# Borough Monitoring – Quarterly Report

August 2023 (Period including 4<sup>th</sup> Quarter, 2022 and 1<sup>st</sup> Quarter, 2023)

## Executive Summary

The Borough Monitoring Team conducted approximately seventy interviews of NYCHA's borough management and development staff to assess NYCHA's progress toward accomplishing organizational change and alignment with the Neighborhood concept. First described in NYCHA's Transformation Plan as the Neighborhood Model, the plan is intended to restructure operations to provide better support at the development level where NYCHA delivers most of its services.

NYCHA has struggled to develop a holistic strategy that adequately communicates an end-state vision for the Neighborhood Model. Much of the effort to realign their operating model to the neighborhood concept has occurred without an enterprise-wide blueprint defining how a neighborhood is expected to operate; what the functional relationships are between the Central Office and specialized departments; how staff will be adequately trained to meet the new responsibilities entrusted to them by the Central Office; or how they will be more adequately resourced and supported.

Without an integrated strategic plan, NYCHA has attempted to drive the development of large-scale change to the organization's operating model through individual departmental improvements, initiatives, or "pillars." Some departments within the organization have adopted the concept of "neighborhoods" and developed strategies to reorganize and service the existing geographic network of neighborhoods. For example, NYCHA has taken steps to decentralize some Human Resources functions to support the neighborhoods through the role of Human Resource Business Partners, who aid in tracking and filling job vacancies. Other examples are the development of borough purchasing teams within the Supply Management and Procurement Department and the neighborhood "clusters" created by the Heat Maintenance and Services Department. These efforts, some of which have resulted in positive improvements, were advanced without a NYCHA-wide mission or guidance. In each example, NYCHA encountered challenges related to roles and responsibilities, organizational alignment, or interdepartmental cooperation. Despite the absence of a broader strategy, the Monitor observed significant improvements where individual departments have developed and deployed training. Some examples include the Heating Management Services Department, Supply Management and Procurement, and Finance.

While reorganization of individual business units to better align with neighborhoods is a positive step, the integration of specialized business functionality into day-to-day operations at developments presents a larger challenge. NYCHA continues to work in silos and has not determined how to integrate these specialized businesses to provide necessary support to front-line staff. For example, the initial reorganization of the Heating Maintenance and Service Department in support of the Neighborhood Model did not mirror the organization's broader operating structure and is now being reevaluated.

Another challenge is the concentration of control retained within the Office of Operations. When a Central Office unit is responsible to perform work – and is the only unit with the authority or capability to do so – then development staff easily disavow interest or knowledge about the work in question and may not feel able or empowered to address any problems that arise. The Central Office decision-vacuum has

perpetuated a "hands-off" culture at developments. It remains unclear the extent to which NYCHA will ultimately decentralize its business units and what the enterprise will look like at the completion of this transformation. Lack of staff resources, communication, high attrition, concentration of authority within centrally managed departments, and the need for training continue to be risk factors that may impede NYCHA's success.

The lack of clear communication between the Central Office and Borough operations staff is another challenge that has impacted the Neighborhood Model. Some perceive that the Neighborhood Model translates to expectations from the Central Office to do more, which is reinforced by enhanced reporting and excessive emails. Many don't understand the fundamentals of a neighborhood or the goal of the Neighborhood Model. Operational integration and defining the boundaries where a central function stops and the borough, neighborhood, or development picks up responsibility are important components that are currently missing. The concept of neighborhood and the prospective end-state of the Neighborhood Model requires definition from NYCHA leadership warranting a mission statement and a broad internal communications campaign.

NYCHA staff frequently express a desire to be part of a team with direction and purpose. There is evidence that team building, independent thinking, and innovative ideas have occurred in selected neighborhoods. Some managers have promoted the sharing of information between and amongst neighborhood team members, but this was not consistent across the organization. The Monitor will continue to provide support and resources to help NYCHA's Office of Strategy and Innovation design and implement an operating model that reflects NYCHA's concept of Neighborhoods. We encourage ongoing direct participation in designing the Neighborhood Model with the Chief Operating Officer and front-line staff, who are instrumental to NYCHA's transformation.

# History of the Neighborhood Model

To begin, an important distinction must be made between the Neighborhood Model as (i) a concept and as (ii) a series of logistical changes to achieve implementation. The former is the strategic design of an operating model detailing *how* key services will be delivered by Neighborhoods that operate with a level of independence from the Central Office. It also considers the scale and complex cross-functional processes at NYCHA. The latter is the compilation of initiatives, pilots and working groups currently underway that NYCHA has labeled the Neighborhood Model.[1]

Efforts to develop the Neighborhood Model began in 2020 with the introduction of various working groups and workshops.[2] NYCHA's working group approach to develop the Neighborhood Model was slow, poorly managed, and did not appear to be a priority for NYCHA's CEO or its Board of Directors. During 2021, the Monitor issued a report providing guidance to NYCHA on design elements for consideration.[3] NYCHA's series of meetings established to advance and further develop the Neighborhood Model ended during the latter part of 2021. In early 2022, NYCHA published its Neighborhood Model Execution Memo, detailing efforts the organization planned to advance during 2022. Unfortunately, few of these organizational commitments were executed.

In 2022, personnel shifted internally and ownership of NYCHA's Neighborhood operating model fell to a junior staff member with no experience charting large-scale organizational change. NYCHA had not developed a workplan and did not allocate adequate resources to truly develop its Neighborhood operating model. NYCHA was unable to independently advance a strategic plan to design the Neighborhood Model until just recently with support from the newly appointed CEO and assistance from the Monitor team. Earlier this year, with support from the newly appointed CEO, NYCHA recommitted to a workplan focused on a phased approach to design its operating model and define the prospective end state of NYCHA's Neighborhood Model.[4]

NYCHA first described the Neighborhood Model simply as a series of logistical changes including the reallocation of development assignments; the integration of mixed-finance and NGO1 into the borough portfolio; and the creation and assignment of Neighborhood Administrators ("NA").[5] Work Order Reform, NYCHA's new program to schedule and sequence work orders in a more efficient way, started as an independent initiative and eventually became part of the Neighborhood Model. That effort included the creation and assignment of Neighborhood Planners tasked to schedule skilled trades. The logistical changes adopted by NYCHA focused on improving local management at developments by moving decision-making and control from the Central Office to local property managers ("PMs") who were

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[1] In some cases, initiatives described as components of the Neighborhood Model were developed without consideration of other facets of the organization. Examples of gaps include lines of reporting, accountability, roles & responsibility, or geographic distribution of resources. Current work underway between NYCHA and the Monitor is helping to realize where gaps require additional consideration.

[2] The concept of neighborhoods was initially set forth in a planning document prepared by the former NYCHA CEO, Greg Russ, during 2019.

[3] NYCHA Neighborhood Model Design - Monitor's Perspective, November 2021.

[4] In early 2023 the Monitor team began working with NYCHA to develop interaction models that map NYCHA's functions.

[5] NextGen Operations Developments (e.g., NGO1) are part of an initiative developed by former New York City Mayor Bill de Blasio and NYCHA. Mixed finance are developments that transitioned into the Section 8 program but remain under NYCHA management.

supported and overseen by NAs. NYCHA restructured the property management staff into thirty geographic Neighborhoods and implemented other changes identified in various plans intended to support the new geographic assignments labeled the Neighborhood Model.

In the absence of an Authority-wide framework, various areas within NYCHA, such as Information Technology, Procurement, and Capital, independently developed departmental strategic plans that aim to improve departmental operation and attempt to align with their own conceptual idea of how to support neighborhoods. We address these efforts below in this report. While these efforts are noteworthy, they lack the holistic planning and integration required for an organization the size of NYCHA. Operational integration and defining the boundaries where a central function stops and the borough, neighborhood, or development picks up responsibility is missing. Now four years into the NYCHA monitorship, the Office of Strategy and Innovation, under new leadership, is yet again beginning to address some of these issues with assistance from the Monitor team.

Since Q1 2023 the Monitor has significantly reengaged with S&I to advance development of the Neighborhood Model. The work is focused on engaging with departmental staff to catalog the intra-departmental activities required to perform those functions necessary to deliver services to residents. These interaction models are the first of several design elements that NYCHA must evolve to comprehensively design its neighborhood operating model.

# Observations

Below are observations from the perspective of front-line staff who perform work in the borough office, in the neighborhood, or at developments. First, we recount some general observations regarding the current state of NYCHA's developing Neighborhood Operating Model. Then we discuss the following key components of a viable operating model:

I. Decentralization
II. Work Specialization
III. Classification of Roles and Responsibilities
IV. Hierarchy
V. Span of Control
VI. Compartmentalizing Central Functions

This report discusses the foundational concepts required for a neighborhood model using interviews with front-line NYCHA employees and is not focused on any singular NYCHA initiative. The report is a snapshot in time and includes examples provided by Operations staff. It is not a comprehensive analysis of all departments.

### General Observations
The creation of thirty neighborhoods and the new role of a Neighborhood Administrator ("NA") have resulted in varied interpretations and ideas about what it means to operate as a Neighborhood at NYCHA. For example, in Manhattan, the Borough Vice-President created the concept of clusters to foster

cooperative problem-solving between supervisory staff at developments and adjacent neighborhoods.[6] One NA said, "clusters were well received by staff because there is a cross section of staff that have different skills and can trouble-shoot together." Recognizing a need for NAs to receive management training, another NA described "collegiality in her cluster" and said, "sharing good ideas and practices doesn't need to be limited to a neighborhood or even a borough."

The concept of clusters was not prescribed in the Transformation Plan, nor was it mandated by all borough leadership. The Bronx takes a slightly different approach where NAs with different skills (e.g., background in maintenance vs. background in management) were intended to be paired together to complement each other; however, one Bronx NA explained that "NAs paired themselves up naturally."

In some boroughs the cluster concept and the idea of adjacent neighborhoods has become a way that NAs and development staff view *their* neighborhoods. An NA explained that the "neighborhood is not only a series of individual developments" it requires developments in my neighborhood "to all work together to share materials and staff." Encouraged by the concept of defined neighborhoods, another NA explained that working within a neighborhood allows him to really know "his assets, their physical condition, their problems, and the populations" in each development. It undoubtedly also gives managers a sense of staff capabilities and needs at their developments. Managerial autonomy should be encouraged, so long as there is an established baseline set of expectations, roles, responsibilities, and accountability.

A NYCHA staff persons' perception of a neighborhood and the team that supports a neighborhood varies depending on the staff members' role, title, and geographic location. In part, because of NYCHA's delay in defining the roles and responsibilities of NAs, many have defined their roles independently based on their own view of what distinguishes their neighborhood. For the most part, NAs have "a different mindset than RAMs"[7] and embrace more ownership over the success of their developments. This is a positive cultural shift; however, NAs continue to have differing views of their roles.[8]

There is consensus among front-line staff that they lack required resources and support to do their job properly. One NA said unequivocally, "external departments do not support the developments." We often hear, "NYCHA was better when …" from veteran staff, reflecting a time when significantly more staff worked at developments to successfully complete the range of daily tasks. While that may be the sentiment of some NAs, there are also NAs who despite acknowledging limited resources, have lauded some of the more visible changes borne out of the Transformation Plan. Opinions of staff vary; however, the Monitor observed consensus within individual boroughs. One NA in Manhattan said, the "pest department is doing a pretty good job," but waste department is "excellent." That opinion was shared by other Manhattan operations staff but was not consistent across all other boroughs.

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[6] A cluster consists of three neighborhoods that engage in regular team meetings amongst and between NAs and development staff.

[7] Prior to creation of the Neighborhood Administrator position a corollary position with similar responsibilities was the Regional Asset Manager ("RAM").

[8] *See* Borough Monitoring Quarterly Reports: Procurement, February 28, 2023; Rule Enforcement, October 24, 2022; Waste Management and Property Based Budgeting, May 5, 2022; Neighborhood Model, January 11, 2022.

One of the largest risks to the ultimate success of an improved operating model is NYCHA's current high rate of attrition and the significant amount of training needed for new and underqualified front-line staff.[9] In one example, the Monitor's field examiners visited a development management office three times in 2022, and during each visit there was a new Superintendent. On the last visit the Superintendent's start date was just one week prior. The high frequency of staff turnover disrupts the consistency that neighborhoods require.

The Monitor's consultants have also recommended that Operations develop and deploy training for front-line staff, a concept that was initially questioned by the Chief Operating Officer.[10] The responsibility to develop and deploy training to crucial front-line operations staff is fractured and not deployed according to a broader enterprise-wide strategy. However, despite the absence of a broader strategy, the Monitor observed significant improvements where individual departments have developed and deployed training. Some examples include the Heating Management Services Department, Supply Management and Procurement, and Finance.

Another risk is the concentration of control retained within the Office of Operations. When a Central Office unit is responsible to perform work – and is the only unit with the authority or capability to do so, then development staff easily disavow interest or knowledge about the work in question.[11] The Central Office decision-vacuum has perpetuated a "hands-off" culture at developments, where development staff ignore work that must be completed by a specialized department or initiative. There is an "us versus them" mentality which attributes a deficient performance to decision makers in the Central Office. For example, if development staff is not responsible for completing unit turnovers, the PM will fill his/her time performing other duties and will forget about unit turnovers. This phenomenon is cultural in nature and has been embedded in NYCHA over many years.

In all boroughs, NAs identify the "amount of daily emails" as a major hurdle to success "impeding [their] ability to go out to developments and engage with staff and residents." One NA reported that they must apply "pressure for mold work and reviewing paint work orders mak[ing] it difficult to go out and manage developments. Emails are abundant receiving 111 emails after being gone to do a walk through with a resident." Across the organization, "NYCHA culture tends to include everybody on an email."[12] A NA in the Bronx reasoned that "many people don't know who they should notify when issues come up, so they email everybody to protect themselves. Way too many people are cc'd, and you have to dig to even see whether you need to be involved."

The lack of a foundational baseline and increased reporting demands is where most front-line staff have expressed frustration. One Brooklyn Superintendent described, "a lot of overlapping reports." He

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[9] Subject matter experts working with the Monitor's team have analyzed and made recommendations to improve training for certain titled positions at developments. Further analysis and training are required for titles not included in the initial scope.

[10] As an initial step, Support Services, which sits within Operations will soon begin training Heating Management Services Department staff. It has been left open whether Support Services will eventually be responsible to train other NYCHA operations staff.

[11] Field staff are indiscriminate when referring to the "central office." During interviews with staff the term central office was used interchangeably referring to both centrally managed operational units (e.g., elevator department, heat department) and core central office departments (e.g., finance, human resources).

[12] This was previously highlighted when a PM sought to locate an email in his inbox of 3000 unread emails. Borough Monitoring Report, Procurement, p. 15, February 8, 2023.

explained, "one secretary asks me for a mold report, then another will ask me for the same report but for a different reason. The reports I'm referring to are all new within the last couple years. Two examples are the Mold report and a report for vendor work orders. Usually these are from Maximo, but they want updates/answers on the work orders."

Another hurdle to success is NYCHA staffs' perception that they have too many responsibilities. As one NA said, "everything gets pushed down to the developments. This opinion was shared by NAs, PMs, and other development staff titles. The NA went on to explain that "Managers and Supervisors are overwhelmed and are constantly handling urgent issues." The lack of clearly defined responsibilities for front-line staff has contributed to this perception. The NA went on to ask rhetorically, "who has time to do oversight, QA, accountability, let alone read emails?" A HR staff member described "current staff [as] overwhelmed and in constant firefighting mode, which makes it difficult to hold people accountable because managers and directors are busy with urgent or 'high priority' issues."

One NA expressed a feeling of isolation, with limited support and a desire for more collaboration with peers.

> *"One thing I will say, is that the neighborhood model does not support a borough. What I mean by that, is that I can operate in my neighborhood and not communicate or see anyone in the borough. I am one of many NAs. There are certain things that I need to be able to communicate with the other NAs. The neighborhood can be isolating. In the RAM model, we all worked out of the borough office and your colleagues were there to help you if you had an issue or if someone was out sick, there was someone there to cover for you. In the Neighborhood Model, we are all out at our neighborhoods and there is very little communication between the different NAs, at least as far as I can tell."*
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> *-NYCHA Neighborhood Administrator*

As more reporting and responsibility have been pushed out to the developments, in many cases NAs have not been able to truly *manage* their neighborhoods. One NA "recently had to operate as manager, super and assistant super because we had openings in all of those positions." He went on to add, "I have enough on my plate as the NA. It becomes very difficult when I have to cover for missing staff."  Some NAs serve as micro-managers to compensate for undertrained development staff, or more troubling, as a backfill for unfilled vacancies.[13]

The organizational divide between perceived decision-makers in the Central Office and operations staff in the field continues to be a challenge.[14] One NA shared her observation that "not many – any – who came up through the ranks are at the Central Office." She also added, "we don't like to be called the field," and suggested that certain distinctions alienate some staff. This is certainly a concept that policy makers must contend with as work on the Transformation Plan advances. A prominent sentiment across the Authority is that the Central Office does not understand the challenges faced by operations staff. One NA observed

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[13] This often occurs locally at developments. A PM also reported, "when there are supervisory vacancies, the Superintendent and Property Managers become responsible for additional job duties. PMs do not have any spare time and it is unrealistic to think they can cover for Superintendent responsibilities when [the] position is vacant."
[14] *See infra* at fn. 6.

that "they don't understand at Central what our day looks like." "The Central Office does not always grasp the complexities and urgencies of issues facing frontline staff." NAs perceive themselves as intermediaries between the Central Office, borough office and the developments, but with insufficient support and the tools to complete necessary tasks. Another NA said, "The view from the developments is like being in the fire, versus the view from the Central Office – looking from outside at the burning building." Much of the disconnect results from poor communication. One NA criticized the lack of information sharing and said, "TAPs get information faster than we do, I get my information through networking rather than from the administration."[15]

Despite continued reports of communication breakdowns, team building and the concept of a "Neighborhood Team" has had a positive impact on some developments. There are leadership meetings that include smaller groups of NAs as well as borough-wide meetings that include all NAs. While there are some variations in the frequency and substance of meetings, each borough conducts meetings intended to improve communication and knowledge sharing between NAs and other managerial staff. The depth, frequency and purpose of meetings varies by borough; however, it appears that there is an effort within each borough to improve local lines of communication.

## I. Decentralization – What departments and titles are vested with decision-making authority?

The primary gripe by development staff about NYCHA's new operating model is a lack of authority and an expectation from the Central Office of improved performance. Staff are held accountable for results by both residents and the Central Office that are beyond their individual control. There is a disconnect between centrally managed departments and the needs of development staff. The service mentality discussed in NYCHA's Transformation Plan as a core component of the Neighborhood Model necessitates clearer definition, a thorough assessment of resources, and a mutual understanding amongst NYCHA staff of roles and responsibilities. This will create more accountability and NYCHA staff will know when the Central Office and the Developments are required to work independently or cooperatively.

Front-line staff across all boroughs criticized the Heating Management and Services Department ("HMSD"). A NA in Manhattan said, "our cluster had 679 outages, how can we manage that?" indicating a sense of ownership for the failing asset, but no authority to impact repairs or maintenance. Meanwhile, development staff and NAs must field inquiries from angered residents but acknowledge "it is very difficult – and demoralizing – to be responsible for things you can't control." One PM said, "we get the brunt of dissatisfaction about heat, and the lack of responsiveness from the Heating Department." He went on to say, "control of HPTs must be in the neighborhood."[16] In another borough, a PM said, "the Heating Department is terrible to begin with and disregards requests from developments." He also suggested, "it would be better to have HPTs stationed at the neighborhood or the development." However, the overriding criticism expressed by staff extends beyond HMSD, according to one NA, across all "Central Office functions that are disconnected from developments and where development staff has no say."

Conceptually, whether a central department should be decentralized or not has not adequately been defined for NYCHA staff. [17] One NA quipped, "the Neighborhood Model is just an idea up in the air, it

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[15] Currently titled Resident Association Presidents ("RAP"), the position was previously referred to as Tenant Association Presidents ("TAP").

[16] This sentiment was reflected in multiple interviews across developments citywide.

[17] Referred to as enabling or servicing departments in NYCHA's Transformation and Implementation Plans.

hasn't changed most of what we do." First, is NYCHA's definition of decentralization a re-assignment of tasks based on geography (e.g., borough or neighborhood) while stationed at 90 Church Street, or does it mean that staff are physically relocated out into the field? Second, who has decision making authority – does the Borough VP, NA or development manager decide an issue and exercise independent judgement or is a designated individual an assigned surrogate for a decision-maker in the Central Office? In the example above, should HMSD exclusively authorize and deploy resources, or is a matrixed approach with dual oversight more appropriate? At the very least, it is universally acknowledged that communication and alignment must improve between HMSD and individual developments.

While questions remain as to how service functions like heat should be decentralized, NYCHA has taken steps to decentralize other functions to support the neighborhoods. One of the first initiatives identified in NYCHA's Transformation Plan was the creation of Human Resources ("HR") Business Partners. This was NYCHA's initial attempt to provide "support from a team of previously centralized staff, including Human Resources, Supply Management, and Finance, with the end goal of providing rapid, responsive services in support of property-level operations."[18] HR Business Partners were hired, trained and have been in place since Q3 2021. As a resource, the position has provided much needed support to local staff. One staff member reported that the "new position makes [the] process smoother because there was a lack of communication between the borough office and development staff" when it came to hiring. There have been improvements in communication and support related to filling vacancies; however, that is one of many functions of Human Resources.[19]

Managers continue to report feeling unsupported when attempting to manage difficult staff and one manager highlighted that "the number of staff members needs to be analyzed more often than it is" by the Central Office. Although assigned "out" to the boroughs, the HR Business Partner position seems to fulfill more of an administrative purpose, rather than truly decentralizing multiple functions of HR into the hands of local staff. For example, HR Business Partners do not assist with analysis to support workforce planning or to ensure staff accountability by aiding in the enforcement of NYCHA's disciplinary policies. One NA reported that "time and attendance problems should be handled with suspensions and the Central Office needs to get control of [employee] behavioral issues." Realizing that authority and control are centralized, the NA deferred almost all responsibility to the central department.[20]

Some managers have independently pursued interesting initiatives at the local level that do not involve the Central Office. In one instance a NA introduced the concept of a neighborhood storeroom to centrally house inventory for all developments within the neighborhood. The NA "makes sure that inventory staff routinely email trade supervisors to stay on top of inventory levels, even though developments no longer run storerooms." The developments in the neighborhood "help each other out if there are shortages" and development staff are "instructed to meet with everybody who is sending material orders to make sure orders are communicated correctly and on time." This initiative empowers local staff to manage and

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[18] As initially presented, NYCHA envisioned Borough Administrative Teams – a group of staff from Finance, Information Technology, Human Resources and Procurement who would relocate to each borough as a support component for the Neighborhood Model. NYCHA's Transformation Plan, p. 30.

[19] Most reports from NAs have been positive; however, this is far from a unanimous sentiment. In one interview a NA reported, "There is no part of this that has gotten better, smoother, faster" referring to Human Resources.

[20] Counseling memos are a discretionary tool that operations management are empowered to utilize when subordinate staff are not performing job responsibilities. More graduated consequences for employment matters involve Human Resources.

deploy resources within the neighborhood and fosters independent judgement, communication, and decision-making to execute work at a local level. It is incumbent for NYCHA's Central Office to seek out and become aware of local independent successes of their managers. Another solution suggested by one NA supporting decentralization is to maintain a neighborhood funding reserve that "would be overseen at the NA level so funds could be reallocated to the field and used as materials money or for vendors as needed."

Staff in the Bronx complained that in late December 2022, the Central Office made a unilateral decision to shuffle the neighborhoods, or give NAs new assignments, without obtaining local input. One Bronx NA said, "it was very abrupt, staff were perplexed" and "no reason or justification was given – except we were told that it was nothing negative and to consider it a fresh start." At the time of the announcement the Bronx Borough Vice-President was out on medical leave, slated to return in mid-January, and there was an interim Borough Vice-President assigned to the borough. The Monitor team confirmed through interviews that staff at every level were alarmed by the sudden change. One manager reported, "Resident Association Presidents were upset and felt blindsided because relationships had been established with their assigned NAs." Another NA expressed concern about the amount of time and effort undertaken over the prior eighteen months to become familiar with the staff, residents and building assets that most needed attention. She said that the neighborhood will be impacted because "development staff relationships will have to be rebuilt." She went on to say that staff were given "no choice … they just dropped the news two weeks before the change."

Regardless of the basis for the decision to "re-shuffle" the Bronx NAs, the message to front-line staff and residents reinforced a Central Office authoritarian approach and contradicted the basic principles of a neighborhood. The staffing change was imposed by the COO's office, with no input from the Borough Vice-President, and communicated two weeks prior to implementation with no explanation.[21] Management decisions made and communicated in this manner will hamper cultural change at NYCHA and continue to alienate both staff and residents. With trepidation, another NA simply said, "this is NYCHA and it's not worth the energy to fight it."

## II. Work Specialization – Are staff trained and clearly assigned to tasks?

NYCHA has represented in its planning documents that defining roles and responsibilities and aligning corresponding training is a key component required for the success of its new neighborhood operating model.[22] As previously reported, development staff continue to emphasize their ongoing need for more training, as well as a more comprehensive approach for NYCHA to train newly hired staff prior to deployment into the field.[23] More recently, and with the aid of recent assessments and work completed by independent consultants, NYCHA has recognized the need to revamp its approach to training.[24] What that will look like has yet to be determined by NYCHA.

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[21] At several junctures, the Monitor has questioned whether the position of Borough Vice-President serves as a figure head at the behest of Central Office Operations to execute COO directives, or if the position is a more meaningful oversight role by a subject matter expert who manages a borough team and has authority to make thoughtful and independent operational decisions.

[22] NYCHA Transformation Implementation Plan – Phase I, Exhibit 96, Strategy 7.B.2.

[23] *See* Borough Monitoring Quarterly Reports: Procurement, February 28, 2023; Rule Enforcement, October 24, 2022; Waste Management and Property Based Budgeting, May 5, 2022; Neighborhood Model, January 11, 2022.

[24] Human Capital Initiatives Report, issued in 2023. Learning and Development, the centrally run training vehicle for NYCHA is currently under evaluation by S&I to development enterprise-wide means to improve training.

**Task Assignments**

Staff members explained that there is lack of clarity about job descriptions and expectations. While discussing the new role of HR Business Partners, one staff member explained that "tasks and duties need to be more clear from the beginning. It needs to be more specific, each responsibility and who is to complete the duty. And it needs to be described down to the development level." The staff member then said, "there seems to be uncertainty [around] who is responsible for issues surrounding demotions and disciplinary actions."

A Supervisor of Caretakers ("SOC") explained that current job descriptions only "generalize what the job looks like. Each development is different, and it should be more specific in certain areas." His example involved Superintendents, "who are ultimately responsible for police contact with NCOs. This responsibility can be very time consuming for developments with high traffic, crime, etc." Our development is "fortunate to have a working camera system, only some developments have that luxury. There is nothing in the job description that includes this responsibility and there often is no training on the camera systems either."

A Queens NA explained that she "did receive a job description, however, it needs to be more descriptive and detailed, and the responsibilities seem to change daily. What is important one day, may not take priority the next." She acknowledged that "each borough has different priorities, which may be difficult to put in a job description," recognizing the need for more localized consideration regarding roles and responsibilities unique to some neighborhoods and developments.

In one borough, a NA described a series of Key Performance Indicator ("KPI") expectations for all developments. Indirectly, KPIs developed by the Borough V.P. prioritize tasks required to meet performance requirements. A NA explained that "NAs meet with the borough managers to review the MARR every day or every other day which puts pressure on the development management."[25] However, the staff at local developments are acutely aware of the tasks required to maintain performance in those areas specified. While it was described as burdensome the NA said, "every day reporting is too much," staff "all understand the purpose" of required reporting and which tasks are driven by KPIs.

**Training**

Training required for operations staff broadly encompasses organization-wide administrative training (e.g., timekeeping, leave policies), basic training by title, and localized training for issues unique to a particular assignment.[26] It has been widely reported among staff that for years, training has not been sufficient. More recent exceptions include focused training stemming from specific initiatives, such as training rolled out by the Finance Department on borough-based budgeting, the creation of a training facility and focused training for Heating Plant Technicians, or targeted training by procurement regarding NYCHA's procurement ethics policy.[27] The Learning and Development Department ("L&D"), previously

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[25] MARR reports refer to Maintenance Annual Review Reports.

[26] The latter is often referred to as "on the job training," or is an example provided by staff who advocate for localized mentoring programs.

[27] This list is not exhaustive, there are other instances of isolated areas where training has been developed and deployed to relevant staff by subject matter experts in a particular department or NYCHA unit.

responsible for training, was recently taken over by the Office of Strategy and Innovation to analyze and improve agency-wide training efforts. NYCHA has also been working with the Monitor and subject matter experts to develop training for Maintenance Workers and Caretakers, but the scope of work is limited to those specific titles. In a recent development, the Support Services Department within Operations has absorbed the heat training team from L&D and the Senior Director of Knowledge Management and Training will support and oversee training deployment. This is, however, just a start – it remains unclear the extent to which all training for operational staff (e.g., development staff) will be a function that remains with Operations.

NAs generally agree that preparing staff with the necessary skills to perform tasks is critical. As one NA emphasized, "all new staff need to be trained prior to stepping foot on the job site." Another NA said that "COVID is no longer an excuse." One PM criticized NYCHA saying she "doesn't understand how a new employee can be sent to a development to begin work and not be trained or have a phone or even a NYCHA ID number." Another PM explained that "if supervisory staff does not have time to provide training on site, new staff members may be learning job duties incorrectly." He said that "training has become more of an issue, and in the past, staff was trained by vendors, but also in-house from NYCHA." One PM noted that "Maintenance Workers are finally being trained to do some stove work but wondered why this capability was not already part of their training, part of their job." Overall, a PM said that development staff are "grateful for any help [they] can get" and will rarely object to or criticize assistance, even if work is done poorly or is left incomplete.

There is a significant risk that NYCHA is slated to lose retirement-ready staff eliminating the ability to pass along crucial experience and expertise. One Bronx staff member expressed concern over the "high turnover rate and the significant loss of institutional knowledge over the past few years," adding that "consequently, there are many new personnel who are not familiar with processes outside of their specific responsibilities." This will also impact NYCHA's ability to deliver on commitments to develop mentoring programs and to further advance organized on the job training for incoming staff.

### III. Classification of Roles and Relationships - How do the boroughs, neighborhoods, and developments interact with each other and the Central Office?

Organizational shifts and changing roles have occurred over the last several years, without considering the end state of NYCHA's operating model or downstream impact. For example, in 2023 HMSD developed a version of neighborhood assignments by creating clusters that do not correspond with the existing neighborhoods established by the NYCHA's Transformation Plan.[28] More recently, the Office of Administration Contracts and Analysis ("OACM") was reorganized independently from organizational planning occurring within the Office of Strategy and Innovation.[29] In another example, six NAs in the Bronx and Manhattan were required to take on additional oversight of apartment units that were previously

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[28] HMSD is currently organized into six verticals, comprised of 4-5 clusters to each vertical. Clusters are assigned to service specific developments. HMSD is currently in the process of restructuring and augmenting supervisory staff to better align with the original geographic breakdown of the thirty neighborhoods.

[29] In one recent interview, a member of the staff reporting within the OACM structure indicated that he still is unclear what his new responsibilities are, and how the change would impact work that was previously tasked within OACM.

managed by third-party vendors.[30] The impact that organizational changes and responsibility overload has on existing processes in Neighborhoods and at developments is rarely considered.

One of the earliest examples of this issue identified to NYCHA was in 2020, when the Capital Division implemented a new policy on communication and engagement with residents prior to and during the execution of capital construction projects. The policy imposed new responsibilities on local operations staff and, more specifically, property managers and superintendents. There was no input by the General Manager or operations staff on the feasibility of the newly assigned responsibilities.[31] This approach occurred through the implementation of several NYCHA Transformation Plan Initiatives. The Project Management Office within the Office of Strategy and Innovation now functions to correct that past practice and attempts to engage multiple NYCHA stakeholders for consideration on new initiatives.[32]

Announcements of broad initiatives and organizational restructuring are a usual occurrence at NYCHA, often occurring too frequently. Most front-line staff don't realize the impact of changing managerial responsibilities. In response to one initiative a Vice-President commented, "let them do what they are going to do, my job isn't going to change." Unfortunately, the impact of changing roles is realized sometimes weeks or months later, revealing gaps in the initiatives or organizational changes.

The concept of the HR Business Partner was one of the earlier initiatives that came from the Transformation Plan. Once hired and trained and assigned to boroughs the HR Business Partner role was to help expedite filling vacancies for developments. Immediately there were issues concerning whether Operations Management or the HR Department were responsible for conducting the qualification reviews of candidates.[33] The new process, promulgated by HR, put the responsibility to qualify candidates on property management staff. A Queens Super reported that "a lot of property management's time is wasted with the new process." One NA reported that he "likes having a HR person at the Borough whose role is focused solely on assisting development personnel," but he also listed several criticisms about the new responsibilities imposed on property management staff.[34]

One HR Business Partner said that "although located at the Borough Office, there is no interaction with Operations" making it difficult for HR Business Partners to know the boundaries of their role and the level of support from their department. Locally, the expectation that HR Business Partners could contribute to building a neighborhood team fell short.[35] According to one source there are "no formal or regular meetings with management –no meetings with the Borough VP and no meetings with the Operations

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[30] In May 2023, management of third-party vendors who were contracted to maintain certain properties shifted from OACM to NAs in the Bronx and Manhattan, augmenting the number of total units under management.

[31] In 2021, bylaw revisions created the position of Chief Operating Officer. Prior to the revision the position of General Manager was equivalent to the Chief Operating Officer.

[32] The Office of Strategy & Operations, which sits within the Office of Strategy & Innovation, is tasked to track progress on engaging stakeholders across the organization.

[33] Qualification review involves an assessment of whether an applicant is qualified to assume a particular civil service title. Prior to the organizational change it was a HR responsibility.

[34] One example occurred at Sumner Houses, where thirteen candidates were submitted for qualification review, and it took three weeks for HR to determine only two of the candidates were qualified. Interviews cannot proceed until qualification is determined, elongating the time to identify and hire.

[35] There were also accounts by HR Business Partners that the Central Office HR Department can be unresponsive and often requires multiple follow-up calls or emails even though HR Business Partners work directly for the Department.

Administrator other than to address specific one-off issues." The job is "mostly processing matters." One HR Business Partner questioned whether it was within the job's responsibilities to go out to developments for introductions or to have meetings with staff to discuss process related matters. The Monitor Team observed significant variation between boroughs on the level of knowledge, work and support they have and need from Human Resources generally.

Like Human Resources, HMSD provides a service to developments in support of managing properties. Property management staff reported frustration about the level of interaction, accountability, and role of HMSD in serving local resident needs. One NA described HPTs as "reluctant to take any direction from development staff," and said they "are often disrespectful to development staff and will say that they get their marching orders from their supervisors in the heating department." In another example, a Bronx PM explained that "HMSD shut down the boiler room this morning without any previous communication or notice to the management for some repairs in the bunkers." The PM went on to explain the negative impact that followed. Irrespective of the limits of any one role, clarity, and transparency about how staff operate and interact with one another is required between all centrally run support units and the field operations staff. Improvements are expected after HMSD districts become better aligned with neighborhoods.

One area where NYCHA has seen success in thoughtfully and transparently rolling out new responsibilities to development staff is in Finance in connection with an initiative focused on borough-based budgeting. Beginning in 2020, the Finance Department worked closely with consultants to develop and deploy training to all property management staff and NAs on reviewing, maintaining, and submitting annual budgets. The Finance Department also worked closely with property managers, providing necessary support for those that needed one-on-one assistance to complete budgets. After deploying the initial training and receiving feedback from staff, the Finance Department developed a second, more advanced training for staff to improve their knowledge and understanding of HUD Regulations and maintaining development budgets. The training has been successful; however, this is another example of NYCHA struggling to coordinate its operations to the extent that there was not support from Learning & Development. For the last three years, property managers have contributed to compiling development budgets.[36]

IV. Hierarchy – How does the chain of command impact culture and production by staff?
Interviews indicated reverence for work titles at NYCHA and deference for the "chain of command" that would often result in issues "going up the chain" through multiple levels of management, until a decision is made and sent right back down the line to local staff for execution. One staff observed that "there is a culture at NYCHA wherein responsiveness is closely correlated to title and people tend to respond, or not respond, to emails depending on the title of the sender." This results in many more people than necessary receiving emails and creates the impression that only certain people at NYCHA with titles get attention. NYCHA was described as "top heavy, with no accountability." Even where NYCHA initiatives were intended to eliminate hierarchal bureaucracy, staff reported challenges. A HR Business Partner reported that "it's

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[36] Borough Monitoring Quarterly Report, Waste Management and Property Based Budgeting, May 5, 2022.

hard to get in contact with anyone at the HR Central Office" and it is "common to have to contact HR multiple times before receiving a response."

Middle-level managers are not often vested with decision authority or an ability to exercise individual judgment, despite having first-hand knowledge of necessary information to make informed decisions. Mandates from leadership restrain local independence. In one example, after a development received disappointing REAC inspection results, the Superintendent and PM discussed the score and their plan to appeal the deficiencies, which were described in a stack of fifty pages.[37] Despite the amount of time required to address the deficiencies, and the low probability that remediation efforts would yield a passing score, the PM was instructed to appeal. If there were more pressing matters to address at the development, the development staff would not be able to decide what takes precedence.

Treatment of staff in the leadership hierarchy has also impacted NYCHA culture. In one borough, a NA described a culture of fear from bullying occurring within Operations from the leadership. The NA described "feeling like they are coming for our pensions," and said that development staff felt "constantly under a microscope." The NA reiterated that "developments are held accountable for issues that are out of their control," and described an incident where a senior staff member singled out, berated, and intimidated a Caretaker. One PM explained that NYCHA "[p]ersonnel are leaving for other jobs, even before their pensions have fully matured, and the culture is causing high turnover rates." Reports as severe as described above were not widespread across the organization; however, staff across NYCHA have expressed a general fear that expectations are too high and leadership intends to hold staff accountable, despite resource limitations.

## V. Span of Control – How can NYCHA ensure adequate staffing and appropriate supervision of subordinates?

A key area of concern is the quality of supervision over tasks performed by subordinates. One NA noted that "supervisors are promoted to roles without being adequately trained." This includes technical and managerial training required to effectively manage subordinates. Managerial training for staff who are promoted into management positions is not considered. Last year the Monitor reported on the training gap between NAs with a background in property management/administration versus those with technical experience in maintenance and repair.[38] There has been marginal improvement, mostly attributable to localized information sharing, but no wide-scale centrally managed professional development to address these training needs is present.[39]

Another NA explained that "when the new operating model was initially implemented, the NAs were told that they would be managing and supervising the Neighborhood Planners and that is currently, technically true, but functionally Neighborhood Planners and Secretaries only work on scheduling repairs, and they are primarily directed by Skilled Trades." NAs consistently reported "planners only report to NAs on

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[37] The HUD Real Estate Assessment Center ("REAC") conducts physical inspections of public housing based on set standards. REAC oversees the inspection cycle.

[38] Borough Monitoring Quarterly Report, Neighborhood Model, January 11, 2022.

[39] NYCHA has recognized the need for additional training across multiple titles. S&I now has the responsibility of evaluating NYCHA's training needs and developing a long-term strategy for NYCHA's Learning and Development Department. In a recent initiative led by S&I, described as the Leadership Training Academy, an expert was brought in by NYCHA to provide six modules of training for development managers on topics including technical and managerial skills.

paper." Another NA in another borough reported that, "the Skilled Trades Deputies are in charge of Skilled Trades, however we are in charge of the planner. Sometimes the planners think the Deputy Directors of Skilled Trades are their boss, and that's a problem."

Another NA explained, "neighborhood planners primarily interact with and are managed by the Operations Deputy, Skilled Trades Administrators and Supervisors" and "the sentiment amongst the NAs is that operations [are] supervising the NPs and we don't bother with them until we have high-priority issues." One NA reported that skilled trades are not accountable, refuse to use handhelds, and no longer inspect jobs. He suggested that "creating neighborhood offices that bring together the NA, NP secretaries and trade supervisors might help."

Neighborhood and development staff are not adequately resourced to manage new responsibilities resulting from the HUD Agreement, Transformation Plan initiatives, and organizational changes. A Transformation Plan goal of "setting centralized standards for performance while delegating day-to-day decision-making to local staff, working in partnership with resident leaders," requires resources at the developments.[40] One NA reported, "everything falls to the NA who does not even have a secretary or [an] assistant. Just dealing with the emails and recurring weekly reporting to superiors is extremely challenging." She went on to say that "[i]n the past NYCHA had deputy directors in the borough and support from administrators."

It is essential for NYCHA to accurately assess the appropriate number of staff required to execute new tasks while it continues to develop its operating model. One PM said that "the development is understaffed for the number of units it has and since there are no longer floater teams, development Caretakers carry the burden." A Superintendent at another development said that "it would be nice to be able to request allocation changes," referring to the number and titles of staff.

Developments and NAs are unable to control resource and planning decisions about staffing locally without being impaired by transfers and title changes. During the Monitor team's meeting with one NA, a staff member briefly interrupted the meeting to say goodbye. The NA explained that the Superintendent left his position to become an HPT. The NA described it as "a big loss and robbing Peter to pay Paul." Despite recognizing these circumstances as "opportunities for staff, particularly good staff," he remarked that his "bench is thin, and each defection is strongly felt." He explained that Work Order Reform was a good initiative, but "a lot of good supers were lost, and there was never a real plan to backfill the institutional knowledge and experience." Another NA more harshly indicated that "the candidates for Supers and Assistant Supers that are coming from HR are lacking in quality." She explained that "[t]hey don't have the skills they should have" and that "she'd fire a whole bunch" of PMs if it were her decision.

In another example, management responsibility was recently added to a select few Neighborhood Administrators in Brooklyn and Manhattan.[41] Previously assigned to OACM, responsibility to oversee the administration of NYCHA's privately managed developments shifted at the end of the first quarter this year. The new responsibility requires assigned NAs to manage the contracts of third-party vendors who manage NYCHA properties augmenting workload, with no corresponding additional support.

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[40] NYCHA Transformation: Phase 2 Implementation Plan at page 6, February 2023.
[41] The added management responsibility was given to six NAs beginning April 1, 2023.

## VI. Compartmentalizing Central Functions – What is the impact of siloed initiatives on day-to-day property management?

Early in NYCHA's transformation, a primary goal was to "breakdown silos."[42] Instead of initiating, evaluating, and developing a strategy through a cross-functional lens, some operational initiatives were conceived with a specific end-state in mind, with insufficient planning or strategic evaluation. Departments with mission-driven objectives operate without consideration that multiple staff in other positions are impacted.[43] Heating came up once again in this context.

A PM discussing heat categorized HMSD as "the worst at responding." In her opinion, one of the best things that NYCHA did previously was to have the HPTs on site at the developments. The PM noted: "Of course, it worked, so they had to change it. Now service depends more on the type of relationship you have or can develop with the heating department and the individual HPTs." She said, "personal relationship with the HPT can work regardless of the Heat Supervisor, but it is not the best way to guarantee heating service for the developments." To foster relationships, the PM tries to make sure that the HPT Supervisor meets with the local staff when he comes on site. HMSD's creation of clusters, referenced earlier in the report, was an effort to align with the Neighborhood Model; however, it was done in a vacuum and independently from input from front-line staff. One Borough VP explained being "more than a little skeptical of the reorganization" and questioned whether there will be better cooperation and communication related to heat maintenance and repair.

In another example, Technical Services, a department under management by the Office of Analysis and Contract Management, was an enigma to many staff.[44] One NA, whose experience with NYCHA includes nine years as a Super, described Technical Services as a "separate entity." She "does not understand who they are, what they do and how they do it and called into question how they get their work orders or how are they deployed." She described Technical Services as "a mystery." This account was particularly concerning, because Technical Services performs a wide array of work that directly impacts developments.[45] Front-line staff have little interest in centrally run departments that are not available to assist in executing daily managerial functions at developments. The Asset & Capital Management Division ("A&CM") is another department that operates almost entirely independent from operations.

Since the inception of the Monitorship, staff have reported a complete breakdown in two-way communication with the Capital Department.[46] One NA said that A&CM "does not communicate

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[42] In total there were fifteen instances in the NYCHA's Transformation Plan where references were made to eliminating silos existing in current operations.

[43] *See infra.* at page 10, discussing new resident engagement policy.

[44] OACM previously consisted of four departments: Department of Management and Planning, Department of Paint Administration, Department of Rapid Response, and the Department of Technical Services. Earlier in 2023, NYCHA made a series of organizational changes effectively changing the name of OACM to Technical Services. Technical Services now consists of the following departments: Fire Safety, Special Repair Projects, Technical Resources, and TEMPO.

[45] Scope of Technical Services includes, among other things, performing bi-monthly roof warranty inspections, managing fire safety contracts for development fire safety systems, providing technical oversight to property management for grounds issues, and acting as a technical resource advisor to inform recommendations on specifications for contract, materials, and services.

[46] In 2022 the Capital Planning Department and Real Estate Department were combined and began reporting to the Chief Asset & Capital Management Officer. The Capital Planning Department is now referred to as Asset & Capital Management ("A&CM").

adequately with property management regarding projects, specifically duration," citing an ongoing steam leak first reported last year. The NA, referring to another capital improvement project, also noted that "there is no oversight of contractors on site and six months later there is no improvement." Development staff expressed frustration because they are often unable to answer resident inquiries about capital projects or are not informed of unexpected disruptions to daily development operations when contractors are onsite doing work.[47]

## Conclusion

NYCHA's organization has matured since the Transformation Plan was first introduced in 2020. NYCHA acknowledges a need to design the Neighborhood Model and provide clarity to staff about the ultimate vision for the neighborhoods. Initial logistical changes, including the geographic redistribution of development management and the creation of new titles were a necessary first step. Now, with support and direction from the newly appointed CEO, NYCHA will more narrowly focus on defining the interactions between departments, defining roles and responsibilities, lines of reporting, and where decision making, and authority reside within the organization. This work must include how the pillars and ongoing improvement initiatives exist within a Neighborhood Model to ensure sustained operational improvement. The success of the Neighborhood Model will weigh heavily on the ability of NYCHA Operations to engage with staff across all titles and ensure coordinated implementation. This will require a clear plan of action and careful consideration of the resources required.

Success in designing and implementing the Neighborhood Model is foundational to changing NYCHA and testing its ability to manage. This review demonstrates challenges that NYCHA has yet to overcome in designing and communicating a coherent path to achieve systemic change intended by the HUD Agreement's Organizational Plan mandate. This is not surprising considering the starting point from which NYCHA began its transformation. Recognizing a long path ahead, new leadership has demonstrated a commitment to change. The Monitor team intends to continue and increase its focus on the design and implementation of the Neighborhood Model, to help NYCHA improve its operations and how it delivers services to residents.

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[47] In Spring 2023, A&CM presented a plan to improve communications and planning, including the formation of a team of borough liaisons that have been assigned to communicate with stakeholders, development of software that increases transparency around capital projects, and internal training. A component of the plan includes Strategic Partnerships, a group within A&CM whose goal is to provide property stakeholders with a single point of contact for information related to capital projects. Interviews for this report occurred during the creation and roll out of Strategic Partnerships. The Monitor will report on operational impact after the program has been fully deployed and has had adequate time to reflect improvements.