



**Council of Large Public Housing Authorities**

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**Testimony of  
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**in Support of  
New York State Assembly Bill 11149**

**December 8, 2020**

Thank you for the opportunity to present testimony to the New York State Assembly on the New York City Housing Authority's (NYCHA's) *Blueprint for Change* proposal. My name is Sunia Zaterman. I am the Executive Director of the Council of Large Public Housing Authorities (CLPHA).

**CLPHA strongly supports the *Blueprint for Change* proposal as a promising and innovative plan to reverse the decades-long deterioration of aging, underfunded public housing and create new public housing preservation models for the nation.** I hope my testimony will assist in the Committee's efforts to better understand the proposal in the context of the federal funding and policy environment and what other large public housing authorities have undertaken across the nation.

CLPHA is a national non-profit organization, formed in 1981. We work to preserve and improve public and affordable housing through advocacy, research, policy analysis and public education. New York City Housing Authority is among CLPHA's 70 members, who represent virtually every major metropolitan area in the country. Together they manage 40 percent of the nation's public housing program; administer more than a quarter of the Housing Choice Voucher (HCV) program; and operate a wide array of other housing programs.

CLPHA also leads the *Housing Is* initiative to broaden and deepen cross-sector alignment and partnerships between the housing, education, and health sectors. This work is based on the premise that when sectors are aligned and working together, they can better meet the needs of low-income households and support positive, long-term life outcomes.

Selecting Greg Russ to serve as NYCHA chair has signaled that experienced, dedicated and creative leadership would drive the development of the plan. Greg is considered a leading national expert on public housing by his colleagues and beyond. He has been at the cutting edge of problem solving at HUD and in the many leadership positions he has held at large authorities. There are very few that rival Greg's understanding of green building systems, housing preservation, resident engagement and federal housing policy and regulations. The *Blueprint* reflects the expertise and creativity of Greg and his team and the resident engagement and transparency that is necessary for community support.

**The *Blueprint for Change* reflects the best thinking of our time on how to stabilize and sustain an invaluable public asset that has been starved of critical resources and in need of organizational modernization.** Despite decades of advocacy efforts to adequately fund public housing operating and capital needs, the portfolio is still plagued with a capital backlog of \$70 billion, with NYCHA developments representing a significant portion of the backlog. And the need grows more urgent.

**Federal funding must be leveraged to achieve the scale of capital investment commensurate with the need.** Direct federal capital funding is unlikely to meet the need while the need continues to grow. No major redevelopment or recapitalizing of public housing has taken place in the last twenty years without some form of leveraging federal funds with private financing because the federal funds are simply inadequate on their own. Mixed-finance strategies, leveraging public funding to additional private funds, has been widely used by large authorities since 1996 to reposition and recapitalize their public housing portfolios.

The *Blueprint* provides for the reorganization and modernization of NYCHA's operations and contemplates the potential to use federal Tenant Protection Vouchers (TPVs) by creating a Public Housing Preservation Trust to oversee up to \$25 billion in capital repairs and improvements in approximately 110,000 units. This financing structure would allow NYCHA to completely renovate its 110,000 apartments and complement the work to upgrade its 62,000 other apartments through RAD. New York State has been a pioneer in using public authorities to ensure that the public interest and investment is protected and maintained. Using state powers to create this trust is in the best tradition of New York State.

**A massive infusion of capital investment is essential to remedy the decades of disinvestment and to undertake the type of comprehensive building, system and unit modernization that is long overdue.** The incremental, band aid approaches to rehabilitation have proven to be inefficient and costly. The Public Housing Preservation Trust would be able to procure unprecedented levels of construction work while accessing new funding streams quickly and efficiently by using TPVs as backing for the Trust to finance improvements and maintain affordability.

**The scale of this investment will have significant economic and equity impacts on residents, neighborhoods, and the entire city.** Equitable investment in housing and neighborhoods is a critical part of dismantling systemic racism. The *Blueprint* is a consequential down payment on redressing racial inequity. New capital investment to developments and neighborhoods also bring jobs. In addition to improved housing and health conditions, our research shows that for every \$1 million spent on public housing capital investments generates \$1.89 million in economic activity and supports 11 full-time jobs.

**The *Blueprint* ensures public oversight, ownership, and affordability in perpetuity.** Residents maintain all their rights, including rent capped at 30 percent of income. NYCHA will still permanently own the land and buildings entering a long-term ground lease with the Trust, which would oversee construction and improvements. The Trust contracts property management back to NYCHA, so that the current workforce continues to maintain and operate the properties on a day-to-day basis.

In summary, the *Blueprint for Change* is a desperately -needed and long-overdue comprehensive plan to put the nation's largest public housing portfolio on a path to sustainability.

For these reasons, CLPHA urges this assembly to pass Assembly Bill 11149

Thank you.