

New York City Housing Authority
City Capital Action Plan Amendment
HUD Agreement Obligations: Section VII. Paragraph 70
September 5, 2023

Table of Contents

I. Introduction..... 2

II. Amendments to the City Capital Action Plan 2

A. Cancelled Projects and Reallocation of Funds 2

 1. Cancellation of Boiler Replacement Project at Saratoga Village 2

 2. Cancellation of Waste Yards in Developments Scheduled to Convert to PACT 3

B. Transfer of funds to the Lead Abatement & Comprehensive Approach to Mold projects..... 5

C. Changes in the Lead Abatement Program Approach and Schedule 5

 1. Change in Administering Department and Phase Approach 5

 2. Additional Testing at the New 0.5 mg/cm Standard..... 6

I. Introduction

This document serves to amend and supplement NYCHA’s City Capital Action Plan (“CCAP”), issued on May 8, 2021. The CCAP was issued pursuant to an agreement dated January 31, 2019 (the “Agreement”), by and among the New York City Housing Authority (“NYCHA”), the United States Department of Housing and Urban Development (“HUD”), the City of New York, and the United States Attorney’s Office for the Southern District of New York (“SDNY”).

These amendments (“City Capital Action Plan Amendments”) are being issued pursuant to Paragraph 43 of the Agreement,¹ and comprise three areas: (1) cancelled projects and reallocation of associated funds to other projects, 2) transfer of funds to the Lead Abatement & Comprehensive Approach to Mold projects, and 3) changes in the Lead Abatement program approach and schedule. Unless explicitly noted herein, the terms of the CCAP otherwise remain in full force and effect and should be read in conjunction with these amendments.

Table1: Summary of Amended Funding Allocation

Project Type / Program	Original Project Costs	Amended Project Costs	Net Change
Lead Abatement & Comprehensive Approach to Mold	450,884,475	678,252,084	227,367,609
Lead Abatement (Phased Program)	771,817,611	756,817,000	(15,000,611)
City Heating Scope Change	50,252,220	62,759,622	12,507,402
State Heating Scope Change	121,196,340	139,268,298	18,071,958
Elevator Escalation Costs	34,927,000	34,927,000	0
Waste Management	563,490,944	527,975,996	(35,514,948)
Contingency	207,431,410	0	(207,431,410)
TOTAL	\$2,200,000,000	\$2,200,000,000	\$0

II. Amendments to the City Capital Action Plan

A. Cancelled Projects and Reallocation of Funds

1. Cancellation of Boiler Replacement Project at Saratoga Village

The boiler replacement project at Saratoga Village was cancelled in quarter 4 of calendar year 2022, as the property is scheduled to undergo conversion to the Permanent Affordability Commitment Together (“PACT”) program in 2023, funded through NYCHA’s implementation of the HUD Rental Assistance Demonstration (“RAD”) program. While NYCHA will retain ownership of the development after conversion, the PACT program partner will fully rehabilitate

¹ Paragraph 43 of the Agreement provides that: “At NYCHA’s request, the Monitor will consider whether a modification to one or more requirements of Exhibit A, Exhibit B, or an approved Action Plan will further the purposes of this Agreement. If the Monitor determines that modifying such requirement will further the purposes of the Agreement, the Monitor may propose such modification to HUD and SDNY (and EPA as to a modification to Exhibit A). If HUD and SDNY (in consultation with EPA as to Exhibit A) concur in a proposed modification, such modification will go into effect and be a binding part of this agreement.”

and operate the site after conversion, including replacing the existing heating plant, renovating the broader heating system, and undertaking other related scopes of work.

The removal of Saratoga Village project does not impact the ability of NYCHA to achieve the number of boiler replacements required as part of the HUD Agreement, as stipulated in Exhibit B of the HUD Agreement. To date, NYCHA has already exceeded the goal related boiler replacements through PACT conversions and is on-track to meet the goal of 297 boilers to be replaced through NYCHA-managed projects by end of 2026 after excluding Saratoga Village.

The CCAP City funding for the Saratoga Village project will be reallocated to two other projects in the CCAP State Heating Scope Change program: Marlboro and Berry, as per Table 2 below. NYCHA will transfer \$7.3 million of CCAP funds from the Saratoga Village project to the Marlboro heating project to cover additional costs as bids have come in higher than expected. NYCHA will transfer \$10.8 million to the Berry heating project to replace Federal funding that had been allocated to this project.

Table 2: Reallocation of Saratoga Village heating CCAP funds²

Development	Work Type	Original CCAP Funds Allocated	Amended CCAP Funds Allocated	Net Change
Saratoga Village	Boiler replacement	18,072,143	0	(18,072,143)
Marlboro	Boiler replacement	62,574,300	69,875,900	7,301,600
Berry	Boiler replacement	9,636,412	20,406,955	10,770,543
Total		\$90,282,855	\$90,282,855	\$0

2. Cancellation of Waste Yards in Developments Scheduled to Convert to PACT

As part of the CCAP Waste Management program, there are 14 CCAP waste yard projects that have not started and are for developments that are scheduled to undergo PACT conversion before the end of 2024. In general, when a site is converting to PACT, projects that are further along in their schedule will be completed directly by NYCHA. Projects that can be funded through the PACT conversion, and that are early in their schedules and/or would likely benefit from integration with other components of the PACT Partner’s renovation scope of work, will be completed by the PACT Partner.

The 14 CCAP waste yard projects are in early planning phase and will be cancelled in the CCAP, to be instead taken forward by the PACT Partners for those sites. These projects are shown in Table 3. If the planned PACT conversions are cancelled for any reason, NYCHA will prioritize these 14 waste yards for Federal capital funds allocations in the fiscal year following cancellation of the PACT conversion.

² The CCAP document incorrectly listed the City Agreement funding for Saratoga Village boiler replacement as \$16,252,220, and for Brownsville boiler replacement project as \$34,000,000, with both projects under the same FMS ID in the City financial system. While the total allocation across both projects was correct, the correct original allocations to each project were instead: \$18,072,143 to Saratoga Village, and \$32,180,077 to Brownsville. These allocations have been maintained in the FMS system, and as per Table 2 here, the \$18,072,143 allocated to Saratoga Village is being relocated to the Marlboro and Berry projects.

Table 3: 14 CCAP waste yard projects in developments converting to PACT

Development	Project	Funds (\$m)
Bailey Avenue-West 193 rd Street	New Waste Yard w/ 2 auger compactors	2.12
Chelsea Addition	New Waste Yard w/ 2 auger compactors	2.12
Claremont Parkway-Franklin Avenue	New Waste Yard w/ 2 auger compactors	2.12
Fort Independence Street-Heath Avenue	New Waste Yard w/ 2 auger compactors	2.12
Fulton	New Waste Yard w/ 3 auger compactors	2.37
Bryant Avenue-East 174 th Street	New Waste Yard w/ 2 auger compactors	2.19
Metro North Plaza	New Waste Yard w/ 2 auger compactors	2.19
South Bronx Area (Site 402)	New Waste Yard w/ 2 auger compactors	2.19
Union Avenue-East 163 rd Street	New Waste Yard w/ 2 auger compactors	2.19
Chelsea	New Waste Yard w/ 1 bulk auger compactor	1.70
Pennsylvania Avenue-Wortman Avenue	New Waste Yard w/ 2 auger compactors	2.25
Union Avenue-East 166 th Street	New Waste Yard w/ 2 auger compactors	2.25
West Brighton II	New Waste Yard w/ 2 auger compactors	2.25
West Brighton I	New Waste Yard w/ 3 auger compactors	2.52
Total		\$30.58

NYCHA is reallocating the \$30.6 million (\$30,580,622) from these 14 projects to a heating system renovation at Pomonok. The Pomonok development is already part of the CCAP Lead Abatement and Waste Management programs. Its heating system is in poor condition and urgently requires an upgrade. Pomonok was in the next set of priority sites for heating systems renovation that could not be funded through the original CCAP, and is a large site requiring significant overall funding including additional City Funds beyond the CCAP funds reallocation noted here. The scope of work will include replacing the existing steam boiler system with window heat pump technology and decoupled electric domestic-hot-water technology. In addition, NYCHA’s federal funding previously allocated to the Pomonok project which will be replaced through the reallocation of CCAP funds noted here, will instead be utilized for required facade inspections, protection shedding and repairs, as per the NYC Facade Safety Inspection Program ("FISP" or NYC Local Law 11).

The amended total funding allocated to the CCAP Waste Management projects is \$527,975,996, or a decrease of \$35.5 million, as shown in Table 1 above. This comprises the \$30.6 million decrease explained above for the 14 waste yard projects, and the movement of three Waste Management projects to the ‘Lead Abatement & Comprehensive Approach to Mold’ projects explained in the next section, below. The CCAP Waste Management programs now accounts for 307 sites at 196 developments. These funding reallocations do not impact NYCHA’s compliance with Exhibit B, Paragraph 45 of the Agreement, which requires NYCHA to ensure that trash on the grounds and common areas of each NYCHA building is collected and removed from the premises, or collected and stored in a pest-proof manner every 24 hours. In the Monitor’s

Thirteenth Quarterly Report published in March 2023, the Monitor reported that NYCHA is in compliance with this requirement.

B. Transfer of funds to the Lead Abatement & Comprehensive Approach to Mold projects

As previously discussed with the Monitor team and noted in previous quarterly CCAP reports, \$15.0 million (\$15,000,611) was transferred from the Lead Abatement program to the Lead Abatement & Comprehensive Approach to Mold projects at Saint Nicholas and Todt Hill, for lead abatement work within the broader scopes of work for these projects. \$4.9 million (\$4,935,084) allocated to three (3) projects at Saint Nicholas and Todt Hill under the Waste Management program was also transferred to the Lead Abatement & Comprehensive Approach to Mold projects at Saint Nicholas and Todt Hill, to allow the waste management components to be implemented in an integrated way with the broader scopes of work at these sites. These transfers were made in quarter 3 of calendar year 2022. These three (3) Waste Management projects are listed in Table 4.

Table 4: Funding for three projects transferred from ‘Waste Management’ program to ‘Lead Abatement & Comprehensive Approach to Mold’ projects

Development	Project	Funds
Todt hill	Waste management (new waste yard with auger compactors)	\$2,187,130
Todt hill	Waste management (interior compactors)	\$1,099,615
Saint Nicholas	Waste management (new waste yard with auger compactors)	\$1,648,339
Total		\$4,935,084

In addition, the CCAP included \$207.4 million (\$207,431,410) of funding allocated as a contingency to be later used to fund additional costs for agreed CCAP projects or alternative projects.³ This contingency was expected by NYCHA to likely be used for projects in the Lead Abatement & Comprehensive Approach to Mold program, as these complex projects were still in the very early stages of planning at that time.

In November 2022, after discussion with the Federal Monitor team, extensive industry outreach, granular cost estimation scenario analysis, and comprehensive risk identification and mitigation analysis in which the Federal Monitor team also actively participated, the full contingency amount was allocated to the Lead Abatement & Comprehensive Approach to Mold projects at Saint Nicholas and Todt Hill. This allocation ensures the budgets for those projects are sufficient to cover the full internal cost estimates for the required minimum of scopes of work, which was a major concern frequently raised during industry engagement and a priority risk mitigation measure identified in the internal analysis.

C. Changes in the Lead Abatement Program Approach and Schedule

1. Change in Administering Department and Phase Approach

³ See ‘Summary of Proposed Funding Allocation’ on CCAP Page 2, and Footnote 3 on the same page.

In March 2022, the lead abatement program described in the Initial Lead Action Plan and CCAP Program 2 was transferred from the Capital Projects Division (now a department within Asset & Capital Management) to the Healthy Homes Department. NYCHA notified the Federal Monitor team of this change, and the Federal Monitor team supported this decision.

Given the consolidation of the abatement program within Healthy Homes, Healthy Homes is making the following adjustments to the three phases of the lead abatement program:

Table 5: Change in lead abatement approach

Phase	Original Approach	Revised Approach
Phase I	Initial Lead Action Plan: Abatement in units with 2 or fewer lead-based paint components as part of the TEMPO program. CCAP: Abating CU6 units regardless of number of components and abating developments that have 1 or 2 simple components within units and common spaces.	NYCHA is currently testing all units that were identified as CU6 as of January 2022 at the 0.5 mg/cm ² standard. As these units test positive, NYCHA will offer abatement and, if a family agrees to relocate temporarily, the apartment will be abated on an expedited basis as part of the TEMPO Abatement Program. Any unit that tests positive but that could not be abated on an expedited basis will be next in line as part of Phase 1. Phase 1 will also include all move-out apartments and non-CU6 units that have been tested at 0.5 where residents agree to relocate. All abatements will be performed at the 0.5mg/cm ² standard.
Phase II	Developments that have multiple components within the units and common spaces that can be abated with little to no disruption to the daily lives of the residents.	Abate any CU6 units identified after January 2022, and moveout and abate all non-CU6 apartments that had positive components above 1.0 mg/cm ² during the XRF initiative that took place between 2019 and 2021. Abatements will be performed to the 0.5 mg/cm ²).
Phase III	Projects with higher complexity where disruption will increase due to scope.	Abate all common areas

2. Additional Testing at the New 0.5 mg/cm Standard

NYCHA used \$40,000,000 of the \$771.8 million in City Capital Funds between December 13, 2022 and June 30, 2024 to conduct lead inspections (e.g., XRF inspections) at the 0.5 mg/cm standard in an additional 40,000 apartments. These included 17,894 apartments that previously tested positive at the 1.0 standard, but needed to be re-tested at the 0.5 standard prior to lead abatement. This retesting was necessary to ensure that all lead components exceeding the 0.5 standard are abated in order to make the apartment lead-free. In addition, there were 22,106 units that were not previously tested during the 2019 XRF initiative because of access issues or because they had been previously tested or abated under the 1.0 standard.

This amendment to the CCAP action plan is approved by the NYCHA Federal Monitor, Bart M. Schwartz

Signature 