

NYCHA's Preservation Trust

Part of the NYCHA Real Talk Series

This workshop can help you facilitate conversations about NYCHA's plans to use the Preservation Trust to address their financial problems.

Once the group you're working with understands the basics, you can have a broader discussion about the best ways for NYCHA tenants to hold NYCHA accountable for what tenants want to prioritize fighting for.

Throughout the workshop, there are places to ask the participants questions. We suggest taking answers from a few participants. Depending on how much time you have for the workshop and how interactive you want it to be, you can have more participants respond.

Introduce yourself and the purpose of today's workshop. Ask everyone to introduce themselves, it helps warm people up for participating later on in the workshop!

- Make sure everyone has the workshop handout. Mention that it summarizes the main ideas, and also has contact information for people who can help.

- *If this workshop is taking place virtually:*

- You can either send the handout to participants ahead of time, share it in the chat, or tell participants that the handout will be sent out afterward.
- Remind participants to leave their camera on so everyone feels like they're in the same room!

[Slide 1: "NYCHA's Preservation Trust"]

- Today we are going to run a workshop explaining how NYCHA is trying to fix their building maintenance issues. They have a few different plans for how to do this, but today we'll mainly be talking about the Preservation Trust. We'll talk about what the program is and potential benefits and drawbacks, so that you all can decide whether you want to support these programs or not.

Things you say out loud are in black

Notes for the facilitator are in blue

Participant questions are in orange





[Slide 2: "What has Living in Public Housing Meant to You?"]

- This slide is meant to engage residents and to allow people to say what they need (instead of the other way around) in order to provide an anchoring point when considering whether NYCHA's plans meets those needs.
- NYCHA manages public housing buildings in NYC. Around 400,000 — 600,000 people live in NYCHA buildings.
- What has living in public housing meant to you? What do you, as NYCHA residents, need?



[Slide 3: "NYCHA keeps saying it needs \$40 billion in repairs. How did we get here?"]

- Section 9 is traditional public housing as we know it. Written into law as part of the Housing Act of 1937, Section 9 established a federal program to provide funding to local governments or housing authorities to build and manage new clean and safe housing. It established housing that was directly funded by the government with the recognition that housing is a right.
- What makes Section 9 unique is that it provides deeply affordable housing for hundreds of thousands of families across NYC because rent is capped at 30% of a household's income and is adjusted or deducted for households with elderly members, members with disabilities, minors, and students to ensure housing stability. No yearly rent increases or losing a home because you lost a job. Section 9 public housing is the most stable form of housing in the country.
- Due to decades of resident organizing and activism, Section 9 or public housing residents have the strongest most robust set of tenant's rights in the country, including the right to organize an association, have office and meeting space, have funds for activities, have a say in the day-to-day management and administration, and to create their own Resident Management Corporation if they are not satisfied with management.
- Lastly, Section 9 includes resources and programs to enhance economic and community development. For example, Section 3 is a program that prioritizes labor contracts with local Section 9 resident small businesses. So if you are, for example, a painter or exterminator, you will have first dibs on a relevant project happening in your development. Moreover, Section 9 residents have the right to a Family Investment Center, where they can access educational and employment opportunities, including training, counseling, childcare, supportive health care services, and more. This may include activities funded by Resident Opportunity Self-Sufficiency and/or Family Self-Sufficiency programs. Apartments these days do not come with this robust infrastructure that really enables us to create a sense and structure of community like we have here.



[Slide 4: "NYCHA keeps saying it needs \$40 billion in repairs. How did we get here?"]

- Because of lack of funding, NYCHA buildings now need \$78 billion in repairs over the next 20 years. Some of the money that pays for NYCHA comes from the city and state governments, but most of it comes from the federal government in Washington DC. The problem is that, for decades, the federal government has been steadily reducing the amount of money they pay to NYCHA.

Before we get into the current issues NYCHA and NYCHA residents face, we want to spend some time putting our current moment into historical context so that we can consider the causes for the current failings of public housing.

- Does anyone have a guess as to why funding for NYCHA has steadily decreased?



[Slide 5: "Federal Disinvestment & Political Choices"]

- First, we have to acknowledge that the lack of funding are political choices being made by our government officials. It's important to remember that there was a period of time when our priorities were switched.
- The chart on the left shows how the U.S. government used to prioritize affordable public housing over private homeownership and wealthy buyers.
- Now, it spends far more money on subsidizing housing for the rich than it spends on housing for low-income people. The chart on the right also shows how federal money for affordable housing dropped beginning in the 1970s.
- So the big question is why did this start happening in the 1970s? [Slide 6:



"Timeline / How did residents and public housing advocates fight back?"]

- In this timeline you'll see some of the political choices that led us here which on the top, and on the bottom, you'll see some of the ways that residents and advocates have fought back.
- The expansion of public housing began in the 1930s with the 1937 Federal Housing Act that authorized Section 9 public housing construction.[CLICK] In the 1970s, the Nixon administration would begin the move away from publicly funded and owned homes by establishing the Section 8 program which relies on private landlords and developers. [CLICK]

- In the 1980s, additional cuts to HUD funding for affordable housing were made; the HUD budget would decrease from \$83 billion to \$18 billion. At the same time, the Low-Income Housing Tax Credit was created to give for-profit investors a tax break to invest in lower-income housing. Instead of directly investing in public housing, the government continued and continues today to rely on for-profit investors. [CLICK]
- By 1996, HUD funding for any new public housing was reduced to zero. Meanwhile, HOPE VI was introduced and resulted in public housing demolition and residential displacement. [CLICK]
- In 2012, the Rental Assistance Demonstration Program was created as a way to address the financial deficit, which we'll speak about briefly later in this presentation.
- Most recently, in 2022, the Preservation Trust was signed into law. This is the program that we're here to talk about today.
- Before we move onto discussing the Trust, it's important to note that even amidst federal cuts and abandonment, public housing residents fought back and sought to intervene where they could, some of which can be seen in orange on this slide. Even though history doesn't highlight them often, their stories shouldn't be lost. They held strikes against rent increases and organized protests to gain the right to participate in management decisions. The resident association that you know or may even be a part of was a direct result of this history.

[Slide 7: "What's NYCHA's plan?"]



To be clear, the source of funding for Section 8 and Section 9 Public Housing is the same—Congress, our federal government. Since the early 2000s, Section 8 funding has steadily increased, while public housing funding has plummeted. However, we see a huge spike in funding in 2009 due to on-the-ground organizing and activism of public housing residents. Although this graph might convey despair, there is still a sign of hope of how we can make change.

[Slide 8: "How does public housing (Section 9) funding work?"]



- As a quick reminder, traditionally, the federal government gives money to NYCHA and NYCHA uses that money to manage the building. Tenants pay up to 30% of their income back to NYCHA in rent.
- Additionally, we, the tenants, pay our taxes and that money goes to congress for yearly appropriations, including funding for NYCHA. So there is a direct, cyclical nature to our funding.



[Slide 9: "NYCHA wants to raise more funds with some new programs"]

- NYCHA has a few ideas to raise funds with some new programs that are designed to raise necessary funds:
 - RAD/PACT, the Preservation Trust, Infill, and Transfer of Development Rights (TDR)
- Raise your hand if you've heard of one of these programs before
- Today we are going to discuss the Preservation Trust so you can decide if you support it, or want to advocate against it.
- Raise your hand if you've heard of the Trust before

This program was passed into law on June 16, 2022 and includes four main parts.

1. First, it allows for the creation of a new public benefits corporation, the NYC Public Housing Preservation Trust, which will be run by a board of nine members
2. Second it gives the Trust the ability to take-on up to \$10 billion dollars in debt through tools that can be backed by the properties that will opt-in to the Trust
3. Third, is the transfer of 25,000 units from Section 9 to the new Preservation Trust as Project-Based Section 8 units
4. Finally, before any units can be transferred, NYCHA must get a letter of support from the Mayor, HUD approval, and a resident vote before allowing any development to be part of the Trust

Let's dig into what all of this actually means...



[Slide 10: "NYCHA's Preservation Trust"]

- The Preservation Trust is a new public benefits corporation with a governing board of 9 members, appointed by NYCHA and the Mayor. To access more funding for repairs, the Trust can access:
 1. public funding via Section 8 Tenant Protection Vouchers (TPVs) and
 2. private debt via loans and bonds.



[Slide 11: "NYCHA's Preservation Trust"]

- The Preservation Trust board is appointed either by NYCHA or the Mayor; there is no election or democratic process for selecting the board.

- This is concerning because the people who sit on the board may have other interests outside of true public housing preservation. The Mayor and NYCHA will control who is on the board, but they will have to take nominations from the Citywide Council of Presidents (CCOP), the Resident Advisory Board (RAB) and the unions representing NYCHA/Trust employees.



[Slide 12: "NYCHA's Preservation Trust"]

- The Preservation Trust allow NYCHA to access Section 8 Tenant Protection Vouchers (TPVs) which would provide an additional \$650 of funding per unit or apartment. However, it is the private debt that the Preservation Trust is most interested in accessing.



[Slide 13: "Preservation Trust - Financing"]

- The Trust will have the ability to take-on up to \$10 billion dollars in debt through tools that can be backed by the properties that opt-in to the Trust
- The Trust has the authority to use its interest in property as collateral for the debt (depending on how the specific bonds, mortgages or loans are structured). If this happens and the Trust doesn't pay what they owe, creditors can eventually foreclose and take over the leasehold—our buildings..
- We hope that we can change language in the legislation that established the Trust to protect our homes from foreclosure—a campaign which we will discuss a little later.



[Slide 14: "How does the Preservation Trust Work?"]

- NYCHA will lease the building to the NYC Preservation Trust [CLICK]
- The Preservation Trust will continue to receive federal funding via Section 8 funding rather than Section 9. [CLICK]
- But now has the ability to harness private debt to access more monies. [CLICK]
- The Preservation Trust can contract back with NYCHA to carry out maintenance [CLICK] which would manage the Section 8 properties [CLICK]
- Tenants will continue to pay 30% of their income to the Preservation Trust [CLICK]
- The law allows the Preservation Trust to offer the buildings that NYCHA residents live in as collateral to secure the money they are borrowing; if they use that permission and actually offer the buildings as security, then don't pay what they owe, the buildings would be at risk of foreclosure.



[Slide 15: "Preservation Trust - Transfer of Units"]

- Next is the transfer of 25,000 units to the Trust as Project-Based Section 8 units.
- The Trust will enter into an agreement with NYCHA and contract back to NYCHA for management/operations
- Apartments would convert from Section 9 to Project-Based Section 8 upon entering the Trust. This would require everyone to pay 30% of their income towards rent. So people who pay 30% of their income in rent to NYCHA will keep paying the same amount. Tenants who pay less than 30% now will likely have their rent go up to 30%.



[Slide 16: "Preservation Trust - Approvals"]

- And finally, the legislation requires a letter of support from the NYC Mayor, approval from the federal department of housing, HUD, and a resident vote before any development becomes a part of the Trust.
- The resident vote was only included after major pushback from organized residents
- Let's do a quick review. The Preservation Trust was created to address what problem? (lack of funding)
- What are the two ways that the Trust generates revenue? (bonds/loans against the property, Section 8 funding)
- Who operates and manages the property under the Trust? (NYCHA)



[Slide 17: "Resident Vote: Ballot"]

- Ballots will have three options:
 - Transfer to Section 8 PBRA via the **Preservation Trust**
 - Transfer to Section 8 PBRA and a private landlord through **Permanent Affordability Commitment Together ("PACT")**
 - Reject both the Trust and PACT and remain in the **Section 9 Program**



[Slide 18: "How Are These Programs Different?"]

- If you remember at the beginning, we mentioned three other programs NYCHA has proposed to raise funds.
- This slide shows the basic differences between RAD/PACT, The Trust, and Section 9, in case you want to advocate for one over another.

- RAD/PACT deserves its own full workshop, but the main things to know are:
 - You will live in a building managed by a private landlord instead of NYCHA.
 - The Building or campus is converted from public housing (Section 9) to privately managed Section 8 housing.
 - Ongoing payments from the government and the tenants will go to the private landlord instead of NYCHA.
 - Permits the leverage of private debt and equity
 - No requirement of a resident vote, but NYCHA has proposed including RAD/PACT as an “option” on Preservation Trust approval ballots.
- To review, the Trust:
 - NYCHA continues to manage the building
 - The Trust takes over ownership of the development through a lease
 - The Trust gains access to TPVs and the ability to take on debt against the buildings

The building converts from Section 9 to Project Based Section 8

- In Section 9, which your development is currently in:

We stay Section 9 public housing: NYCHA manages
your building

- NYCHA owns the development
- Funding comes from the government and resident rents
- NYCHA can't take out debt against the property
- No changes to our lease or rights



[Slide 19: “Voter Eligibility & Minimum Participation”]

- All residents over 18 who have written permission from NYCHA to live in apartments at the development are eligible to vote (including residents who are currently living elsewhere but have a right to return).
- However, only 20% of “Heads of Households” are needed to participate in the vote for the results to be considered valid and binding.



[Slide 20: "Voter Outreach: Before Notice of Vote"]

- Voter Outreach will have a 130+ day timeline:
 - Outreach at each development will start with NYCHA's reaching out to Resident Council / District Council to develop outreach plan
 - Then, NYCHA issues a formal Notice of Vote (phone, email, mail)
 - Within 100 days of outreach, Residents should receive several materials to help inform their decision
 - The 30 day voting period begins, with 20 days of voting by mail or online and 10 days of voting by mail, online, or in person
 - Ends with votes being counted

Materials Residents Should Receive with the Notice of Vote

- A description of each option
- Physical needs assessment describing the capital needs for the development
- Information on how financing can be used to address the needs of the development under each option
- Description of the construction standards under each option
- Copy of the ballot & explanation of the how voting will be conducted and the results determined



[Slide 21: "NYCHA's Voting Regulations"]

- Voter Outreach: Description of Each Option should include:
 - Comparison of resident rights under each option, including but not limited to rent determinations, succession rights and temporary relocation rights
 - Overview of how project planning, vendor/partner contracting, design and construction work would proceed
 - Description of the respective roles of NYCHA, residents and other entities during the construction process
 - Any impact on existing capital work
 - Future management structure



[Slide 22: "Conducting the Vote"]

- NYCHA must hire a third party Vote Administrator to conduct the process, count the votes and investigate complaints

If the threshold has not been met, there will be no action taken and the vote will be considered null and void



[Slide 23: "NYCHA's Voting Regulations"]

The very first vote to take place was at Nostrand Houses, where residents voted for the Preservation Trust. Of course, this location was chosen because there was overwhelming support for the Trust from TA President Barbara McFadden who sat on the board of the Preservation Trust at the time.



[Slide 24: "No False Promises?"]

However, residents found out that repairs would not take place as quickly as they thought they would. In fact, a design-team was just chosen a few months ago in July 2025. Residents are still waiting.

[Slide 25: "Resident Vote: Bronx River Addition"]

The next vote happened at Bronx River Addition, where seniors were desperate for something different. They voted for the Preservation Trust in April of 2024. They are also still waiting for repairs.

[Slide 26: "Resident Vote: Unity Towers (Coney Island I Site 1B)"]

A few months later, in August of 2024, residents of Unity Towers also voted for the Preservation Trust.

[Slide 27: "Resident Vote: Coney Island Houses"]

At the same time, Coney Island Houses were also undergoing a vote. Due to resident organizing efforts and neighbors educating and empowering one another, residents voted against conversion. They voted to stay in Section 9 public housing.

[Slide 28: "Resident Vote: Hylan Houses"]

Hylan Houses was selected for a vote in December of last year, but due to a split tie between RAD/PACT and the Preservation Trust, they held a runoff vote and ended up voting for the Preservation Trust in the beginning of this year.

[Slide 29: "Resident Vote: Randall Balcom Houses")]

Interestingly, residents of Randall Balcom Houses were skeptical of the Preservation Trust and voted for PACT in April.

[Slide 30: "Resident Vote: Throggs Neck Addition"]

At that same, residents at Throggs Neck Addition also voted. Wary of long-term consequences of RAD/PACT and the Preservation Trust, residents actually voted to remain in Section 9 Public housing. These stories tell us the power of resident organizing and the impact of talking to your neighbors. We **can** choose the fate of our development if we work together.



[Slide 31: "What You Can Do: Albany"]

- The Preservation Trust was created through State law which means it can also be changed through state law. We may not have the political climate to get rid of this legislation, but we do have the power to change it!
- If you want to see changes to the structure and/or power of the Trust, contact your State Senator or Assembly Member and let them know!
- Find yours at mygovnyc.org



[Slide 32: "What You Can Do: Organize"]

- You can join a community organization, like Residents to Preserve Public Housing or RPPH. RPPH is working on a legislative campaign to change the language of the Preservation Trust legislation.

The law must be changed so that no properties will be transferred without approval after a vote in which a majority of eligible voters at a specific development participate; the law must require that at least 66% of eligible voters must vote before the election is certified

The law must require an audit of the current resources available for the development under Section 9 and an independent physical needs assessment of their campus to be provided to residents before they vote as part of the “summary” required. It is imperative that residents get these so that any decision they make through the voting process is informed and meaningful.

The law must require that NYCHA disclose how much private financing will be used for each development in addition to vouchers as part of the “summary” required.

The law must require that NYCHA facilitate and directly fund resident access to an independent tenant advisor appointed by the resident council of each development to guide outreach strategy and assist in evaluation of the options prior to the voting process.

[Slide 33: "RPPH demands con'td"]

Last but definitely not least,

The law must be amended to prohibit the Trust from backing its debt with housing that it will get from NYCHA.

The law currently allows the Trust to issue bonds to finance renovations up to \$10 billion. Since only 25,000 units are permitted to be transferred to the trust, that means \$200,000 in debt financing per unit. This is an enormous number, especially considering NYCHA's track record with money. Since the Trust will be able to access Tenant Protection Vouchers (TPV) for financing, a stream of public funding that NYCHA cannot reach, debt financing should only be secondary to vouchers. The Trust should not be allowed to leverage the assets it gets from NYCHA for \$200,000 per unit. That's simply fiscally irresponsible. The financing limit should be lowered to \$5 billion, which will still provide a backup on top of TPVs of \$100,000 per unit.

The law must be amended to require New York City and/or New York State to pay any outstanding debts in the event the Trust should default on its obligations, or cease to exist

[Slide 34: "Change State Law"]

- If you believe these changes should also happen, get involved. You can contact your senator and assemblyperson, and you can also attend one of RPPH's zoom meeting on Sundays at 3pm.

[Slide 35: "What You Can Do: Organize"]

- You can also organize with your neighbors!
- Organizing with your neighbors is as easy as striking up a conversation with someone in the hallway.
 - Talk to your neighbors, and ask them if they know about this program and what they think.
- You can also go to your next Resident Association meeting and bring it up and what you'd like to see happen. There are many community meetings you can attend to learn more.
- Together, you can make a plan to create a future that you'd like to see.
- Thinking about these tips on how to organize with your neighbors, do you feel comfortable trying one or two of them?
- Maybe a show of hands for those who think "Yes," if there aren't a lot of folks, you can ask why they feel uncomfortable

[Slide 36: "What You Can Do: Organize"]



- Another way you can get organized is by working with community organizations.
- These organizations work best when you and your neighbors get involved and fight together for better policies and stronger enforcement of existing housing rules.
- By fighting as a large group across many neighborhoods, you have more power than you would if you fight alone as a single tenant.
- Share a local organization's contact info



[Slide 24: "Questions/Discussion"]

- Allow anywhere from 15-30 minutes for the questions/discussion piece.
Refer to the anticipated questions below and supporting RPPH and GOLES staff to help answer questions you may not know the answer to.
- Alright, so we just shared a lot of information with you all. •

Are there any questions about what we went over?

- If there aren't many questions, ask some of the questions below to generate a discussion:
 - What stuck out most to you in this presentation?
 - Now that we've discussed the Trust, do you have a better understanding of what the program is? Why or why not?
 - What would you like to know more about?
 - Would you all like some sort of follow-up meeting to discuss NYCHA's plans to raise funds?



Anticipated Questions and Answers

- If our units are no longer under Section 9 in the Trust, are tenants afforded the same protections and rights that we have now?
 - For the most part, yes. However, it is hard to measure since renovations had not begun and may not for a while.
- Is there a chance the Trust could cover more than 25,000 units?
 - NYCHA can request that the Senate, Assembly and Governor pass a law to increase the cap.
- We want repairs in our units. NYCHA and the government have failed to do that. Is this the only way to get repairs?
 - No... organize for funding Section 9, organize for direct state + city funding to NYCHA, create resident management corporations and use them to access Section 8 funds, RAD/PACT
- What happens if the Trust is unable to pay back the debt it takes on? (i.e. the \$10 billion max)
 - It depends on how the specific bonds, mortgages or loans are structured, but the Trust has the authority to use its interest in property as collateral for the debt.
 - If it does that, and doesn't pay, creditors can eventually foreclose and take over the leasehold. The creditor will then become the new landlord, leasing the property from NYCHA like the Preservation Trust had.
 - The City and the State will have an opportunity to step in to pay the Trust's debt before foreclosure, but no obligation to do so. If the law was changed so the Trust was limited to issuing debt backed by rent and income, not property, there would be no risk of foreclosure.
- If NYCHA increases the amount of units, could they also increase their loan cap?
 - NYCHA can request that the Senate, Assembly and Governor pass a law to increase the cap.
- How is the board decided on?
 - One (1) NYCHA CEO,
 - One (1) NYCHA CFO,
 - One (1) NYC Deputy Mayor for Housing and Economic Development,
 - Three (3) members appointed by the NYCHA CEO, including two residents + one member at large (all of whom can be compensated, see below):
 - One resident chosen from two candidates nominated by CCOP
 - One resident member chosen from two candidates nominated by the Resident Advisory Board
 - Three (3) members appointed by the NYC Mayor, including two

residents (all of whom can be compensated, see below):

- One resident chosen from two candidates nominated by CCOP •

One representative of employees of NYCHA, chosen from two candidates nominated by NYCHA/trust employee union.

- ◆ What can we do now if we don't want the Trust at our development? How can we continue to be funded under Section 9 to get necessary repairs?
 - Organize around the vote to prevent the Trust from coming to your development.
- ◆ Does the mold and leaks protections from the Baez case apply to units under the Trust?
 - Yes, those protections have been written into the law
- ◆ What is the role of the NYCHA Monitor under the Trust?
 - Unclear as of now, it'll be up to the Federal Court that oversees the monitorship
- ◆ Does the Preservation Trust have an obligation to work with Resident Management Corporations (RMC)?
 - Not exactly, but if residents create a RMC following HUD regulations and submit a proposal to manage a development that is leased from NYCHA by the Trust (or a portion of the development, like a parking lot), NYCHA and the Trust have an obligation to "negotiate" with the RMC. There is no obligation to actually sign a contract and transfer management, but the obligation to negotiate is a tiny bit stronger than NYCHA's obligation under Section 9 and the HUD regulations regarding RMCs, which leave both negotiation and contracting to the discretion of NYCHA.
- ◆ What is a bond?
 - A bond is a type of loan that comes from investors as opposed to a bank. The investors then collect interest on the bonds.
- What are the other privatization programs of NYCHA?
 - The other two programs NYCHA has proposed to raise funds are Infill and Transfer of Development Rights or TDR. These two programs differ from the RAD/PACT and Preservation Trust programs because they have less to do with the existing development, and more to do with the land around the development. So let's review the basics of these two.
 - For Infill,:
 - A new, privately-owned building replaces land that might be a playground or lawn on NYCHA property right now
 - NYCHA still manages your building
 - NYCHA says that money raised will be used to make repairs to your NYCHA building, however, there is no clarity on how that money comes back to the building or development
 - Can be done **without** a resident vote

- Through Transfer of Development Rights:
 - NYCHA makes money by selling unused development rights to private developers to build near NYCHA buildings
 - NYCHA still manages your building
 - One-time payment from the developer is used to make repairs to NYCHA buildings
 - Can be done **without** a resident vote