>www.justfix.nyc</u> to learn more about your apartment or building, respond to an eviction notice, send an official letter to your landlord about needed repairs, etc.
- TRACK needed repairs, efforts to get repairs, and responses from NYCHA reps & employees (i.e. housing assistant)
- ORGANIZE & EDUCATE with your neighbors and/or with JFAC
- SUPPORT other organizing groups by attending their events.

## Our power is in our numbers.



A diverse group of community members who live and work in western Queens. Our roots, base and leadership are in the local public housing developments of Astoria, Ravenswood, Queensbridge and Woodside. We emerged in 2016 to advocate for affordable housing and good jobs in relation to a potential neighborhood rezoning in LIC; and we have continued to educate and organize around the needs of our communities ever since.

#### Learn more:

www.j4ac.us www.facebook.com/JFAC.US/

#### Get Involved:

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## "What is RAD?!"

This is a guide to the City's plan to change public housing as we know it.

It addresses the following questions:

- 1) What is the City's plan?
- 2) What are the consequences for tenants?
- 3) What can we do about it?



If we don't come together & unify today, we will be divided and displaced tomorrow.

## RAD is one part, of one part, of NextGeneration NYCHA.

The City says NextGeneration NYCHA will fix and modernize public housing across the city, and preserve it for generations to come. Through four mechanisms they say they will drum up \$24 billion to repair NYCHA over the next 10 years.

- >> PACT to Preserve It
- >> Build to Preserve It
- >> Transfer to Preserve It
- >> Fix it to Preserve It

RAD is baked into one mechanism which the City has named PACT, or Permanent Affordability Community Together.

The City says PACT and RAD will repair buildings and apartments, and improve living conditions for residents.

We are not so optimistic. Instead, we see this as the end of public housing, at least as we know it now, and the beginning of the displacement of NYCHA's 400,000 residents across our city.



#### **PACT to Preserve It**

Using RAD and other mechanisms, the City will convert units to Section 8, and transfer properties to private management. 62,000 units are to be completed by 2028.

#### **Build to Preserve It**

Known as "infill", the city plans to allow private development on areas they deem "underutilized", like parking lots and playgrounds. New dev is mostly market rate.

#### Transfer to Preserve It

By selling the air above NYCHA buildings to private developers known as development or air rights - the City will generate 3.1% of the \$32 billion needed.

#### Fix to Preserve It

The City claims
NextGen will generate
nearly \$24 billion over
the next decade. This is
75% of the \$32 billion
that NYCHA needs in
the next 5 years.

## **OUR CONCERNS** are based on research, reports and word of mouth which suggest:

- 1. This is de facto privatization.
- 2. Tenants rights are being violated.
- 3. RAD leads to higher rates of eviction.

## Will my Rights Remain Intact?

The City says yes, and on paper, the answer is yes. There are no legal changes to the rights of NYCHA or public housing tenants, and protections are actually expanded.

However, in reality, this is not what we, JFAC, are hearing from tenants across the city. Nor is it what researchers are finding in converted buildings across the country.

Instead, there are reports of consistent and blatant violations of tenants rights - from not holding meeting with tenants about conversions until decisions are made and moving forward, to not adjusting rent to changes in income.

## Is this Privatization?

This seems a lot like privatization, but the City has consistently said it is not privatization.

What is going on?

The City is clinging to the fact that they will maintain ownership of the property deed, so properties are not *technically* being transferred to private ownership, so this is not *technically* privatization. Instead, properties are being leased to private entities for 99 years. Private entities are becoming property *managers*, not owners.

We assert, **this is de facto privatization.**Though the city maintains partial, legal ownership, in effect, private managers will be in charge of properties and tenants' futures.

### Do you agree? We ask you:

If the city has already been struggling to care for NYCHA properties and respond to tenants' needs, and these conversions will downsize their staff as tasks are taken over by private managers, what kind of 'ownership' and capacity to intervene can we expect the City to have in this arrangement?



## A Demand for Safe and Healthy Public Housing

**Executive Summary** 

#### Our Concerns:

- 1. Buildings are deteriorating, providing uninhabitable living conditions for tenants that threaten both their safety and health.
- 2. Climate change poses further threats. Many NYCHA developments, including those in LIC and Astoria, are located in the flood plain, yet few if any measures have been taken to shore up buildings.
- 3. Tenants have few if any alternative options for housing. For many, displacement from public housing means loss of community and homelessness.
- 4. NextGeneration NYCHA/NYCHA 2.0 threatens tenants further, taking away their community resources, giving control of units to predatory, private managing firms, and intensifying density in their communities.

#### Our Demands:

- 1. Halt NextGeneration NYCHA/NYCHA 2.0 completely infill, PACT/RAD, and the selling of air rights.
- 2. City, state and federal governments MUST revise their budgets and management of public money, and reprioritize NYCHA so that ALL of the \$40 billion needed to repair and modernize units and buildings can be allocated now.
- 3. Additional funds should also be put aside to cover health costs and other damages tenants have incurred as a result of ongoing government neglect.

This isn't only possible, this is necessary, and incumbent upon all levels of government who have continuously neglected NYCHA residents and ignored their legal obligation to them as landlord.

#### Contact us:

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## **Our Actionable Proposal:**

### City

- Impose a moratorium on all new development and major rezonings in Queens and across
  the city, and reallocate public money towards repairing and modernizing public housing.
  This includes the billions that would go towards building Sunnyside Yards and the BQX.
- 2. Revoke the decision to spend \$10 billion on 4 new jails, and reallocate that money towards repairing and modernizing public housing, as has been proposed by No New Jails NYC.
- 3. Support tenants in moving toward resident management so as to avoid neglect and mismanagement in the future.

#### State

- 1. End state-level tax abatement programs, including 421-a and 485-a, which cost the state about \$4 billion annually, and only benefit corporate landlords and wealthy developers.
- 2. Impose a pied-à-terre tax as sponsored by Senator Brad Hoylman. This would institute a progressive surcharge on non-primary residences worth \$5 million or more. Ranging from 0.5% to 4% on homes worth more than \$25 million, State Budget Director Robert Mujica estimates the new tax would generate \$9 billion in new revenue over the next decade.

#### **Federal**

- Support and pass Public Housing Emergency Response Act as proposed by Congresswoman Nydia Velaquez. This federal legislation would allocate \$70 billion for public housing capital repairs and upgrades nationally, including the money NYCHA needs to make repairs now.
- 2. Support and pass the Green New Deal for Public Housing, as proposed by Representative Alexandria Ocasio-Cortez and Senator Bernie Sanders. Their plan allocates up to \$172 billion over the next 10 years to repair and retrofit public housing units to improve living conditions now and in the future. The GND for public housing also includes a repealing of the Faircloth amendment, which would all for new construction of public housing. This would better help meet the needs of those who are currently unhoused or inadequately housed.
- 3. Crack down on tax loopholes that allow large corporations and wealthy actors to offshore income and avoid paying taxes. SEC filings show that Apple alone would need to contribute about \$60 billion to the country's coffers. Moreover, research by the Citizens for Tax Justice and the U.S. Public Interest Research Group Education Fund shows that jointly, the top 500 largest US companies who hold more than \$2.1 trillion in accumulated profits offshore, would contribute more than \$620 billion.