

NYCHA'S CRISIS

A Matter For All New Yorkers



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EXECUTIVE SUMMARY

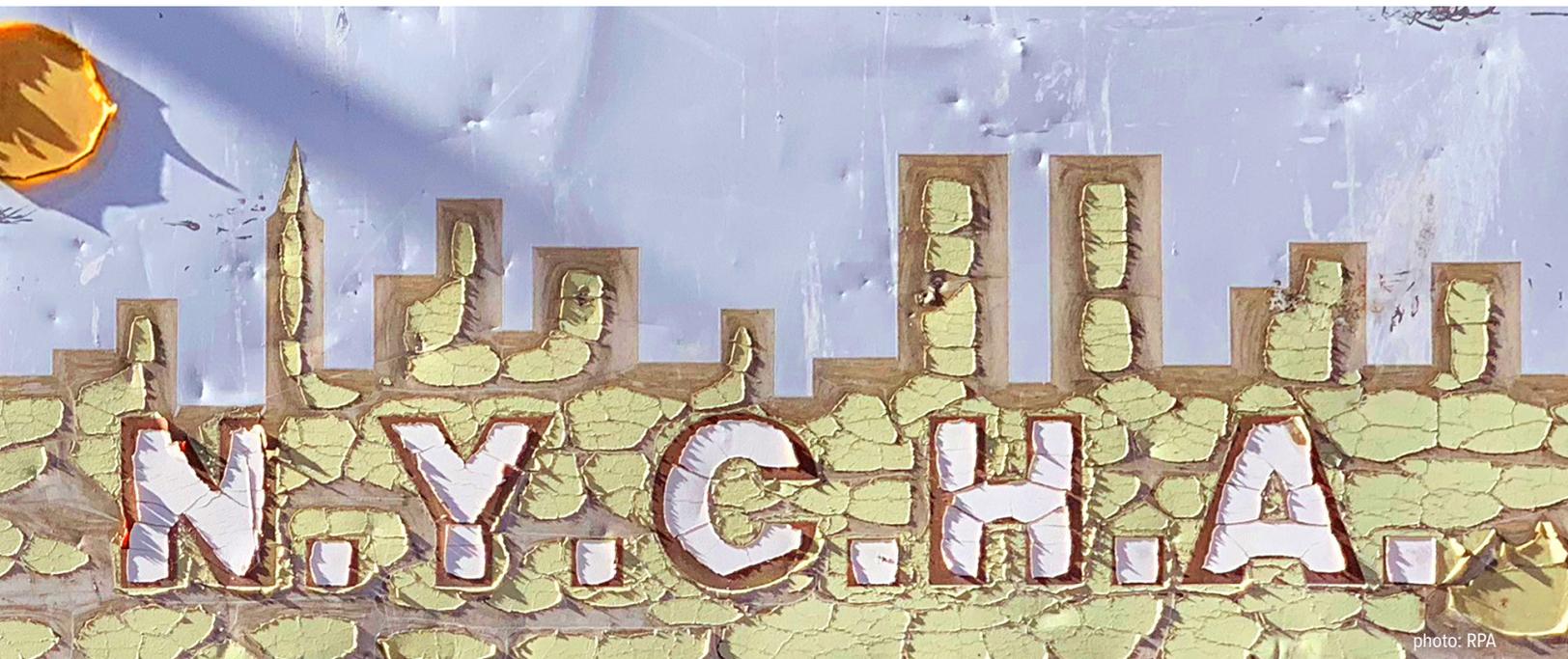


photo: RPA

Decades of neglect and underinvestment by all levels of government—federal, state and city—have led to the current crisis facing the New York City Housing Authority (NYCHA).

Despite the promise of ongoing federal support, our public housing instead has had to absorb ongoing federal cuts since the 1980s, leaving the physical condition of NYCHA housing to steadily deteriorate over the tenures of several mayors and governors and through multiple federal administrations. Our public housing has now reached an unprecedented state of crisis. While both the city and the state have recognized the seriousness of the situation and begun taking real and meaningful steps to address it, especially New York City’s announced NYCHA 2.0 plan, all stakeholders have recognized that much more will be needed to return and keep New York’s public housing in a safe, healthy, and stable condition.

None of this has gone unnoticed by the over 400,000 New Yorkers living in public housing, who have lived this growing catastrophe on a daily basis. Yet only recently have the human and financial costs started to receive the public attention they deserve and need. The devastation brought by Superstorm Sandy demonstrated the physical vulnerability of much of the city’s public housing. Since then, stories of the nearly uninhabitable conditions our neighbors have had to endure have increasingly pierced

public consciousness—buildings going for months without heat or hot water, elderly and disabled residents often trapped in their apartments when elevators aren’t repaired, vermin infestations which go ignored, and broken apartment plumbing, ceilings and walls taking months, sometimes years, to get fixed.

The crisis was able to build in part because, unlike the conditions within our subways, schools or parks, most New Yorkers don’t experience the conditions within public housing. While many of us may recognize the problems facing NYCHA residents on a humanitarian level, there is far less understanding of how the decline of this essential part of the city’s housing stock and public infrastructure will affect all New Yorkers, whether we live in public housing or not. The magnitude of the actions that will be needed to restore these homes and return NYCHA to stability will be costly, and require enormous political will and contributions from everyone with a stake in its success. But doing nothing will be even more costly – and all New Yorkers will suffer greatly in the city we would become if we let our public housing continue to crumble.

This report demonstrates how the state of crisis in NYCHA impacts all New Yorkers and the implications of continued deterioration. It is a first step in an effort to develop the practical solutions necessary to restore our public housing to a source of healthy, quality homes for New Yorkers in need of stable and truly affordable housing along with the civic will necessary to implement them.

NYCHA Residents and Facilities Make Vital Contributions to New York’s Economy and Quality of Life

NYCHA housing is found throughout the five boroughs, and NYCHA residents help make New York one of the most successful, diverse and dynamic cities in the world. Almost half of New York City’s 189¹ neighborhoods have at least some NYCHA homes, ranging from small buildings taken on by the authority to traditional developments like the Queensbridge Houses, the largest public housing development in the country. In many of these neighborhoods, NYCHA is the only housing contributing to the economic diversity of the community.

NYCHA residents are also a critical part of the workforce of industries ranging from health care and education to manufacturing and transportation, and support local businesses with discretionary income that they wouldn’t have if they lived in private housing. NYCHA residents are especially an integral part of the workforce of our city agencies – educating our children, protecting our communities, and helping our neighbors. The largest employer of NYCHA residents is the NYC Department of Education, with the NYPD the third-largest.² When looking proportionally, some agencies reliance on NYCHA residents is even more pronounced. In 2012, for example, there were over 500 employees of both the City University of New York and

the Administration for Children’s Services who were NYCHA residents, a significant number in agencies having just 7,600 and 6,500 full-time equivalent employees respectively.³

The sheer scale of NYCHA housing means that its success or failure ripples through the city and the larger New York region. It is home to almost 5% of the city’s population. That’s more people than live in Jersey City and Stamford combined, and more than live in Cleveland, New Orleans or Honolulu.⁴ NYCHA is the largest residential landlord in the United States,⁵ is bigger than the next 10 largest public housing agencies combined, and houses nearly 15% of low-income renters in New York City.⁶

This size, as well as the characteristics of its residents, gives NYCHA a substantial and largely unrecognized role in the life and vibrancy of the city. For example, whether measured by jobs, consumption or business activity, contributions by NYCHA residents to New York’s economy are both substantial and widespread:

- ▶ NYCHA residents are critical participants of our workforce, holding jobs at roughly the same rate as working-age New York City residents as a whole.⁷
- ▶ These workers hold over 137,000 jobs in total and form a disproportionate share of the city’s employees in the transportation, education, manufacturing, retail trade and health care sectors. They hold over 30,000 health care jobs and 5% of the

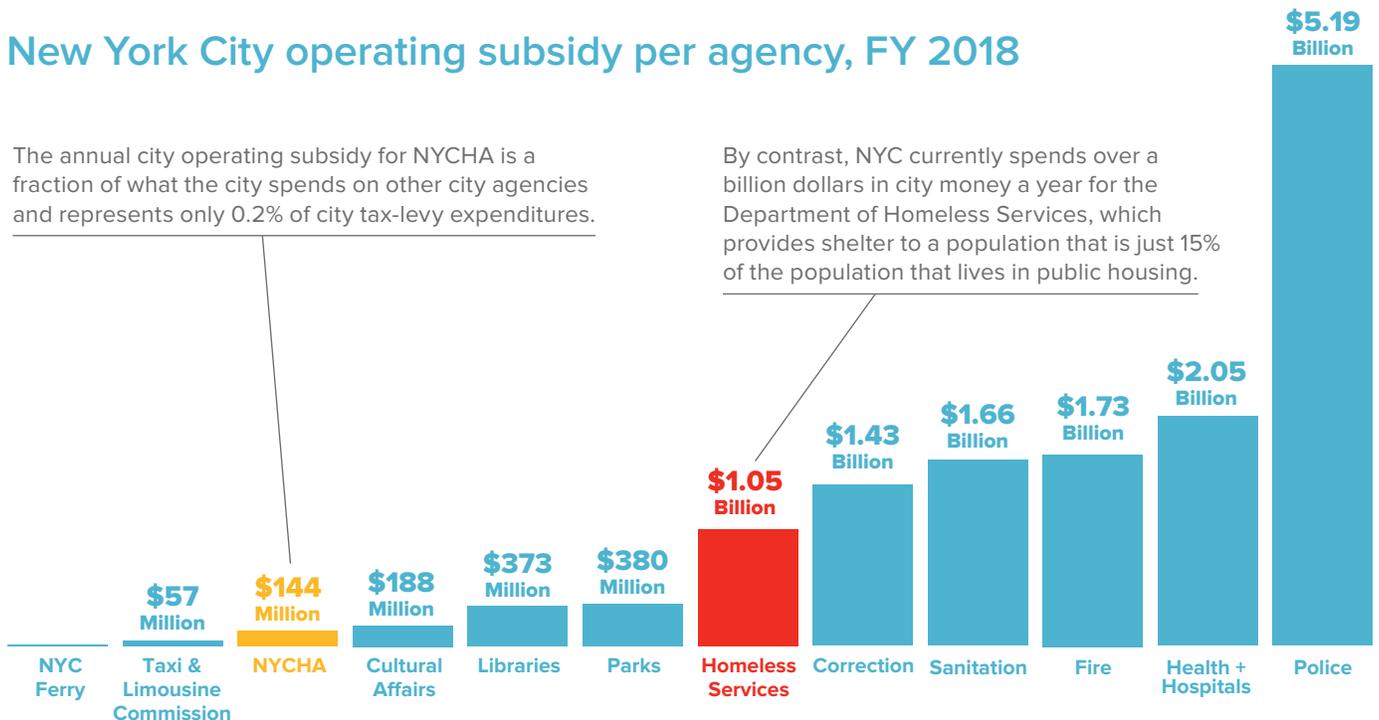
1 These are New York City’s populated Neighborhood Tabulation Areas (NTAs).
 2 Economic Impact of the New York City Housing Authority in New York City and New York State, HR&A Advisors, Inc. 2013

3 Economic Impact of NYCHA and The Financial Plan of the City of New York, Full Time and Full-Time Equivalent Staffing Levels, Fiscal Year 2013. Staffing levels are Full-time & Full-Time Equivalent jobs.
 4 American Community Survey, 2017 1-year sample data.
 5 National Multifamily Housing Council, 50 Largest Apartment Owners, 2018
 6 American Community Survey, 2017 1-year sample data.
 7 RPA analysis from United States Census Bureau LODES data, 2015.

New York City operating subsidy per agency, FY 2018

The annual city operating subsidy for NYCHA is a fraction of what the city spends on other city agencies and represents only 0.2% of city tax-levy expenditures.

By contrast, NYC currently spends over a billion dollars in city money a year for the Department of Homeless Services, which provides shelter to a population that is just 15% of the population that lives in public housing.



source: NYC Department of Finance Reports to New York City Council, 2018. NYC Ferry from 2017 Borough Budget Consultation Notes



photo: Daniel Case

city's education jobs. The residents work throughout the city, with almost 25,000 working in the Manhattan central business districts – the economic engine powering the region.⁸

- ▶ NYCHA residents spend over \$2 billion per year, much of it supporting businesses in their local neighborhoods.
- ▶ NYCHA residents are also entrepreneurs, owning over 650 local businesses themselves.⁹
- ▶ NYCHA itself is also a major employer and job generator. A 2012 study by HR&A Advisors found that agency operating and capital expenditures support 30,000 jobs and \$6 billion in economic activity in New York State annually.¹⁰

The 322 NYCHA developments are also centers of community life in their neighborhoods, providing a wide range of facilities and services used by young and old, whether they live in NYCHA housing or not. These facilities include the following:

- ▶ 121 senior centers, nearly half of all the senior centers in New York City.¹¹
- ▶ 126 pre-schools and childcare facilities.¹²

- ▶ 189 acres of recreational open space, with at least 110 basketball and handball courts and over 1,200 other parks, fields, playgrounds, and plazas.¹³

It should be noted that many more community amenities and facilities could be provided but for the neglected capital needs of NYCHA, which is currently leaving vacant dozens of unoccupied spaces which could be renovated for community or retail uses.

Because NYCHA obtains almost all of its operating budget from the federal government and rent paid by tenants,¹⁴ its over 170,000 affordable homes and the many neighborhood amenities fit provides are provided at a very low ongoing cost to city taxpayers – as per the original intent of public housing. The annual city operating subsidy for NYCHA, \$143 million in FY 2019,¹⁵ is a fraction of what the city spends on other city agencies and represents only 0.2% of city tax-levy expenditures.¹⁶ By contrast, the city currently spends over a billion dollars in city money a year for the Department of Homeless Services,¹⁷ which provides nightly shelter to a population that is just 15% of the population that lives in public housing.¹⁸

⁸ RPA analysis from United States Census Bureau LODES data, 2015.

⁹ RPA analysis from ESRI Business analyst and Reference USA data.

¹⁰ Economic Impact of the New York City Housing Authority in New York City and New York State, HR&A Advisors, Inc. 2013

¹¹ RPA analysis from NYC Open Datasets NYCHA Facilities and Service Centers and Department for the Aging Contracts.

¹² RPA analysis from NYC Open Datasets NYCHA Facilities and Service Centers and Universal Pre-K.

¹³ RPA analysis from NYC Open Datasets Open Space - Parks, and Open Space - Other.

¹⁴ Of its non-Section 8 budget, NYCHA obtains approximately 47% of operating revenue from tenant's rents and 39% from federal operating subsidies.

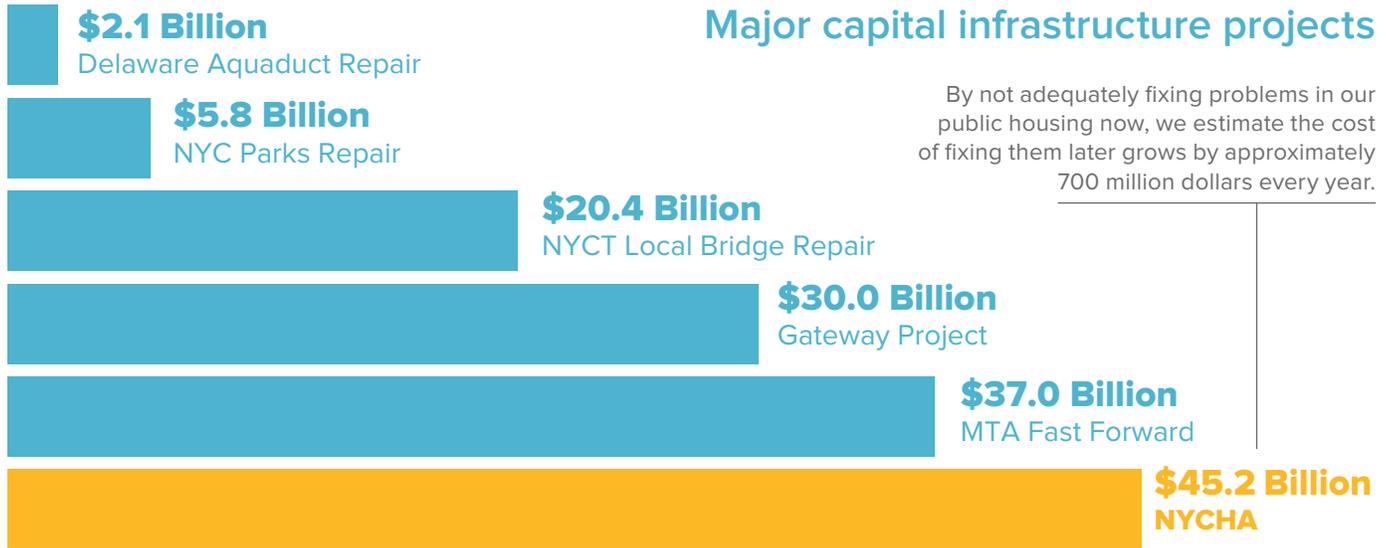
¹⁵ Report to the Committee on Finance, the Subcommittee on Capital Budget and the Committee on Public Housing on the Fiscal 2019 Executive Budget for the New York City Housing Authority.

¹⁶ *ibid*

¹⁷ Report of the Finance Division on the Fiscal 2019 Preliminary Budget and the Fiscal 2018 Preliminary Mayor's Management Report for the Department of Homeless Services

¹⁸ Coalition for the Homeless Monthly Shelter Census, August 2018

Major capital infrastructure projects



By not adequately fixing problems in our public housing now, we estimate the cost of fixing them later grows by approximately 700 million dollars every year.

sources: NYCHA, MTA, NYC DEP, NY State Comptroller (Local Bridge Repair), Center for an Urban Future (Parks Repair)

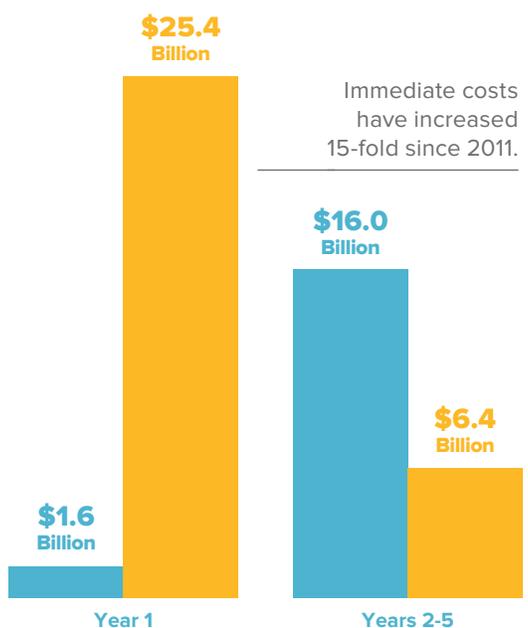
The Cost of Inaction

As important as NYCHA and its residents are to New York City, the physical condition of many of its buildings are now a disgrace. The staggering projected financial costs of returning public housing to a state of good repair now exceed even what is needed to fix New York’s aging subway system and have reached a point where the problem can no longer be pushed down the road. But just as the effects of not repairing our subway system are far worse than the alternative, not repairing our public housing will also have far greater consequences, both social and financial, than the cost of addressing the problem today.

The reason for this is simple. As is true of all buildings, NYCHA’s buildings need proper maintenance or they eventually become not just unsafe and unhealthy places to live, but legally uninhabitable. A building left to deteriorate long enough

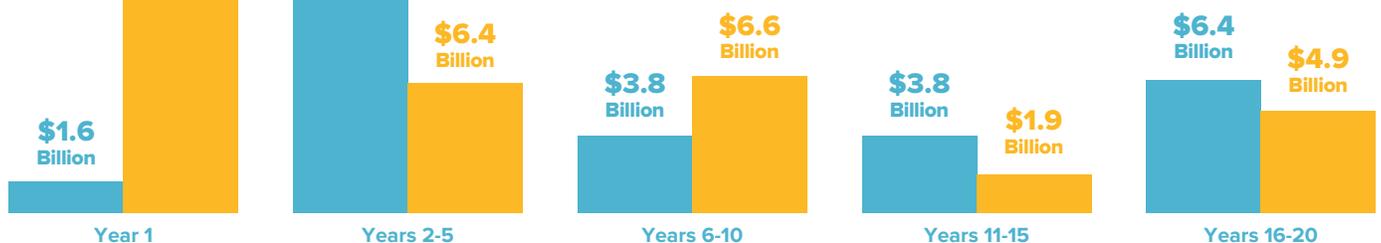
will eventually be in imminent danger of failure or collapse, rendering it unfit for human occupancy. While a timeframe for when this might happen for any specific building is unknown, what is certain is that if NYCHA continues on the current trajectory of endlessly deferred maintenance and compounding deterioration there will eventually be the need to evacuate significant portions of our public housing.

This is far from unprecedented in the United States, and an increasing worry among housing experts and elected officials. Speaking recently to the New York Times about NYCHA, Mayor de Blasio said he “worried that if buildings continued to deteriorate, they would eventually be torn down, as in Chicago and St. Louis.”



The cost of deferred maintenance is coming due now.

2011 Projections - ■
2017 Projections - ■



sources: 2011 and 2017 NYCHA Physical Needs Assessments

Could This Happen Here?

Our public housing has been a constant for New York City since the construction of the First Houses on the Lower East Side in 1935 - a development which is still occupied as public housing to this day. Since then, we have added public housing steadily, and for decades it has been a consistent part of the fabric of the city. Even in the 1970s, when our private housing underwent large-scale disinvestment, the vast majority of our public housing remained in good repair.

In many ways, it is as unthinkable to conceive of a New York City where large amounts of its public housing is gone from the landscape as it is a New York City in which large amounts of its roads, subways, parks, or other parts of our infrastructure is gone. But once infrastructure, of any sort, is neglected it starts to rapidly deteriorate, and there are several examples - public and private housing, buildings and other infrastructure, in New York and in other cities - in which neglect has led directly to deterioration and unavoidable demolition.

Public Housing

The Brewster-Douglass houses in Detroit was a large and varied public housing complex, and the former home to Motown legends Diana Ross and Smokey Robinson, as well as actress Lily Tomlin. The first buildings started construction in the in the 1930s, and by the 1950s it had become community of 10,000 people living in rowhouses, small 6-story apartment buildings, and larger 14-story towers.

However by the 1990s, the complex was in such disrepair that the Detroit housing authority slowly started to evacuate and demolish them. By 2008 the entire development had been evacuated and, by 2013, demolished.

While there were many reasons for the decline of the complex, the reason why it was ultimately evacuated and demolished was simple. According to then-Detroit Housing Commission chief Eugene Jones “The reason why we moved everyone out is because we could not maintain this property in decent, safe and sanitary condition.”¹⁹

There are several other examples, from different eras of public housing, of developments being neglected to the point of needing to be evacuated and demolished. Pruitt-Igoe houses in St. Louis took only 20 years to go from being a state-of-the-art new public development in the 1950s to being so neglected and dilapidated that it was completely demolished in the 1970s.

Thousands of “extremely distressed” public housing buildings were demolished as part of HOPE VI redevelopments since the 1990s – including Prospect Plaza, a NYCHA development in Ocean Hill which was evacuated in 2000 and then sat vacant for 14 years until finally being demolished in 2014. And just this year,

¹⁹ Announcement Planned at Vacant Housing Project. CBS News Detroit, November 14th 2012

in Cairo Illinois, HUD has approved the demolition of 278 units of public housing, citing the lack of funding from the local housing authority as contributing to “an unpreventable emergency endangering the lives and safety of the residents at the site.”²⁰

New York’s Other Infrastructure

We have deferred maintenance on critical pieces of our infrastructure before, especially parts of our transportation system. Our subway system was on its last legs in the 1970s Both the Williamsburg and Manhattan bridges were near the point of needing to be shut down due to deterioration in the 1980s.

The fact that we have managed to rebound from these situations and, at enormous cost, repair most of this this infrastructure can make us forget the times when we did not. In 1973 a section of the Miller Highway on the West Side of Manhattan collapsed, the result of deferred maintenance and capital needs which dated back to the 1950s, with five miles of this elevated highway eventually needing to be demolished. In the 1990s, the Franklin Avenue subway shuttle was in such disrepair it was almost completely decommissioned, with one of its five stations being demolished before the line was rehabilitated.

New York’s Private Housing Stock

The danger of dilapidation and collapse is not just reserved for public housing. In 1975, at the height of our era of severe disinvestment in much of the private housing stock in New York, there were 110,000 dilapidated apartments - defined as being “in such poor physical condition that they pose a serious threat to the health and well-being of their occupants.” This comprised over 5% of all rental housing at the time, and was a severe contributor to the neighborhood blight of the 1970s.²¹

Many of these buildings ultimately needed to be demolished, leaving large parts of several neighborhoods vacant for decades. But there is also good news from this era - it demonstrates that dilapidated housing can be turned around, and in relatively short order as well. In 1984 the Housing and Vacancy Survey found that between 1978 and 1984 more than 37,000 housing units had “made the transition from standard to dilapidated and back to standard” within the 6 years time period. While deterioration of buildings can be rapid when capital needs are ignored, with proper investment they can once again become safe and stable places to live.

²⁰ Parker, Molly. HUD announces \$6 million grant to demolish Elmwood and McBride in Cairo. The Southern Illinoisian, September 20th 2018.

²¹ From the 1984 New York City Housing and Vacancy Survey.



photo: Camilo Vergara



Photo: RPA

It's important for New Yorkers to understand what it would mean for our city to lose significant portions of our public housing. Examining two hypothetical scenarios shows the impacts of this would cause permanent damage to our city. Without change in the way we fund, manage, and maintain our public housing, these hypothetical scenarios will come closer and closer to being a reality.

If the city lost just 10% of its public housing, almost 40,000 people would need to find another home. For most, finding an affordable home within the city's private housing market would be next to impossible. And more drastic scenarios are also possible, especially when considering vulnerability to storm surge and sea level rise. If we lost 1/3 of our NYCHA housing, we would displace 130,000 people – a population the size of New Haven.

Depending on how quickly this loss occurred, some of these people could be able to be relocated to other NYCHA apartments which become vacant, greatly slowing or even permanently foreclosing the ability of other families, many of whom are experiencing homelessness, to obtain apartments themselves. Others would crowd into apartments with friends or relatives, but for most that would only be a temporary solution. Some, especially working age residents with the ability to find work elsewhere, would likely leave the city for less expensive locations costing New York a critical part of its workforce. Without changes to city policies many, if not most, would need emergency shelter. Meanwhile, even for those residents whose homes may not reach the level of being legally uninhabitable, the already poor condition of their homes will continue deteriorate and become even greater health hazards. This would mean more families without

heat for weeks on end, more children suffering from asthma, more senior citizens living in unforgivable and isolated conditions. No matter what, the damage to the city's civic and fiscal health would be severe.

And these scenarios are becoming ever more likely. In spite of spending approximately \$2 billion on capital repairs from 2011 - 2017,²² during this time the cost of addressing NYCHA's physical needs grew from \$32 billion to \$45 billion, according to NYCHA's own assessments.²³ Even more striking, during the same period, the portfolio's *immediate* needs increased from \$1.6 billion to almost \$25 billion in 2017.²⁴ While part of this increase is due to inflation and market conditions, a large chunk is simply a result of what happens when maintenance is deferred. Maintenance, though, cannot be deferred forever. Not only are new needs added on to unaddressed prior needs, but conditions become worse and more expensive to fix. According to the 2017 Physical Needs Assessment 35% of the added cost of maintenance and repair needs in NYCHA buildings was due to this added deterioration.²⁵ The costs of this approach compound rapidly. By not adequately fixing problems in our public housing now, we estimate that the cost of fixing these same problems later grows by approximately 700 million dollars every year. And even these costs do not include a full accounting of what will be needed to adapt public housing to sea level rise and the increased risk of future storms like Superstorm Sandy that will come with climate change.

²² NYCHA five year capital plan, calendar years 2011-2015 and 2016-2020

²³ New York City Housing Authority, Physical Needs Assessment, 2011 and 2017.

²⁴ *ibid*

²⁵ STV AECOM PNA, Final Report, NYCHA Physical Needs Assessment 2017



More than 400,000 New Yorkers live in over 300 NYCHA developments across the city.

If NYC lost just 10% of its public housing, almost 40,000 people would need to find another home. For most, finding an affordable home within the city's private housing market would be next to impossible.

source: RPA

Other Affordable Housing Options are Scarce

Many low- or moderate-income families in New York City have existing affordable housing: through rent stabilization, homeownership, or residing in subsidized housing already. But opportunities to move into an affordable home are extremely scarce for low- and moderate-income families. Rent stabilized apartments increase rents dramatically when they become vacant, and buying a home is now well out of reach for almost all low- and moderate-income families. Increasingly, low- and moderate-income households are being priced out of the unregulated rental market as well. According to Furman Center's latest "State of New York City Neighborhoods" report, the median asking rent for an apartment is at least \$1,500/month in every community district in the city, and at least \$1,750 a month in every community district outside the Bronx. A family needs to make at least \$60,000 a year to afford a \$1,500/month apartment, putting this out of range for half of New York City households.²⁶ Market rate housing also often has high entry costs in form of brokers fees, security deposits, and other upfront costs which require savings that many low- and moderate-income families simply do not have. All of these pressures can be expected to increase as New York City's population continues to grow faster than new homes are created and rents continue to outpace wages, especially for lower income households.

What is left is subsidized housing. There are three main options currently for low- and moderate-income households to find affordable housing. The first is public housing, which lets

tenants pay an affordable rent no matter their income. The current waiting list for public housing has over 200,000 people on it. The second is Section 8 Housing, which also lets tenants pay 30% of their income in rent. Section 8 can either be voucher-based (Housing Choice Vouchers) or building-based, and both also have extensive waiting lists – the Housing Choice Voucher waiting list is over 100,000 people long and has been closed for 9 years.²⁷

The third is the new affordable housing built through city and state programs, like the Low-Income Housing Tax Credit Program (LIHTC), which conduct lotteries for most new housing. These apartments are used as workforce housing which rent for below-market rents and have income caps for new residents. However, unlike public housing and Section 8 these apartments have consistent rents which don't change with income, and almost all rent for much more than the average Section 8 or NYCHA apartment. Competition for these apartments is still incredibly fierce, however, with tens of thousands of applications received for each development.

Even with a currently stable and affordable living situation, without new opportunities to find affordable housing low- and moderate-income people can simply not afford to go through life – leave a parent's house, start a family, or escape a bad or abusive housing situation. This failure to have sufficient new affordable housing options leads to overcrowding, rent burdening, homelessness, and is a huge drag on our economy and quality of life.

²⁶ According to 2017 1-year ACS date, the median household income for New York City is \$60,879

²⁷ NYCHA 2018 Fact Sheet

What happens if 1 out of every 10 NYCHA units becomes uninhabitable?



If city policies are not changed:



The number of New Yorkers experiencing homelessness will rise by 62%.



Shelter costs will rise by \$700 million.

If displaced residents are moved to other subsidized housing:

They will need half of all new affordable units and \$142 million a year in vouchers for rent.



Affordable housing units won't be available for other workers and they will leave the region.



source: RPA

Small Housing Losses Lead to Large Impacts



To understand what NYCHA's current deferred maintenance crisis means to NYCHA, its residents and our city and region, examine the implications of just 10% of its units becoming uninhabitable.

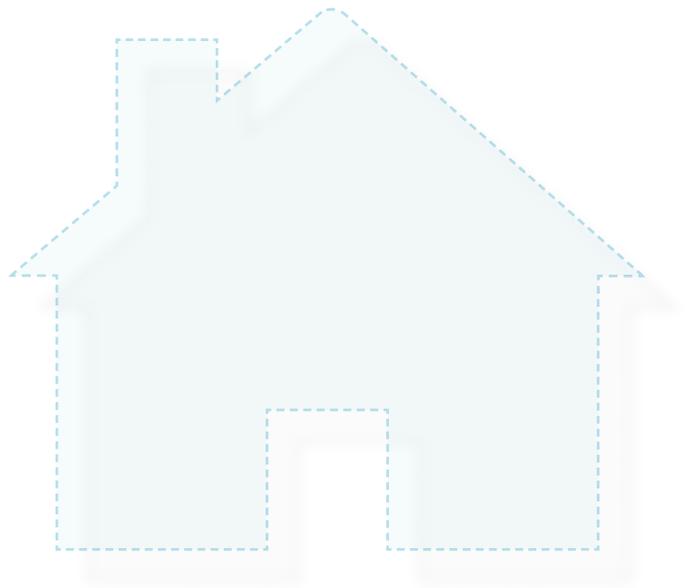
One scenario is what would happen absent any changes in city policies. Under this scenario we would see a rapid rise in the population of people experiencing homelessness and the loss of an important part of the city's workforce. The implications for the city's fiscal conditions would be equally dramatic.

If every displaced NYCHA household were unable to find other housing, the city's population of people experiencing homelessness would increase by 62% to over 100,000 people. Given that the average income of NYCHA residents is just under \$25,000, well under what is needed on the open market to afford even the most modest apartment the city, this is unfortunately a realistic scenario.

Addressing this growing population of people needing emergency shelter would cost the city and state almost \$700 million each year in ongoing shelter costs, and require the construction of almost 200 additional homeless shelters.

Like every complex, NYCHA does have some apartments which become available for others when people move out, which could be used to house some of these potentially displaced residents. However, these turnover rates - about 1 apartment in 40 every year - are very low. Depending on how fast other NYCHA apartments deteriorate and the rate at which people need to be rehoused, these vacancies could be quickly overwhelmed.

And even if they were not, the practical result is the same: every NYCHA apartment that would have to house another public housing resident whose home has fallen apart is one less apartment that can be used to help stem the tide of homelessness and or provide stable and affordable housing for lower income New Yorkers. 46% of low-income renters currently pay half their income in rent, and the low-income housing market is extremely tight. Each public housing unit which becomes available is either directly used to provide housing for someone experiencing homelessness or relieves the pressure on the tightest segment of the housing market, one where people often find themselves without any other options but to enter the emergency shelter system. Considering New York's severe and ongoing housing crisis, each NYCHA apartment lost will represent one more household, either directly or indirectly, who will have run out of housing options and likely need emergency shelter.



If 1/3 of NYCHA units become uninhabitable...



\$3 billion

more in city money will need to be spent per year sheltering former NYCHA residents experiencing homelessness. Or...

The city will lose

- 20,000 members of the workforce
- A billion dollars in local spending
- Affordable housing options for almost every household making under \$75,000
- Another billion dollars to added voucher and shelter costs



Alternatively, in response to this potential crisis, the city might adjust its housing policies and give displaced NYCHA residents preference for other available subsidized housing along with vouchers so that they would be able to afford this housing. But this too, would have enormous implications for the city's budget and citizens, especially other low- and moderate-income residents seeking affordable housing.

This same 10% loss in NYCHA housing would mean half of all newly constructed workforce housing – that is, housing affordable for families of three making less than \$75,000²⁸ – would need to be reserved for displaced NYCHA residents, cutting our ability to attract and keep other working households. This would likely include all new studio apartment and 3-bedroom apartments as well as all supportive and senior housing. Because this housing is significantly more expensive than what the average NYCHA resident can afford, the city and state would also need to spend \$142 million a year in housing voucher costs in order to make sure these displaced residents could afford the new apartments, which is the same amount they currently spend on operations for the entire NYCHA portfolio currently. In addition, the economic effects from the loss of working residents both from the lost NYCHA housing and the lost workforce housing would ripple from the loss of the \$312 million that these families spend every year, much of it supporting local businesses.

But what if a 10% loss of units proved to be too optimistic? Though dramatic, this is not beyond the realm of possibility. Today there are over 42,000 public housing units which need \$200,000 or more in repairs.²⁹ And there are also over 500 NYCHA buildings in the projected 2050 floodplain. Without proper maintenance and resiliency measures, continued neglect plus the impact of a major storm or catastrophe could take out a huge number of public housing units overnight. If such a

scenario were to come to pass and, by way of example, one-third of NYCHA housing became uninhabitable we could see truly drastic impacts.



If all of the residents displaced in such a scenario were unable to find other homes and stayed in New York the number of New Yorkers experiencing homelessness would be equivalent to the population of Salt Lake City. To house this population, we would need a minimum of three additional shelters in every neighborhood in the city,³⁰ and New York City would need to spend three billion dollars each year on sheltering people – more than it does on Libraries, Parks, and the Fire Department combined.³¹

Alternatively, we could assume those among this population with other options would find them outside the city, and the city would attempt to house the rest of the displaced population in the subsidized workforce housing we build instead of through the shelter system. This would require using every unit of this housing for displaced NYCHA residents, meaning that new housing options for other families making less than \$75,000, would completely disappear from every corner of the five boroughs. And because the number of newly constructed workforce apartments would still be insufficient to house all of this displaced NYCHA population, we would still see a 12% increase in people experiencing homelessness. On top of this, we would lose over a billion dollars in local spending annually and need to more than double what we currently spend on housing voucher and emergency shelter costs.

³⁰ Meaning each one of New York's 189 populated Neighborhood Tabulation Areas (NTAs)

³¹ Report of the Finance Division on the Fiscal 2019 Preliminary Budget and the Fiscal 2018 Preliminary Mayor's Management Report for the Fire Department, Department of Parks and Recreation, and Libraries.

²⁸ For 2017, 80% of Area Median Income for a family of three was \$75,150. 80% of AMI is the upper limit of what the City enumerates as "low-income" housing.

²⁹ New York City Housing Authority, Physical Needs Assessment 2017

The Need to Act

Without public housing, we have no ability to make a dent in the housing crisis that exists in the rest of the city. If we want to preserve New York City as a place where a broad and diverse range of people can afford to live, the place to start is with preserving our public housing, returning it to a state of good repair, and ending the crisis in NYCHA.

While this will not be easy, we have no other option. Right now we are on an unacceptable course – one where more and more of our neighbors find themselves living in deplorable conditions because there are no other choices available for them. However, even this course will soon take a turn for the worse.

We have two very simple choices. We can do what is needed in terms of the added investments and reforms needed to reverse this situation. This will be costly and involve difficult decisions. But we can do it – and have before with other city infrastructure. We have restored our subways in the 1980s, repaired the East River Bridges in the 1990s, and are fixing our water system in the current day. We have renovated over 100,000 city-owned apartments taken through tax foreclosure in the 1970s and 80s, and restored entire neighborhoods. While this will take concerted and coordinated action from all levels of government – federal, state, and city – with the right plan we can also bring our public housing back to a state of good repair and a source of civic pride.

The other choice is both more costly, and much more shameful. If we do not restore our public housing we will pay the price in other ways – through added costs for shelters, lost workforce and economic activity, and losing the amenities and services which contribute not just to residents but to neighborhoods, and make New York City a great place to live and give its unique sense of community. And unlike a capital repair program which, while costly, eventually comes to an end and results in a positive impact, these additional costs will be ongoing, permanent, and irrevocably change our city for the worse.



THE VALUE OF NYCHA

Our Largest Source of Affordable Housing

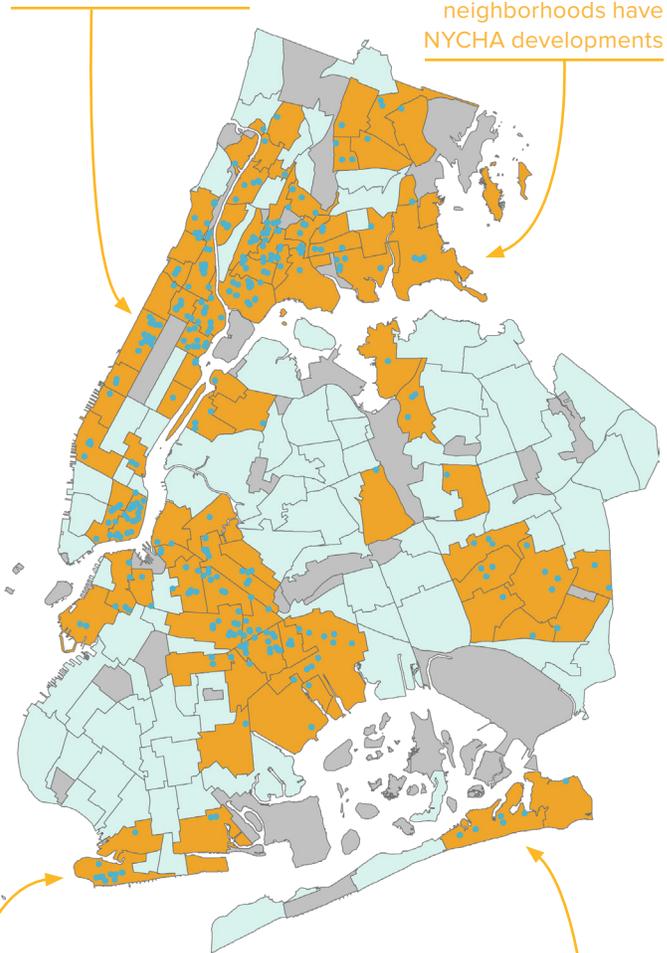
One of the challenges of implementing a comprehensive solution for our public housing is its sheer scale. The population of NYCHA developments is the size of some small countries, and larger than major cities like New Orleans and Cincinnati. It's larger than the next 10 Public Housing Agencies combined, and makes up 75% of the public housing in the region, and more than 15% of the public housing in the entire country – to put that in perspective, New York City makes up about 2.6% of the population of the country.

Other cities like New York have public housing, but not nearly on the same scale. This is especially true of other high-cost, coastal cities. San Francisco, which recently converted its entire public housing portfolio through the Rental Assistance Demonstration (RAD) program, has approximately 2% of the public housing units of New York City despite being 11% of the size of New York City. Los Angeles, at a little under half the population of New York City, has just 4% of the public housing units of New York City. On the East Coast, smaller high-cost cities like Boston and Washington, DC have proportions of public housing that come close to matching New York City's, but still manage just a fraction of the units managed by NYCHA.

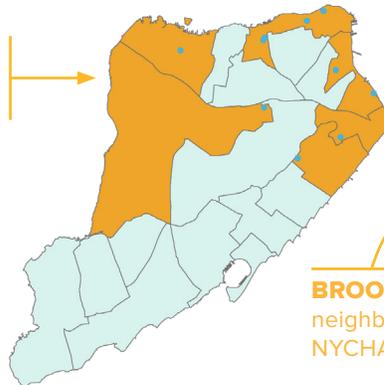
NYCHA developments are in 89 of the city's 189 neighborhoods.

MANHATTAN: 19 of 28
neighborhoods have
NYCHA developments

BRONX: 25 of 37
neighborhoods have
NYCHA developments



STATEN ISLAND: 6 of 18
neighborhoods have
NYCHA developments



BROOKLYN: 23 of 50
neighborhoods have
NYCHA developments

QUEENS: 16 of 56
neighborhoods have
NYCHA developments

source: NYCHA/RPA analysis

A Part of Our Neighborhoods

Public Housing Developments are not confined to just a few neighborhoods or areas. While there are significant concentrations in the Bronx, Central Brooklyn, Upper Manhattan, and the Lower East Side, 89 out of 189³² Neighborhood Tabulation Areas (NTAs) have at least one development.

Of all the boroughs, NYCHA is most widespread in Manhattan, with over two-thirds of Manhattan neighborhoods, from Marble Hill to Murray Hill, having at least one NYCHA development. Even in the borough with the least widespread public housing, Queens, over a quarter of the neighborhood have at least one NYCHA development.

³² This number is exclusive of unpopulated areas such as parks and airports

NYCHA Developments provide more than just housing. They're an integral part of many of our neighborhoods, providing space and services for children, senior citizens, and other neighborhood residents. Without NYCHA we would lose more than just housing, we would lose many of the things we need to make our neighborhoods work.

Helping our children

Our pre-K program needs more than just money – it needs space. NYCHA provides 126 Childcare facilities in the five boroughs, including 96 preschools. In areas with extremely high costs of commercial rental space, NYCHA is an invaluable resource for this program. 14% of Manhattan's Pre-K facilities are in NYCHA developments, even though NYCHA contains just 6% of children less than 5 years old in the borough.

Helping our seniors

NYCHA also houses 121 Senior Centers through the New York City Department of Aging, providing classes, activities meals, benefits screenings, and community - all of which free of charge to anyone 60 years of age or older. Almost half (47.5%) of the New York City Senior Centers are in NYCHA developments.

Providing open space

Many NYCHA developments contribute greatly to the open space and recreation in neighborhoods, and with changes to landscaping and design many others could as well. There are a total of 189 Acres of open space for recreational use on NYCHA developments throughout the five boroughs.

NYCHA houses both New York City Parks Department facilities, as well as its own open space and recreation areas. New York's Open Datasets provide detailed information about the types of facilities run by the NYC Parks department. In NYCHA developments NYC Parks runs:

- ▶ 66 handball courts
- ▶ 44 basketball courts
- ▶ 10 baseball fields
- ▶ 47 playgrounds, parks, and other recreation areas

To put this in perspective, this is 8% of the total handball courts and 9% of the total Basketball Courts in NYC Parks portfolio.

NYCHA's own recreation areas number many more, with 1,141 separate recreational areas. While Open Data does not provide the same detail as for NYC Parks owned properties, these open spaces include many of the same types of recreation uses provided by NYC Parks.

There are a total of 189 acres of open space for recreational use on NYCHA developments throughout the five boroughs.



NYCHA Residents spend over 2 billion dollars a year, much of it in the local neighborhoods, contributing to the economy and supporting local businesses.



photo: RPA

Residents' Contribution To The Economy

Employment

NYCHA residents work all sorts of jobs throughout the city. In 2012, NYCHA and HR&A Associates found there were 88,000 working resident of NYCHA developments, with New York City Department of Education as the largest employer. Other large employers included private companies like Partners in Care, which provides home health care assistance, but were mainly governmental or other public agencies like the Metropolitan Transit Authority (MTA), United States Postal Service and NYPD.

In 2018 RPA conducted our own analysis based on 2015 data from the United States Census Bureau's LEHD Origin-Destination Employment Statistics dataset and found a total of 125,488 workers in NYCHA developments holding 137,506 jobs, meaning almost 10% of NYCHA residents work more than one job. These jobs are spread all over the city, including 5,054 in Downtown New York and 18,724 in Midtown New York.

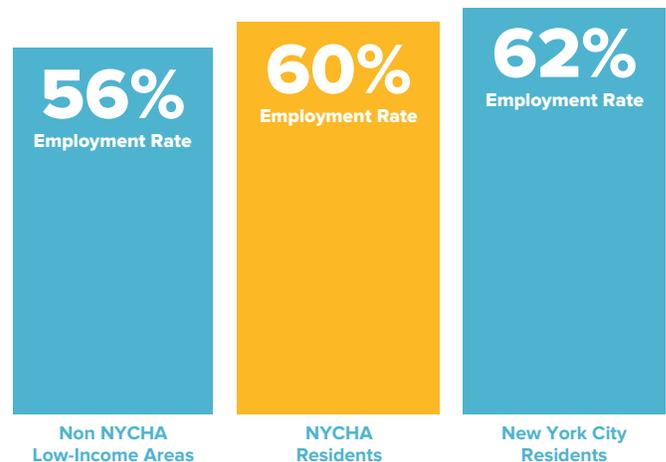
NYCHA has 208,277 residents ages 18-61, and 125,488 employed individuals, for a ratio of 60%. New York City as a whole has 5,306,997 residents age 18-61 and 3,278,982 employed individuals for a ratio of 62%.

Since the overall economic profile of NYCHA residents is necessarily different than NYC as a whole, we also looked at Census tracts with similar economic profiles to NYCHA as a whole, but which did not contain NYCHA developments. Here we found 670,678 people aged 18-61 and 372,586 employed individuals, for a ratio of 56%.³³

³³ In all cases, this number is obtained by dividing total job holders by total residents age 18-61, and does not account for employment by individuals outside this age range.

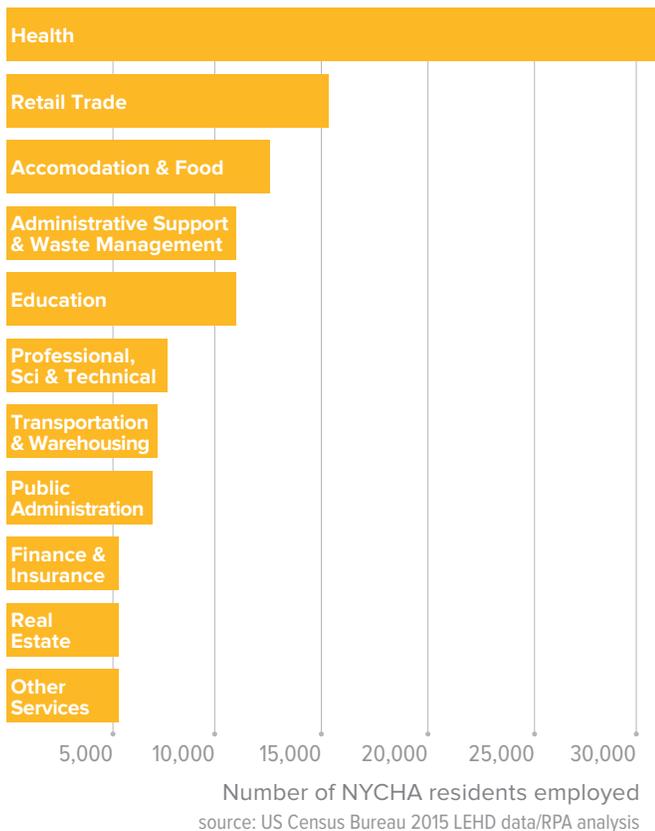
Employed NYCHA residents were more likely to work more than one job than New Yorkers as a whole, but less likely than residents in other low-income areas to work more than one job, perhaps because of the housing stability that public housing brings.

NYCHA residents are employed at similar rates as other New York City residents.



source: US Census Bureau 2015 LEHD data/RPA analysis

NYCHA residents are employed in a wide variety of industries.



Economic activity

NYCHA Residents spend over 2 billion dollars a year, much of it in the local neighborhoods, contributing to the economy and supporting local businesses. Many of these businesses are run by NYCHA residents themselves. In an analysis of ESRI's from Reference USA data, RPA found 676 business which are registered at NYCHA addresses, and which are not NYCHA-related businesses themselves.³⁴ Because of the demographic makeup of NYCHA housing, these businesses are likely in the realm of 95% minority-owned. NYCHA currently runs two programs aimed at increasing business opportunities for residents, the Food Business Pathways and Childcare Business Pathways programs.

Industry concentration

NYCHA residents are vital to certain sectors of our economy. A NYCHA resident is 30% more likely to work in transportation or warehousing than an average New Yorker, and 15% more likely to work in education or manufacturing. And some of our largest industries, most notably our health care industry, benefit from a large employee base in public housing.

The education sector is particularly reliant on NYCHA residents. Not only are NYCHA residents 15% more likely to work in the sector, the Department of Education is the largest single employer of NYCHA residents. This reliance extends into the higher education sector. In 2012 the NYCHA/HR&A study found 506 NYCHA residents working at the City University of New York, which in 2012 only had a total of 7,635 total full-time equivalent jobs.

³⁴ RPA was only able to determine businesses registered at a NYCHA address, which were not NYCHA-related businesses themselves. Businesses registered at a non-NYCHA address but owned by a NYCHA residents were not counted.

NYCHA residents are a critical component of the workforce in certain industries.



A DETERIORATING PORTFOLIO

All buildings need proper maintenance or they eventually become not just unsafe and unhealthy places to live, but legally uninhabitable. A building left to deteriorate long enough will eventually be in imminent danger of failure or collapse.

While a timeframe for when a building's physical condition might deteriorate to the point where it cannot be legally inhabited for any specific NYCHA building is unknown, what is certain is that continuing the current trajectory of deferred maintenance and compounding deterioration will eventually lead to this outcome. This is far from unprecedented. According to UC-Berkeley's Turner Center for Housing Innovation "The lack of maintenance is directly tied to the loss of public housing units: approximately 300,000 units— more than 20 percent of the total public housing stock—have been demolished over the past 20 years due exclusively to units being uninhabitable."³⁵ For instance, the Hope VI program, which is responsible for much of this public housing unit loss, requires that only physically distressed buildings be demolished.

Like our other infrastructure, deferring repair costs now simply leads to more costs in the future. We experienced this with the subway system in the 1970s, with the East River Bridges in the 1980s, and currently with our public housing. Often times we have managed to turn the corner in time to save our public infrastructure, each time at considerably more cost and inconvenience to the city than if the problem had been addressed earlier, but other times we have not. For instance, deferred maintenance led directly to the collapse of the West Side Highway in 1973, resulting in its demolition. The failure to maintain multifamily housing in the 1970s also led directly to the collapse and demolition of hundreds of privately owned rental buildings.

NYCHA's 2017 Physical Needs Assessment (PNA) found that even though NYCHA has spent about 335 million dollars a year on its capital plan from 2012-2016,³⁶ the total cost of work which needs to be done by 2018 actually increased by 37%.³⁷ While this is partially due to changing market conditions and differences in the methodologies between this and the previous PNAs, a large part is due to the added deterioration costs which accompany underinvestment in capital repairs. By simply continuing on the same path, we are adding hundreds of millions of dollars a year of cost through deterioration.

³⁵ Reid, Carolina. *Lessons for the Future of Public Housing: Assessing the Early Implementation of the Rental Assistance Demonstration Program*. Turner Center for Housing Innovation at UC-Berkeley, October 2017.

³⁶ 5-year capital plan and mayor's management report. Exclusive of Sandy Repair.

³⁷ Over the cost of inflation

NYCHA's 2017 Physical Needs Assessment came to a similar conclusion, and found that while market conditions and inflation also added cost, added deterioration accounted for 35% of the total increase for the 5-year repair and replacement schedule – about 5.2 billion dollars.

Capital repair costs will not be minor, and finding new capital funding streams will need to be a large part of any solution to repair public housing. Already, there are 45 billion dollars of repair work needed – a comparable investment to bringing our subway system into the modern age. And this number is likely to increase due to the added deterioration costs outlined above.

Climate Vulnerability

In addition to the general deteriorating state of public housing, 210 NYCHA Buildings in 33 separate developments were damaged during Superstorm Sandy, with an estimated 3 billion dollars in resulting damages.³⁸ In 2050, 506 NYCHA buildings are projected to be within the 100-year floodplain, with almost a quarter of all units vulnerable to flooding. While pre-war developments especially can be very structurally resilient, without proper maintenance and upkeep even well-built buildings with resiliency measures in place can be damaged to point of needing emergency evacuation or demolition, especially if necessary repairs are not made before another storm event happens. One key to making sure this doesn't happen is the ability to combine resiliency measures, storm repair, and general renovation into one funding stream and scope of work.

³⁸ Durkin, Erin. *FEMA to give \$3 billion to NYCHA for Hurricane Sandy repairs in 33 developments*. New York Daily News, March 31, 2015.



In 2050, 506 NYCHA buildings are projected to be within the 100-year floodplain, with almost a quarter of all units vulnerable to flooding.



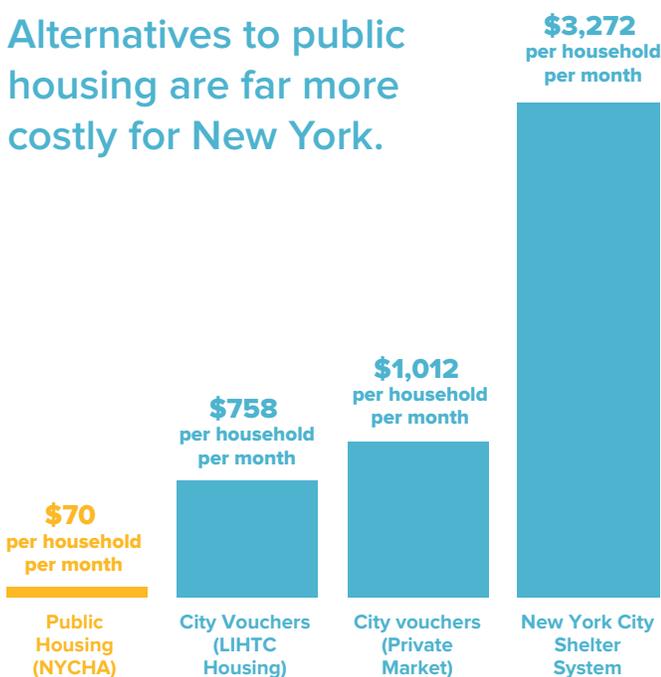
THE COST OF DOING NOTHING

While capital needs loom large, NYCHA provides a huge operating benefit to New York City. While the city does subsidize NYCHA operations, this is a very small amount of the total budget – 143 million dollars for FY 2018, about the same amount that we spend of the Department of Cultural Affairs. This city contribution amounts to about 70 dollars a month for each NYCHA apartment.

The City of New York spends 7 times this amount of operation funding on the Department of Homeless Services, 10 times this amount on the Department of Correction, and 36 times this amount on the NYPD every year.

This 143 million dollars leverages 885 million dollars in annual federal subsidy for public housing (tenant rent payments amount to over 1 billion dollars, and make up the plurality of the operating budget). Other programs which help house or shelter predominantly low-income households – such as vouchers or our emergency shelter system – would cost the city several times this amount of money, even with accompanying federal and state aid.

Alternatives to public housing are far more costly for New York.



source: RPA analysis from NYC Mayor's Management Report, and Departments of HPD, Finance, and HRA

Alternatives

Vouchers

The federal government provides over 100,000 Housing Choice Vouchers for low-income residents, administered through both NYCHA and HPD. This subsidizes rent at privately owned housing, and enables tenants to pay 30% of their income in rent, the same as public housing (there is also a Section 8 program which is project-based, meaning the vouchers stay with a specific apartment of building, rather than being transferable with the tenants). These Section 8 vouchers, however, are capped and would not necessarily be provided for displaced NYCHA residents, leaving the City and State to fund these housing vouchers. The City and State already collaborate on providing other sources of vouchers – assuming that displaced NYCHA residents would pay the same average amount of rent and would need to be subsidized at the same rate, these vouchers would likely cost the City and State \$1,012 a month on the private market to house a family of three, according to current standards.³⁹ If the City & State chose only to use these vouchers to place families in Low-Income Housing Tax Credit housing (LIHTC), which has rents slightly lower than the full subsidy amount, this would likely amount to \$758 in City and State subsidy a month to house a family of three.

Emergency shelter

The federal government also provides approximately 33% of the Department of Homeless Services Budget. However, the costs of providing emergency shelter are enormous. The latest Mayor's management report puts the per-night costs at \$117.43 for single adults, \$147.48 for adult families, and \$192.10 for families with children. Prorated for the current family compositions of NYCHA households, this amounts to \$4,884 a month in subsidy in total. Discounting the likely federal contribution, this still amounts to \$3,272 in city and state subsidy per household per month. This is not counting other costs which would likely be incurred from rising homelessness, most notably acquisition and construction costs for new shelters.

³⁹ This is estimated based on the New York City's Family Homelessness & Eviction Prevention Supplement (FHEPS) program standards.

The High Cost of Losing Public Housing

In order to see what the financial and social costs to the city would be if we lost our NYCHA housing, we set up a model in which NYCHA housing deteriorates at varying rates. Because New York State is legally obligated to provide shelter to those who need it, a decline in public housing would mean some other form of shelter would need to be found for those who are displaced.

NYCHA itself has a minor amount of vacancies, about 1% of the total unit count.⁴⁰ We assumed these would be filled first. NYCHA also has some turnover every year, usually a little over 5,000 units. These vacancies are filled with a combination of emergency preference applications, mainly people from the New York City Shelter System from whom NYCHA has committed to filling 2,000 vacancies a year, and working households on the waiting list which provides an economic mix and diversity to NYCHA. While losing these turnover units are not direct displacement, each of these vacancies which are filled with residents displaced from other developments cannot be filled with other families, who either are currently experiencing homelessness, or would likely otherwise. As such, we assumed that any displaced NYCHA residents who might be relocated to one of these turnover units would necessarily displace another household and equally contribute to crisis. In addition, an entire development or large building which needs emergency evacuation will overwhelm any current vacant units which have turned over, necessitating emergency placement.

The cost of emergency shelter

Because emergency shelter is a legal obligation of the City, we constructed a scenario in which the City did not create any preferences or plans and simply treated displaced NYCHA residents the same as others who have lost their home and need to access emergency shelter.

Even with just a 10% loss in public housing, over 17,000 apartments would be lost. At the average NYCHA household size, this would result in an additional 38,768 people who would need shelter. 3,700 single senior citizens would experience homelessness, as would 4,800 single-parent households. With the current population of the shelter system at 62,166, this would result in 100,934 people experiencing homelessness. Prorated for the family composition of NYCHA,⁴¹ this means that it would be slightly over 1 billion dollars a year in direct operating costs to emergency shelter for these potentially displaced households. Federal support currently provides approximately 33% of the DHS operating budget, with the city providing 58% and the state 9%, meaning an additional 581 million dollars in direct

city spending will be needed – over 4 times the 143 million the city currently spends on the entirety of NYCHA’s annual operating budget.

Emergency shelters are limited to 200 beds as per state law. If each shelter were built to the maximum size, another 194 emergency shelters would be needed, more than one for each of the 189 Neighborhood Tabulation Areas in New York. In reality, more would be needed as shelters range in size with many not reaching the maximum of 200 beds. These shelters would be in addition to the 90 new emergency shelters due to open by 2022.⁴²

Under a scenario in which a larger loss, 1/3 of NYCHA apartments, occurs the situation becomes much more drastic. Here we would see a total of almost 200,000 people experiencing homelessness, including over 12,000 single senior citizens and almost 16,000 single-parent households. Another 3.3 billion dollars a year would be required to provide emergency shelter, including 1.9 billion each year from the city – or another \$225 from every person in New York City every year. At least 672 new shelters would be needed, or 3-4 for each Neighborhood Tabulation Area.

The cost of a likely relocation plan

Unless there is a sudden and catastrophic collapse, however, it is likely that a plan for housing NYCHA residents displaced from uninhabitable homes will be put in place if housing losses are seen. It is also likely that some portion of NYCHA residents themselves will relocate out of New York City, in pursuit of lower housing costs elsewhere.

These residents most likely to relocate, however, are working-age residents with decent job prospects, meaning they would take skills and economic activity with them as they relocate. Residents most likely to stay would be ones without easy job opportunities elsewhere – especially senior citizens who would likely be most in need of social services and housing assistance.

In this scenario, we assumed that 15% of the residents displaced from NYCHA housing would, in fact, leave the city, and that these residents would be overwhelmingly working households. The remaining 85% of residents we assumed would be placed by the city into another source of affordable housing – the new affordable rental housing produced by the City of New York’s housing plan, mainly with Low-Income Housing Tax Credits (LIHTC).

While often called “low-income” housing, LIHTC is better thought of mainly as workforce housing for lower middle-class working families. Unlike public housing or Section 8, rent payments are steady and don’t fluctuate depending on income. In order to qualify, residents must have a steady source of income (this can be employment, a housing voucher, or any other legal income source) and meet credit standards and background checks. Rents are significantly higher than the average NYCHA or Section 8 rent. The current average NYCHA rent is \$522 a

⁴⁰ Brown, Elizabeth. [How Many Apartments in the City’s Public Housing Developments are Underoccupied?](#) New York City Independent Budget Office, December 2017.

⁴¹ NYCHA consists of 2% Adult Families, 41% single-person households, and 57% families with children. This leads to a blended cost per household for emergency shelter of \$160.59 per night.

⁴² Stewart, Nikita. [Fight Looms as Bill of Blasio Plans to Seek 90 New Homeless Shelters.](#) New York Times, February 27th, 2017.

month, while the typical LIHTC rent is \$1,408 for a 2-bedroom apartment. It is also allocated mainly through a lottery system for each development, as opposed to a curated overall waiting list.

Since fiscal year 2004, the beginning of former Mayor Bloomberg’s New Housing Marketplace, there has been a commitment by the City of New York to heavily subsidize new affordable housing production through LIHTC and other programs. Much of this is rehabilitation projects, and some are also homeowner-ship projects or higher-income rental housing. Discounting these, the city has subsidized an average of 4,125 newly constructed apartments renting for 80% of Area Median Income (AMI) or less each year since FY 2004. 80% AMI apartments are currently available for households making up to \$75,120 for a family of three, and 2-bedroom apartments rent for \$1,820 a month. The city does not provide detailed breakdowns of income requirements and rent for this cohort, which range from 30% of AMI to 80% of AMI. However, the most typical program is the LIHTC program requiring a maximum of 60% AMI, which is the rent we assumed when calculating needed voucher subsidy.

Although this is privately developed and managed housing, the city has a strong say over tenancing requirements because of the subsidy they provide. As such, this is the housing that displaced NYCHA residents could conceivably be relocated to. However, because the rents are higher than most public housing residents can afford, the city would also need to provide a voucher to subsidize the costs of these rental units on an ongoing basis as well. These rents vary by bedroom size, so we calculated the likely mix of units sizes needed based on NYCHA’s household size demographics in order to come up with an average rent, which was \$1,338 per month.⁴³ From here, we calculated the needed

voucher cost for each household by deducting the current rent paid by a NYCHA household on average (\$522) from the total rent. This resulted in an average \$816 voucher subsidy per month.

Every displaced NYCHA household which is placed in a newly constructed LIHTC unit necessarily will displace one of these working households, leading to a loss of affordable workforce housing. We assumed these households would either leave the city themselves, or displace another similar household through a ripple effect. This resulting loss of working households further affects the city by depriving it of needed workforce and economic activity. In order to calculate how much economic activity might be lost, we subtracted the discretionary income spent by a typical NYCHA household from that spent by a typical LIHTC household. However, not all LIHTC housing is occupied by steadily employed households. Some is reserved for residents, usually people in the shelter system, who pay through a Section 8 voucher. We assumed 10% of the units would be reserved for these households, with 90% occupied through the lottery system.

In this scenario, by losing approximately 10% of NYCHA housing over 7 years, the approximately 12,750 displaced households will need to occupy 50% of the newly constructed housing built for households making 80% AMI or less by the city each year, pushing other workforce households out of the housing market and likely the city. While most NYCHA households have at least one working member, this proportion is less than that in LIHTC housing, and earnings are also typically lower. As such, the combination of NYCHA residents who would leave, and these workforce households who would be unable to find housing would drain approximately 312 million dollars in discretionary spending from the city each year, and drain the workforce

⁴³ This is with all utilities included, as is standard for NYCHA apartments

2018 income limits and rents for affordable housing

60% of Area Median Income (AMI) is the most common income level for Low-Income Housing Tax Credit (LIHTC) housing. The average family income for NYCHA residents is \$24,423

Family Size	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI	100% of AMI	120% of AMI	130% of AMI
1	\$21,930	\$29,240	\$36,550	\$43,860	\$58,480	\$73,100	\$87,720	\$95,030	\$120,615
2	\$25,050	\$33,400	\$41,750	\$50,100	\$66,800	\$83,500	\$100,200	\$108,550	\$137,775
3	\$28,170	\$37,560	\$46,950	\$56,340	\$75,120	\$93,900	\$112,680	\$122,070	\$154,935
4	\$31,290	\$41,720	\$52,150	\$62,580	\$83,440	\$104,300	\$125,160	\$135,590	\$172,095
5	\$33,810	\$45,080	\$56,350	\$67,620	\$90,160	\$112,700	\$135,240	\$146,510	\$185,955
6	\$36,300	\$48,400	\$60,500	\$72,600	\$96,800	\$121,000	\$145,200	\$157,300	\$199,650

The chart below shows how much rent is considered affordable for each apartment size. The average NYCHA rent is \$522.

Unit Size	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI	100% of AMI	120% of AMI	130% of AMI
Studio	\$367	\$524	\$680	\$837	\$1,040	\$1,197	\$1,510	\$1,823	\$1,979
One-bedroom	\$471	\$667	\$863	\$1,058	\$1,313	\$1,509	\$1,900	\$2,292	\$2,487
Two-bedroom	\$575	\$810	\$1,045	\$1,280	\$1,585	\$1,820	\$2,289	\$2,759	\$2,993
Three-bedroom	\$658	\$929	\$1,200	\$1,472	\$1,824	\$2,096	\$2,638	\$3,181	\$3,452

source: NYC Housing Preservation and Development and NYCHA 2018 Fact Sheet

of about 5,000 participants. In addition, the subsidies needed to house these 12,750 displaced NYCHA households would total about 142 million dollars a year – approximately the same amount of funding the City of New York currently invests in NYCHA operation to house over 170,000 households.

Again, with a higher loss of NYCHA housing, the situation becomes exponentially more drastic. A 33% loss over the same 7 years would overwhelm the new housing constructed for less than 80% of AMI to the extent that displaced NYCHA residents would occupy every one of these units. While there are still some neighborhoods in New York in which an \$1,820 2-bedroom apartment might be found on the open market, the latest available Furman Center “State of New York City Housing and Neighborhoods” report found that in 2017, the median asking rent for all apartments is lower than \$1,820 in just 16 out of 59 community boards in the city, and just 4 of 47 outside of the Bronx. And most of this lost housing can be assumed to be 60% AMI housing or less. A 2-bedroom apartment at 60% of AMI currently rents for \$1,280 dollars, well lower than the median asking rent for even the cheapest neighborhood in New York. Therefore, under this scenario, working families making less than \$60,000 a year who are looking for affordable housing would have no options anywhere in the five boroughs, and families making up to \$75,000 would likely have few to no options as well.

There would be more than 1 billion in discretionary spending lost in this scenario, along with over 20,000 members of the workforce. In addition, many residents would still have to go in to the emergency shelter system in this scenario, with 6,854 displaced households each year, and only 4,125 apartments. Between the housing voucher costs needed for the 4,125 households placed in LIHTC housing each year, and the emergency shelter costs for the 2,729 additional displaced residents who will be unable to access these apartments, the total annual subsidy needed from the city and state would amount to over a billion dollars a year. This also discounts the significant amount of city and state subsidy already put into funding the construction of these new apartments.

The Challenge Ahead

There are no easy answers to this crisis. But it is clear we must act instead of letting a critical piece of our public infrastructure – one which provides such clear value to New York City – continue to crumble. In doing so, it is critically important that the residents of New York City Housing Authority buildings be the priority. No resident of our city should continue to live in the type of conditions now experienced in many NYCHA buildings, either those residing in publically- or privately-owned homes.

All New Yorkers have a stake in the success of NYCHA. Federal, state, and city governments must all be part of the solution. And so too must NYCHA itself. Repairing our public housing will not only need significant additional funding, it will also need reforms to make sure this results in a true turnaround for our public housing and significantly improved conditions for tenants.

There is no comparison for much of the public infrastructure of New York City. Just like our subway, bridges and parks are without peers in the United States, so our public housing is at a different scale than that found in other cities. But this does not mean there are no lessons to be found. Many other cities, both in the United States and elsewhere, have found ways to restore, expand and improve their publicly-owned housing. If it can be done elsewhere, it can be done in New York City.





 **NYCHA REPAIRS & PRESERVES**

 We are investing \$1.2 million in Laundry Room Upgrade at Ingersoll Houses that will benefit current and future residents.

This project is set for completion in 2019
For more information please go to www.nyc.gov/NYCHA or call your Property Management Office at: 718-624-7316

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Regional Plan Association

Regional Plan Association is an independent, not-for-profit civic organization that develops and promotes ideas to improve the economic health, environmental resiliency and quality of life of the New York metropolitan area. We conduct research on transportation, land use, housing, good governance and the environment. We advise cities, communities and public agencies. And we advocate for change that will contribute to the prosperity of all residents of the region. Since the 1920s, RPA has produced four landmark plans for the region, the most recent was released in November 2017. For more information, please visit www.rpa.org or fourthplan.org.

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