

NYCHA'S PUBLIC HOUSING PRESERVATION TRUST

In May 2022, the New York State Legislature created the Public Housing Preservation Trust, a public benefit corporation allowed to take on up to \$10 billion in bond debt in order to rehabilitate NYCHA's housing stock. Below is information about what the Trust is, how it works, what might change for tenants, and the process whereby tenants will get to vote on whether to transfer their buildings to the Trust.

How will the Trust work?

The Trust will take responsibility for financing and overseeing repairs and renovations in a housing development while NYCHA remains the building manager. Although the Trust legislation does not require private management, it allows the Trust to contract with private companies to provide management, maintenance, or other services.

Who controls it?

The Trust is controlled by a 9-person board, appointed as follows: NYCHA's CEO, NYCHA'S CFO, the Deputy Mayor for Housing, 2 NYCHA residents and 1 member-at-large (appointed by the CEO), and 2 NYCHA residents and 1 NYCHA employee (appointed by the Mayor).

When does it begin?

The Trust will only take control of your building after you have had an opportunity to vote on whether your development joins the Trust. NYCHA has to hold an election in your building where you will decide whether to join the Trust, join the RAD/PACT program, or fully remain as a public housing tenant.

What will the Trust do?

The Trust will engage in building renovations, repairs, management, and lease administration, but will follow the same rules as NYCHA. The Trust must set your rent based on income, the same way NYCHA does, and comply with current legal restrictions. The Trust may perform renovations and repairs neglected by NYCHA. However, there is no guarantee that the Trust will be able to raise all funds necessary to fully rehabilitate NYCHA's aging housing stock.

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Will my rights as a public housing tenant transfer to the Trust?

The Trust legislation states that the protections afforded to a resident under the Trust "shall be consistent with those afforded to a public housing resident." These protections include, among others: being charged not more than 30% of income as rent; the right to return if you are relocated due to a rehabilitation in your building; the ability to establish a resident council or resident management corporation; and other rights such as succession and grievance rights. However, because the Trust will convert your building to project-based section 8, you will no longer be able to request a transfer to another public housing development. Instead, if you wish to move, you may be eligible to receive a portable section 8 voucher to look for housing in the private market, but there is no guarantee a voucher will be made available for you.

How could bond debt affect the lives of tenants?

On the one hand, NYCHA states that the Trust is necessary to raise money to rehabilitate NYCHA's aging housing stock. On the other hand, the introduction of bond financing at such large scale (up to \$10 billion) has the potential of changing the way NYCHA manages buildings under the Trust. The Trust is allowed to pledge all federal funding to guarantee the repayment of the bond debt, which could result in the Trust prioritizing debt repayment over providing adequate services to tenants. Plus, in the event of a default, bondholders could dictate how NYCHA runs buildings and could demand that money be used to pay them first. The Trust legislation prevents buildings from being removed from the section 8 program altogether, but in a default scenario, private bondholders could gain the power to make decisions affecting the lives of tenants.

VOTING OPTIONS

01

Join the Trust

Voting this option means you are authorizing NYCHA to transfer your development to the Trust. You will no longer be a public housing resident and will become a project-based Section 8 tenant. Under this program, the rent subsidy attaches to the apartment, not the tenant. If you wish to move, you may be eligible to receive a portable section 8 voucher to look for housing in the private market, but there is no guarantee a voucher will be made available for you.

02

Join the RAD/PACT Program

Voting this option means that you are authorizing NYCHA to lease your building to a private landlord and private management company. You will no longer be a public housing tenant and will become a project-based Section 8 tenant (same as with the Trust option).

03

Remain a public housing tenant

Voting this option means that you do not want to change your status as a public housing tenant. Your building will remain a public housing building and will not convert to the Section 8 program. This option does not mean that you must accept the current state of disrepair in many NYCHA buildings. NYCHA cannot legally refuse to give public housing tenants safe and habitable conditions if they choose to remain as such.

VOTING RULES

Who is eligible to vote?

Anyone who is at least 18 years of age and is the head of household or has written permission to reside in the NYCHA apartment.

What is the minimum voter threshold?

The number of eligible voters that must vote in order for the final result to be valid. NYCHA has set this threshold at 20% of eligible voters.

Will there be voter outreach?

Yes. In consultation with the Resident Council, NYCHA must develop a voter outreach plan specific to each development where a vote will be held.

When does voter outreach begin?

When NYCHA provides residents with a "Notice to Vote."

What is the "Notice of Vote"?

Among other information, it includes: an explanation of the purpose of the vote and each voting option; the schedule of outreach meetings led by NYCHA; and contact information for residents to submit questions or comments.

What happens during the 100-day voter outreach period?

During this period, NYCHA must provide residents with information such as: a comparison of resident rights under each voting option; information on how NYCHA will finance repairs for all 3 voting options; and an explanation of how voting will be conducted.

How will the actual voting work?

At the conclusion of the 100-day voter outreach period, voters will have 30 days to vote. The first 20 days voters can vote online or by mail. The last 10 days voters can vote in person.