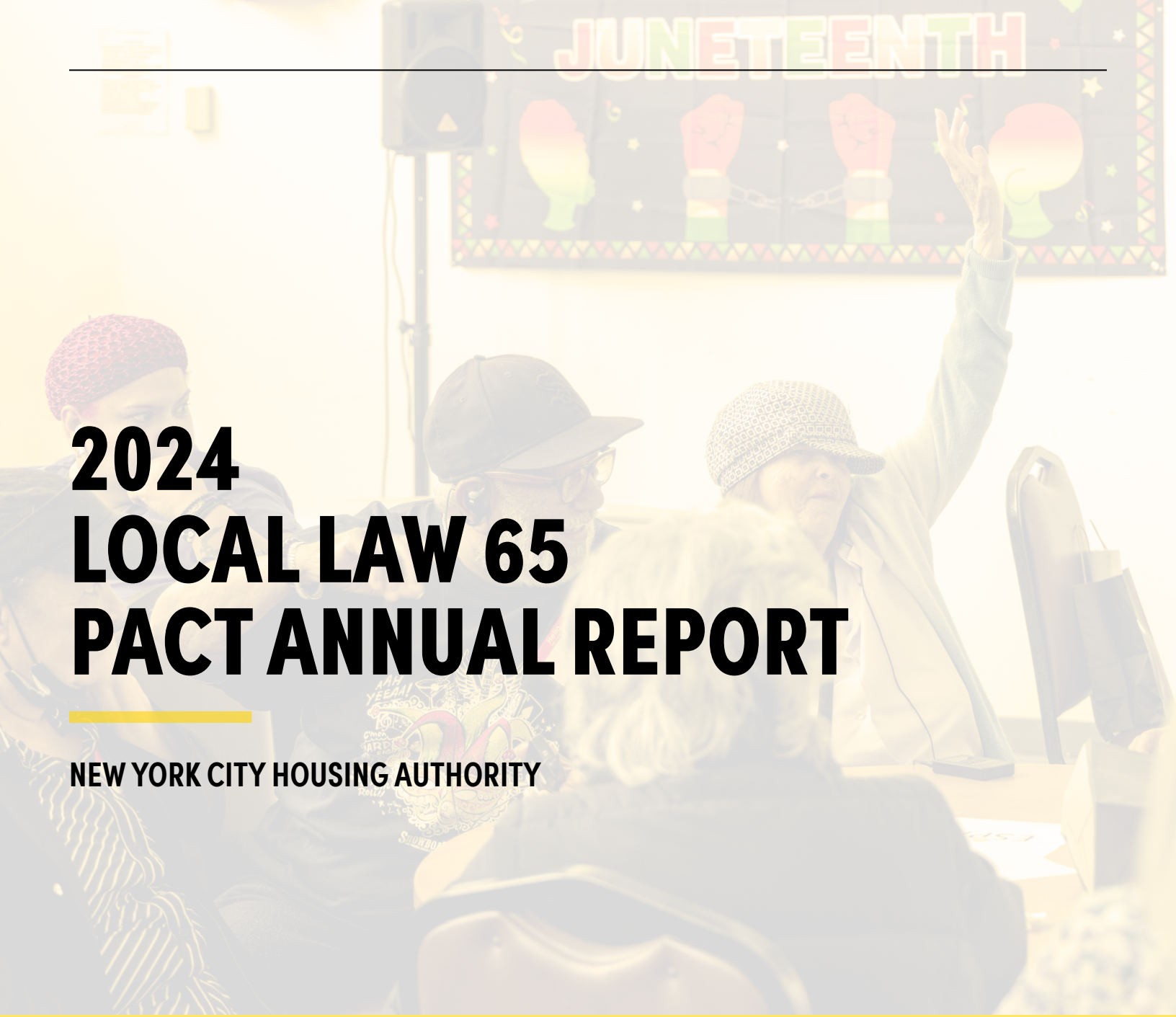


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A background image showing a community meeting. In the foreground, a person with long blonde hair is seen from behind. In the middle ground, a man wearing a black baseball cap and glasses is looking towards the right. To his right, a woman wearing a patterned beanie is raising her right hand. In the background, a banner reads "JUNETEENTH" in large, colorful, block letters. Below the text, there are illustrations of two raised fists, one green and one red, both wearing black wristbands. The banner is decorated with stars and a geometric border.

# **2024 LOCAL LAW 65 PACT ANNUAL REPORT**

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**NEW YORK CITY HOUSING AUTHORITY**

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November 1, 2024



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*Wise Towers Ribbon Cutting Day, 2024*

# INTRODUCTION

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*Meltzer Tower Resident Tour to Williamsburg Houses, 2024*

In response to Local Law 65 of The City of New York, the New York City Housing Authority has prepared the enclosed annual report on its **Permanent Affordability Commitment Together (“PACT”)** program. The report includes information regarding a range of topics as required, including outreach and engagement, resident rights, NYCHA’s oversight role, PACT partners’ performance, fees due to NYCHA, City support, information summarizing PACT partner names, subcontractors, project timing and status, project repair costs, and fees for residents.

NYCHA is proud of the substantial progress made with the PACT program. In 2024, West Brighton, Sack Wern, Frederick Samuel Apartments, and Boston Secor, Boston Road Plaza, and Middletown Plaza have already converted to Project-Based Section 8 through PACT, and Manhattanville is targeted for conversion before the end of the year. The portfolio of converted PACT projects now contains over 23,000 apartments, representing more than \$6.4 billion in completed and active capital repairs. There are more than 37,000 apartments at some stage of the process. NYCHA looks forward to continuing this progress over the coming year.

Under the program, NYCHA and our PACT partners have completed construction in over 9,500 apartments, representing nearly \$2 billion in repairs completed since the start of the program. We currently have 41 developments under construction, representing over \$4.5 billion in repairs happening across the city. Over 3,000 apartments have had lead-based paint removed – helping NYCHA reach goals set out in our HUD agreement. The City of New York needs the PACT program to ensure that residents continue to have safe, habitable, and affordable housing. Given NYCHA’s \$80 billion funding capital need, these are investments that NYCHA is unable to provide otherwise.

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# PACT OVERVIEW

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PACT depends on partnerships with private and non-profit development partners, who are selected based on resident input. Once the property is converted to Project-Based Section 8, NYCHA leases the land and buildings to the development partners, who conduct the repairs, serve as the new on-site property manager, and provide enhanced social services and community programs.

PACT allows NYCHA to renovate developments using HUD's Section 8 conversion programs, including the Rental Assistance Demonstration (RAD), Tenant Protection Voucher (TPV) funding, and Part 200 disposition, all of which ensure long-term affordable housing.

NYCHA is committed to making improvements to the PACT program, and NYCHA's partnership with resident leaders across the city is one example of how NYCHA has been able to adapt the program to meet the unique needs of each NYCHA community.



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*Harlem River Spring Celebration, 2024*

# REPORTING SECTIONS

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<b>Sections A-C</b>	PACT Project Data
<b>Section D</b>	PACT Subcontractor Data
<b>Section E</b>	Resident Outreach and Engagement
<b>Section F</b>	Section 3 Progress
<b>Section G</b>	NYCHA's Oversight Role
<b>Section H</b>	Resident Rights
<b>Sections J &amp; K</b>	PACT Partner Performance
<b>Section L</b>	Fees in Addition to Rent
<b>Section M</b>	Fees Received by NYCHA
<b>Section N</b>	City Support

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## **SECTIONS A-C**

# **PACT Project Data**

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### **This information is provided in Appendix A: PACT Project Data**

NYCHA is committed to transparency about the PACT program and our progress toward our 62,000-unit goal. Much of the information provided in this report is already online and available to the public. Information about our PACT projects, PACT partners, anticipated or actual closing dates, and total repair costs is online in our [PACT Dataset](#) on the [PACT Projects Webpage](#).



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*Fully renovated kitchen at Independence Tower*

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## **SECTION D**

# **PACT Subcontractor Data**

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### **This information is provided in Appendix B: PACT Subcontractor Dataset**

*One note on this dataset:* NYCHA began collecting subcontractor information in the second quarter of 2024 for projects currently under construction. This information was not previously collected. Subcontractor information for projects that completed construction before Q3 2024 is therefore not included in Appendix B.



*Lead-based paint abatement at Williamsburg Houses*

## **SECTION E**

# **Resident Outreach and Engagement**

## **NYCHA's Commitments to the PACT Engagement Process**

- Resident leaders are key decision-makers in the planning process and its outcomes.
- NYCHA and PACT partners provide residents with the tools and information they need to participate fully in the process.
- Resident priorities and input drive the plans for improvements, property management, and social services while ensuring that a development's physical needs will be met.

## **PACT Community Planning and Engagement Process**

### **01 Listen and Learn** 3-6 months

- Resident meetings about PACT and how it works
- Resident leadership paired with independent advisors, if desired
- Outreach and discussions about community needs and priorities

### **02 Partner Selection** 6 months

- Issue Request for Expressions of Interest (RFEI) to select PACT partners
- Resident Review Committee evaluates proposals and selects partner team
- Continue hosting resident meetings, tours, workshops, and open house events

### **03 Design** 12-18 months

- Introduce PACT partners to residents
- Work with residents and PACT partners to prepare detailed rehabilitation, property management, and social services plans
- Residents sign new leases; free legal assistance available from the Legal Aid Society

### **04 Construction** 18-24 months

- Development converts to Project-Based Section 8 funding
- New property manager assumes responsibility
- Construction begins

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## **SECTION E**

# **Resident Outreach and Engagement**

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### **Resident Resources in the PACT Program**

- **Resident Advisor:** Through the PACT Resource Team, a technical advisor in the areas of planning, policy, law, housing, and/or urban design works closely with and supports the needs of the resident leaders.
- **Architectural Consultant:** Hired by NYCHA early in the process to conduct a thorough review of the buildings and grounds to understand existing conditions and ensure residents' lived experiences are captured.
- **Independent Legal Support:** All residents have access to free legal assistance provided through the Legal Aid Society Hotline. Resident leaders can also request free legal advisory services during the planning and construction phases.
- **Robust Engagement:** NYCHA is committed to engaging with residents through meetings, workshops, on-site office hours, a phone hotline, email, texting, and more. Interpreters and translations are made available based on the language needs of the development.

### **Greater Community Outreach**

- Resident meetings in a variety of formats, including presentations, open houses, and workshops
- Regular, small group discussions with resident leadership
- Emails, phone banking, and texting
- Door-to-door canvassing
- Attendance at community events such as resident association meetings, family days, and other activities
- Meetings with community-based organizations and advocates

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## **SECTION E**

# **Resident Outreach and Engagement**

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### **Resident Review Committees**

Resident leaders form resident review committees evaluate proposals to select the partner team – including the developer(s), general contractor, property manager, and social service provider – that is best suited to their community. With the assistance of NYCHA and a resident advisor, the process includes interviews and tours of properties that proposing teams have renovated and/or managed in other parts of the city.

### **Community Plans**

Once a partner team is selected, residents work closely with NYCHA and the partner team over the course of approximately 12 to 18 months to design all aspects of the project, including rehabilitation plans for apartments, buildings, and public spaces, property management, social services, and security. Residents also help design and then inspect a “model apartment” to ensure it meets their standards in terms of design, finishes, and quality of work. This input and engagement culminate in a detailed community plan for their development. The community plan is distributed to all households prior to the start of construction so that residents are clear on the investment plans and commitments being made to their development on the part of NYCHA and the PACT partner team.

### **Language Needs**

While NYCHA and PACT partners have consistently addressed language needs as they were identified, records of outreach efforts for PACT projects have been collected since 2023 and are now available in our current datasets. Information about language materials was provided in Appendix A: PACT Project Data.



*Manhattanville Design Workshop, 2021*

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## **SECTION F**

# **Section 3 Progress**

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### **This information is provided in Appendix A: PACT Project Data**

Section 3 Requirements for RAD conversions are outlined in the HUD RAD Notice. Per the HUD RAD Notice: *“...HUD has established the...requirement that any Work (defined as the construction work) required by the conversion after the RAD closing that involves housing rehabilitation or housing construction is subject to the Section 3 requirements”*.

PACT Projects that converted prior to 2021 were subject to “old” Section 3 rules, and therefore, the reported percentage represents the percentage of new workers who were hired by Section 3 hires. PACT projects that converted in 2021 and later are subject to “new” Section 3 rules, and therefore, the reported percentages represent the percent of qualifying Section 3 Labor Hours out of the total Labor Hours worked on the project.

In addition to the Section 3 requirements, NYCHA also requires all PACT partners to develop NYCHA Resident Economic Opportunity Plans (hiring and training plans) and to work with our REES department to facilitate training and job placements.

NYCHA monitors PACT partner compliance to meet the Section 3 Benchmarks and reviews the Section 3 Labor Hour Summary reports submitted at least quarterly by each PACT partner—the same reporting forms used by the rest of NYCHA.

This information is also updated on the [PACT Project Progress & Compliance Oversight webpage](#).

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## **SECTION G**

# **NYCHA's Oversight Role**

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NYCHA maintains oversight of its developments through various contractual agreements with PACT partners. NYCHA is responsible for ongoing oversight and active monitoring of conditions at each development after conversion when the PACT partner takes responsibility for completing comprehensive repairs, managing the development, and providing social services. NYCHA also remains actively involved in its role as a Section 8 administrator.

NYCHA conducts site visits to monitor PACT partner activities and respond to inquiries or issues. In addition, NYCHA ensures PACT partners comply with specific requirements of the Section 8 subsidy and waitlist policies. If performance gaps are identified, NYCHA will work with a PACT partner to identify and analyze root causes, agree on specific solutions, and monitor improvement.

NYCHA collects and analyzes monthly reports, which include data on maintenance and repairs, tenancy proceedings, and construction progress. Through NYCHA's administration of the Section 8 program, NYCHA manages the site-based waitlists to fill vacancies, continues to calculate the resident portion of the rent, administers the subsidy, and conducts Housing Quality Standard ("HQS") inspections. Additionally, NYCHA continues to administer the Customer Call Center (the "CCC") for residents at PACT sites.



*CCOP Resident Tour to Betances, 2021*

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## **SECTION H**

# **Resident Rights**

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In addition to providing significant quality-of-life improvements, PACT keeps rent permanently affordable and incorporates resident rights and protections. Existing authorized members of households at a PACT development automatically qualify for Project-Based Section 8 and are offered a lease agreement with the new property manager. Below is a summary of the key rights and protections included in the PACT lease or required per Federal rules and regulations governing NYCHA's implementation of the PACT program.

### **RENT CALCULATION**

Residents continue to pay 30% of their adjusted gross household income towards rent.\*

### **FEES & CHARGES**

Residents do not have to pay any additional fees, charges, or utility expenses that are greater than what they currently pay.

### **SECTION 8 ELIGIBILITY**

Federal rules prohibit the rescreening of current households for Section 8 eligibility. This means that all existing households residing at the development will automatically qualify for the Project-Based Section 8 program regardless of their income eligibility, criminal background, or credit history.

### **AUTOMATIC LEASE RENEWAL**

Households will sign a new PACT Section 8 lease, which is similar to the Public Housing lease. It automatically renews each year and cannot be terminated except for good cause.

### **TEMPORARY RELOCATION**

In some cases, due to the extent of the construction work, temporary moves may be necessary. Residents have the right to return to their original development after the renovations are complete, and the PACT partner will pay for any packing and moving expenses.

### **RIGHT-SIZING**

Per federal rules, all households who are over- or under-housed must move into an appropriately sized apartment when one becomes available within their development.

### **GRIEVANCE HEARINGS**

Residents have the right to initiate grievance hearings with a third-party mediator.

### **JOB CREATION**

The PACT partner is required to set aside 25% of all labor hours for NYCHA residents seeking employment in construction or property management.

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*\* Exceptions may apply to households who pay flat rent; are current tenant-based Section 8 participants; are a mixed family as defined by HUD; or who signed a non-public housing over-income lease.*

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## **SECTION H**

# **Resident Rights**

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### **How are resident rights guaranteed?**

- The RAD program is governed by the RAD Statute, and HUD’s guidance is implemented through HUD’s RAD Notice. For example, the RAD notice includes the relief that residents are not required to be right-sized in order to successfully convert into the Section 8 program through RAD (Note: right-sizing is still a requirement both on Section 9 or Section 8 sides, and the relief is that residents do not need to be right-sized in order to be included on the Section 8 HAP). The RAD program is authorized by is authorized by the Consolidated and Further Continuing Appropriations Act of 2012 (Pub. L. No. 112-55, approved November 18, 2011), as amended and the “RAD Notice” (H 2019-09 PIH 2019-23) as amended and provides for resident rights and protections.
- The HUD Restrictive Use Agreement effectuates the resident rights provided by federal and state statutes and is detailed in HUD’s RAD Notice (Notice H 2019-09 PIH 2019-23, Rev 4).
- The Control Agreement between NYCHA and the PACT partners outlines NYCHA’s requirements and is signed by the PACT partners. This agreement also includes the RAD Guiding Principles, which were developed collaboratively by NYCHA, resident leaders, and housing advocates. Additionally, it incorporates supplemental protections that exceed those mandated by HUD and NYCHA’s Eviction Prevention and Housing Stability Requirements. These requirements ensure that all households are provided with appropriate processes, resources, and support before any formal legal proceedings commence. The PACT Section 8 Residential Apartment Lease is updated frequently to reflect feedback from residents and housing advocates.
- In instances where residents are required to temporarily move for health or safety reasons, such as lead removal during construction, NYCHA requires that the PACT partners have the residents sign a Temporary Move Agreement. This agreement ensures that residents have the right to return to their original development.
- In 2015, Enterprise Community Partners convened the RAD Roundtable to create guiding principles for RAD conversions in New York City. The RAD roundtable was comprised of NYCHA, resident leaders, advocacy groups, and housing policy groups, and the guiding principles were included in all of our PACT projects.

For more detailed information,  
please scan the QR code:



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## **SECTIONS J & K**

# **PACT Partner Performance**

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NYCHA's public dashboard presents performance metrics based on reported data across the PACT program and for each project. On the public dashboard, NYCHA shares data on:

- **Maintenance and repairs:** The creation and resolution of work orders for pests, mold, leaks, elevators, and heat.
- **Tenancy proceedings:** We track outreach related to rental arrears or other tenancy-related issues. All PACT partners must follow NYCHA's Housing Stability and Retention Guidelines for any legal matters with households.
- **Construction:** We track and will provide progress updates as development is modernized.

These dashboards are available at the following link: [PACT Project Progress & Compliance Oversight](#).



*Fully renovated kitchen at Williamsburg Houses*

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## **SECTION L**

# **Fees in Addition to Rent**

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Following conversion, resident responsibilities regarding payment of utility fees remain the same as they were prior to conversion. The responsibility of who pays utilities varies from building to building within each PACT project. For example, NYCHA residents who paid utilities prior to PACT conversion will continue to pay utilities after conversion. The utility fee amounts are dependent on the project and building configuration (master metered, sub-metered, etc.) as well as the resident's use. In cases where residents are responsible for their own utilities, they may receive an additional Section 8 subsidy in the form of a utility allowance.



*New laundry room at Twin Parks West*

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## **SECTION M**

# **Fees Received by NYCHA**

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NYCHA may receive the following types of fees in connection with PACT conversions:

- **NYCHA Administrative Fee:** This is a fee paid to NYCHA by the PACT partner for its asset management, oversight, and compliance monitoring.
- **NYCHA Tax Consultation Expense Fee:** This is an annual fee NYCHA receives from the PACT partner for tax consultation expenses associated with the legal entities formed for a project.
- **NYCHA Utility Management Fee:** NYCHA receives a preferential utility rate from the New York Power Authority, which is passed on to the property manager. This is a fee for the administration of the utility fee savings.



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*Model unit kitchen at Boston Secor*

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## **SECTION N**

# **City Support**

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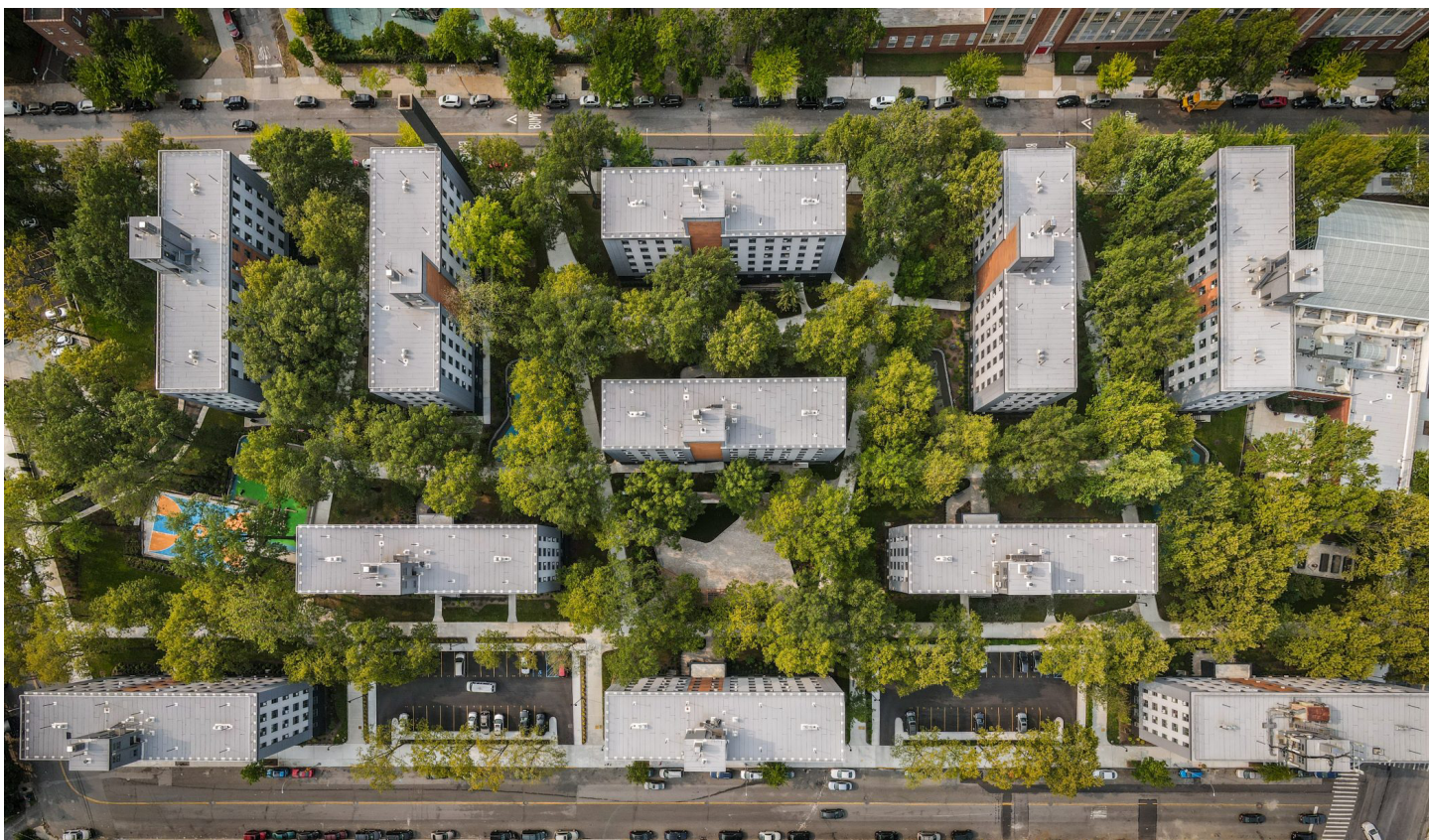
The PACT program leverages the Section 8 program to raise money through new financing options for critically needed repairs. Through Section 8 conversions, NYCHA and our PACT partners can leverage public and private debt and equity to reinvest in the NYCHA's housing stock. Below are the aggregate amounts of financing received for all of NYCHA's converted PACT sites.

### **Aggregate amount of financing: \$6.48 billion**

**The total capital repair costs (including hard and soft costs) for all closed projects amount to \$6.48 billion.** This amount can be found by totaling all of the capital repair costs for our converted projects in the dataset provided.

### **Aggregate amount of support received from the City: \$875.9 million**

This is the total amount of city subsidy for Edenwald, Reid Park Rock, Sack Wern, West Brighton, Frederick Samuel Apartments, and Boston Secor, Boston Road Plaza and Middletown Plaza PACT projects.



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*The campus of Baychester after construction completed*

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# LOCAL LAW 65 REPORT

November 1, 2024



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## NEW YORK CITY HOUSING AUTHORITY