NYCHA’s Plan for Conversion

Ocean Bay (Bayside) Apartments (approximately 1,400 units) in Far Rockaway was the first NYCHA development to go through the RAD conversion process. The conversion took place in December, 2016. Apartment and building renovations followed.

The 2015 NextGeneration NYCHA Plan called for the conversion of 15,000 public housing units over 10 years.

In July 2016, NYCHA announced it had applied to HUD for conversions of 5,200 units in 40 developments. In January 2017, HUD approved the conversion of 17 NYCHA developments (approximately 1,700 apartments).

These developments will be leased, not sold, to a private-public development team. When the long-term lease expires, the property will return to NYCHA.

NYCHA has agreed to a set of “guiding principles” concerning resident rights and protections under RAD, go beyond what is required by federal law and HUD regulations. The full guiding principles are available at:


RAD stands for the HUD Rental Assistance Demonstration. In 2011 it “was created in order to give public housing authorities a powerful tool to preserve and improve public housing properties.” (www.hud.gov)
**NEW OWNERSHIP AND MANAGEMENT ARRANGEMENTS**

Your development will be leased by NYCHA to a public-private development team entity over a long-term lease period. (most likely 99 years).

The development team will be selected by NYCHA through a competitive Request for Proposals (RFP). The developer will be in charge of improvements to buildings, apartments, and the site. A private manager will be in charge of day-to-day management of your development. A service provider will provide on-site services that are responsive to resident needs.

As a partner in the new ownership entity, NYCHA will continue to be involved. It will administer the waiting list used to fill vacancies and perform routine inspections. At the end of the lease, the property will return to NYCHA ownership.

**WHO IS THE DEVELOPMENT TEAM?**

1. The developer who will secure financing and carry out renovations
2. The property manager who will assume maintenance and operations.
3. The service provider who will provide on-site services

**RESIDENT RENTS AND LEASES**

Your rent will be set at 30 percent of household income.

All residents on the original NYCHA lease have the “right to stay” after conversion without any rescreening.

Vacancies that occur after conversion will be filled by NYCHA from a site-based Section 8 waiting list. (Your development will not be “gentrified.”)

Under RAD, permanent affordability of your development is assured: HUD is required to renew its Section 8 commitment every 20 years and the owner is required to accept.

**KEY BENEFITS AND RISKS FOR RESIDENTS**

**BENEFITS**

Within 2 years of conversion your development will be upgraded. As part of RAD conversion, the funds for renovation will come largely from private investors and lenders.

Your development will become Section 8 housing, which traditionally has more stable federal funding than public housing and allows for non-governmental investment.

Resident organizations will continue to be funded each year at up to $25 per occupied unit. Arrangements will have to be worked out with the new property manager for accessing and using the funds.

As a result of the conversion, resident training and job opportunities will open up in construction and in fields such as construction and property management.

**RISKS AND UNCERTAINITIES**

The risk that the development team may not complete renovations to quality standards may be minimized by the investors’ incentives to protect their investment.

After conversion, anyone living with you, who you have not added to the lease, may be required to leave.

If you are living in an over or under-occupied apartment, you may be moved to a right-sized unit if an appropriately sized apartment becomes available in the same development.

Residents will be eligible for programs under Section 8 that are different from public housing programs. Under Section 8, residents will have access to the Family Self Sufficiency (FSS) Program.

*See RAD Handbook for full list of benefits and risks.