

JEFFREY LEFRANCOIS Chair

JESSE R. BODINE District Manager

November 30, 2023

Johnathan Gouveia Executive Vice President for Real Estate Development New York City Housing Authority 90 Church Street New York, New York 10007

Greg Gushee Executive Vice President The Related Companies 30 Hudson Yards New York, New York 10001

Jamar Adams Managing Principal Essence Development 6 Greene Street Suite 600 New York, New York 10013

Re: Chelsea NYCHA Proposed RAD Conversion & Tenant Rights & Protections

Dear Mr. Gouvia, Mr. Gushee, and Mr. Adams,

At Manhattan Community Board 4's (MCB4) Housing, Health and Human Services (HHHS) Committee meeting on October 5th, 2023, the committee received a presentation from Jamar Adams from Essence Development, Greg Gushee from Related Companies, and Marissa Schaffer and Simon Kawitzky from NYCHA, regarding PACT Resident Rights and Protections at Fulton and Elliot-Chelsea. Following the NYCHA presentation, Lucy Newman from the Legal Aid Society¹ addressed the committee. The committee would like to thank NYCHA for presenting an abbreviated summary of the Chelsea NYHCHA tenant rights and the Legal Aid Society for its detailed response and issues

CITY OF NEW YORK

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¹ L. Newman was co-chair of the Resident Rights Subcommittee of the Chelsea NYCHA Working Group

raised regarding protecting those rights if demolition and replacement are a part of the final approved plan.

During the MCB4 full board meeting held on November 1, 2023, the Board voted 33 in favor, 0 opposed, 2 abstaining, and 2 present but not eligible to vote <u>to request a letter</u> <u>from NYCHA to reaffirm, in writing, the prior agreed upon, detailed and enhanced</u> <u>Resident Rights</u> under the proposed Housing and Urban Development (HUD) Rental Assistance Demonstration Program (RAD)² conversion from Section 9 (Public Housing Rental Subsidy) to Section 8 (Affordable Housing Rental Subsidy). The details of this proposed RAD conversion were already set out in detail in the Chelsea NYCHA Working Group Report³ dated February 2021. MCB4 also requests that NYCHA, in their response, memorialize the tenants' guarantee to an apartment in the new development under the demolition proposal.

MCB4 *takes no position at this time* on the current proposal for RAD PACT Conversion which calls for complete demolition and replacement of existing Chelsea NYCHA buildings with 2,056 apartments, along with the additional construction of 3,500 market rate and affordable apartments⁴. MCB4 is now in the fact-finding phase regarding that proposal, holding multiple public community and committee meetings. After those meetings, MCB4 will develop, debate, and adopt a detailed written position on this proposal prior to the start of the formal New York City Land Use Process, known as ULURP (Uniform Land Use Review Procedure). MCB4 has a NYC Charter mandated role in the ULURP process.

Regardless of whatever proposal is finally agreed to and approved, whether it be renovation, demolition and replacement with new development, or some combination of all those options, **protecting Tenant Rights for all Chelsea NYCHA households is <u>critical</u>**. As a result, MCB4's first action on this proposal only concerns protecting Chelsea NYCHA Tenant Rights <u>under any development scenario</u>. The NYCHA agreed upon Chelsea NYCHA Tenant Rights are enumerated below.

Background

In 2019 and 2020, during the public process of discussion and considering the proposed RAD Conversion of Chelsea NYCHA (Elliott-Chelsea and Fulton Houses), the Chelsea NYCHA Working Group was established by the Mayor's Office and NYCHA. It consisted of stakeholders at all levels of government, not for profit housing policy organizations, community stakeholders and most important, Chelsea NYCHA tenants⁵.

² 'Fulton & Elliot-Chelsea Houses' <u>https://www.nyc.gov/site/nycha/about/pact/Chelsea-Fulton.page</u>

³ 'Chelsea NYCHA Working Group' <u>https://www.nyc.gov/assets/nycha/downloads/pdf/Chelsea-NYCHA-WG-Report-Final.pdf</u>

⁴ 'Proposed Action by Building' <u>https://cbmanhattan.cityofnewyork.us/cb4/wp-</u> <u>content/uploads/sites/10/2023/10/Chelsea-NYCHA-Proposed-Actions-by-Building-2023.pdf</u>

⁵ See attached Appendix A for membership list.

The Working Group's goal was to achieve consensus, and under which terms and conditions, a NYCHA PACT conversion could take place for Chelsea NYCHA. The Resident Rights and Protections Subcommittee was charged with reviewing the differences between the NYCHA Public Housing (Section 9) and NYCHA PACT (Section 8 RAD Conversion) programs and ensuring both current and future residents have their rights as tenants protected and expanded should a PACT conversion take place. Ms. Lucy Newman from the Legal Aid Society was Co-Chair of the Resident's Rights and Protections subcommittee for the Chelsea NYCHA Working Group along with Robert Atterbury from Congressman Jerry Nadler's Office.

From January to March 2020 and September to December 2020, the Resident Rights and Protections Subcommittee performed a detailed review of leasing and regulatory documents, consulted experts in New York State and City housing law, public housing and NYCHA policy, researched responses to resident concerns, and created the following list of protections to protect and expand resident rights before, during, and after a PACT conversion. The preservation and expansion of resident rights was agreed to by the Working Group. Then the Working Group, with participation of Mayor's Office and NYCHA issued a report⁶ dated February 2021. That report, and the Resident Rights in it, were embodied as conditions in the Request for Proposals (RFP) seeking developers for the PACT Conversion of Chelsea.

Proposed Demolition's Effect on Tenant Rights

At the October 5th, 2023, HHHS Meeting, Lucy Newman of the Legal Aid Society spoke following the NYCHA presentation on effect of demolition on Tenants' Rights. *Ms. Newman did not endorse the new proposal for demolition.* Instead, Ms. Newman discussed the legal effect that any proposed demolition would have on the Chelsea NYCHA Tenant Rights package as prior agreed to by NYCHA.

She noted, for example, if a tenant has the Right to Return to an apartment, but that apartment is located in a building proposed for demolition, then that circumstance must be carefully approached and taken into consideration. Tenants' rights pertaining to the demolition of buildings need to be further studied, discussed and embodied in any final proposal. In any demolition scenario, partial or full, a tenant's right to return must be enforceable and iron clad.

<u>MCB4 will not take a position to support either demolition or new construction prior to</u> <u>the completion of the NYC ULURP public review process.</u> The Chelsea NYCHA proposed project encompasses nearly all or parts of 6 blocks in Chelsea. Proceeding on portions of proposed plan, without public review of the overall plan, eliminates flexibility

⁶ 'Chelsea NYCHA Working Group'

https://www.nyc.gov/assets/nycha/downloads/pdf/Chelsea-NYCHA-WG-Report-Final.pdf

and locks in other elements of the proposed plan. Putting a shovel in the ground, prior to reestablishing the consensus achieved among tenants, the surrounding community and elected officials is not a recipe for success.

The final Chelsea NYCHA Working Group Report did not consider demolition and rebuilding as an option. Further, demolition and rebuilding were not included as a proposed option in the Chelsea NYCHA RFP. To ensure the validity and applicability of the agreed upon Chelsea NYCHA Tenant Rights package, there now needs to be an indepth discussion among MCB4, NYCHA, Related/Essence, Chelsea NYCHA tenants and other community stakeholders – including legal and tenants' rights experts -- both to reaffirm and guarantee Chelsea NYCHA Tenants' Rights under any proposed demolition proposal.

Resident Rights and Protections

The following are the agreed upon resident rights resulting from the Chelsea NYCHA Working Group and agreed to by NYCHA:

Section 1: Rent and Fees

1.1: NYCHA should seek to implement a rent cap, set at the contract rent, for all units converting through the PACT program to prevent higher-income residents from paying above market rents and to reduce the risk of displacement.

1.2: Ensure no fees or other non-rent charges are higher than those for Public Housing.

1.3: Notification, comment, and approval on submetering.

1.4: Recognize transfer fees already paid.

Section 2: Legal Protections

2.1: Extend protections under the Tyson-Randolph consent decree to PACT residents.

2.2: NYCHA should clarify the tailored grievance procedures for PACT conversions.

2.3: NYCHA should notify residents of lease changes, so they have an opportunity to comment prior to NYCHA issuing approval.

2.4: Support residents to access their rights by ensuring assistance is available.

2.5: Automatic termination of permanent exclusions, tenant notification of the termination process, and admission of excluded individuals who meet Section 8 eligibility criteria.

2.6: Removal of "As-is" condition clause from the lease.

2.7: Alignment of the Objectionable Conduct Standard to NYC Law.

2.8: Limit form requirements.

2.9: Maintaining tenant rights should an eviction take place.

2.10: Ensuring tenants have safe, livable conditions, with respect to mold, lead, and asbestos.

2.11: Owner's inability to provide services; if the owner is unable to provide certain services as a result which are not the fault of the owner, tenant's obligations under this lease, including the obligation to pay rent, shall remain in

effect, except as otherwise permitted by law. The Working Group understands that the clause "except as otherwise permitted by law" adequately protects the ability for tenants to legally withhold rent when allowed under New York State and New York City housing laws.

Section 3: Tenant Placement + Selection

3.1: Guarantee seniors can choose between a studio or 1-bedroom should there be a change in the development.

3.2: Limit additional credit and background checks.

3.3: Provide temporary relocation agreements where tenants are relocated at the developer's expense and cost to another location in the development.

3.4: Ensure tenants' right to move.

3.5: Align Public Housing and Section 8 Succession Rights for future tenants.

3.6: Allow Public Housing and Section 8 Housing Choice Voucher applicants to join PACT waitlists.

3.7: Ensure Occupancy Standards are not more restrictive than current Public Housing standards.

Section 4: Development Rules

4.1: Engage residents in shaping House Rules during and after a PACT conversion.

4.2: Respect tenant apartment improvements and provide for appliances going forward.

4.3: Ensure any pet policy is not more restrictive than NYCHA's current Public Housing policy.

4.4: Engage residents of Senior Buildings regarding any changes to the Senior Building status.

4.5: Ensure full Tenant Participation Activity (TPA) Funds are provided to Resident Associations.

4.6: Ensure residents have safe homes and developments.

4.7: Process for complaining about Housing Conditions.

NYCHA

When the HHHS Committee asked the NYCHA representative, Jonathan Gouveia, Executive Vice President for Real Estate Development, if NYCHA was still in support of the Chelsea NYCHA Tenant Rights package, he answered "NYCHA is in support of those rights". Then the HHHS Committee requested a letter of affirmative support as of the current date. This letter is that request.

Conclusion

MCB4 appreciates NYCHA's continued engagement and willingness to continue to present to the various committees of the Community Board and to the public. The list of resident rights presented above are those agreed to through the Chelsea NYCHA Working Group. MCB4 requests a letter from NYCHA agreeing to memorialize the residents' rights in the final proposal, irrespective of the decision on the final proposal. MCB4 also requests that NYCHA, in their response, memorialize the tenant's guarantee to an apartment in the new development under the demolition proposal and agree to partake in the process to identify, affirm, and guarantee tenants' rights under the demolition proposal.

Sincerely,

C. Erman Jeffrey/LeFrancois

Chair Manhattan Community Board 4

Joe Restuccia Chair Housing, Health, Human Services Committee

Maria Ortiz Chair Housing, Health, Human Services Committee

Enclosure

Hon. Eric Adams, Mayor City of New York cc: Jamie Rubin, Chair, NYCHA Board Marcia L. Fudge, Secretary, US Dept. HUD Alicka Ampry-Samuel, Regional Administrator, US Dept. HUD Hon. Letitia James, NYS Attorney General Hon. Jerrold Nadler, US Congress Hon. Brad Lander, NYC Comptroller Hon. Jumaane Williams, NYC Public Advocate Hon, Mark Levine, Manhattan Borough President Hon. Brad Hoylman-Sigal, NYS Senate Hon. Tony Simone, NYS Assembly Hon. Erik Bottcher, City Council Darlene Waters, President, Chelsea & Elliot Houses Tenant Association Miguel Acevedo, President, Fulton Houses Tenant Association NYCHA Board of Directors

Appendix A

Chelsea NYCHA Working Group Membership List

The Working Group was comprised of NYCHA residents, elected officials, community representatives, and housing organizations and advocates, including:

- NYCHA Residents
 - 1. Tenant Association members and residents from Fulton Houses, Elliot-Chelsea Houses, and Chelsea Addition
- Elected Officials
 - 1. United States Representative Jerry Nadler
 - 2. New York City Council Speaker Corey Johnson
 - 3. New York City Public Advocate Jumaane Williams
 - 4. New York City Comptroller Scott Stringer
 - 5. New York City Manhattan Borough President Gale Brewer
 - 6. New York State Senator Brad Hoylman
 - 7. New York State Senator Robert Jackson
 - 8. New York Assembly Member Richard Gottfried
- Community Representatives
 - 1. Manhattan Community Board 4
 - 2. Hudson Guild
- Administration
 - 1. New York City Deputy Mayor for Housing and Economic Development
 - 2. New York City Housing Authority Chairman and Chief Executive Officer
- Housing Practitioners Citywide
 - 1. Community Service Society
 - 2. New York Housing Conference
 - 3. Furman Center for Real Estate
 - 4. Citizens Budget Commission
 - 5. The Legal Aid Society
 - 6. Citizens Housing and Planning Council