



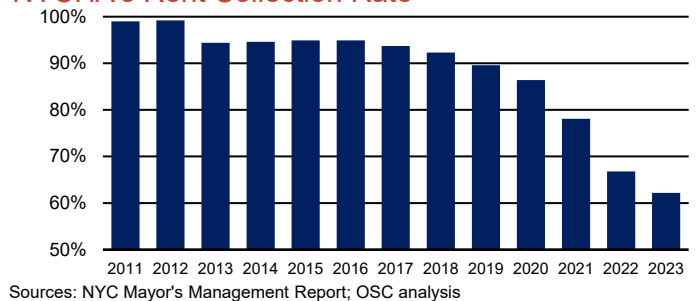
# ISSUE BRIEF: NEW YORK CITY HOUSING AUTHORITY

The New York City Housing Authority (NYCHA), the nation’s largest public housing authority, is also the City’s largest landlord (maintaining 7.1 percent of all rental apartments) and its greatest source of affordable housing, with 177,569 apartments in its portfolio. With 360,970 people residing in its units, NYCHA enables its families, whose annual household incomes average \$25,605 a year, to pay an average monthly rent of \$557. The Authority also administers the federal Section 8 voucher program that allows an additional 167,135 people to live affordably in privately-owned housing. NYCHA’s adopted 2023 budget (which operates on a calendar year) is expected to total \$4.4 billion in 2023, with City funds comprising 5.3 percent, federal subsidies accounting for 65 percent and tenant rental revenue making up 19 percent.

## ISSUES FACING THE AGENCY

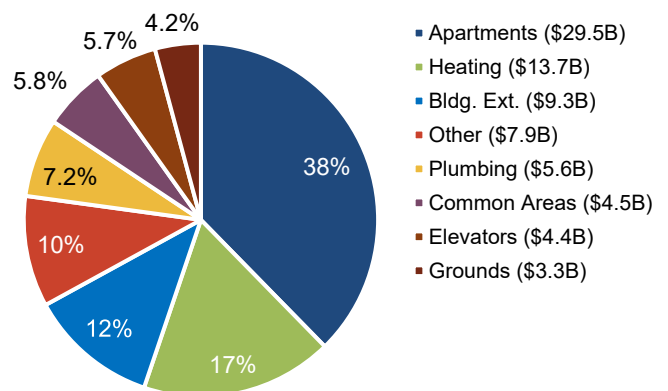
**Declining Rent Collections:** Prior to 2016, tenant rental revenue typically made up about a third of NYCHA’s operating budget. Since then, however, it has been on the decline and fell even further during the pandemic. This decline has continued even as the public health emergency has ended. (see Figure 1). In 2023, rent collections are budgeted at \$850 million — 17 percent less than what was collected in 2016 (or \$173 million). This has contributed to budget gaps at NYCHA, which are projected to be as high as \$56 million in 2027. Tenant arrears now total \$527 million across 70,000 households. NYCHA, as a landlord, is expected to receive \$128 million in funds from the State’s Emergency Rental Assistance Program, as well as an additional \$35 million for arrears, as part of the New York State Budget for State fiscal year 2023-24. Through October 23, 2023, NYCHA had received \$67.9 of these funds.

**FIGURE 1**  
NYCHA’s Rent Collection Rate



**Capital Needs:** NYCHA’s aging facilities require \$78.3 billion in physical repairs and upgrades to bring them into a state of good repair (see Figure 2). Costs have grown due to rising construction prices and the ongoing physical deterioration of the properties. The 2023 physical needs assessment estimated that the Authority’s capital needs had increased by 73 percent (or \$33 billion) from the previous assessment completed in 2017; two-thirds were attributed to market price escalation. NYCHA has reported that between 2017 and 2023, \$10.5 billion in needs had been addressed through capital and Permanent Affordability Commitment Together/Rental Assistance Demonstration (PACT/RAD) projects — an amount that had not been factored into the \$78.3 billion estimate.

**FIGURE 2**  
NYCHA’s \$78.3B Capital Needs



Sources: 2023 Physical Needs Assessment; OSC analysis

**PACT/RAD and the Preservation Trust:** To address these needs, NYCHA is implementing two large-scale rehabilitation programs –

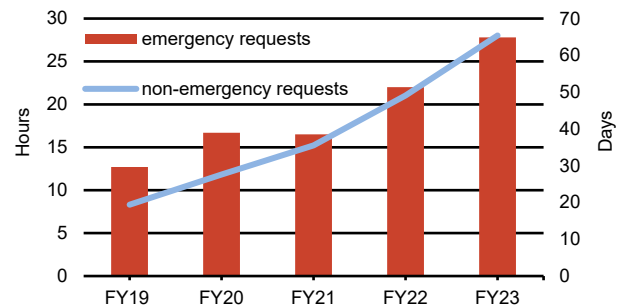
- **PACT/RAD:** transfers management of public housing properties to private management companies to access private capital for repairs. Under the program, part of the federal funding that would have gone to NYCHA is instead directed to the private entities managing the property, which then leverage this source of funding to raise money for repairs at the developments. PACT/RAD is expected to address repair needs at 62,000 apartments, nearly 35 percent of NYCHA’s portfolio. Over the summer, the Authority announced that residents at the Fulton and Chelsea-Elliott developments had voted on and approved a plan to demolish, and rebuild from scratch, the buildings on participating NYCHA properties, through the PACT/RAD program.
- **The Public Housing Preservation Trust:** The new State-created public entity, the Public Housing Preservation Trust, was established to enable NYCHA properties (that choose to convert, via resident vote) to enter into ground leases with the Trust, which will then issue bonds to raise money for repairs. NYCHA had intended for the Trust to address repair needs for the rest of its portfolio (not slated for PACT/RAD conversion — roughly 110,000 apartments) but current State legislation only authorizes a maximum of 25,000 apartments to be leased to the Trust (although the Legislature can authorize increases on an annual basis). The authorized units represent 14 percent of NYCHA’s portfolio.

The Trust, after holding its first board meeting in July 2023, then announced that, in November, residents at Nostrand Houses (in Brooklyn) will be participating in its first-ever resident vote to decide whether to enter the Trust to address the development’s \$600 million in repair needs.

**Maintenance Issues:** The Federal Monitor, established as part of an agreement between the City, NYCHA and HUD, released a report in August 2023 which noted that NYCHA has been compliant with the terms of the HUD Agreement, as well as other federal and local regulations, and that, on average, NYCHA is abating lead in over 400 apartments per month, compared to 60 per month in 2019. Additionally, the Monitor’s March 2023 report concluded that NYCHA “has been complying with its waste management obligations under the Agreement and is improving its ongoing waste management efforts portfolio wide.”

Despite this progress when compared to the start of the HUD agreement, NYCHA’s backlog of open repair requests remains significant and has grown in recent years, with 604,645 open work orders as of June 2023. NYCHA attributes a portion of this backlog to the COVID-19 pandemic, when non-emergency work orders were put on hold. From FY 2022 to FY 2023, the average time to resolve both emergency and non-emergency repair requests rose sharply, by 27 percent and 33 percent respectively (see Figure 3). NYCHA has suggested recently that its financial issues, including rental arrears, are making it more difficult to comply with the HUD agreement. In addition, growing lag time for repairs has been cited as one reason for an accumulation of vacant apartments, which rose from 490 in December 2021 to 3,300 in December 2022.

**FIGURE 3**  
Service Requests – Average Time to Resolve



Sources: New York City Mayor’s Office of Operations; OSC analysis