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NYCHA FEDERAL MONITOR  
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Pursuant to Agreement dated January 31, 2019  
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June 28, 2021

Dear New Yorkers:

I am submitting this quarterly letter to report on NYCHA's performance as required by the HUD Agreement. Given ongoing budget constraints, this letter focuses on a few key issues and is not intended to catalogue all of NYCHA's activities during the last reporting period. As is my usual practice, the letter also includes recent developments occurring beyond the end of the quarter in order to provide the most up-to-date information.



*Bart M. Schwartz, Federal Monitor*

In the past few months NYCHA has been moving forward with its implementation of the various pillar Action Plans as well as the development of its new Organizational Plan, which I discuss below. This letter further details: (i) the recently-adopted Capital Action Plan, which provides NYCHA with a total of \$2.2 billion in additional capital funding from the City over a ten-year period; (ii) our investigation with NYCHA's Compliance Department of serious mold violations at an Upper Manhattan development prior to a PACT conversion; (iii) a newly-developed application for assessing waste conditions at developments to evaluate compliance with the HUD Agreement; (iv) a new Resident Ambassador program to aid in-unit remediation planning and work; and (v) our continued efforts to engage with residents and the community to deliver clear and comprehensive information about NYCHA's performance and to provide a forum for their concerns.

I. Status of the Organizational Plan

The HUD Agreement requires NYCHA and the Monitor to develop a new Organizational Plan for the Authority. As I explained in my last letter, this Organizational Plan is distinct from the NYCHA Chair's "Blueprint for Change – Stabilization Strategy," which focuses on capital investment. The Organizational Plan, by contrast, is aimed at transforming NYCHA's day-to-day operations so that the reforms set out in the HUD Agreement can be fully realized.

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The first part of the Organizational Plan – the “Blueprint for Change – Transformation Plan” – is already accomplished. The Transformation Plan is NYCHA’s vision document, describing proposals to improve the functioning of the organization. The next step is to take the strategies laid out in the Transformation Plan and determine how each of these will be implemented. The Implementation Plan, which will be developed collaboratively with HUD, SDNY, the Monitor, residents, and other stakeholders, will detail the actual organizational and business process reforms that NYCHA will implement, in light of the available resources and other constraints, to achieve the organizational change required by the HUD Agreement. Together, the Transformation Plan and the Implementation Plan comprise the Organizational Plan required pursuant to paragraphs 46 and 47 of the HUD Agreement.

NYCHA, along with the Monitor team, HUD, and SDNY, has established working groups to begin implementing the approximately 40 strategies identified in the Transformation Plan. NYCHA has prioritized 22 of those as among the first to be implemented. There are currently 17 groups that have begun to meet regularly, handling topics such as Work Order Reform and Alternative Work Schedules, Borough Administration, Resident Roundtable, Asset Information Management, Re-Assessment of Lease Enforcement, and IT and communication enhancements. Several other groups are in the process of being formed and their work should be starting soon. I am happy to report that resident representatives are being added to many of the working groups.

NYCHA already has begun to implement a major restructuring called the Neighborhood model. The goal of the Neighborhood model is to offer better services to residents by moving more resources and decisions closer to the point of delivery. Broadly described, the Neighborhood Model restructures property management to a more decentralized model where smaller units comprised of a few local developments are joined into what NYCHA calls a “neighborhood,” or essentially a self-managed site.

A total of 30 separate neighborhoods have been established under this new structure, instead of the previous 21 geographic regions managed by Regional Asset Managers. Each of the 30 neighborhoods is managed by a Neighborhood Administrator who is entrusted with more decision-making authority and control of the resources needed to effectively deliver services. The 30 neighborhoods will report up to four Borough VPs. NYCHA is exploring the creation of Borough Administration groups that will support each of the neighborhoods by relocating staff from finance, human resources, information technology, and procurement to perform their functions within the borough offices rather than from NYCHA’s central office in order to create closer coordination and stronger support for property management. Several of the working groups noted above are focused on strategizing different aspects of how the new neighborhood model will be set

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up and run. One of the areas under analysis involves relocating some of the skilled trades staff to the neighborhoods.

The first phase of the Implementation Plan – bringing together the ideas and plans from each working group into a single document – will be completed by early this fall; the second phase will be completed by June 2022. To be clear, NYCHA's reorganization will not be complete by June 2022, as real change takes time, but the strategies to achieve the needed changes should be well defined by then. Implementing the full complement of planned changes will take several years to complete.

It has become very apparent in this working group process that the final plans will be effective only if *all* the key stakeholders' perspectives are included, especially those of the residents. Residents must have meaningful input and direct participation in the decision-making. This is true not only because of the importance of getting resident agreement and buy-in for the finished Organizational Plan, but because residents possess critical ideas and unique perspectives of what will likely work, and not work, at the development level. Ensuring resident participation in working group discussions is one of my key roles as the Monitor. In addition to working group participation, NYCHA established a resident roundtable committee consisting of 32 residents reflective of the full demographics of NYCHA's diverse population, with one resident representing each of NYCHA's Neighbourhood portfolios and two representing the RAD/PACT portfolio.

With the Legislature's recent decision to table the bills creating the Public Benefit Corporation that would support NYCHA's Stabilization Plan, it remains to be seen what the impact will be on other NYCHA capital and financing plans and the operational budget.

### II. Capital Action Plan

On May 8, 2021, I approved NYCHA's City-Funded Capital Action Plan. This action plan is required under the HUD Agreement, and will help support NYCHA in carrying out many of its capital projects for the next few years.

While the HUD Agreement focuses mainly on NYCHA's operational obligations, the Agreement also requires that New York City provide a total of \$2.2 billion in additional capital funding to NYCHA over the ten-year period that started when the Agreement was executed in 2019. Under this obligation, the City must provide NYCHA with \$250 million per year for the first four years, and then an additional \$200 million per year for the remaining six years. The funds can only be used for capital projects, not items like increasing staffing or salaries which are operational expenses.

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The Agreement requires that NYCHA lay out in the action plan specifically how it will use the funds during the ten-year period to address the deficiencies identified in the HUD Agreement. The final action plan had to be approved by the Monitor. Members of my team have been working with NYCHA to ensure that the plan's objectives are sound, comprehensive, and consistent with the HUD Agreement. After consultation with HUD and SDNY, I signed off on the action plan. The City-Funded Capital Action Plan is available to the public on NYCHA's and the Monitor's websites.

The action plan commits NYCHA to complete specific capital projects for all the main Agreement pillar areas – lead-based paint (“LBP”) and mold remediation and abatement, heat and elevator services, and pest and waste management services. There is a particular focus on LBP and mold capital projects, for which the largest percentage of the funding is allocated. Importantly, the plan will provide significant additional funding for projects related to increased LBP abatement. NYCHA is prioritizing abatement in units where children under six years old reside or spend significant time.

A core aspect of the action plan is that NYCHA conduct a complete infrastructure rehabilitation for two selected developments where LBP and mold are widespread and cannot be addressed selectively. The planned work includes bathrooms, kitchens, certain heating and elevator-related work (and other replacements as required such as windows, doors, and flooring), improving grounds to prevent flooding and reduce pest populations, and community centers. The proposed developments are in Staten Island and Upper Manhattan. Focusing on just two developments will enable NYCHA to test its ability to effectively manage and complete large-scale capital projects. This will be essential if NYCHA is to succeed in obtaining the large amounts of funding it is seeking in its Blueprint proposal.

### III. Investigation of Mold Standard Procedure Violations

In the fall of 2020, the Monitor field team started an investigation based on allegations that unknown persons at a northern Manhattan development were intentionally performing improper repair work that did not meet the requirements of the NYCHA Standard Procedure for mold inspections and remediations. The development was part of a bundle of NYCHA properties in Manhattan being converted to private management as part of NYCHA's “PACT” program. The decision to use PACT to rehab the property was announced in 2019 and the conversion ultimately closed in November 2020.

The investigation revealed that superficial mold repairs had been made in some units throughout 2020 as the property was being prepared for the conversion, and in many cases, mold was literally being covered up with drywall. In one egregious case, visible

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signs of mold were evident on recently-installed sheetrock on a bathroom ceiling. Upon removing the sheetrock, it was revealed that the ceiling rafters were contaminated with severe mold growth, indicating that the mold problem had existed for some time and clearly had not been addressed before the new sheetrock was installed. Photographs taken in 2020 documenting the discovery are shown below.



**Carpenters note mold growing through the bathroom dropped ceiling.**



**Photo of ceiling sheetrock removed. Mold is visible on the wood frame above the ceiling.**



**Photo of the top side of the sheetrock removed by Carpenters. It is infested with mold from the wood frame area.**

Continuing investigation revealed that the superficial repairs had been performed by vendors retained by the private management company to meet HUD standards necessary in conversions to private management (known as “Housing Quality Standards”). The Monitor invited NYCHA’s Compliance Department to join the investigation. The investigation included interviews with NYCHA employees to determine how much NYCHA

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personnel knew about improper mold procedures being employed in violation of the Standard Procedure, which must be followed as a result of the Baez Consent Decree. The results of the investigation make clear that NYCHA did not manage or oversee the vendors hired by the developer, which enabled them to perform the shoddy work that also failed to comply with NYCHA's Mold Buster Standard Procedure. The investigation also revealed that there were deficiencies and lack of proper supervision with respect to NYCHA employees sequencing work to remediate unit mold conditions prior to the vendors getting involved in the two years prior to the conversion. The Compliance Department has completed a comprehensive report of the investigation and NYCHA has implemented enhanced reporting measures, oversight, and procedures to ensure better vendor work prior to future RAD/PACT conversions. The Compliance Department also ensured that the developer retained a licensed firm to investigate conditions in the apartments identified by the Monitor and conduct mold remediation and/or leak repairs based on these inspections. This information was provided to the Monitor.

Separately, on December 21, 2020, the Baez plaintiffs filed a motion in federal court seeking a ruling that the provisions of the Baez Consent Decree apply in PACT conversions. On April 12, 2021, Judge William Pauley denied the plaintiff's motion, but found that the residents living in PACT developments are still part of the class certified in the Baez case. He directed the parties to confer on or litigate the question of the rights accorded to the class and report by May 12<sup>th</sup>. The parties requested that the Court allow them more time to confer and the matter has been adjourned until July 12, 2021.

#### IV. Monitor's New Field Examination Inspection Report Application

The HUD Agreement requires that NYCHA, at least once daily, inspects the grounds and common areas of each building for cleaning and maintenance needs, including pests and trash, and correct such conditions. NYCHA must also ensure that trash on the grounds and in common areas is collected at least once daily and either removed from the premises or stored in a manner that prevents access by pests.

To review and report on NYCHA's compliance with these directives, the Monitor team collaborated with NYCHA to devise a Waste Management Measurement Application ("WAMMA"). WAMMA is an app that was created by the Monitor team's IT group that can be downloaded onto any iPhone, tablet, or laptop, and it enables the Monitor field team to measure and grade waste conditions efficiently at any development. The Monitor team consulted with NYCHA's Waste Management Department on suggestions for topics and questions to be contained in the WAMMA app. Once completed, the information captured on the app, including photographs and videos taken by the field examiners, is transmitted to a central database where it can be easily accessed. While conditions can vary in any development from day to day, and even from hour to hour, if the Monitor team

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is able to evaluate conditions at a development multiple times over a period of several months – on different days of the week and at different times of day – we should be able to draw a fairly accurate composite picture of that development’s compliance or non-compliance with the Agreement. NYCHA can use this information to allocate resources and staff to fix recurring problem areas.

Below are photos extracted from a WAMMA report that were recently taken by the Monitor team on a development site visit. As indicated in the photos, the purpose of the report is to capture all the conditions at the site – both the well-maintained areas as well as areas where more staff work is needed – to document the state of the development at the time of the visit.



**Garbage displaced behind fence under scaffold.**



**This area not fenced but rodents observed going into burrows during daytime.**



**Large rat burrow inside of development building.**

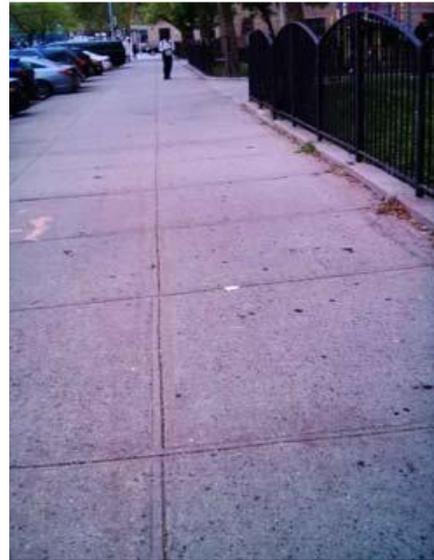


**Other view of same walkway.**

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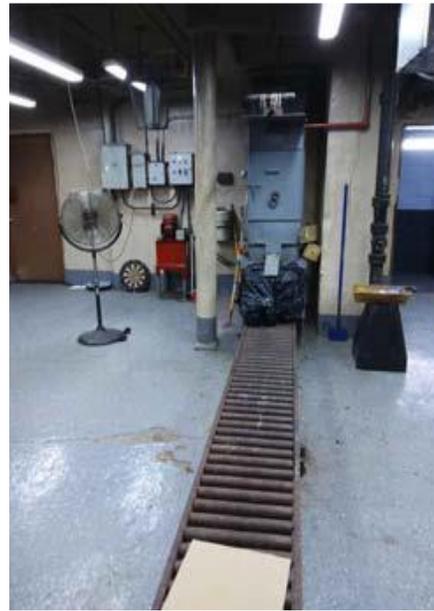
**Clear walkway leading to a park bench.**



**Clean sidewalk surrounding development buildings.**



**Curbside pickup neatly stacked.**



**This compactor appears to be maintained.**

The Monitor's IT team is developing similar field reporting apps for other pillar areas as well. For example, with this type of app the Monitor's heat field team can create more comprehensive boiler room inspection reports that include asset-by-asset assessments, as well as photographs and videos of overall boiler room/tank room conditions at the time of the inspections. The Monitor team recently met with NYCHA's Environmental Health & Safety unit ("EHS") to review their boiler/tank room inspection Smartsheet reports. They

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discussed the structure of the report and the areas it covers that they view as essential for a comprehensive analysis. The goal is to coordinate the EHS electronic inspection reports with the Monitor team app so that the information captured in each is useful to both groups. As all these electronic reports are created and organized, the Monitor team will have an extensive library, including photographs and videos, of overall conditions at every development. This will be immensely beneficial for not only NYCHA and the Monitor team, but also HUD and SDNY.

### V. Resident Ambassador Program for Unit Remediation Work

The Monitor Team is working with NYCHA to empower resident leaders (“Resident Ambassadors”) to assist fellow residents in preparing their units for NYCHA-led remediations (pests/mold/lead) and in maintaining their dwellings in a clean condition. This program builds upon NYCHA’s current Resident Ambassador program in two important ways. First, the NYCHA Resident Ambassador program currently concerns only vendors – it did not previously include remediations conducted by NYCHA staff. Second, this program, unlike the NYCHA program, is much broader in scope, as it will train Resident Ambassadors not only to advise residents on proper preparation for remediations, but also to teach them how to better maintain their units.

Collaboration between the Monitor Team and resident leaders will be invaluable in developing and executing the program. Resident leadership will be fully engaged in: (1) conceptualizing the program with the Monitor’s pest pillar leader; (2) interfacing with resident leadership throughout the NYCHA portfolio to obtain their ideas, buy-in, and participation; (3) identifying, selecting, and training the Resident Ambassadors in conjunction with the Monitor’s Urban Entomologist; (4) managing the rollout in the field (likely on a pilot basis in one or two developments, and then expanded throughout the NYCHA portfolio over time); (5) conducting in-field assessments of the effectiveness of the program and co-management of adjustments as the program evolves; (6) issuing periodic reports on all aspects of the program, including the degree of participation by resident leaders, quality of participation and leadership, the effectiveness of program as measured by degree of cooperation from tenants, condition of units for inspection and remediation, and overall cleanliness of units.

### VI. Resident and Community Engagement

Since the start of 2021, the Resident and Community Engagement Team has held several meetings to further ongoing communication and transparency between NYCHA, the Monitor, residents, and community stakeholders. In addition to the meetings described below, residents and community stakeholders are encouraged to continue to stay in

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contact with the Monitor team and visit the [nychamonitor.com](http://nychamonitor.com) website for more information.

### **Community Advisory Committee**

The Community Advisory Committee (“CAC”) met virtually in February, April, and June. The meetings were live streamed for viewing and recordings are available. Since its implementation the CAC has served as a valuable tool for the Monitor team. Much of its success is due to having tenant association presidents (“TAPS”) from each of the boroughs represented on the committee.

At the February meeting, the Monitor provided an update on all the HUD Agreement Action Plans and the Organizational Plan. It was noted that although safety and security were not specific topics in the HUD Agreement, due in part to the efforts of the CAC those important issues were included in NYCHA’s new Transformation Plan. Jodi Callender, Senior Advisor to the Mayor’s Office for Housing and Economic Development, provided a status of vaccination sites throughout NYCHA and explained that NYCHA staff is being trained to be vaccine navigators – trusted resources to receive information about the vaccine and answer questions. NYCHA Executive Vice President for Strategy and Innovation, Eva Trimble, announced the soft launch of a new e-portal system to streamline NYCHA’s annual review and recertification process.

The April CAC meeting focused on the important role seniors play as members of their developments and as advocates for the residents. During the meeting, Senior Director for the Department for the Aging, Agnes Mak, introduced a new “Produce and Pantry Bag Distribution” program. The program provides seniors with one to two pantry/poultry bags per month along with educational information on health and nutrition. Council Member and Committee on Public Housing Chair, Alicka Ampry Samuel, provided a recap of a recent city council hearing on “Seniors Aging at NYCHA During a Pandemic.” In addition, NYCHA Resident Engagement Department Manager, Gina Watkins, provided updates on outreach to seniors to help connect them to services for food, mental health, and COVID-19 vaccines and testing.

At the June CAC meeting, the Monitor began by congratulating NYCHA on the recent city-wide rollout of the upgrades to NYCHA’s annual certification portal that had been previewed at the February meeting. He noted that the initiative to revamp the certification portal largely came from a conversation from the first CAC held in the spring of 2019 when resident leaders on the CAC raised concerns about the existing portal and described the difficulties residents were having. CAC member Eva Trimble led the project to address those problems, resulting in the improvements rolled-out Authority-wide in early June.

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The rest of the June CAC focused on NYCHA's summer readiness. Committee members addressed this area in their reports and updates, including information on the return of NYCHA Family Days at developments. New York City Department of Youth and Community Development Associate Commissioner, Darryl Rattray, announced the numerous summer programs and camps that have been scheduled through August, including a virtual job fair and a new program, *Saturday Night Lights*, which will offer safe places for young adults to engage in sports activities. During the meeting the CAC welcomed a new committee member, Katie Brennan, Senior Advisor to the Mayor's Office for Housing and Economic Development. Ms. Brennan gave an overview of the Emergency Rental Assistance Program ("ERAP") which provides funding for up to a year of rental arrears and utility payments for those impacted by COVID, as well as a discounted broadband subscription for qualified residents. The CAC also discussed NYCHA's Elevator Department's summer maintenance program that focuses on keeping motor rooms from overheating to avoid increased outages.

### **Community Meetings**

The Resident and Community Engagement Team hosted separate community meetings aimed at Staten Island and Brooklyn residents, although NYCHA residents from other boroughs were able to participate. During the public session of the meetings, which took place virtually, residents expressed their concerns, provided recommendations, and asked questions. The Monitor also provided an update on NYCHA's progress under the HUD Agreement.

### **NYCHA Monitor Town Halls**

This year included the launch of NYCHA Monitor Town Halls. These town halls provided an opportunity for Monitor team members to present a high-level overview of approved NYCHA Action Plans followed by question-and-answer sessions with NYCHA residents and community stakeholders. As reported in the last quarterly report, working with the Monitor team NYCHA has now completed at least initial action plans for every pillar area. It is important for residents to be informed about these plans so that they understand what work NYCHA has committed to accomplishing, and also what actions the residents themselves can take to aid in the better delivery of services. For example, to reduce repair times when elevators breakdown, it is crucial that residents immediately report the breakdowns to NYCHA's CCC so that repair crews can be dispatched without delay.

The first NYCHA Monitor Town Hall was held virtually on March 10, 2021, and featured NYCHA's Elevator Action Plan. During the meeting Monitor team members discussed in more detail the scope of the plan and gave an analysis of elevator performance trends. The team also touched on the importance of residents not allowing debris to collect inside elevator cars as it can obstruct elevator door operation, shutting down the elevator. It was also discussed how residents are the frontline "eyes and ears" at the developments who

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know when NYCHA staff are not properly performing their duties. For elevator services, NYCHA must provide timely notifications for both planned and unplanned outages by postings in development buildings and robocalls to affected residents. Making complaints to the CCC and then also to the Monitor are critical to holding NYCHA accountable for these and the other commitments that NYCHA agreed to do in the Action Plan.

On April 20, 2021, a second virtual Town Hall spotlighted NYCHA's Pest and Waste Management Action Plan. NYCHA has committed to improving waste management practices at developments, including setting up more and better receptacles for trash and recyclables. Every development will soon have a completed waste management plan that will direct residents how, where, and when to dispose of their garbage under the plan. For pest control, it is important that units scheduled for treatments are properly prepared and ready so that the treatments will work. The Resident Ambassador Program described above is a critical strategy to make sure those preparations are complete so that NYCHA can provide effective pest control for its residents.

Respectfully Submitted,

Bart M. Schwartz