

# Public-Private Partnership Preserves Homes for 2,000 New Yorkers

Gotham Gazette

February 10, 2015

By Shola Olatoye

The New York City Housing Authority (NYCHA), home to more than 600,000 New Yorkers who live in public housing and Section 8 rentals, is the largest landlord in New York City and the largest public housing authority in the country. As federal support for public housing continues to decline and our properties continue to deteriorate, we must find creative ways to maintain and protect this vital resource for current and future generations.

To that end, NYCHA has formed a public-private partnership, Triborough Preservation Partners, which will provide \$80 million in capital work for 875 units of Section 8 housing. Unlike NYCHA public housing, these properties are subsidized by Housing Assistance Payments from HUD. Steady reductions in HUD funding since 2001 has resulted in a deficit of more than \$1 billion, making it impossible for NYCHA to keep up with critical repairs at all of its properties. In addition, the project-based Section 8 developments are ineligible for federal capital funding. This scarcity of funding has taken its toll – all told, the six developments need about \$48 million of capital work over the next five years, and about \$113 million over the next 15 years.

Limited government investment demands that we become creative about solutions to urgent problems, in particular, the infrastructure needs of our properties. Project-based Section 8 regulations allow NYCHA to partner with private entities to support capital repairs and rehabilitation without giving up our control or ownership of those properties. In fact, the affordable housing industry – and Public Housing Authorities in places like White Plains, St. Louis, and Miami – have leveraged private funds to preserve their buildings for residents for more than 30 years.

These project-based Section 8 units – located at Bronxchester Houses, Saratoga Square, Campos Plaza, Milbank-Frawley, [East 4th Street](#), and [East 120th Street](#) – will remain Section 8 housing and are subject to rent stabilization regulations. NYCHA retains approval rights over major decisions. Under Section 8, residents' share of the rent will not increase – it will remain at 30 percent of their income.

Our trusted Triborough colleagues are experts in tenant-in-place rehab projects and will do everything possible to minimize the impact of renovation on residents. Repairs will include new kitchens and bathrooms for every apartment, renovated lobbies and community areas, energy-efficient technologies, and security enhancements. In the event that a resident must be relocated, the relocation will be temporary and at no cost to the resident. Additionally, Triborough has committed to training and hiring NYCHA residents for at least 20 percent of the construction work and 50 percent of the maintenance workforce for at least \$15 an hour. So far, 21 NYCHA residents have been hired for these jobs.

In total, we expect this partnership to generate a return to NYCHA of approximately \$360 million over the next 15 years, vital funds that helped close NYCHA's 2014 operating deficit and will fund capital work at our public housing developments as well.

This partnership is a win for everyone. Residents of the six developments will quickly benefit from completed repairs and enhanced living conditions. NYCHA residents across the five boroughs have another source of training and employment. New Yorkers can be assured that public housing – including project-based Section 8 housing – remains a valuable asset and a trusted resource for not just this generation, but also the next generation of New Yorkers.

At NYCHA we are committed to not just sustaining public housing for the future, but in making it better – not just painting over the problems, but creating safe, clean, and connected communities wherever there are NYCHA developments.