



OFFICE OF THE PRESIDENT
BOROUGH OF MANHATTAN
THE CITY OF NEW YORK

1 Centre Street, 19th floor, New York, NY 10007
(212) 669-8300 p (212) 669-4306 f
431 West 125th Street, New York, NY 10027
(212) 531-1609 p (212) 531-4615 f
www.manhattanbp.nyc.gov

Gale A. Brewer, Borough President

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**Gale A. Brewer, Manhattan Borough President
Testimony before the New York City Housing Authority
On the Draft Significant Amendment to the FY2019 Annual PHA Plan**

My name is Gale A. Brewer and I am the Manhattan Borough President. Thank you to Interim Chair Brezenoff and the members of the NYCHA Board for the opportunity to testify today.

PACT RFP and Contracting Nonprofits

This year's significant amendment impacts thousands of units slated for Section 8 conversion. With almost 2,000 Manhattan units at stake,¹ I will not support any project that isn't going to be done through a nonprofit community development corporation (CDC).

Unfortunately, CDCs are effectively locked out of the PACT contract bidding process. NYCHA requires Manhattan PACT bidders to have completed a rehab project of at least \$75 million and to manage at least 1,700 units of affordable housing in the past seven years.² My staff reached out to well established CDCs in Manhattan and all of them said they do not meet the requirements. I urge NYCHA to revise its RFP criteria by bidding out smaller, more neighborhood-based clusters and requiring for-profit applicants to partner with CDCs.

Section 18 Disposition

Along with housing advocates, I am cautiously supportive of RAD due to the mandatory Section 8 contract renewal that guarantees permanent affordability. However, while federal guidelines mandate contract renewal for RAD projects, no such guideline exists for Section 18 dispositions. NYCHA has promised to extend the same RAD resident rights to Section 18 tenants, but permanent affordability is a right that Section 18 tenants will not have.

¹ Among the 5,200 units that have received HUD approval for future RAD conversion, 1,370 units in 16 NYCHA developments are in Manhattan. Additionally, 624 units from 344 E 28th Street and Wise Towers will be transitioned into Section 8 assistance upon HUD approval. (Draft Significant Amendment to FY19 PHA Plan)

² Requirements in the Brooklyn RFP are a \$300 million past project and 2,600 units under management.

NYCHA must codify language on tenant rights and permanent affordability into Section 18 projects' legal documents such as a regulatory agreement or a document tied to the property that does not have an expiration date.

Transparency and Resident Engagement

Another issue with Section 18 is the lack of transparency. NYCHA is requesting HUD approval to use Section 18 disposition for developments already designated for RAD.³ NYCHA should make up for this added uncertainty with more communication, not less.

At a meeting last year, I was informed by Chair Brezenoff that Wise Rehab and the WSUR Brownstones are the only Manhattan developments designated for Section 18 disposition. However, Cynthia Tibbs, resident leader of the WSUR brownstones, has received no communication from NYCHA since June 2016. She found out about Section 18 for Wise and WSUR from Vic Bach.

Staff from my office attended NYCHA's community meetings for the Washington Heights Rehabs in November 2018, where NYCHA presented about RAD and answered tenants' questions. But upon reviewing NYCHA's PACT RFP for Manhattan, I learned that the Washington Heights Rehabs, along with Manhattanville Rehab Group 3 and Samuel MHOP I & II, are being bid out as Section 18 developments.⁴

NYCHA must do a better job communicating with its residents. Those who are going to be impacted by PACT—particularly if it's under Section 18 with less protection—should not have to find out what's going on from elected officials or advocates.

Thank you for the opportunity to testify. I stand ready to work with NYCHA staff and residents to ensure PACT projects bring quality repair and permanent affordability to all tenants.

³ Draft Significant Amendment to FY19 PHA Plan, p. 25.

⁴ While Section 18 for these developments is the "anticipated conversion type," they are nonetheless bid out as Section 18 projects. Furthermore, up to 25% of the developments listed as RAD conversion may also become Section 18 dispositions. (NYCHA PACT RFP for Manhattan Developments, p. 8)