

**Office of the
NYCHA FEDERAL MONITOR
Bart M. Schwartz
Pursuant to Agreement dated January 31, 2019
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February 27, 2024

At the conclusion of the five-year term of the Federal Monitor for the New York City Housing Authority (“NYCHA”) on February 27, 2024, the Monitor is obliged to report on whether NYCHA has met the criteria for termination of the Agreement made in 2019 between NYCHA, the City of New York, and federal stakeholders (by meeting various standards relating to the “pillars” of the agreement, explained in the report). In sum, I am obliged to report on whether NYCHA is consistently providing decent, safe, and sanitary conditions for its residents. At the outset of my appointment, one thing was certain – getting NYCHA to achieve this objective would take more than five years. One does not need to read this final report to know that NYCHA will continue to need significant oversight to accomplish the objectives of the Agreement.



Bart M. Schwartz

However, as a result of the many improvements we have worked to achieve with NYCHA and the federal stakeholders over the last five years, NYCHA has the foundation and opportunity to become a well-run and respected authority and meet the requirements of the Agreement.

The report details our work across each individual pillar of the Agreement (such as lead, mold, heat, elevators, and pests and waste), noting important progress but also persistent challenges, which would have never been achieved had the Agreement not been implemented. I would like to thank the office of the United States Attorney for the Southern District of New York (“SDNY”) and the United States Department of Housing and Urban Development (“HUD”) for selecting me to serve as the Monitor for the initial five-year term of the office.

The reader will find in this report my recommendations for a constructive and effective way forward for NYCHA. There are three particular areas that can be improved to bring about needed changes at NYCHA, even under fiscal, operational, and leadership constraints: governance, ethics with values-based compliance and accountability. Improvements in these areas can create a culture of responsibility, conscientiousness, and pride in work. This will help improve living conditions across NYCHA and foster greater respect for its residents from NYCHA.

I want to express my gratitude to the residents and community leaders who have welcomed us into their neighborhoods and homes and provided vital information and guidance, without which our work and our achievements would not have been possible. We visited 326 developments in the first year of the monitorship and met with hundreds if not thousands of residents and leaders over the last 5 years. Many assisted us in the hope that one day they would experience the benefits of our work. Our mission has

been driven by our desire to improve living conditions and to help make permanent improvements for the benefit of the residents.

NYCHA has often been too quick to assume that conditions cannot be improved rather than finding a way to improve conditions. NYCHA can and must do better for residents. NYCHA has become accustomed to reacting to and functioning in states of emergency. Despite the significant progress we made in creating a solid foundation for NYCHA to build upon, NYCHA continues to exercise questionable judgment. It makes decisions based on old ways of thinking instead of on using creative solutions and common sense to improve productivity, and accountability. It must base its plans to improve its operations on rigorous examination of work order and other data, the quality of which has been greatly improved over the last five years. I say this to emphasize that the many accomplishments we have achieved are at risk of being undermined unless NYCHA changes this mentality.

Here are some examples of those accomplishments, which are detailed in this report.

- NYCHA improved its method of locating where children under 6 years old live and regularly visit apartments which are known or suspected to contain lead-based paint. It is also now accomplishing a record number of abatements in units with lead paint and has made extraordinary strides in preventing the irreparable harm caused by ingestion of lead-based paint and dust.
- It has, since October 2021, achieved a greater than 50% reduction in confirmed mold cases. This is in large part a result of its ventilation improvement project which installed over 6,200 new roof fans and cleaned over 73,000-bathroom vents.
- Preventive maintenance performed in the summer on heating systems, coupled with the creation of detailed data dashboards, the use of analytics and boiler repair work order enhancements are improving heat services across NYCHA's portfolio.
- Elevators now have effective preventive maintenance plans to improve service and prevent outages as well as remote electronic monitoring systems to improve NYCHA's response.
- 8,000 door sweeps which prevent rodents from passing under doors were installed and we implemented a comprehensive training program across NYCHA for waste and pest management which led to the reduction of complaints about pests.
- Trash is picked up 6 days a week at all developments and the grounds of most developments are noticeably cleaner, as measured by field inspections and reporting using a software we built to record and measure changes in care of the grounds.

Lack of funding has historically been offered as the main excuse for NYCHA's failures. However, I have recommended a path forward that is not centered on funding. This is not because NYCHA does not need the money. It is because there are other things it can and should focus on to deliver the services residents need today, not in the future. Even if NYCHA were to immediately receive the \$78 billion it says it needs to make necessary capital repairs, it would take years for these repairs to even begin, let alone be completed. Funding is not the worst of NYCHA's problems. It is the lack of effective governance, ethics and accountability that prevents NYCHA from achieving comprehensive, sustainable improvements within its current financial restraints.

GOVERNANCE

To achieve effective governance, NYCHA needs rigorous internal controls as well as disciplined external oversight based on best practices. NYCHA has historically been hindered in this regard by combining the roles of Chief Executive Officer (who is supposed to be in charge of day-to-day operations), and that of the Chair (who is supposed to be independent and focused on strategic planning, execution and accountability). The harmful consequence of this was deeply felt between 2019 and 2023, when, in my opinion, too much time was devoted to the Trust and not enough to day-to-day problem solving. This

was particularly troublesome when NYCHA was grappling with the COVID-19 pandemic. While the efforts of the CEO-Chair led to the creation of the Housing Preservation Trust in June 2022, it can do nothing to make the improvements that residents need today.

NYCHA's CEO must strive to deliver improvements needed today, not just in the future. The Chair should be focused on NYCHA's future and be supported by a disciplined and well-functioning Board, which has conscientious and skilled members sitting as fiduciaries, adequate resources, and active committees which report their findings and recommendations to the Board. In this report we offer ways to achieve these outcomes.

ETHICS

While we worked with NYCHA to establish a Compliance Department, there is still much more work to be done. It is not enough to just have rules-based compliance. Ethics and values-based compliance must be the responsibility of all leadership and the subject of constant discussion. Values-based compliance will infuse integrity into NYCHA's organization and management system and foster pride in the work being done by its 12,000 employees. This will result in increasing respect for the residents and bring improvements in services. A Code of Conduct is a critical component in this regard. Rather than looking to achieve quality outcomes in its work, NYCHA looks to achieve target numbers and in the process pays little to no attention to values-based compliance. This is driven by its focus on numbers and not quality. This is seen in NYCHA's well-publicized Compliance 101 program, which despite its 61-page presentation, focuses primarily on regulatory compliance and only two pages at the end are devoted to ethics.

NYCHA's lack of values-based compliance had much to do with bringing it to a state of despair. The legal action taken by the federal stakeholders in 2018, which led to the appointment of the Monitor, was a direct result of NYCHA filing false reports about its compliance with federal lead paint regulations and its compliance with HUD regulations regarding annual inspections of facilities and apartments, among other matters. Regarding lead compliance and locating children at risk, as a result of our efforts, NYCHA made an unprecedented commitment to addressing these lead paint issues. NYCHA now has the best lead abatement program of any public housing authority and perhaps the best of any landlord anywhere.

ACCOUNTABILITY

NYCHA will succeed in meeting the objectives of the Agreement only if its employees - from its senior leaders down to the ranks of caretakers - are held accountable. We saw a successful sign of accountability in the recent arrests spearheaded by the United States Attorney. These arrests followed our numerous referrals of corrupt activity involving NYCHA employees and vendors in the context of micro purchases. In these cases, employees were extorting vendors and also accepting bribes to award contracts without the possibility of any oversight. Since the beginning of the Monitorship, we reported our findings to the New York City Department of Investigation and the United States Attorney who pursued criminal investigations and made an unprecedented 70 arrests of current and former NYCHA employees.

Accountability ensures that NYCHA's leaders, employees and vendors are held responsible for their work and indeed their conduct. When NYCHA was required to install 8,000 door sweeps to prevent pests from entering buildings from spaces under doors, NYCHA had to make three separate attempts to complete the task properly. Each of the first two times NYCHA failed to instruct, inspect, or oversee this simple operation. When I confronted NYCHA management, it attempted to blame the problem on the residents rather than take responsibility. And it was clear that the residents were not responsible for the problems, since our inspections were made at the time the installations were being done. Similarly,

over the years we reviewed over 9,200 mold inspections conducted by NYCHA employees and rejected over 1,400 as inadequately performed and reported our findings to management for further action.

CLOSING THOUGHTS

It has been an honor to serve as the NYCHA Federal Monitor and to work towards achieving better living conditions for public housing residents across the five boroughs. I have faith and hope that what we accomplished together with NYCHA, its residents, and our federal partners will be a lasting foundation for future success. The success of this can be measured by NYCHA's ability to make tangible improvements to its operations and administration that all residents experience. One hopes that NYCHA can demonstrate its competence in and commitment to delivering the services required by the law and common decency.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bart M. Schwartz". The signature is written in a cursive style with a prominent initial "B".

Bart M. Schwartz

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NYCHA Federal Monitor Bart M. Schwartz
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Monitor's Final Quarterly Report for The New York City Housing Authority

February 27, 2024

Submitted by: Bart M. Schwartz, Federal Monitor

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PRELIMINARY STATEMENT

My appointment as Monitor pursuant to the Agreement dated January 31, 2019, between the federal government, the New York City Housing Authority (“NYCHA”) and the City of New York (the “City”), commenced on February 28, 2019, and ended February 27, 2024. First, I would like to thank the United States Department of Housing and Urban Development (“HUD”) and the Office of the United States Attorney for the Southern District of New York (“SDNY”) for selecting me for the initial five-year term. It has been a tumultuous ride. In just the first four years we experienced two interim and one permanent Chief Executive Officer, three Chief Operating Officers and a two-year pandemic which, among other things, prevented us from entering the apartments of residents. We had two different leaders at HUD, each of which was supportive and hands on. Similarly, the team at the SDNY, although understaffed, worked tirelessly to assist us. Unlike other Monitorships, from the beginning HUD, SDNY and the Monitor worked as a team, rather than the Monitor periodically reporting to HUD and the SDNY. Under both Mayors DeBlasio and Adams, their respective leads for NYCHA and housing helped and cooperated with us. We knew that this assignment was going to be challenging for these and other reasons.

NYCHA is not a New York City agency, and its operating budget primarily comes from a HUD subsidy and from the rent which it is required to collect. Its capital budget is financed by multiple federal, state, and local governmental sources.

Despite the challenges, NYCHA has made substantial changes, including many which are and will continue to benefit the residents. Organizational and cultural change are neither easy to accomplish, nor to be hastened to completion. As with any major project, planning and strategy are required, approvals and governmental consent must be obtained, contracts let, and execution on all components accomplished. For these reasons, from the outset the monitorship was divided into two five-year terms.

The focus on the first term was on the seven pillars in the HUD Agreement, e.g., lead, mold, heat, elevators, pests, waste, and inspections (“PHAS,” Annual and other Inspections), to address what was deemed most “in need of oversight.” The improvements are many, and a strong foundation exists for further improvements. Our job was to get a dysfunctional agency to provide the basics to its residents, and for it to become credible to those to whom it was reporting. Change in culture and organizational structure is slower and the benefits do not necessarily, quickly impact the residents directly. However, as NYCHA has recognized, such changes are critical elements going forward and should be the focus of the second five-year term, while maintaining and improving the progress on the pillars.

The great majority of media coverage of NYCHA has focused on the deplorable living conditions and lack of money for capital repairs. While this is understandable, it overlooks the important and real progress that NYCHA has made in many areas. All concerned must realize that even if NYCHA were to immediately receive the \$78 billion it says it needs to make necessary capital repairs, it would take multiple years for the renovations to even begin, let alone be completed. Thus, the exigent need now, before considering anything else, is for NYCHA to hold these properties together in the best way possible.

Safety and security are of prime importance to the residents, which while often dependent in part upon outside agencies, such as the City’s Police and Fire Departments, are in fact very much dependent on NYCHA and its employees. The NYPD must continue to always use its best efforts to prevent and respond to all manner of criminal activity on NYCHA property and be welcomed by NYCHA to do so. The question of how best to prevent less dangerous behavior, but no less relevant to residents, such as trespass and degradation of property, is difficult. However, no resident should have to deal with human excrement in stairways and elevators, or experience fear at the presence of trespassers (many of whom are homeless and should be assisted by other City agencies). No resident should face the risk of fire from illegal lithium batteries and charging activities. I commend

the NYPD and FDNY for their diligence in their work on NYCHA properties and with our team and hope that they will continue to partner with NYCHA in refining and always improving the methods employed to mitigate the various risks faced by residents.

Under Paragraph 28, as Monitor, I am obligated upon the conclusion of the fifth year of the Agreement to report on whether NYCHA has met the criteria for termination of the Agreement. No one with knowledge of the circumstances ever expected NYCHA to meet all of the goals set forth in the Agreement. Under Paragraph 86, NYCHA must have been in compliance with its obligations under the Agreement for at least the preceding twelve months and demonstrate thereafter that NYCHA is willing and able to comply with all applicable laws. While NYCHA has made progress, it has not achieved compliance with the HUD Agreement sufficient to allow termination. This should not be viewed as a NYCHA failure since the progress made has indeed been material and beneficial.

The Original Actions Warranting the Appointment of a Federal Monitor

To better understand the breadth of what has occurred over the last five years, we must recall the allegations of the lawsuit filed by the SDNY in 2018 ([NYCHA Complaint](#)). Among other things, NYCHA was accused of failing to adhere to HUD regulations regarding, for example, failing to adhere to lead-safe work practices and lying about it, and egregiously failing to provide decent, safe, and sanitary living conditions, thereby harming the health of residents. NYCHA eventually admitted the facts alleged. After a proposed Consent Decree was rejected by the District Court, in essence because it was too vague, an out of court settlement was reached and incorporated into the HUD Agreement.

The Complaint also charged that:

Living conditions at NYCHA [we]re far from ‘decent, safe, and sanitary.’ Mold grows unchecked at many NYCHA developments, often on a large scale. Across the city, residents are provided inadequate heat in winter, leading to frigid apartment temperatures. Pests and vermin infestations are common, and as senior New York City officials have acknowledged, NYCHA ‘has no idea how to handle rats.’ Elevators often fail, leaving elderly or disabled residents trapped in their apartments or sleeping in building lobbies because they cannot return to their homes. Leaks, peeling paint, and other deterioration are commonplace, but go unaddressed. NYCHA is well aware that disclosing its failure to protect residents from lead paint and its failure to provide decent, safe and sanitary housing would lead to unwanted regulatory scrutiny—including potential limitations on future HUD funding. To avoid this, NYCHA hid conditions from inspectors and repeatedly made false statements to HUD and the public to cover up what can be covered up and minimize what cannot. NYCHA’s false statements have occurred both in formal submissions to HUD and in letters, emails, and press releases directed at HUD and the public.

It is worth taking a moment to understand the role of a monitor. First, it is not a receiver and therefore has limited authority regarding daily matters. In fact, the HUD Agreement specifically states that the Monitor shall not have day to day authority. See, NYCHA Agreement Paragraph 24, Paragraph B., General Powers. A monitor is, among other things, a combination of critic, teacher, and even cheerleader. For example, my office contacted the leaders of multiple labor unions in an effort to marshal their support for legislation that would include funding for the Emergency Rental Assistance Program that would benefit NYCHA residents. The legislation passed.

Compliance with the Agreement

Although NYCHA has accomplished much in the last five years, there is still much more to do in the years ahead. The HUD Agreement established the framework for the Monitorship and set forth the Monitor's powers and duties, as well as NYCHA's obligations and the schedules in which they were to be achieved. The Agreement obligations focused on NYCHA's core services to its residents, which include heating, elevators, pest control, waste management, lead based paint repair and abatement, mold remediation, and three new departments (Compliance, Environmental Health and Safety and Quality Assurance, discussed below) and PHAS and Annual inspections (referred to as the "pillars" of the Agreement).

The Agreement also required NYCHA to replace specific numbers of elevators and heating systems within certain timelines and complete other capital projects as part of the City Capital Action Plan (funded by the City as part of the Agreement). NYCHA also was required to draft an "organization plan" (with the concurrence of the Monitor). This process began with the report of a consultant, to provide NYCHA with a current-state assessment and recommendations for restructuring into a more effective and efficient operation.

The Monitor has continuously assessed and reported on NYCHA's compliance with the Agreement and worked with NYCHA to support improvements in its operations. This includes the collection, analysis, and use of reliable data to understand how they are doing – for example, how effectively buildings are being heated during the winter – and to devise better strategies for improved performance.

Historically, data collected by NYCHA was unreliable and accordingly not significantly useful in assisting NYCHA's management team. In 2019 NYCHA began attempts to use its data more effectively. NYCHA's data and its ability to analyze data with the goal of improving its operations has been a central role for the Monitor because it cuts across all the HUD pillars and beyond. The Monitor has worked collaboratively, for example with NYCHA's Performance Tracking & Analytics Department ("PTAD"). NYCHA continues to improve the quality of its data – and its ability to analyze this data – to improve its operations and performance under the Agreement. Stakeholders may now reasonably rely on the data furnished by NYCHA. See, Monitor report on metrics, [Monitor NYCHA Elevator Performance Update](#).

The Monitor team has continuously made subject matter experts ("SMEs") available to aid NYCHA. These include SMEs for certain pillars, as well as capital projects management, organizational management, public housing property management, and project management. Monitor team field examiners have directly and routinely viewed, assessed, and reported on conditions at developments and established productive relationships with residents and development staff. In this way the Monitor has been able to observe and evaluate firsthand whether strategies and decisions made by headquarters are working. The Agreement allowed the Monitor to employ all necessary staff. All contractor subject matter experts retained by the Monitor were billed to the City at cost with no mark-up or administrative charge.

For the last two years the Monitor's Borough Monitoring team has been assessing NYCHA's progress in decentralizing much of its operational decision making. Our Borough Monitoring team members have engaged regularly with NYCHA staff at developments and with Neighborhood and Borough Management. Through this process, the team has gained valuable insights as to the efficacy of the restructuring effort which is a major challenge for NYCHA. The team has issued six reports detailing its findings. See, [Borough Monitoring Reports](#).

Monitor field examiner teams were assembled to continuously visit developments across the NYCHA system to observe and document conditions (including hundreds of heating systems across the portfolio) and interact with NYCHA staff and residents. Monitor field teams have continuously conducted assessments and evaluated NYCHA's performance in each of the

pillars, as well as capital projects at every development. It is essential to observe the conditions at the developments. To date, the Monitor team has completed over 4,000 field inspection reports using software developed by the Monitor's team to assist. These reports include observations, photographs, and recommendations for improvement. The reports were appropriately shared with NYCHA managers, federal stakeholders, and Monitor team members.

During the five years of the Monitorship, we addressed over 3,600 phone complaints and 2,300 email complaints. In addition, we received and resolved some 150 concerns raised during our community meetings.

The HUD Agreement required NYCHA to draft action plans for approval by the Monitor. Action plans were created to set and accomplish specific goals for each of the pillars and other areas such as the City Capital Action Plan. See, [Action Plans](#). The Monitor Team has been working with NYCHA to supplement and revise the action plans based on NYCHA's progress. Through the implementation of action plans and the use of pillar meetings, NYCHA has made progress on reducing the phenomenon of siloed operations which plagued its performance in past years.

Accomplishments

What follows is an overview of NYCHA's many accomplishments during the Monitorship. Throughout this report we provide further details.

Though NYCHA is not yet in compliance with its obligations under the HUD agreement, extraordinary effort and substantial progress has been made in each of the areas covered in the Agreement. Chief among these accomplishments include the TEMPO lead program protecting children under six from lead poisoning; the ventilation upgrade project which installed 6,188 new roof fans and cleaned 74,000-bathroom vents (reducing new mold complaints by over 50%) and overall improvements in waste handling, pest reductions and heating and elevator services.

NYCHA's significant accomplishments regarding pest obligations include use of effective pest control methods; expedited responses where residents have health conditions affected by pests; giving residents the option to authorize access in their absence; targeted relief for units with repeated infestations; and application of Integrated Pest Management protocols. NYCHA has improved its pest response times considerably and is now on track to meet those requirements. We note that NYCHA is now using data analytics and relies on the "WAMMA" application (which is a waste management inspectional reporting tool developed collaboratively between the Monitor team and NYCHA's Waste Management Department) - and other Monitor developed applications - to improve daily operations.

Regarding waste, NYCHA has met its primary obligation to clean-up and remove or secure storage of waste at each building at least once a day. The use of WAMMA helped improve sanitary conditions at numerous developments compared to the conditions that existed when the monitorship began.

Major accomplishments regarding heat include: 1) working with NYCHA to reorganize the department to better coordinate with property management staff; 2) adding front-line and supervisory staff; 3) updating its heating SOP; and 4) creating plans to improve staff trainings. The Monitor heat SME team has conducted over 400 field inspections of NYCHA boiler and tank rooms to assess NYCHA's readiness for the subsequent heating seasons; prepared a comprehensive report analyzing NYCHA's main challenges in properly delivering heating services with recommendations for improvement including preventive maintenance ("PM") process. Commencing in the summer 2022 PM cycle (the summer maintenance season during which the majority of PM is performed), the improved PM program has resulted in reductions of both the number and durations of outages in subsequent heating seasons.

Accomplishments involving elevators include the Monitor elevator team's work with its NYCHA counterparts in 2021 and 2022 to conduct preventive maintenance pilots at two developments with significant outage challenges, using new strategies and data analytics to assess progress and better identify areas of focus. Service outages were decreased by an average 55% at Mott Haven and Patterson houses where the pilots were conducted. The lessons learned from these pilots were then adopted at other developments with significant elevator outages and to date service outages at these locations have been reduced by over 30%. Among other benefits, NYCHA employee productivity in this regard was substantially increased using the analytical tools.

The Monitor has developed a significant number of reports beneficial to the Elevator Service and Repair Department ("ESRD"), in assessing its outage and maintenance data and managing its elevator assets. One report identifies the top 10 elevator deficiencies and tracks the total amount of deficiencies addressed within a year. Another identifies stuck elevators. The Monitor has collaborated with ESRD to create ESRD's own data team, among other projects, so that ESRD may take over the data reporting that the Monitor has been providing.

NYCHA has also effectively established the three new departments required by the HUD Agreement i.e., Compliance, Environmental Health and Safety, and Quality Assurance, and effectively dealt with the training and communication necessary to eliminate the false reporting and other improper actions in which NYCHA engaged in the "PHAS" (Public Housing Assessment System) and other inspections required by HUD. We also note the great improvement in purchasing and logistical processes developed by the establishment of a robust procurement department.

NYCHA and the Monitor have laid the groundwork and commenced building the infrastructure necessary to complete the organizational and other changes mandated by the HUD agreement. Considering the more than one year interruption caused by the COVID-19 pandemic, NYCHA has made significant progress. That said, there is still substantial and difficult work which must be done to ensure that NYCHA provides decent, safe, and sanitary housing required by federal law. A detailed list of NYCHA's many accomplishments in the last five years follows (note that most of these matters are discussed in detail throughout the report).

Action plans for every pillar area of the HUD Agreement (heating, elevators, waste management, pest control, lead based paint, mold/leaks, as well as PHAS inspections). These plans, reviewed and approved by the Monitor, contain detailed "road maps" for how NYCHA will accomplish its important performance goals for these core services, including staffing and other resource needs, timelines, and data analytics for reporting progress and improving performance.

Improved data analytics and outputs. The Monitor team: 1) acquired and stored Maximo work-order and Kronos time data to allow analytics to be performed; 2) conducted field inspections to verify certain data in NYCHA's databases, including Maximo and *e-Builder*; 3) worked with NYCHA and HUD to build pillar dashboards and created some of our own dashboards; 4) provided regular specific analytics for the heating and elevator departments to improve NYCHA's maintenance and repair work; 5) provided SMEs in pillar areas who work with NYCHA to improve the quality and accuracy of data; and, 6) provided our data analytics reports (data architecture) to NYCHA so they can replicate them for its own use going forward.

Enhanced data strategy. The Monitor team worked with NYCHA's Performance Tracking & Analytics Department (PTAD), its IT department, and other various units to improve data collection and analysis, and then helped NYCHA use this information more strategically to guide operational and capital planning. As a part of that effort, the Monitor team participated in forming the data analytics team within NYCHA as a cross-functional data group to determine how to measure NYCHA's progress in the Agreement pillar areas and whether NYCHA is trending towards or away from Agreement performance metrics. The Monitor team's data analytics SMEs also worked with the data team to guide them in transforming Agreement obligations into NYCHA business rules to drive performance measures going forward.

Identification of false overtime and payment requests. Using NYCHA's Kronos data, the Monitor's Technology Advisory Services Team ("Monitor's TAS Team") unit has been assisting NYCHA in identifying overtime requests which fall outside standard parameters. The Monitor's field team also assisted NYCHA in investigating contractors who may be falsifying payment requests and identified NYCHA employees who may be manipulating NYCHA's time keeping system. The Monitor's TAS Team created a data dashboard that NYCHA's Quality Assurance unit can use to enhance its oversight of NYCHA's skilled trades and maintenance staff performance.

Comprehensive field inspections. The Monitor team produced over 4,000 field inspection and related reports which were often provided to NYCHA. These reports not only captured current conditions (through narratives and photos), but also included assessments of problems and recommendations for solutions. Reports focused on boiler rooms, elevators, development waste management conditions, safety and security concerns, mold and leak conditions, lead abatement and repair work and capital project assessments. Most of these reports focused on activities at the developments that directly affect resident life. This information became a part of each pillar team's activities, and the field examiner team was essentially the Monitor's 'eyes and ears' in the field. The field examiners established close working relationships with local staff and residents and brought their concerns to NYCHA's attention.

Community and resident engagement. In addition to creating the Community Advisory Committee ("CAC") and holding regular CAC meetings, the Monitor team has reached out to additional stakeholders to include other issues important to residents and related community groups. Resulting projects included streamlining NYCHA's annual resident registration process and creating NYCHA's capital projects dashboard. The CAC also established a subcommittee (including NYPD, FDNY, and NYCHA's Safety & Security unit) to address development safety and security issues, which is of major concern to residents. See, HUD Agreement Paragraph 30.

Internal Oversight. As required by the Agreement, in 2019 the Monitor team oversaw the creation of three internal oversight units – Compliance, Environmental Health & Safety (EH&S), and Quality Assurance (QA). The Monitor team worked with these units to ensure that they provide effective oversight to improve overall performance, transparency, and accountability across the Authority.

Bi-weekly pillar meetings for each of NYCHA's core service areas. The Monitor team helped to establish these recurring meetings to concentrate on performance successes and challenges, related capital projects progress, and data analytics. The main focus was on NYCHA's progress in complying with Agreement obligations in pillar areas. The meetings not only included the main pillar departments, but also the other departments and units critical to a pillar's success, including capital projects, IT, procurement, and human resources. These meetings became important in the effort to break down silos within NYCHA to promote better internal communication.

Exposing vendor misconduct. The Monitor team worked with NYCHA's three internal oversight units (as well as law enforcement and inspector general offices) regarding breakdowns in NYCHA's contracting with vendors at developments. Since the start of the Monitorship, our field examiners identified numerous improprieties (including unlawful activity) between various NYCHA development staff and vendors. The behaviors uncovered included bribery between some NYCHA staff and vendors, and the general poor quality of vendor work that defrauded NYCHA of the goods and services it was due. The Monitor team conducted several investigations with NYCHA's three departments regarding our observations and findings and also made multiple referrals of potentially fraudulent activity to law enforcement. (See, February 6, 2024, SDNY arrests of 70 current and former NYCHA employees. That investigation was started by our field inspectors developing the first cooperators.)

Updated Standard Operating Procedures. The Monitor team worked with each NYCHA pillar team to update SOPs, including procedures focused on improving data accuracy and comprehensiveness. Once completed, key sections of the SOPs were included in quick reference guides for easier use by staff. Updated SOPs also became core components for NYCHA training curricula.

Project prioritization. The Monitor and NYCHA (with input from HUD and SDNY) established priority lists of projects and other goals for NYCHA to complete within specified timelines for each of the last three years. These lists pertained to each of the pillar areas, as well as the organizational plan, procurement, development safety and security, and training. The Monitor and NYCHA completed the Year 6 Priority list that was approved by HUD and SDNY. Over the next year, NYCHA and the new Monitor will provide quarterly reports to HUD and SDNY on the progress of each priority item. This process of focusing on specific yearly priorities has become an important tool to push NYCHA to achieve them.

Transparent reporting. The Monitor issued thirteen quarterly reports and other reports during the Monitorship. These reports not only summarized the activities of the Monitor team but also discussed NYCHA's progress in complying with the Agreement and its overall efforts to provide better living conditions to residents. The reports identified current challenges and obstacles and made specific recommendations to NYCHA on how to address them. All these reports were made available to the public and are posted on www.guidepostmonitor.com.

Elevating complaints. The Monitor received and referred to NYCHA several hundred complaints from residents regarding unit and development condition issues. The Monitor team tracked these complaints and followed up to ensure that NYCHA took steps to address them. When necessary, the Monitor team investigated the complaints and NYCHA's response, and worked with NYCHA's three oversight departments.

Improving NYCHA's various preventive maintenance programs. As described in greater detail below for heating and elevators, the Monitor and its team of SMEs worked with NYCHA's heating and elevator departments to improve equipment preventive maintenance programs. Given the advanced age and poor condition of much of NYCHA's equipment, conducting proper inspections and preventive maintenance on this equipment is essential to keep it operational until it can be replaced. As these programs were implemented by NYCHA, we saw significant decreases in the number, response times, and durations of service outages related to equipment failures. After two years of these programs for heating and elevators, NYCHA saw an average reduction in service outages of approximately 30%, as well as a significant decrease in the duration of its outages, in both categories.

Adoption of new technology. The Monitor team and its experts helped NYCHA to understand how new technology can be employed to make NYCHA's operations more efficient. For example, the Monitor showed NYCHA how other large organizations use bar coding systems to manage assets and keep better track of maintenance and performance issues. The Monitor also examined the use of drones as a tool to analyze the conditions of building exteriors for more timely and cost-effective repairs, which would reduce the need for many of the unsightly sidewalk bridges that currently surround NYCHA buildings.

Pillar Achievements

Heating Services

Restructuring the heating department. The Monitor heat team assessed the operations and processes of NYCHA's Heat Management Services Department (HMSD) and made recommendations to NYCHA for improvements. In early 2022, after the Monitor issued a report with recommendations to improve its heating services, NYCHA announced new measures to restructure

HMSD, including: 1) reorganizing the department to better coordinate with property management staff at the neighborhoods; 2) adding greatly needed front-line and supervisory staff; 3) updating its heating SOPs; and, 4) creating short and long-term plans to improve staff training. Since HMSD's restructuring, key heating service indicators improved, including a decrease of more than 25% in the number of unplanned heating outages and a decrease in the average duration of outages from 8.4 hours to 7.2 hours. Also, the number of heating complaints made by residents dropped by approximately 40%. Additionally, HMSD was able to complete more summer preventive maintenance ("PM"), particularly increasing the number of equipment inspections conducted and repairing a greater amount of its equipment prior to the start of the heating season.

Root-cause identification. The Monitor supported NYCHA in putting together an EH&S heat oversight team to conduct in-depth investigations into the root causes of heating failures in the winter. The unit investigates outages with durations greater than 12 hours, and it additionally provides recommendations to HMSD for improvements based on its findings. HMSD is then required to respond to the findings made, including implementing many of the recommendations.

Field inspections. The Monitor heat SME team conducted over 450 field inspections of NYCHA boiler and tank rooms to assess the conditions and NYCHA's readiness to provide proper heat and hot water to residents. The Monitor team also regularly provided HMSD with comprehensive reports analyzing NYCHA's main challenges in properly delivering heating services and made recommendations for meeting these challenges. The reports included the Monitor's comprehensive assessment of NYCHA's PM process, conducted in conjunction with HMSD and EHS. Starting in the summer of 2022, HMSD markedly improved its PM program which resulted in reductions in both the number and duration of outages in subsequent heating seasons.

Tank room assessments. Starting in the fall of 2021, working through January 2022, the Monitor team completed a blitz to inspect and report on the condition of 44 tank rooms located in all five boroughs. The survey also included condensate tanks at these locations, many of which were in poor condition. Using this information, HMSD created an action plan to resolve the deficiencies found. In the fall of 2023, the Monitor team did a follow-up inspectional review of several tank rooms and drafted a report for HMSD of the results. HMSD is following up on the deficiencies.

Recommendations for improvement. Boiler overhaul (a thorough cleaning and lubrication process) is a main part of NYCHA's summer PM program. Based on field inspections, the Monitor team made comprehensive recommendations to improve training for supervisors on properly conducting inspections as well as properly collecting information in Maximo regarding what was observed, especially all needed repairs discovered. HMSD implemented many of the recommendations from the Monitor's overhaul report as well as other measures to improve its PM program. Subsequently, the number and duration of heating outages have been steadily declining.

Improved training. The Monitor team (including our public housing SMEs) worked with NYCHA to improve training for HMSD staff. This included a long-term plan to establish a comprehensive heating lab (which is scheduled to open in fourth quarter of 2024) where HMSD will conduct its own training on actual equipment, as well as short-term plans to establish a structured in-field training course to ensure that both line staff and managers understand and comply with NYCHA's newly updated heat SOP.

Regularly scheduled meetings. During the heat season, the Monitor team participated in weekly heat outage meetings with HMSD and EH&S to review major outages from the prior week, the root causes of outages, and solutions for faster and more effective repairs. During summers, the Monitor team participated in bi-weekly heat PM meetings in which the Monitor team and NYCHA assessed the progress of HMSD's annual inspections. The objective was to complete all needed repairs by October 1st each year, which marks the start of the heat season.

Comprehensive work order information. Starting in 2020, the Monitor began an analysis of HMSD work orders. Many work orders did not contain sufficient information as required under NYCHA’s heating SOPs regarding repair and maintenance work performed particularly on work orders related to resident “NOHEAT” complaints. The Monitor issued recommendations to address this issue. In 2023, HMSD implemented Monitor recommendations including creating an Open Corrective Maintenance Work Order dashboard, revamping Maximo cause codes, and implementing a specific HMSD team focused on heat data quality. The Monitor used these analytics in collaboration with NYCHA to improve the quality of heat work order information content.

Data analytics. Beginning in 2019 and as a continuing monitoring effort, the Monitor’s analytics team conducted analysis of NYCHA’s Maximo data and created several reports on NYCHA’s performance. These reports were shared with NYCHA and were used to identify data gaps in reported outage causes and resolution activities.

Elevator Services

Regular meetings. The Monitor elevator team supported NYCHA’s Elevator Service & Repair Department (ESRD) in conducting a weekly in-person meeting of ESRD managers to address issues and challenges regarding equipment maintenance and repairs. The Monitor and its SMEs worked with NYCHA elevator supervisors to make recommendations for improvements as well as provide maintenance and repair analytics to discuss at the weekly meetings for use as a management tool for supervisors.

Pilot programs to improve outage durations. The Monitor elevator team worked with ESRD in 2021 and 2022 to conduct elevator PM pilot projects at two developments (Mott Haven and Patterson) with significant outage challenges. The Monitor team provided regular analytics to assess progress and to better identify problem areas. The pilots were a great success. Outages were significantly reduced (by almost 60% at each site), and the lessons learned were applied to four more developments. After a year of this PM program, the reduction in the number and duration of outages at the four sites also markedly declined (by an average of 35% to date). ESRD is now undertaking PM programs at four other developments. For all these PM pilots and programs, the Monitor team performed analytics and assessments of maintenance and repair staff performance. ESRD recognizes that using dedicated maintenance teams at developments with high outage counts is essential if NYCHA is to continue to decrease the number and duration of elevator outages. NYCHA must also do all it can to increase its staffing for more maintenance and repair teams.

Address development conditions that impair service. The Monitor worked with ESRD to identify and report on development conditions that interfere with elevator service. Common examples include debris/trash left in elevator cars that obstruct elevator doors and water and other liquids (such as cleaning solutions) sometimes disposed in elevator shafts that damage equipment and stop service. The Monitor field team regularly inspected elevators and relayed the conditions observed to the COO’s office for corrections.

Analytics reporting. The Monitor team developed reports beneficial to ESRD in assessing its outage and maintenance data and managing its elevator assets. The Deficiency (violations issued to NYCHA by the Department of Buildings) and AOC (Affirmation of Correction) report identifies the top 10 elevator deficiencies and tracks the total amount of deficiencies addressed within a year. After several discussions with ESRD and NYCHA IT, the Monitor managed to assist NYCHA in the duplication and management of this report for use by NYCHA. The “stuck passenger” report was also developed by the Monitor to assist NYCHA in accurately reporting on this issue. Additionally, the Monitor developed an elevator low voltage report that provided NYCHA with the data to prioritize EVR (elevator voltage regulator) installments among developments. These installations are critical to prevent elevator outages due to low voltage conditions. Identifying assets that are at a higher risk is crucial in addressing these outage concerns for NYCHA residents. The Monitor also worked with ESRD to assist in creating its own robust data team to take over the data reporting that the Monitor had been providing.

Training. The Monitor elevator team worked with ESRD’s training team to improve staff training, especially with regard to proper use of handheld devices used to capture elevator data in the field and ensure that data is accurate and complete. There was a particular focus on improving the quality of maintenance data, identifying root causes of elevator breakdowns, and describing repairs made to correct them. This will contribute to further reductions in the number and duration of outages.

Expanding the Remote Electronic Monitoring System (“REMS”) program. When more fully developed, REMS will equip NYCHA with accurate real-time information regarding elevator conditions. The Monitor facilitated meetings with the software vendor to discuss the capabilities and features that are useful for monitoring NYCHA’s elevator assets. Through ongoing discussions, the Monitor determined that many of the newly installed REMS devices were not being effectively used to provide cloud-based data in real time to NYCHA. This is crucial for NYCHA to be able to improve service on demand. NYCHA completed Phase I of REMS installations and is close to completing Phase II. This effort to fully access REMS capabilities for ESRD will hopefully continue into the next phase of the Monitorship.

Inspections. The Monitor supported EH&S in the creation of an elevator inspection team to conduct investigations into the root causes of elevator outages and to make recommendations based on the reports. The Monitor elevator team conducted hundreds of field inspections of elevator conditions and provided reports to both ESRD and the COO’s office. The reports highlighted both good conditions as well as circumstances where corrections were needed. The Monitor’s recommendations and reports, based on such inspections, contributed to a reduction in the number of outages and the duration of outages at NYCHA’s developments.

Data analytics meetings. ESRD holds meetings to analyze data received from the Monitor to improve staff performance. These meetings have become very effective management tools, especially in pushing mid-level ESRD managers to use their maintenance and repair data more strategically in creating work plans for their field teams. The meetings are also essential in establishing better communication and providing ESRD’s upper-level managers with clearer awareness of problems in the field where their assistance is needed to overcome challenges. These included staffing and procurement issues that often hindered the efforts of ESRD field teams. These meetings should continue.

Lead-based Paint Remediation and Abatement

Robust teams to properly execute NYCHA’s LBP programs. The Monitor Lead-based Paint (“LBP”) team worked with NYCHA to establish units to conduct XRF testing in apartments and common areas to detect the presence of lead-based paint. Further, NYCHA established a rigorous lead paint abatement program. The quality and completeness of this work and the accuracy of the data reported has greatly improved since the start of the monitorship.

Prioritizing children. Working with the Monitor team, NYCHA greatly improved its efforts to prioritize the identification of units where children under six years of age (“CU6”) live or regularly visit, and then prioritize LBP abatement work for those units (through the creation of the “TEMPO” program). Led by the Compliance Department with input and guidance from the Monitor team, more comprehensive methods were developed to identify significantly more apartments where CU6 reside that were known or suspected to contain lead-based paint. This has allowed NYCHA to better focus its resources to improve remediation and abatement efforts for this most vulnerable population.

Comprehensive action plan. The initial LBP Action Plan was approved by the Monitor in January 2021. The plan is designed to document the many actions necessary to improve NYCHA’s compliance with a broad range of HUD and EPA regulations regarding lead-based paint (for remediation and abatement work), as well as required resident notifications and record keeping, interim controls, abatement of lead-paint. This Action Plan has served to significantly reduce lead health risks for NYCHA’s children.

RRP compliance. The Monitor team conducted field oversight and desktop audits of NYCHA's compliance with the EPA's "Renovation, Repair and Painting" rule ("RRP"). NYCHA's Compliance Department, in its Lead Exceptions Report, and the Monitor, via desktop audits of RRP work orders, identified inaccuracies and other discrepancies in MAXIMO data in which NYCHA staff misidentified work as not requiring RRP. Monitor findings were provided to NYCHA for review and correction as necessary.

Regular reviews of lead abatement work and associated records. The Monitor team conducted regular reviews which assessed NYCHA's compliance and performance regarding its HUD Agreement obligations for abatements. The audits confirmed the deficiencies NYCHA identified in its lead exceptions reports. Noncompliant files and cases were referred to NYCHA for review and correction as necessary. The Monitor also worked with NYCHA to ensure that the abatement of lead was being accomplished as required by the City Capital Action Plan approved in May 2021 and the HUD Agreement. Abatement is managed by NYCHA's Lead Hazard Control Unit.

Lead Abatement. For the last several months, NYCHA has been completing an average of **400** apartment abatements **per month** through the TEMPO program. By comparison, NYCHA completed a total, only, of approximately **700** abatements in **all of 2019**.

Mold and Leaks

Coordination with the Independent Mold and Data Analysts from the Baez matter. Throughout the Monitorship, the Monitor worked with the court appointed experts in the *Baez* mold class action case in the Southern District of New York to drive NYCHA's mold compliance performance, including identifying critical risks and developing feasible strategies for preventing mold as well as designing and using a range of data analytics. Through these combined efforts, and significantly, NYCHA's ventilation upgrade project, the number of confirmed mold cases has been reduced by over 50% since October of 2021.

Comprehensive action plan. The Monitor approved NYCHA's Mold Action Plan in March 2020, which was developed jointly by NYCHA and the Monitor team. The plan sets forth NYCHA's various commitments to effectively address mold and leak remediation as required under the Agreement. One of the benefits of the action plan was the execution of the ventilation project which by adding nearly 6,200 roof fans and cleaning approximately 74,000 vents, greatly contributed to the reduction in confirmed mold cases.

Fire dampers. The Monitor team pushed NYCHA to include the replacement of all in-unit fire dampers as part of its ventilation project. NYCHA has now set up a schedule to replace some 95,000 fire dampers (and accompanying volume dampers), though completion will be contingent upon funding.

Review of mold inspections. The Monitor team regularly reviewed NYCHA mold inspection records. Noncompliant inspections were referred to NYCHA for further review. These reviews provided a quality control review of work orders to identify potential issues and recommendations for effective procedural change. These reviews resulted in the Monitor making over 1,400 referrals to NYCHA when it was concluded that inspection work did not meet proper standards. Also, every week the Monitor team reviewed mold and leak dashboards and metrics from three data sources (the Monitor's daily review of mold work orders, NYCHA's mold dashboards, and the *Baez* Independent Data Analyst metrics and dashboards) to track NYCHA's performance in inspecting reported instances of mold and leaks, performing remediation, and completing repairs and tracking its compliance with HUD Agreement obligations.

Data dashboards. Starting in 2020, the Monitor collaborated with NYCHA’s Office of Mold Assessment and Remediation (“OMAR”) and NYCHA IT on the development of mold and leak dashboards to track Agreement compliance. Such data analytical tools have allowed NYCHA to understand where improvements should be made in its mold and leak and building improvement programs.

Rehabilitating building infrastructure systems. The Monitor approved NYCHA’s City Capital Action Plan which includes plans for the comprehensive modernization of two developments. A major part of these plans focuses on replacing interior piping systems that have deteriorated over time and are a prime cause for leaks and mold growth.

Mold compliance immediately prior to PACT conversions. In the fall of 2020, the Monitor team initiated an investigation at developments in Manhattan (Washington Heights area) scheduled for PACT conversion and found that workers were not complying with NYCHA’s procedures for remediating mold and were making superficial repairs in many of the units. NYCHA’s Compliance Unit joined the investigation, which among other things resulted in updating certain of these mold procedures and improved oversight of developments undergoing the PACT process. An additional result was that new protocols were developed as part of the *Baez* litigation to ensure that this situation does not reoccur during the transition periods prior to PACT and RAD conversions at other developments.

Better documentation. The Monitor worked closely with NYCHA in 2020 and 2021 to refine electronic work order records kept by field workers through a handheld device (particularly regarding the proper identification of root causes for mold). This IT enhancement provided mold inspectors with a wider and more precise range of root cause options and allowed them to record the sources of moisture and mold growth more accurately.

Worker analytics tool. Starting as an effort to assess worker productivity in the mold and leak pillar, the Monitor and the Independent Data Analyst from the *Baez* case developed a maintenance and skilled trade worker data analytics tool to assist NYCHA in assessing the productivity and performance of its staff. The tool will allow NYCHA to compare individual worker performance as well as the productivity of its various trades.

Timely cleaning of mold. The Monitor has successfully worked with NYCHA on increasing the instances of cleaning mold within 5 business days to increase compliance with Exhibit B, Paragraph 17 of the Agreement. This was accomplished by NYCHA adding mold cleaning teams and encouraging development-based staff to clean mold quickly, whenever possible.

Waste Management Services

Establishing NYCHA’s Waste Management Department. In 2019 the Monitor team recommended that NYCHA establish the Waste Management Department (WMD) with appropriate SMEs to work with and guide property development in their waste management efforts. The WMD has been extremely effective in improving waste management conditions across NYCHA.

The Clean Building Initiative (“CBI”). In January 2020, the Monitor team observed implementation of the CBI at the Wald Houses in lower Manhattan, identified several issues and concerns, and provided recommendations to NYCHA.

WAMMA field inspection reports. The Monitor team worked with the WMD to create a waste management field inspection reporting and scoring structure to assess, understand, and report on waste management conditions at every development (WAMMA field reports). To date, over 2,500 WAMMA field reports have been generated and provided to development managers. The WMD as well as local property management have used the WAMMA field reports as a tool to improve waste conditions at numerous NYCHA developments.

Daily trash removal. The Agreement obligates NYCHA to thoroughly remove trash from developments at least once daily and then either transport it off grounds or store it in pest-proof containers until it can be transported. At the start of the monitorship, this was thought to be a near impossibility for NYCHA given its staffing limitations and lack of necessary waste management infrastructure. Since that time, WMD took several innovative measures to better remove and store development trash. Based on the information from our WAMMA field reports, the Monitor determined that NYCHA is generally meeting this obligation. This is a major accomplishment for NYCHA.

Chute door inspection and repair survey project. NYCHA developments have trash chutes with doors on every floor for residents to deposit their trash. The chutes lead to the basement where a compactor compresses the trash for easier storage and removal. Over the years, these systems have not been properly maintained and chute doors on many floors are broken and no longer tightly close, as required by law. This creates a serious fire hazard as fires in the chutes are relatively common. An open chute door creates a “chimney effect” that can expose the floor to fire and smoke. The Monitor field team observed this dangerous condition at numerous developments and worked with the WMD and development property managers to identify every broken chute door in their developments, secure them, and then schedule their repairs. WMD worked with property management to have the doors repaired.

Development-specific plans. The WMD, in consultation with the Monitor, drafted effective waste management plans for every development. The plans are updated on an annual basis. Among other uses, the plans are important to both local staff and residents. They provide clear directions regarding how and where staff should store the development’s trash and set it up for removal. For the residents, the plans instruct them where they should dispose of their trash to facilitate its effective storage and removal by staff. Proper waste disposal helps reduce pest populations by cutting off a food source.

Pilot program for augmented curbside trash collection. The WMD, in consultation with the Monitor, instituted a pilot program in Brooklyn for augmented collection of curbside trash at six developments. To supplement the Department of Sanitation’s three-day a week curbside garbage collection, the WMD purchased two six-yard rear-loading dump trucks to collect trash on the remaining three days a week (excluding Sundays), resulting in curbside collection six days a week. This accelerated NYCHA’s curbside collection program dramatically, reducing the amount of time when garbage bags sit unattended on the curb, vulnerable to the elements, birds, vermin, rodents, and humans. As a result of this program, these six sites are noticeably cleaner as confirmed by Monitor inspections. The program’s success led to consideration of the purchase or lease of additional garbage trucks of varying sizes to increase collections at other curbside garbage pickup sites, which exist at approximately one-quarter of all NYCHA developments.

Pest Control Services

Proper installation of door sweeps. The Agreement required NYCHA to install at least 8,000 door sweeps across NYCHA which, when properly installed, limit the passage of pests under doorways. The Monitor field team found that NYCHA was not installing them correctly. The Monitor and the WMD worked to properly train installers so that the door sweeps worked effectively to limit the migration of pests under doors within development buildings.

Improving NYCHA and vendor extermination practices. To conduct a census of pest infestations at NYCHA, the Monitor team, guided by the Monitor’s expert entomologist, devised a program for random inspections of 8,000 units throughout the portfolio (called the NYCHA Pest Infestation Index or NPII). The Monitor’s pest SMEs worked with exterminators to educate them on NPII protocols. This included conducting classroom trainings and field inspections to assess work being performed.

Integrated Pest Management. The Monitor entomologist, with other members of the Monitor team, worked with NYCHA to develop a new set of pest control SOPs for exterminators embodying state of the art methods of pest control, called Integrated Pest Management (“IPM”). As a result, pest control measures by both NYCHA staff and vendors steadily improved, and the decrease in pest complaints over the last year is an indication that NYCHA’s pest control efforts are trending in a positive direction.

Restructuring NYCHA’s Pest Management Department. The Monitor made recommendations and worked with NYCHA to improve the oversight capacity of its Pest Control Department (renamed as the Pest Management Department or PMD) to better assess and manage NYCHA’s extermination and related in-unit pest repair work.

Creating a pest data dashboard. The Monitor’s entomologist created a data dashboard to better identify pest populations by development buildings, which not only enables NYCHA to better understand and assess its pest control performance going forward, but also determine how extermination resources should be deployed.

Securing pest control storerooms. Monitor field examiners, along with the QA and PMD units, worked to identify and secure pest control storerooms at every development where insecticides and other related pest control materials are kept. Initial inspections revealed that there were many informal storage areas at some developments where dangerous chemicals were improperly warehoused. These conditions have now been largely corrected.

Resident ambassador program. The Monitor pest team created a plan for a resident ambassador program that would partner selected residents with the PMD to coach and assist other residents who have scheduled in-unit pest extermination or related repair work. The aim is to have units properly prepared so that pest control work can be effectively accomplished.

Measuring pest populations. In February 2024, the Monitor presented NYCHA with a proposed methodology to meet the Agreement obligation to measure development pest populations. This enabled NYCHA to set baselines for all its pest populations to better assess whether measures deployed are working. The methodology is contained in the Pest Management Outcomes Dashboard.

PHAS/Inspections

Action plan. In late 2019, the Monitor worked with NYCHA to complete the PHAS Action Plan as required under the Agreement. The plan sets forth NYCHA’s protocols for preparing for PHAS inspections, including training intended to prevent deceptive practices that undermine the integrity of the inspections. Implementation of the action plan has greatly improved the quality and quantity of PHAS inspections.

Training. Starting in late 2019, the Monitor worked with NYCHA to ensure that all staff were trained under the new PHAS protocols as required under the Agreement and Compliance requirements under the Action Plan. This included training in Compliance 101 and in PHAS standards for maintenance personnel and caretakers. Altogether, NYCHA trained over 9,000 of its management, property management staff, and line staff in Compliance 101 and over 6,000 maintenance and caretaker staff PHAS protocols, procedures, and requirements. Training is ongoing for the new National Standards for the Physical Inspection of Real Estate (“NSPIRE”) that now apply to PHAS.

PHAS Annual Inspection Action Plan. The Monitor worked with NYCHA, HUD and the SDNY to draft and implement an Annual PHAS Inspection Action Plan which is now being followed by NYCHA.

Annual inspections dashboards. The Monitor team worked with NYCHA to create an annual inspections dashboard that provides detailed information about general unit conditions and needed maintenance and repair identified through the inspections.

Documenting inspections. The Monitor team worked with NYCHA to create and use an electronic method (via a handheld device) to record Supervisory Inspections of Buildings and Grounds and Supervisory Inspections of Skilled Trades Workers.

Achievements in Other NYCHA Areas

Procurement

Improving procurement procedures. The Monitor team worked with NYCHA's Procurement Department to improve its processes and ability to provide NYCHA with the goods and services needed for its operations. NYCHA's Procurement Department has been innovative and effective and has produced significant improvements. As part of this effort, the Monitor examined NYCHA's procurement of contractors performing maintenance and installation work in apartments and developments and uncovered repeated instances of contractors being hired who were not properly vetted, contracts that did not sufficiently describe the scope of work required, insufficient contractor oversight by NYCHA staff, and repeated approval of payments for inadequately performed work. The Monitor also uncovered instances of potential fraud by contractors which have been referred to the proper law enforcement agencies for investigation. The Monitor provided these observations directly to NYCHA and has made related recommendations. In September 2020, NYCHA onboarded a new Chief Procurement Officer ("CPO"), who has since taken steps to upgrade and revamp the entire procurement process at every level. The Monitor worked closely with the CPO and his staff on various initiatives, including on establishing comprehensive inventory measures to manage the many repair parts storerooms across NYCHA that currently lack adequate inventory controls. Also, progress was made to increase Section 3 hiring, and a program was crafted to better vet contractors seeking work with NYCHA.

Capital Projects

Better project delivery. The Monitor team worked with NYCHA's Capital Division (Asset & Capital Management or "A&CM") to improve its delivery of capital projects required under the Agreement. This includes new heating systems, elevators, and waste management infrastructure projects. The Monitor team conducted regular project field inspections, performed data analysis, drafted reports, and provided findings to NYCHA. The Monitor's SMEs also worked with NYCHA to better address challenges in timely completing these projects, including inputting more accurate and complete project information in its project management database, *e-Builder*. The Monitor team created a capital projects dashboard for NYCHA to better assess and track NYCHA project performance. Additionally, the Monitor team reviewed and provided recommendations to A&CM on its recently updated capital project management procedures, which are improving NYCHA's project management delivery.

Mapping and inspections. The Monitor team completed capital project procedure mapping and conducted progress inspections of ongoing capital projects for heat and elevators. The Monitor observed and recorded NYCHA's latest construction costs and schedules from the on-site construction managers, compared this information with the baseline schedule and budget contained in its *e-builder* data, and investigated the potential root causes of delays and over budget costs. In 2021, the Monitor also finalized a multi-pronged strategy to assess NYCHA's capital program organization, capital program planning and management procedures, and capital project delivery. This strategy assisted the Monitor in responding to the request by HUD and SDNY to assess NYCHA's capital project performance and the probability that NYCHA can deliver the capital projects required by the HUD Agreement within scope and schedule. The strategy included a review of data and information contained in NYCHA's *e-builder* and other internal data systems, on-site visits to a sample of projects each month, and follow-up meetings with NYCHA project managers. The Monitor provided to NYCHA three-level monthly reports consisting of an overall program summary, a program

level assessment of NYCHA's progress against the HUD Agreement, and project specific assessments. These reports included content on progress to date, areas of concern, and recommended good practices for A&CM's program and project delivery.

Dashboards. The Monitor's capital oversight team developed performance dashboards to assess A&CM's overall construction progress for all projects required under the Agreement. Utilizing data extracted from A&CM's project management information system and information obtained from onsite observations and attendance at project meetings, the Monitor team assessed the overall performance of the projects. The reporting framework consists of detailed analyses of specific projects, a summary overview of findings, and trend reports. These reports allow the team to quickly identify performance issues and trends across all the projects that are impacting or might impact the delivery of asset replacements within the scheduled timeframe and identify common performance improvement areas. For example, the dashboards enable NYCHA and the Monitor to identify cost overruns and performance issues, and to ensure that contractual milestones are successfully met. These findings and trends were discussed with NYCHA. The associated dashboards were provided to A&CM.

Capital action plans. The Monitor, in conjunction with NYCHA, drafted and subsequently approved a City Capital Action Plan (CCAP) for New York City-funded capital projects totaling \$2.2 million and a Grant Disbursement Action Plan for state-funded capital projects for development boiler and elevator replacements totaling \$450 million.

Selection of sites for lead and mold abatement. The CCAP includes \$451 million in funding for lead abatement and a comprehensive approach to mold at two developments. Prior to approval of the CCAP, the Monitor conducted a review of NYCHA's project selection criteria and the projects initially proposed for Comprehensive Modernization. The Monitor's analysis led to NYCHA replacing one of the developments with another development that had a larger number of mold and lead issues.

Training. At NYCHA's request, the Monitor team worked with A&CM to develop and implement a capital project delivery training program. The training program follows the Construction Management Association of America's (CMAA) guidelines, one of the largest construction management professional organizations in the United States. A&CM is a corporate member of the CMAA and is proactively using the training to support individuals' progress through the CMAA professional qualification program. Achieving this professional qualification is a significant achievement for an individual and is held in high regard by the industry. A&CM's alignment to this and the AIA professional qualifications demonstrates A&CM's drive to continually improve and build an organization with highly trained and skilled individuals.

NYCHA Safety and Security

Safety plans. The Monitor team worked with NYCHA's Office of Safety & Security to assess the safety plans they are drafting for every development so that safety and security challenges are accurately identified, and effective remediation plans are drafted to address them.

Security equipment review. The Monitor field examiners conducted a review of doors, intercoms, and cameras throughout NYCHA developments, memorialized in *Fastfield* reports, and determined that upgrades to all of these systems were necessary. These reports were provided to NYCHA's Office of Safety and Security.

Fire dampers. As discussed above, the Monitor supported NYCHA's plan to include fire damper installations as a critical component of the overall ventilation project as they are a necessary fire-safety measure to help prevent fires from spreading through ventilation systems. NYCHA conducted an initial small pilot project for the installation of new fire dampers for the purpose of assessing installation methods and costs. The pilot was successful and NYCHA is expanding the damper replacements as funding allows.

Review of security guards. The Monitor conducted an extensive review of NYCHA's contract with, and employment of the security companies it hired and their work as security and fire watch guards. The Monitor discovered numerous instances of security company personal not reporting to work, leaving their posts early, fraudulently filling out time and attendance documents, and other possibly illegal activities. The Monitor reported these findings to NYCHA's Office of Safety and Security, as well as the NYCHA Inspector General, HUD, and SDNY.

Review of gas stove installations. Field examiners conducted a six-month focus on the Cypress Houses in Brooklyn and specific employees who appeared to be violating NYCHA protocols regarding the safe installation of gas-powered stoves (which were being installed by maintenance workers and not plumbers in violation of New York City regulations). The Monitor field team learned of other violations including possibly leaving work early and what appeared to be the selling of NYCHA property for cash at local scrap yards. This information was shared with the NYCHA Inspector General.

Storage room inspections. Monitor field examiners conducted inspections of development storage rooms and found that in many developments (including pest storage rooms as described above), development management was unaware of the available rooms and the items they were required to contain. During the inspections, the field examiners discovered rooms with vital material such as cabinets, doors, plumbing materials, smoke detectors, tub enclosures, and other crucial NYCHA material needed for daily maintenance that were not properly inventoried and had no proper inventory controls to assess what was delivered to and taken from the storerooms. Also, the storerooms were often not properly secured. These findings were documented and reported to NYCHA development leadership and the Procurement Unit.

Community and Resident Engagement

Outreach and engagement with residents and resident leaders. In addition to the CAC, which has resident committee members from every borough, the Monitor team conducted extensive outreach to and contact with residents at every development to better understand their issues and concerns. The Monitor maintained a website that enabled residents to bring specific problems to the Monitor's attention. The Monitor referred hundreds of resident complaints and other issues to the proper NYCHA office for amelioration.

Creation of the NYCHA Capital Tracker. The NYCHA Capital tracker (based on *e-Builder* project data) was developed as a result of the CAC. This tracker enables residents and other stakeholders to gain an understanding of capital projects within developments, districts, or boroughs. A&CM recently demonstrated the latest version of the tracker for the CAC, which incorporates many of the recommendations made by the committee, especially CAC resident leaders.

The development of a CAC Safety and Security work group. The Monitor Community & Resident Engagement team helped to facilitate the development of a CAC Safety and Security workgroup to review and develop solutions for resident security concerns. This served to strengthen collaboration between the NYPD, FDNY, NYCHA and the Monitor team to improve safety at developments.

Resident Roundtable. The Monitor Community & Resident Engagement team participated with NYCHA in meetings with the Resident Roundtable which was established by NYCHA to assist with finding solutions for operational issues (as part of NYCHA's Transformation Plan, see below). The Roundtable has worked productively for the last two years consulting with other residents, conducting surveys, and formulating recommendations of measures and procedures NYCHA should adopt to improve its operations, particularly those areas of greatest concern to residents.

Organization Plan

Assessment of NYCHA's existing structures and organization. In 2019, working with the New York City Law Department, the City entered a contract for consultant services to conduct an "as is" assessment of NYCHA's existing structures and organization, as a first step in creating a new organizational plan. The Monitor and representatives of the City drafted the scope of work for this assessment and worked together to evaluate proposals resulting in the onboarding of the consultant. In late 2019, the consultant issued a detailed report on NYCHA's then current state, which included numerous specific recommendations for NYCHA to reform its organizational structure going forward.

Establishment of NYCHA's new organizational plan. The Monitor worked with NYCHA, the SDNY and HUD to establish NYCHA's new organizational plan (based on the "Neighborhood Model"). The Neighborhood Model is focused on decentralizing NYCHA's existing property management structure so that the boroughs, neighborhoods (small clusters of contiguous developments) and developments have greater management authority and responsibility. This work will continue into the next phase of the Monitorship.

Implementation of the Transformation Plan. NYCHA established working groups to begin implementing the 40 strategies identified in the Transformation Plan. The Monitor participated and provided ideas in these working sessions and directed feedback to NYCHA to strategize the implementation of changes on topics and create methods to track and report on compliance with the Transformation Plan.

Implementation of the Neighborhood Model. The Monitor facilitated working sessions to review and finalize the Phase 1 of the Neighborhood Model which was completed in February 2022. As part of this work, the Monitor initiated multiple working sessions with NYCHA to discuss and further define the Neighborhood Model. Starting in June 2023, and continuing through the beginning of 2024, the Monitor team conducted individual working group interview sessions with all of NYCHA's operational units, as well as other units such as Procurement.

Borough monitoring. The Monitor's Borough Monitoring team observed, assessed, and evaluated NYCHA's progress in rolling out the Neighborhood Model. The team conducted several hundred interviews of NYCHA managers at the development, neighborhood, and borough levels, and observed and reported on conditions at every development. The team focused on NYCHA's strategies to improve operations, including property-based budgeting, lease enforcement, procurement, human resources, staff roles and responsibilities, and interactions between property management and the pillar service areas (heat, elevators, waste management, pest control, lead-based paint and mold repairs). The team provided NYCHA with detailed quarterly reports of its findings and assessments.

Bylaw amendments. The Monitor reviewed NYCHA's governance framework and provided recommendations to NYCHA and edits to proposed bylaw amendments. The Monitor also conducted a review and provided recommendations in connection with the creation and proper functioning of board committees. In particular, the Monitor pressed NYCHA to separate the CEO and Board Chair positions, which had always been a combined position. NYCHA agreed and, starting with the appointment of the current NYCHA CEO in 2023, there has been a separate Board Chair, who was appointed in mid-2023.

Skills assessments. NYCHA, assisted by the Monitor team, successfully completed a skills assessment of NYCHA maintenance workers and caretakers to analyze skill gaps. The Monitor team focused on three main areas of NYCHA's transformation including skills assessment and training, accountability, and the Neighborhood Model. In addition, the onsite skills assessments provided a reference point needed to evaluate the core training needs for caretakers and maintenance workers across the organization.

The Monitor team also drafted a plan to improve accountability throughout NYCHA (Accountability Framework). This plan is intended to serve as the framework for the Phase 2 Implementation Plan.

Coordination. NYCHA, the Monitor, and HUD worked collaboratively to develop a central office integration model which has started to provide key information on existing processes and methods to increase efficiency and interactions between departments. Since mid-2023, these stakeholders have been conducting regular steering committee meetings to better define and implement aspects of the model. The Monitor team also assisted NYCHA with subject matter expertise on its initiatives to advance an asset information strategy, data governance, procurement, change management, and the establishment of a program management office. The Monitor assisted in the review process for the asset information strategy.

Corruption

Beginning in 2019, the Monitor team continuously uncovered various corrupt practices that significantly harmed NYCHA's operations and finances, and deprived residents of the quality services. All such evidence was shared with appropriate law enforcement authorities for criminal investigation. We are not including details of these cases in this report, as the criminal cases have not yet been adjudicated.

Despite challenges presented by COVID-19, the Monitor began holding regular operational meetings with NYCHA to address the lack of oversight of NYCHA vendors and staff. Meetings began in January 2021 and were usually attended by NYCHA's General Manager, the Chief of Compliance, and the Vice President of NYCHA's Office of Environmental Health and Safety. We met with NYCHA regularly for approximately a year into early 2022. During these meetings, the Monitor team raised specific examples and identified systemic issues that created added risk in connection with contract management, vendor oversight, quality control and safety compliance. Issues were discussed based on information the Monitor observed or obtained in interviews with staff in the field. We discussed issues with the goal of pushing NYCHA's management team to effect reforms, improve controls, and hold vendors and staff accountable. One topic the Monitor team persistently raised was the need for operations personnel to take steps in the broader procurement process to ensure internal controls were in place. Some examples of issues brought to NYCHA's attention included:

- Vendors' failure to adhere to mold remediation and removal procedures by skim coating plaster over mold conditions.
- Lack of supervision for contracted security personnel who were often not at assigned posts/buildings when required.
- Failure to maintain and audit logbooks for contracted security personnel.
- General lack of oversight of vendors whose presence at developments and team identities were not adequately recorded (e.g., incomplete entries in notebooks kept in development offices).
- Failure to perform quality control inspections after various types of contracted work.

The Monitor team proposed solutions and recommendations to NYCHA. Ideas included creating a Safety and Security Technician role, which would be responsible to oversee contracted security and fire safety vendors, developing new vendor sign-in procedures, monitoring vendor licenses, and conducting audit inspections. The Monitor drafted a job description for the Safety and Security Technician.

Acceptance of recommendations has been slow. NYCHA has developed a pilot to test a new virtual logbook, intended to capture information about vendors and its employees when they sign in to do work at a development. However, after reviewing the pilot, it was determined that the virtual logbook is not yet ready for system-wide use.

Through 2023, Monitor field examiners continued to develop evidence of corrupt practices involving NYCHA development personnel and vendors. All such information was conveyed to law enforcement, and in many cases to NYCHA executives (without identifying informants). We received helpful assistance from various labor unions.

The abuse of micro purchase contracts at NYCHA has been an open secret for many years. NYCHA was alerted about this by the Monitor and others as early as 2019. Thousands of checks have been issued by the City of New York over the last five years for amounts just slightly less than the micro purchase cap. We regularly shared with NYCHA officials our concerns about vendor and employee corruption. In 2021, various prophylactic recommendations in this regard were made to NYCHA by the City Department of Investigation. NYCHA has recently taken steps to prevent micro purchase abuse and has accepted 14 recommendations made by DOI after the federal takedown, some of which were previously declined by NYCHA. See, [DOI Recommendations](#).

Since before the federal investigations became public, due in part to changes to the micro purchase procurement process, there has been a reduction in the number of micro purchases over the course of the last several years. In 2019, as authorized by HUD rules, NYCHA increased the ceiling for micro purchases to \$10,000. This had a marginal impact on reducing the number of micro purchases required to complete local work. In 2020, after an independent consultant assessed procurement, micro purchases were identified as an area within the portfolio that could improve.

As part of SMPD's (Procurement) strategic plan to improve the entirety of NYCHA's procurement portfolio, three programmatic initiatives have further contributed to the reduction: (1) the increase of indefinite delivery indefinite quantity contracts ("IDIQ"); (2) the development of a template for micro purchases; and (3) mapping resources to development needs. IDIQ contracts limit the number of "one-off" vendors, increase staff-reliance on vendors that have been fully vetted, and improve consistency across the organization. By increasing the number of IDIQ contracts based on data from developments regarding procurement needs, access to services and ability for oversight simultaneously increase.

NYCHA developed a micro purchase template in 2022, which was introduced in January 2023. SMPD worked together with Compliance to develop a template that breaks out costs for labor, materials, profit and overhead. This effort was a risk mitigation strategy that sought to improve transparency by requiring a level of specificity in micro purchases.

SMPD also has worked on mapping resource needs of developments. This effort focused on identifying the resources required by developments to perform basic maintenance and service functions. Forecasting material needs has always been difficult for NYCHA operations. SMPD has worked with local developments to help identify needs, improve access to materials, and educate local staff on where and how to procure materials. This has improved the use of existing channels for materials and contributed to a reduction in micro purchases.

As a final observation, we note that although the 55 current employees arrested on February 6th were immediately suspended without pay, under Civil Service rules, the no-pay period cannot exceed 30 days. Thus, the 55 defendant employees resume collecting pay and benefits after 30 days. Without resolution of the criminal cases through plea agreements or conviction after trial, this will cost NYCHA approximately \$170,000 per week. However, HUD is empowered to take administrative action against public housing authority employees in "debarment" proceedings.

Myths

Sometimes NYCHA is too quick to assume the worst rather than plan how to achieve constructive outcomes. A prime example is the current reduction of apartment units in NYCHA via PACT, without any reduction in staff. The uniform response to

our questions about this was that NYCHA employees working in developments that went PACT had the right to elect to stay as NYCHA employees. I asked to see the documents that supported this in the hope that I could find a loophole. It turned out there were no such documents, although NYCHA believed that there were and managed its operations based on that mistaken assumption. But this goes further. NYCHA now thinks that although there will be even fewer apartments in its system, by the tens of thousands, it still believes that it will need even more employees than it now has. The apparent rationale is that the buildings will be older and therefore will need more care. Even one senior HUD executive has adopted and espoused this theory. But NYCHA is making this questionable judgment based on its current ability to manage, not on the improvements in productivity and oversight that the HUD Agreement should deliver. NYCHA knows productivity is a serious issue at NYCHA, so to make decisions based on the current low productivity is a grave mistake and self-defeating.

Conclusion

There is no question that NYCHA has made significant progress towards achieving the goals of the HUD Agreement. Though progress will continue to be made, there will of course be a limit to what NYCHA can achieve based on its constrained resources and the condition of its properties. My office has done everything in its power to work with NYCHA and the federal stakeholders to push NYCHA towards peak performance. Much work remains to be done especially in the areas of Organization, Governance and Operations (and all its component departments). Cultural change will be necessary to achieve NYCHA's goal of becoming a truly service-oriented agency, and gain the trust of residents, and their belief that NYCHA cares about the quality of life in their developments.

DISCUSSION OF SPECIFIC PILLARS

Since the start of the monitorship, each of the “pillars” (the substantive areas addressed in the Agreement) have experienced marked improvements. Even more importantly, with the Monitor's help, NYCHA has created structures and developed tools for their continued development. This section of the Monitor report focuses on the current state condition, achievements, challenges, and critical next steps for each of the pillars.¹

Heating Services

Overview

Agreement obligations for NYCHA's heating services largely focus on minimizing the number and duration of heating outages and contain individual unit heating performance metric goals.² The Agreement also required that NYCHA immediately establish an internal oversight structure to investigate outages greater than 12 hours (handled by NYCHA's Environmental Health & Safety Heat Oversight Team), and create a Heat Desk to report all outages to stakeholders, as well as complete capital projects for set numbers of heating system replacements (generally boilers) during the Monitorship (the work of NYCHA's Asset & Capital

¹ The reader's attention is directed to the Agreement Trackers for each pillar which summarize NYCHA's compliance with Agreement obligations. See, [Agreement Trackers](#).

² Heating outages can affect a limited part of a building or extend throughout the building (or even encompass an entire development). The root cause is generally a single source – often a malfunctioning boiler or major blockage in the building's steam heat system – that cuts off sufficient heat to affected units.

Management department or A&CM). The Monitor has collaborated with EHS in its work to properly identify the root causes for NYCHA's most significant heating service failures and has made corresponding recommendations for system improvements³.

The advanced age and poor condition of much of NYCHA's heating equipment and general poor building infrastructure (e.g., leaking risers, bursting supply and waste pipes flooding boiler rooms and otherwise damaging equipment) adversely affect NYCHA's heating services. These remain NYCHA's greatest impediments to providing residents with proper heat and hot water. In addition to replacing its poorest performing boilers, there is also the need to replace other heating equipment including many of its condensate and vacuum tanks and other core heating equipment, and especially many of the pipes and valves in building heating distribution systems.⁴ Other challenges include incomplete data regarding prior maintenance work, including work performed in response to outages, as well as incomplete equipment condition data which limits NYCHA's ability to prioritize needed replacements and repairs. This is exacerbated by the lack of sufficient funds to keep up with needed repairs and replacements, e.g., those needed to address steam leaks and other distribution system equipment breakdowns.

Despite the challenges, the Heating Management Services Department ("HMSD"), which manages NYCHA's heat-related services, has made significant improvements, especially in the last two years. As recommended by the Monitor, recent restructuring has provided HMSD with more staff, increasing its capacity to respond to outages and perform necessary equipment maintenance more effectively. See, [Monitor Heat Season Reports](#). NYCHA has begun to address employee productivity issues including insufficiently trained line heating staff and inadequate management of heating staff. HMSD now has the capacity to immediately place its new heating staff into its comprehensive training course, rather than having to wait several months after they have been onboarded as it had been doing. In collaboration with the Monitor team and EHS, over the last two summers HMSD has also markedly improved the design and execution of its summer heating preventive maintenance (PM) program, including its implementation and management of the program. See, [Monitor Heat Preventive Maintenance Reports](#). The months between heating seasons are a key time for HMSD as equipment can be shut down and drained of water for cleaning, maintenance, and repairs, preventing future problems.

With the progress HMSD has made since the start of the monitorship, it is now largely in compliance with Agreement performance obligations related to heating outages. More importantly, it has now developed operational structures with the Monitor's help and has acquired the strong leadership necessary to continue these improvements. These structures include the better collection and use of its data and its heat training plan that focuses on the development of the NYCHA Heat Lab (scheduled for completion in the fourth quarter of 2024).

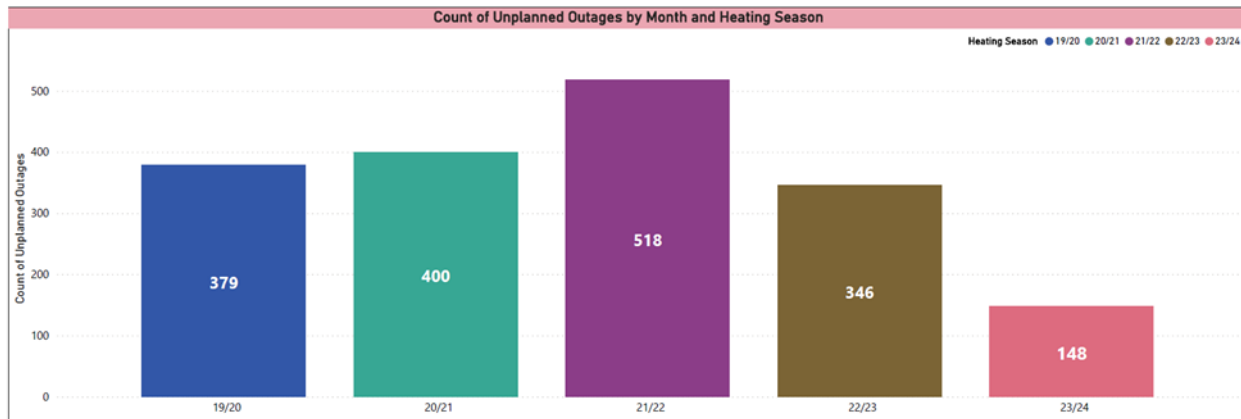
Stakeholders have yet to agree on a method to measure individual apartment heating failures. Thus, it is not possible to understand why or when these heating failures occur. NYCHA has worked with both the Monitor and SDNY to explore potential apartment temperature sensor technology for this purpose. To date, nothing has been found suitable. NYCHA must therefore rely on residents filing complaints when they have insufficient heat and the resulting data that is collected when HMSD staff respond, assess, and make repairs. This data historically has been poor and incomplete, and the Monitor has been working with HMSD to improve its accuracy and completeness, so that NYCHA has a more comprehensive understanding of the scope of these heating problems separate from outages.

³ The EH&S Heat Oversight Team regularly investigates outages, prepares a Root Cause Analysis Report ("RCFA") for each, that is provided to NYCHA's Heating Department. An example RCFA may be found here, [RCFA Example](#).

⁴ As described in greater detail in this report, the Monitor's capital projects SMEs worked closely with A&CM to improve its project delivery in this area and others.

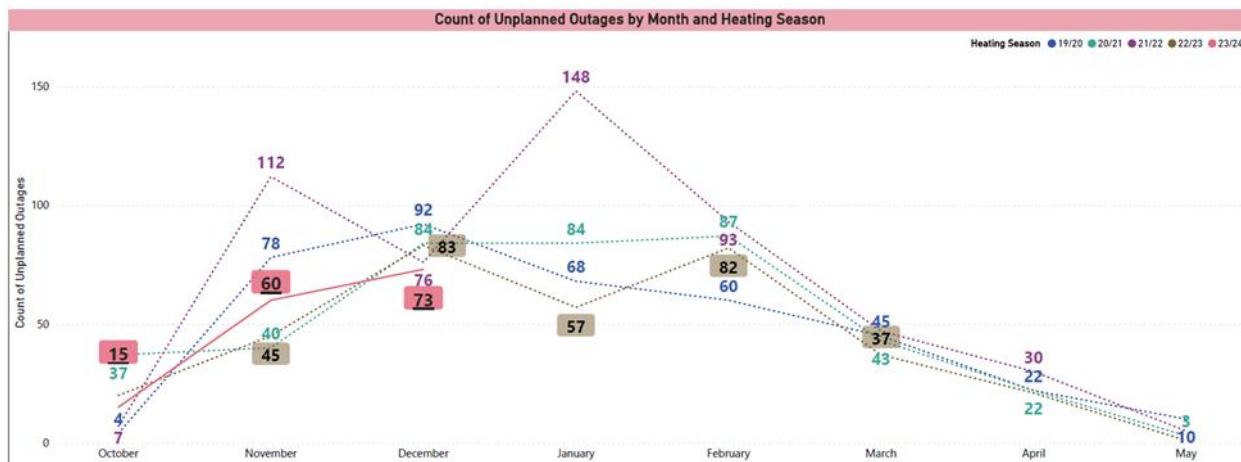
Compliance with Agreement Obligations

The Agreement requires temperatures in apartments to be at least 68 degrees between 6 a.m. and 10 p.m. when outside temperatures fall below 55 degrees. Additionally, between 10 p.m. and 6 a.m., unit minimum temperatures are required to be at least 62 degrees. While NYCHA does not have the ability to consistently measure unit temperatures, heating outages are minimized throughout the heating season. See, [Monitor Heat Season Reports](#). The diagram below shows the count of unplanned (i.e., unanticipated) outages by heating season.



Heating season comparison (Data for 2023/2024 heating season is through the end of December 2023)

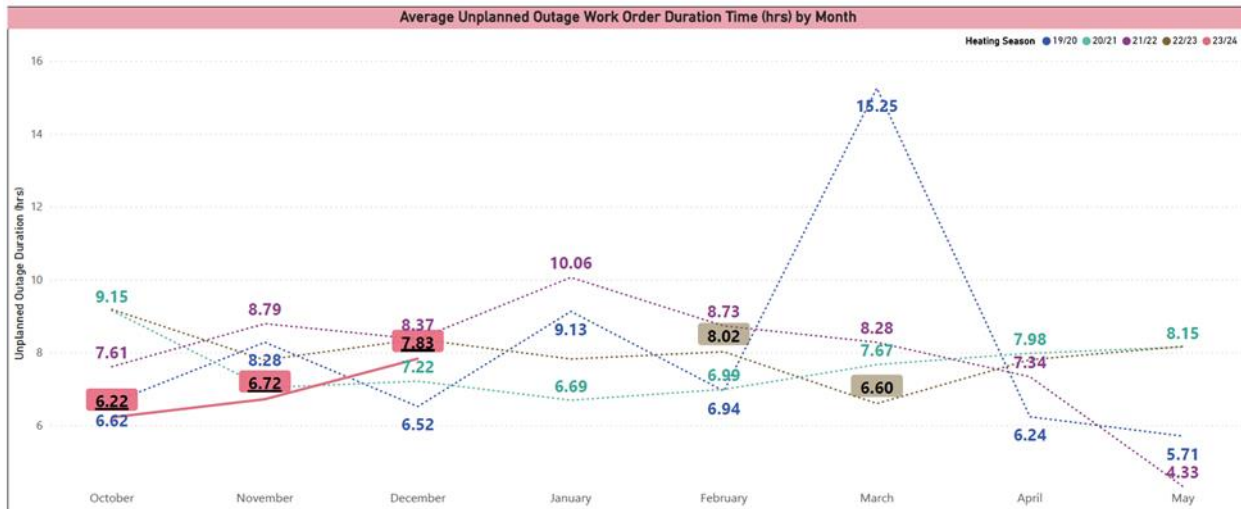
There were 346 unplanned heating outages in the 2022/2023 heating season compared to 518 outages during the 2021/2022 heating season (likely the result of curtailed maintenance during the Covid-19 pandemic). Outages in the current 2023/2024 heating season, through end of December 2023 total 148. Total outages in the 2022/2023 heating season were also the lowest in the past four years. Improvements experienced in the 2022/2023 heating season were largely attributed to an improved 2022 Summer PM program, effective utilization of a vendor for assistance, and improved processes and adherence to the SOP throughout the heating season. The experience from the 2022 Summer PM program was carried over into the 2023 Summer PM program and improved performance is expected in the 2023/2024 heating season.



Outage count comparison by month and heating season (Data for 2023/2024 heating season is through the end of December 2023)

Though heating assets continue to degrade and age, current heating season outages are at or below the historical average.

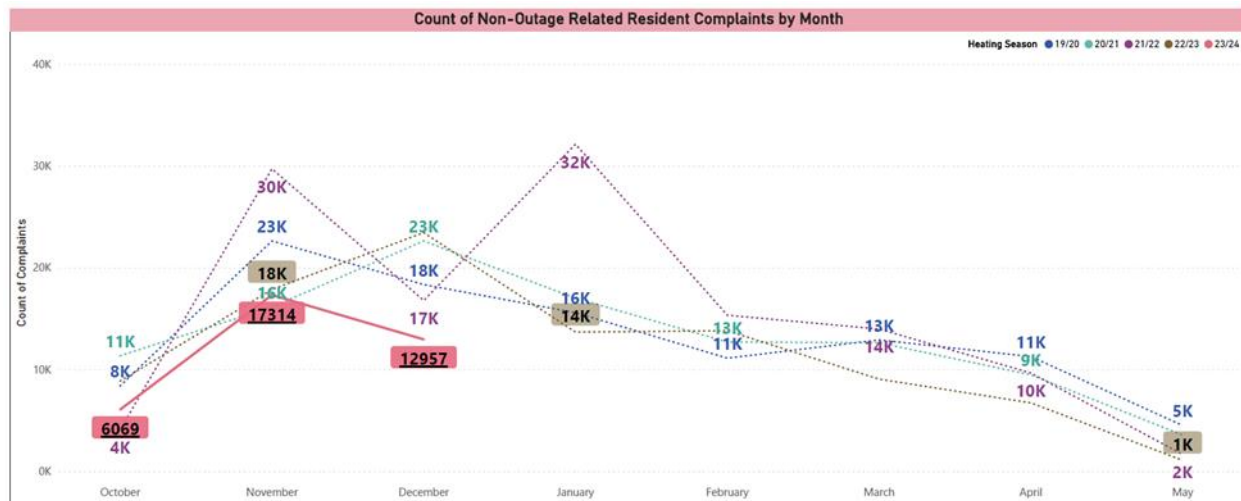
The Agreement requires that NYCHA restore heat to units experiencing heating shortages within an average of 12 hours. The diagram below shows average work order duration times. In the last three heating seasons, monthly average response times remained below 12 hours.



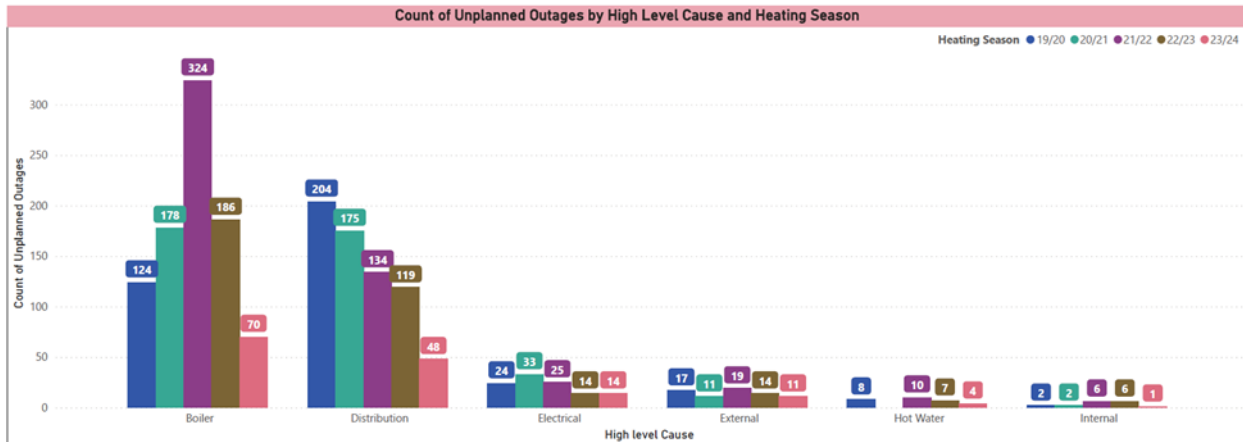
Outage duration by month and heating season (Data for 2023/2024 heating season is through the end of December 2023)

The data indicate that outage durations for the current heating season are at or below the average of the past years, indicating efforts to respond and resolve outages quickly.

Complaints from residents that they have no heat indicate that there is a unit heat outage or a broader development outage. The diagram below shows the count of complaints by month and heating season.



Count of resident complaints by month and heating season (Data for 2023/2024 heating season is through the end of December 2023). Illustrated above is the count of resident complaints by month and heating season. The number of resident complaints by month for the current heating season are lower than the same time in most past years.



Outage root causes by heating season (Data for 2023/2024 heating season is through the end of December 2023)

The graphic above indicates that boiler outages are the most predominant root cause, followed by distribution system outages. It indicates a downward trend in the number of outages for both boilers and distribution systems, attributed to more enhanced PM activities in the summers of 2022 and 2023. Note that there are some discrepancies in the root cause failure coding entered as part of outage work order submissions, resulting in outages coded incorrectly. Some boiler outages may be distribution outages but coded as boiler outages.

Boiler outages are typically outages caused by failure of a boiler or its components such as the burner assembly. Distribution outages are attributed to the failure of a distribution system component such as distribution steam stop, condensate tank, vacuum tank, zone valve, etc. Electrical outages may be attributed to factors such as power surges or Consolidated Edison power outages. Hot water outages may be attributed to issues with the hot water heaters or hot water lines. Internal outages may be caused by issues such as flooding or sewage incursion into the tank room.

Recommendations for Improvement

NYCHA’s heating distribution systems are as old as the buildings themselves, have not been consistently maintained and most should have been replaced years ago. The risk associated with these systems is considerable, as they are not above ground and easily visible; this risk is increasing as these systems age. Problems with heat distribution systems include leaking and blocked pipes and inoperable valves that, when not addressed, only get worse. It is not a question of whether these systems will fail, but when. For example, at a senior building at a Bronx development just prior to the 2022/2023 heating season. NYCHA had to relocate all the residents because the building’s distribution system had become so fragile that it was likely to completely breakdown during the winter. The building was vacated in the early fall of 2022 so that the work to replace this and other building systems could begin. There are other NYCHA buildings with similar problems and the number is continually increasing.

Until recently, NYCHA’s heat capital program almost exclusively focused on identifying and replacing its worst performing equipment used for heat production – mainly boilers. This was done despite concerns expressed by members of the Monitor’s heat and capital project team from the start of their work that distribution systems must also be included as part of

these project designs. HMSD has also been sounding this alarm to NYCHA leadership. NYCHA's inability to address its ailing distribution systems was somewhat understandable given the significant replacement costs and logistical complexities of performing this work, particularly because residents would likely have to be relocated for many months.⁵

HMSD and A&CM must continue to work together to identify the worst performing sites and undertake the specific repair and smaller capital work necessary to keep them operational until they can be replaced. This often includes installing valves and other equipment and working with local property management to deploy measures to reduce stress and temperature "shock" to pipes and other distribution equipment that weakens them and leads to breaks. Apartments should be better insulated to cut down on drafts. HMSD must also increase its efforts to ensure that feed water is properly treated in every heating plant, which greatly reduces heating system corrosion. The Monitor team determined that NYCHA has not been consistently treating the water used in its heating systems for many years, and NYCHA is working to improve performance in this regard.

HMSD does not have sufficient funding to complete all the needed repair projects. For example, HMSD continues to struggle to fund repairs of the many steam leaks that plague heating services at several developments. This is especially true regarding the leaks that exist in the steam lines that run from boiler rooms to other development buildings serviced by the single boiler room. HMSD currently has over \$20 million in steam leak repairs it cannot cover. Unaddressed, the leaks become larger over time and eventually completely prevent the piping from transporting steam, shutting down the system. At a few sites, the leaks are so debilitating and expensive to repair that HMSD has had to install mobile boilers for individual buildings that can no longer receive steam from the development's boiler room.

The longer view solution is even more complicated. Decisions must be made on how to best use the funds it does have. NYCHA must decide whether to pursue building modernization (essentially complete building rehabilitations) or tear down existing buildings and construct new ones. There are logistical, political, and other considerations, including having to relocate residents for many months during construction. NYCHA is exploring these and other strategies.

NYCHA is exploring new heating and cooling technologies as alternatives. NYCHA has been running pilots for various new heating systems that are all located within individual apartments.⁶ One technology uses window installations in every apartment to provide heat in the winter and air conditioning in the summer. Another new system uses radiant heat from an apartment ceiling installation to provide heat. Both systems run on electricity, and are apartment based. If these new systems are utilized, under proper circumstances, basement equipment and distribution systems are not needed. While these new technologies are in the pilot phases at NYCHA, clearly NYCHA is many years from authority-wide use.

Elevator Services

The Agreement states requirements for the number and duration of NYCHA elevator service outages. The requirements vary depending on whether a building has a single elevator (where a single outage creates a no service condition for that building) or multiple elevators. The obligations for elevator performance are structured to encourage NYCHA to reduce both the number

⁵ Note that in its grant applications to New York State, resulting in a \$450,000,000 grant program, signed in September 2019, almost all the replacements for heat were described as boiler projects. See, GDA Action Plan, [Monitor Approved Action Plans](#).

⁶ The reader's attention is directed to the capital section of this report. See, [City Council Hearings](#). Given the State funding involved, these issues were reported to DASNY.

and duration of service disruptions over time, particularly in circumstances where outages create no service conditions for the building.

More than 60% of NYCHA's elevators are still in use beyond the manufacturer's suggested lifespan. The poor condition of NYCHA's buildings further impairs elevator service, especially leaks and flooding from roofs, walls and building basements that severely impact elevator shafts. Although funding is available, only 69 of the 275 elevator replacement projects required under the Agreement have been completed. Additionally, NYCHA's elevator department (Elevator Services & Repair Department or "ESRD") has too few repair and maintenance field teams to keep up with the maintenance needs of NYCHA's over 3,000 existing elevators. Recent data indicate that elevator teams have only been able to spend about a third of their time performing maintenance work. Responding to outages consumes most of their time.

ESRD has recently improved its ability to onboard new staff and has improved strategies (developed with the Monitor's assistance) to increase work performance, which has led to significant decreases in outages in the last three years. ESRD has worked with the Monitor team and HUD to use all resources available to improve its performance. They have implemented management structures that include use of data analytics (primarily supplied by the Monitor) to create a greater culture of responsibility and accountability at all staff levels. See, [Monitor Elevator Report_09212023](#). Over the last three years, NYCHA has decreased the number of elevator service outages by an average of 12% per year.

In 2019, increased outages were depleting ESRD staff capacity to complete required routine maintenance work, because they were often pulled to address outages. As the quality and frequency of maintenance work declined, the number and duration of elevator outages rose, further consuming time available for maintenance work. This cycle was well established when we started, and once the worst of the pandemic was over, the Monitor worked with ESRD to devise a new strategy to reverse the trend.⁷

This initiative to improve elevator staff performance focused on rethinking and restructuring ESRD's Preventive Maintenance ("PM") procedures so that its field teams would have more time to perform better quality PM. See, [Elevator Preventive Maintenance Reports](#). Given their advanced age and constant hard use, consistent and effective PM is what keeps NYCHA's elevators operational. The result was a decision to establish dedicated maintenance teams who would only focus on PM and not be pulled from their work to respond to outages. They would also be instructed to take the time required to complete PM work properly and to form better lines of communication regarding elevator conditions in their assigned developments between the work teams and managers. The PM initiative also included a plan to improve its elevator maintenance, outage, and repair data so that it was more useful and reliable for assessing the performance of the new PM initiative. Expanding PM program components (especially dedicated PM teams) to additional developments as much as resources will allow is a major piece of NYCHA's overall strategy for its elevator services.

The worst performing elevators in the portfolio must be replaced to reduce the overall number of outages. This will also free time for ESRD teams to concentrate on maintenance work. Additionally, some elevators are now so old that obtaining replacement and repair parts has become a challenge. While NYCHA can fabricate some of these items in-house, obtaining others is becoming increasingly difficult. As with heat distribution systems, NYCHA will soon reach a point where some elevators can

⁷ During much of the pandemic, NYCHA made the decision to curtail planned outages (which are necessary for performing certain maintenance work) that would create no service conditions in its buildings. This was done to help avoid crowded conditions in development stairwells which residents would then have to use to access their apartments.

no longer be kept operational. The Agreement requires NYCHA to address (either directly or through PACT) 425 of its total elevator stock of approximately 3,000 by 2026. While A&CM got off to a slow start with these projects, it is now making better progress. We address the work of A&CM and the progress of its capital project delivery in another section of this report.⁸

Compliance with Agreement Obligations

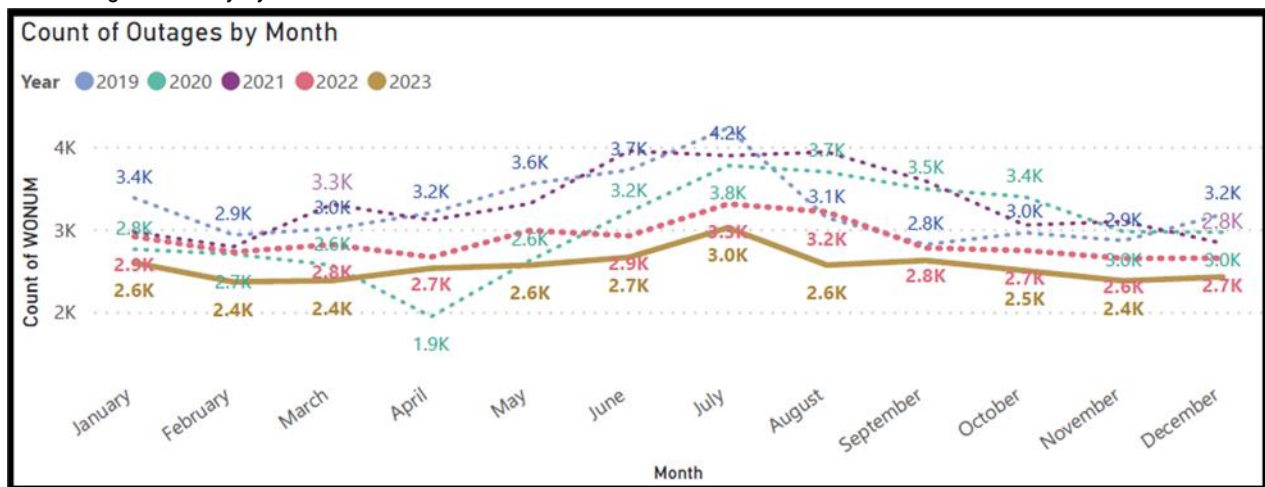
The Agreement obligations for NYCHA elevator services focuses on the number of outages and duration. As a result, the Monitor regularly tracks NYCHA’s elevator performance trends for ongoing assessment. The chart below details the number of outages, outage durations, and repair team response times. It also identifies the developments with the worst performing elevators.

Latest Elevator Performance Trends

Downward Trend for Number of Outages

This section of the report focuses on elevator outage statistics and the most recent trend analysis regarding ongoing performance, number of outages, outage durations, and repair team response time, and identifies the worst-performing elevators. Starting in 2022, NYCHA had a steady decrease in elevator outages and outage duration time. Based on data analysis of outages across the entire portfolio of NYCHA elevators. We anticipate this downward trend to continue in 2024.

Elevator Outage Summary by Month



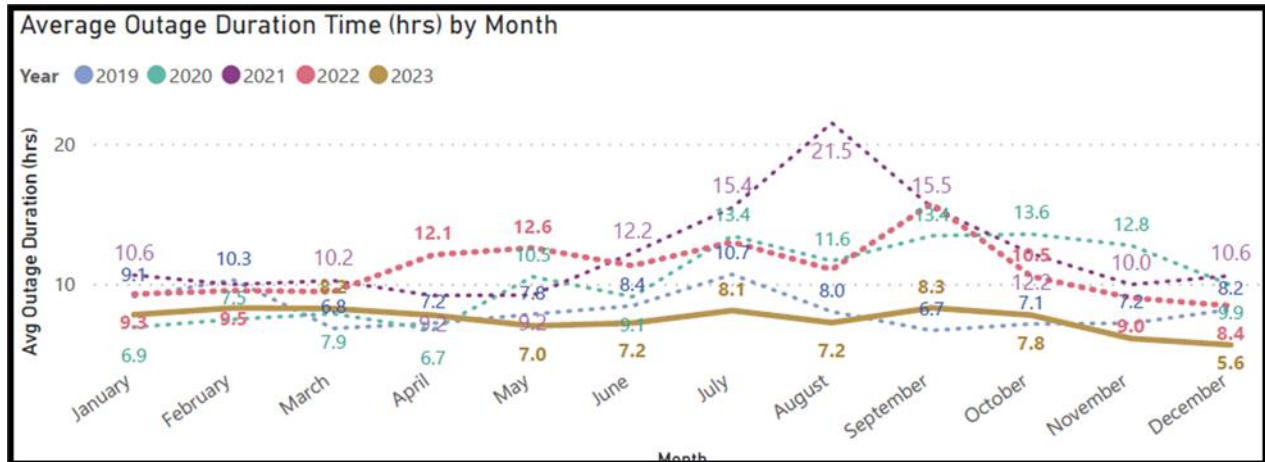
Comparison to Previous Year:

- From January 1, 2023, to December 31, 2023, there were a total of 30,603 outages across the entire portfolio of NYCHA elevators. This was about 11% lower than the 34,362 outages in the same timeframe in 2022.

⁸ See, pp 70 to 73, *infra*, where we address the work of A&CM and the progress of its capital project delivery.

- For the same period, the count of developments affected by elevator outages roughly remained the same, at 225 developments in 2022 and 226 developments this year.
- In 2023, Mitchel (883), Butler (817), and Johnson (600) were the worst-performing developments by the total count of outages.

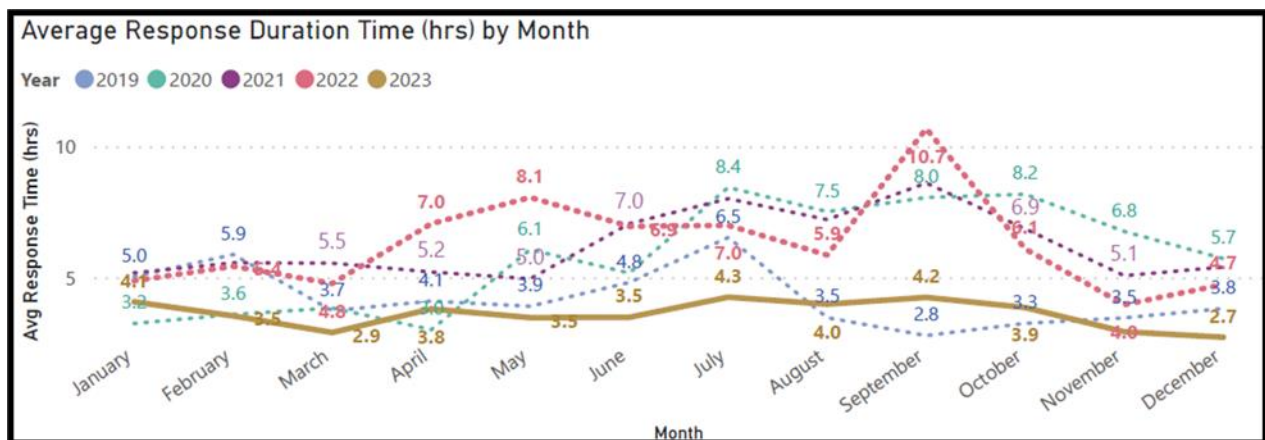
Elevator Outage Duration Summary by Month



Comparison to Previous Year:

- From January 1, 2023, to December 31, 2023, the average outage duration and average response time were both lower than January 1, 2022, to December 31, 2022. (Duration time lower by 32% and response time lower by 42%).
- From January 1, 2023, to December 31, 2023, the average outage duration was 7.47 hours, an improvement from 11.05 hours for the same period last year.

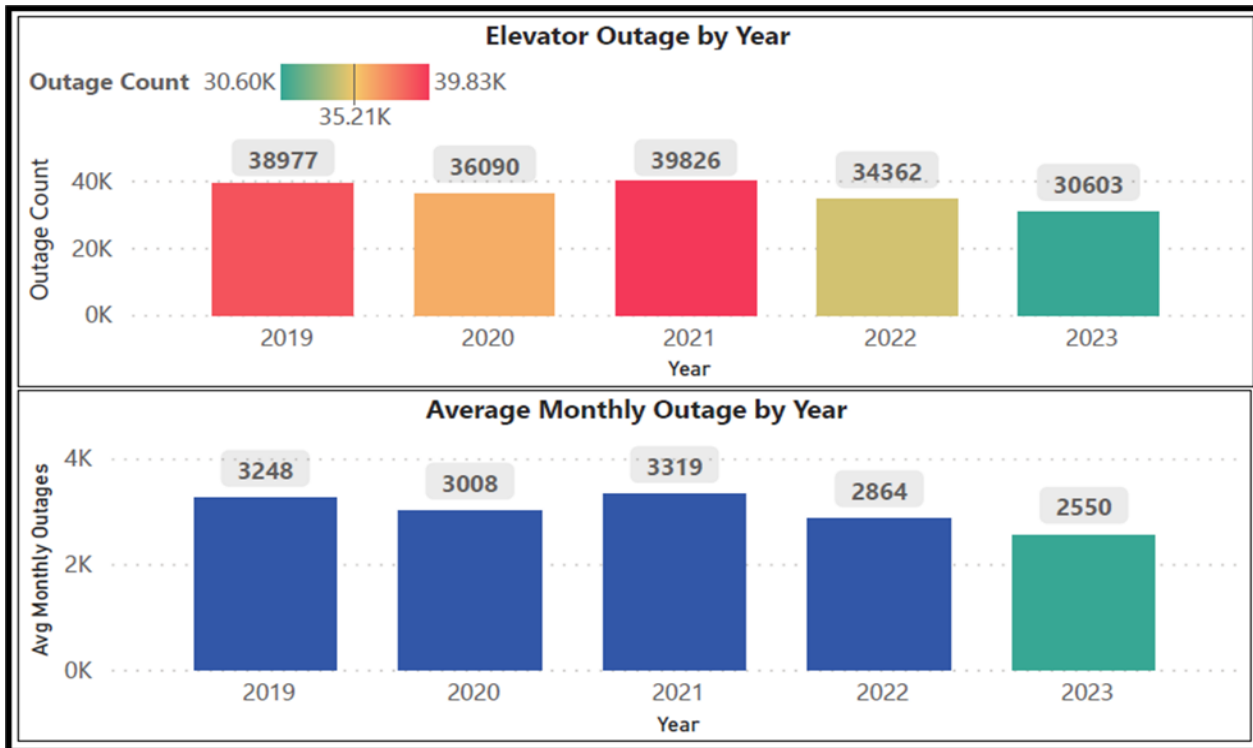
Elevator Response Duration Summary by Month



Comparison to the Previous Year:

- From January 1, 2023, to December 31, 2023, the average response time (length of time from when the outage is first reported to when a repair team arrives to assess the outage) was 3.63 hours, an improvement from 6.31 hours for the same time in the prior year.

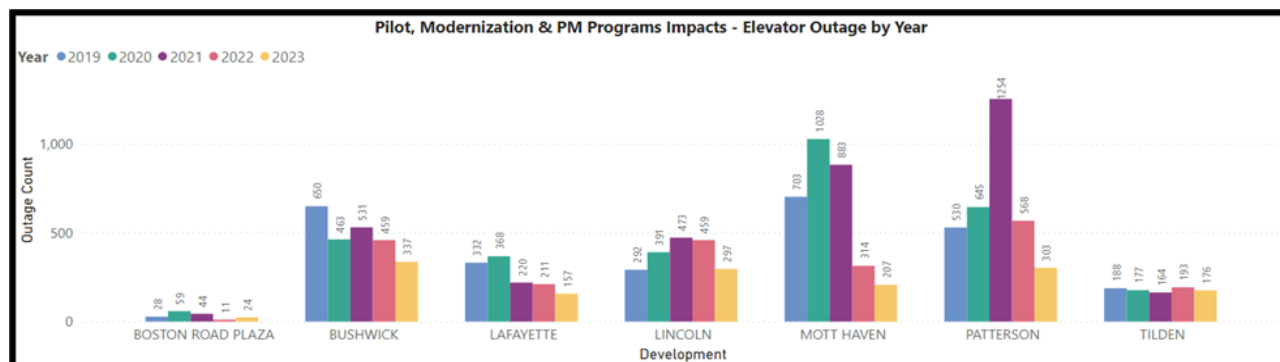
Elevator Performance Trend Analysis



From January 1, 2023, to December 31, 2023, there were 30,603 outages at an average monthly rate of 2,550 across the entire portfolio of NYCHA elevators, approximately 11% lower than the previous year. Based on the current data, we anticipate this downward trend to continue in 2024.

Outage Performance at PM Pilot, Program, Modernization Development

The two Pilots and PM Programs demonstrated that increased staffing and the division of labor between PM and outage teams enabled ESRD to perform more thorough and uninterrupted PM. Based on the data, additional time spent performing PM correlates with the reduction of service outages. The Monitor has continuously observed significant performance improvement at all the PM Program pilots, and at Boston Road Plaza, the site of the first elevator installation completed by A&CM.



The chart above shows the dramatic improvement in annual outage totals for six developments from the start of the monitorship in 2019. As discussed, the pilots at Mott Haven and Patterson took place in 2021 and the PM Programs started in 2023.

Recommendations for Improvement

ESRD should maintain the trajectory for improvement which they have developed over the last few years. This includes:

- Ensuring that data collection is comprehensive and must be used at all staff levels for continued performance improvement.
- Continually promoting a culture of responsibility and accountability among staff to make sure they know how to do their jobs and do them well.
- Properly training field teams on PM procedures so that teams and their supervisors consistently reach and maintain a high level of PM for all their elevators.
- Exploring new technologies that will enable ESRD to understand its elevator conditions more quickly and reliably, especially equipment breakdowns. These include the remote electronic monitoring systems (or “REMS”) which NYCHA was required to install in its elevators under the Agreement. ESRD must continue its efforts to leverage these systems to better enable ESRD to quickly understand elevator conditions, particularly outages.⁹
- Continuing ESRD’s interactions with A&CM and property management on elevator replacement projects to ensure that new elevators are properly designed and installed, and that during construction measures are used to lessen the hardship for building residents as much as possible.
- Improving ESRD communications and interactions with local property management to reduce development building conditions that adversely affect elevator services, such as building leaks, improper use of elevators by development staff, and debris that obstructs elevator doors.
- Continuing to quickly fill open staff positions with experienced candidates, particularly for field teams, so that ESRD can keep up with equipment maintenance and repair demands.

⁹ Currently, a REMS pilot is on-going at Boston Road Plaza and ESRD already started to see improvements and benefits. If fully utilized by NYCHA, elevators in all developments with REMS will be able to alert mechanics in real time to allow them to identify, prevent problems and correct them quickly. The staff no longer need to spend hours trying to troubleshoot parts based on a cold call to dispatch, since they are now alerted of the exact points of failure. As ESRD uses more REMS to monitor its elevator portfolio, there will be a decrease in the duration of the outages that occur.

Lead-Based Paint

NYCHA's compliance with the Agreement and other related federal and local regulations and laws has consistently improved since the Monitorship began in 2019. As a result of comprehensive and precise X-ray fluorescent ("XRF") testing accomplished over the last four years at both the federal testing standard of 1.0 milligrams per cm² and the more rigorous standard required by New York City of 0.5 milligrams per cm² (the ".5 standard"), NYCHA has identified most of the positive components for lead within the apartments in its system.

NYCHA is compelled to comply with HUD's lead safe work rules when disturbing lead in repair work and must abate all lead on its properties by 2039. With some limited exceptions, NYCHA is generally in compliance with the EPA's Renovation, Repair and Painting rule (RRP) required to be followed when more than two square feet of lead paint is disturbed. EPA compliance requires that multiple safety precautions be followed to prevent the spread of lead dust and that proper cleanup be accomplished. HUD regulations also require a dust wipe process whereby samples of any remaining lead particulate which may be present after cleanup from work be gathered and tested in a laboratory to ensure that any lead content is within safe levels. In this manner "clearance" for occupancy around the work area is obtained.

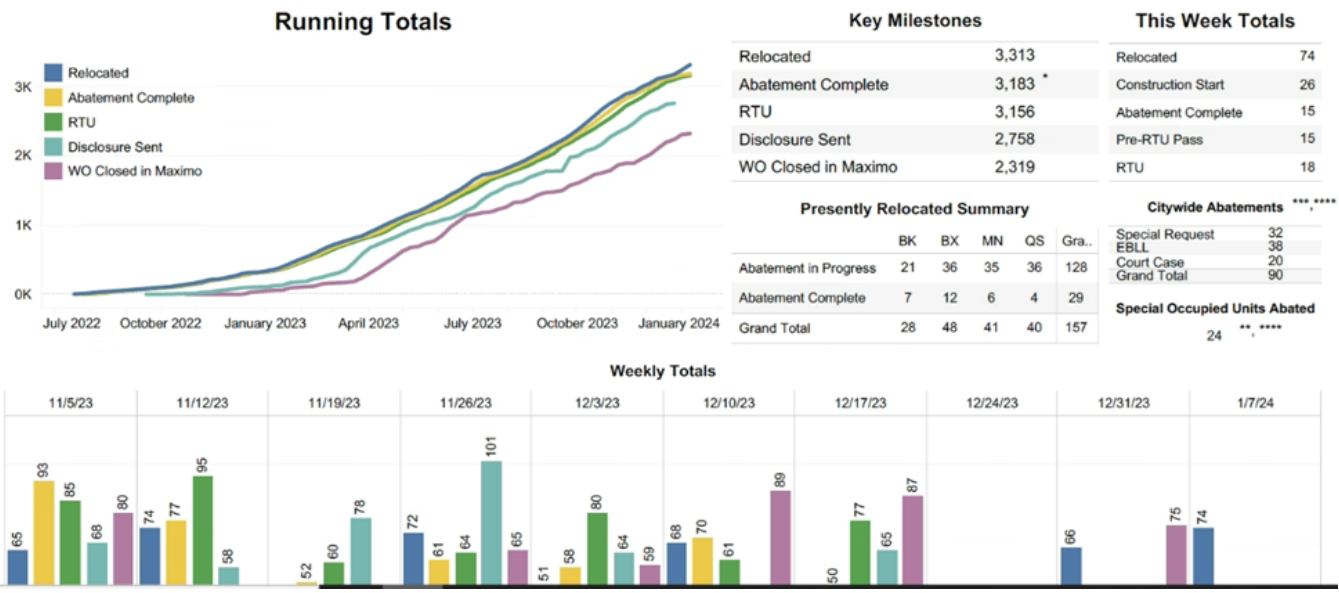
The number of pending RRP jobs has been reduced over the course of the last three years by approximately 50%. This reduction has been accomplished through a combination of precision XRF testing and great improvement in the rate of abatement of lead in NYCHA apartments. Also, as shown below, NYCHA is abating lead, on average, at the rate of over 400 apartments per month. To put this in context, the average number of apartments abated each month in 2019 was approximately 60.

Lead Paint Abatement as of January 31, 2024

Item by Borough	Bronx	Brooklyn	Manhattan	Queens/SI	Grand Total
Number of Units Abated (Positive 0.5 Components)	1,584	1,815	1,354	1,025	5,778
Number of Units Abated (Positive 1.0 Components only)	22	14	49	11	96
Grand Total	1,606	1,829	1,403	1,036	5,874

NYCHA Lead Abatement Program Report

January 9, 2024 at 12 PM



If NYCHA can sustain its current rate of abatement, it stands a very good chance of abating the lead in 30,000 units by 2029. Note that the Agreement requires 50% abatement of all lead, including common areas, by 2029.

From 2019 through 2023, NYCHA significantly increased the number of abatements completed each year. In 2019 and 2020, some abatements were performed after move-outs and in response to City Department of Health & Mental Hygiene "DOHMH" orders to abate lead conditions in apartments where a child was discovered with an elevated amount of lead in their blood ("EBLL"). NYCHA abated only 709 apartments in 2019 and has now through extraordinary effort abated a total of 5,874

units since December 1, 2021. The number of abatements is inclusive of apartments (96) where only components had tested positive at the federal testing standard of 1.0 milligrams per cm² and apartments (5,778) that had tested positive for components at the 0.5 standard.

The Benefits of the “TEMPO” Program

Early in the Monitor’s tenure, we identified gross deficiencies in the way NYCHA addressed lead risks for children under six. For example, in 2019, NYCHA considered a mere 3,000 apartments that contained or were suspected of containing lead paint to be occupied by children under six (“CU6”). Since then, the Monitor worked with NYCHA to establish the “TEMPO” (Team for Enhanced Management, Planning, and Outreach) program under which resources were directed on a priority basis to identify apartments that children might inhabit and protect them from lead hazards. NYCHA has developed vigorous methods to identify CU6 apartments. The total number of such apartments has at various times exceeded 30,000 but fluctuates based on NYCHA’s demographics in any given quarter.

NYCHA is currently testing apartments for lead at the 0.5 standard and prioritizing CU6 units. At the conclusion of January 2024, NYCHA had performed XRF testing at the 0.5 standard in approximately 64,813 viable apartments with 27,782 apartments testing positive for lead-based paint: 5,778 out of the 27,782 apartments that tested positive have been abated (approximately 21% of the 27,782 units that tested positive) since the establishment of the action plan (see chart below).

Phase 1 XRF Testing Progress as of January 31, 2024

ITEM	# of units		%	
Phase 1 testing universe -which includes off-rent roll and RAD/PACT	90,500			
Total units to be tested for Phase 1 as December 2021	^{1.1}	80926	100	
Units where testing has been completed and reviewed	^{1.2} 64813 completed	^{1.21} 37031 Negative	80% completed	57.1% Negative
		^{1.22} 27782 Positive		42.3% Positive
Units where testing has been completed and pending review/submission from vendor Units with TNH, Unsafe Access, Resident refusals	16113		19.9%	

PACT Abatement Progress

The Agreement obligates NYCHA to ensure that lead is properly abated in developments which are converted to Section 8 funding and private management through “PACT” partnerships. The Agreement establishes deadlines for such abatements,

including that lead must be abated by February 2024 at Harlem River Houses and Williamsburg Houses. The rate of progress of abatement by developers has not been sufficient to meet the 2024 deadline for these locations. NYCHA previously informed stakeholders that this goal would not be met. As of December 2023, approximately 62% of the lead has been abated at Williamsburg and 53% at Harlem River I and II. A table showing all PACT abatement can be found below.

PACT Lead-Based Paint Abatement Progress Summary – December 2023

PACT Project ¹	Closing Date	Total Units ⁴	Assumed # of Units Needing Abatement ⁵	Assumption Basis	Last Month to Date: Units Abated/Cleared	This Month to Date: Units Abated/Cleared ⁶	% Abated/Cleared to Date ⁷
Brooklyn Bundle A and B ²	2/12/2020	2,625	314	1.0 random sampling and development wide testing	49	49	16%
Manhattan Bundle ²	11/30/2020	1,718	0	1.0 random sampling	0	0	N/A
Williamsburg ³	12/28/2021	1,621	1,621	0.5 positivity rate to date	938	1,010	62%
Boulevard BSA FP (Boulevard, Fiorentino Plaza, Belmont-Sutter Area) ²	12/28/2021	1,673	669	0.5 positivity rate to date	290	293	44%
Linden Penn Wortman ²	12/28/2021	1,922	314	0.5 positivity rate to date	38	58	18%
Harlem River I and II ³	2/17/2022	693	693	0.5 positivity rate to date	370	370	53%
Audubon Bethune Marshall ³	1/1/2023	557	35	0.5 positivity rate to date	24	24	69%
Edenwald	6/27/2023	2,035	879	0.5 positivity rate to date	68	68	8%
Union Avenue Consolidated ³	9/28/2023	983	50	0.5 positivity rate to date	N/A	Pending	Pending
Reid Park Rock ¹⁰	11/28/2023	1,696	Pending	0.5 positivity rate to date	N/A	Pending	Pending
TOTAL		15,523	4,575			1,872	41%

Status of Visual Assessments

HUD regulations require that units with known or suspected lead be subject to a visual assessment every calendar year. Defects must be corrected within 90 days for CU6 units and 12 months for non-CU6 units. The TEMPO Program requires that such visual assessments be conducted every six months in apartments occupied by children under six. However, due to resource constraints and access issues, NYCHA is often unable to comply with the commitment made in the Lead Action Plan to correct such deficiencies within 21 days.

As of December 2023, NYCHA accomplished 37,685 of 53,670 visual assessments. A table showing details of the status of various visual assessments can be found here, [Status of Visual Assessments](#).

Lead Correction Work Orders

NYCHA continues to experience some difficulties in completing corrections on a timely basis. A table showing the details of the correction work is set forth below.

Lead Correction Work Orders

CU6				
Year / Round	Deficiencies Requiring Correction Total	Deficiencies Requiring Correction Complete	Deficiencies Requiring Correction Attempted	Deficiencies Requiring Correction Not Attempted
2022 Round 1	6,623	4,153	2,470	0
2022 Round 2	4,954	3,197	1,757	0
2023 Round 1	5,887	2,093	3,670	124
2023 Round 2	2,731	131	67	2,533
Non CU6				
Year / Round	Deficiencies Requiring Correction Total	Deficiencies Requiring Correction Complete	Deficiencies Requiring Correction Attempted	Deficiencies Requiring Correction Not Attempted
2022	2,834	876	1,492	466
2023	2,742	41	37	2,664

Dust Wipe Performance

NYCHA has materially improved its performance in this area and has recently been able to sustain its excellent performance. In December 2023, NYCHA’s performance rate was approximately 90%. For all of 2023, NYCHA’s dust wipe performance rate was 89.5%. Prior to 2023, NYCHA’s dust wipe performance was inconsistent and varied by as much as 20% month over month.

EBLL Tally

When a child under six is diagnosed with an elevated blood lead level, such occurrences must be immediately reported to HUD and a chain of protective measures must be executed. These measures usually involve abatement of the unit in which the child resides and may involve measures taken in common areas. NYCHA reported receiving 60 paint and 12 dust Commissioner’s Orders to Abate (“COTA”) in 2023. NYCHA’s responsiveness to COTAs has improved during the pendency of the Monitorship.

Recommendations for Improvement

As next steps for continued improvements, NYCHA should be pursuing the following goals:

- In concert with HUD, SDNY and the new Monitor, finalizing the methodology for NYCHA to fully comply with HUD’s Lead Safe Housing Rule requiring that occupants of apartments be protected from any lead dust created by work disturbing

lead paint.

- Ensuring a sufficient monthly abatement rate to meet the 10-year abatement Agreement obligation.
- Ensuring that all lead abatement impacting apartment turnover is done on a prompt and compliant basis.
- Continuing to use data analytics and field inspection (as documented in “Exceptions Reports” and twice annual certification reports as required by the Agreement, prepared jointly by NYCHA’s Compliance and EHS Departments) to help ensure compliance with reporting on adherence to Lead Safe Work Rules.
- Sustaining timely performance of dust-wipes to gain prompt clearance after lead work is performed.

Considering the state of conditions regarding lead in NYCHA facilities in 2019, NYCHA has made tremendous progress in its handling of all matters relating to lead safety. The TEMPO Program has protected children from the perils of lead, lead-related data is increasingly accurate and being applied to make intelligent operational decisions, and abatements are being accomplished at an unprecedented rate. Oversight of lead activities by the Compliance Department and Lead Oversight Team from the EHS Department is zealous, thorough, and well reported. Though there is room for improvement in some areas of data recording and lead records kept at developments, as well as with records kept by vendors, NYCHA is to be generally commended for this progress and exhorted to continue to refine and sustain these various improvements.

Mold and Leaks

The Agreement requires that NYCHA promptly address mold and leaks. Mold growth in most NYCHA buildings is the result of excessive moisture and inadequate ventilation. NYCHA’s disintegrating infrastructure (e.g., leaking pipes and defective building envelopes) and the failure by operations staff to timely and effectively respond to mold and leak complaints exacerbates the problem. Despite NYCHA’s need for significantly more skilled trades staff to timely address mold and leak work orders, NYCHA has made progress in addressing the ventilation issue as well as cleaning mold and thus removing the immediate health threat. NYCHA has worked with the Monitor and the Independent Data Analyst (IDA) (Neil Steinkamp from Stout) to establish disciplined data analytic techniques to direct resources where most urgently needed.

Since implementation of the Mold and Leak Action Plan in March 2020, NYCHA has achieved many important components of the Action Plan. This has served to materially reduce confirmed mold cases in its developments. From its peak on January 31, 2022, the open parent inspection work orders declined 28% from 18,398 as of January 1, 2022, to 13,176 as of January 31, 2024. A discussion of various aspects of NYCHA’s Mold and Leak work follows.

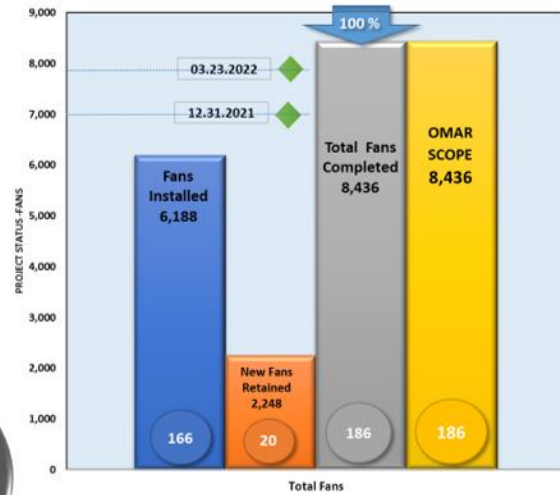
Ventilation Project

Details of NYCHA’s Ventilation Project were reported in the August 2023 Monitor report on Mold and Leaks. See, [Monitor Lead and Mold Report 08082023](#). To date, NYCHA has installed some 6,200 new roof fans. NYCHA through its Office of Mold Assessment and Remediation also inspected and certified as fit for purpose an additional 2,248 fans. Roof fans draw moist air out of interior spaces and thus inhibit the growth of mold.

Since the inception of the Ventilation Project, NYCHA has cleaned approximately 74,000 vents, many for the first time in decades. Largely as a result of the Project, the number of confirmed mold cases has dropped by over 50% since October 2021.

Roof Fan Replacement

NYCHA's Office of Mold Assessment and Remediation (OMAR) replaced 50 percent of the roof fans when the final engineering report was submitted in August 2021, and the project was fully completed on May 26, 2022.

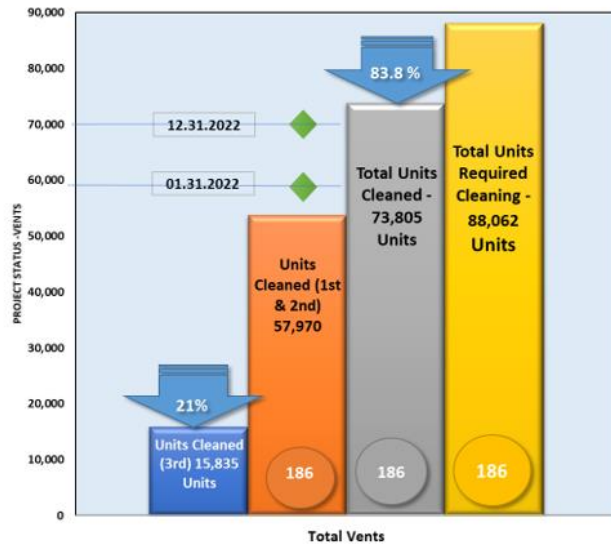


Vent Cleaning Scope

In December 2020, NYCHA launched the Clean Vents Initiative (CVI) to immediately improve ventilation and air circulation in NYCHA apartments that have bathroom and kitchen vents. NYCHA made attempts in ~ **104,000** apartments and ~ **11,000** hallway vents across its portfolio.



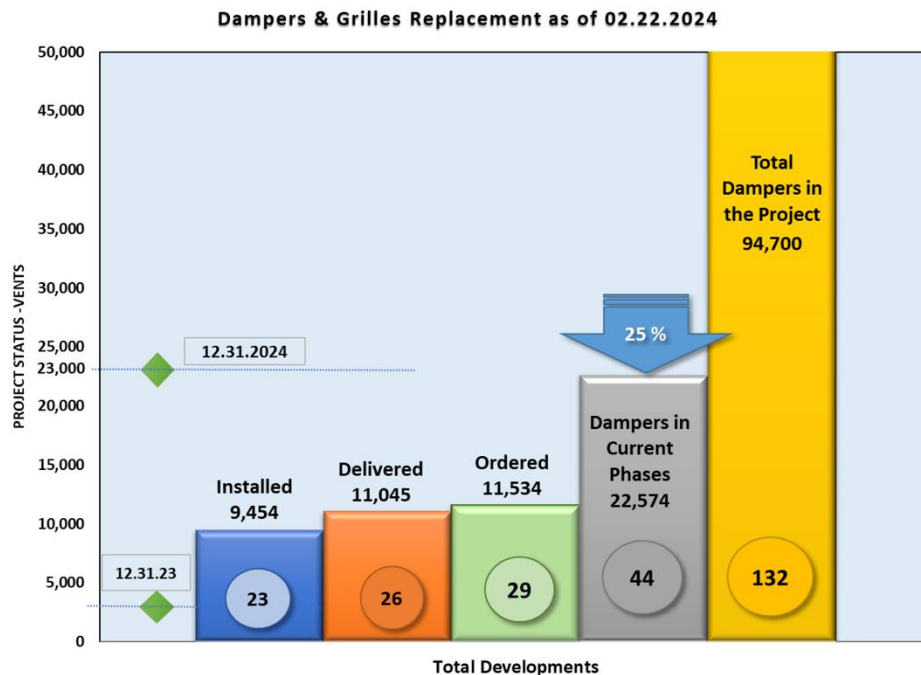
Grilles & Ducts Cleaning in Units as of 06.01.2023



NYCHA's Fire Damper Project

As part of the Monitor approved Mold Action Plan, NYCHA committed to replacing approximately 95,000 old and in many cases non-functional fire dampers. NYCHA is also adding volume dampers to control the flow of air through ducts. To date, NYCHA has replaced approximately 6,200 and has funding to install another 16,600 by the end of 2024. Significant additional funding must be obtained to continue installation of fire dampers. Fire dampers are part of the ventilation system and close when heat is detected to prevent fire and smoke from spreading to adjoining spaces.

NYCHA has started a soft launch of its damper project at five developments, addressing 1,700 dampers. NYCHA has completed Phase One of this project. Due to its scale, the damper project will have a multiyear rollout. In total, there have been 9,400 damper installations. NYCHA is currently working on Phase Two of the rollout. It will encompass conventional and mixed finance developments and exclude PACT and privately managed sites.



Additional Reasons for Reduction of Mold Cases

The implementation of the “Mold Busters” process (the popular term for NYCHA’s mold standard procedure as required by the *Baez* litigation) and the update to the mold standard procedure have improved recurrence rates and aided in prevention of mold cases. In addition, NYCHA has begun to address the backlog of pending mold cases that accumulated during the early months of the pandemic and subsequent lockdown, largely due to reduced staffing levels and the reluctance of residents to report mold conditions and allow access to their units for remedial mold work.¹⁰ Charts tracking the reduction in mold cases appear *infra*.

Operation Mold Cleanup

¹⁰ The *Baez* litigation is the federal class action matter brought by plaintiffs against NYCHA in the Southern District of New York in 2013 to force NYCHA to appropriately address mold and leak remediation and mold prevention. NYCHA must comply with the revised consent decree agreed upon by the parties.

In May 2022, NYCHA committed to improving its mold cleanup efforts (see Exhibit B, Paragraph 17 of the HUD Agreement). NYCHA's Office of Mold Assessment and Remediation formed a special team to clean mold from units. Since the operation began, NYCHA has cleaned mold from or applied mold resistant paint in some 25,000 apartments as of January 29, 2024.

Operation "Dry Out"

In April 2023, NYCHA began a new mold and leak project to repair aging tub enclosure and plumbing work orders in thousands of apartments. Known as "Operation Dry Out," the project addresses the universe of apartments with open tub enclosures and plumbing work orders over 250 days old. As of January 29, 2024, NYCHA had 2,530 open tub enclosure work orders over 250 days old and 3,048 open plumbing work orders older than 250 days.¹¹ Through this initiative, NYCHA has accomplished repairs on 2,481 out of 5,011 tub enclosures and 4,743 out of 7,791 plumbing work orders.

Mold and Leaks Scorecard

NYCHA, in partnership with the IDA and the Monitor, developed the Mold and Leaks Scorecard, which is an assessment tool consisting of vigorous data analytics techniques which allows for more precise targeting of resources to assist developments with mold compliance. This tool also assists in evaluating NYCHA's overall performance on mold and leaks. This tool provides NYCHA with performance metrics and equips Operations with actionable data that was once unavailable, enabling NYCHA management to monitor development staff's performance in addressing mold and leak work orders. Based on this data analysis, certain developments have been selected for enhanced oversight (see below).

The Mold and Leaks Scorecard evaluates mold and leak performance based on eleven key metrics which correlate to the *Baez* compliance requirements. Each metric has a predetermined weight assigned by NYCHA and the IDA. Performance is determined by a ranking system that lists each consolidation's weighted average score from lowest (i.e., the best performing sites) to highest (i.e., the poorest performing sites). The eleven metrics are calculated by consolidation, neighborhood, borough, and NYCHA-wide levels. See, [Mold and Leak Scorecard](#).

Enhanced Oversight Program (EOP)

The EOP establishes overall performance milestones consistent with *Baez* requirements and identifies site-specific roadblocks that hinder performance (i.e., staffing shortages, lack of managerial oversight, access issues to occupied units, scheduling disruptions, procurement delays, material shortages, or the need for training). OMAR works with developments to address issues by engaging operations leadership to develop strategic response plans and allocating internal specialized teams to address priority work backlogs.

OMAR, along with the IDA, Ombudsman Call Center (OCC), and IMA, works with consolidations (groupings of developments) by having weekly check-ins to review progress, prioritize tasks, discuss priority OCC resident-reported complaints,

¹¹ Tub enclosures (also called "tub surrounds") involve installations made to cover and protect the walls of the bathtub from water leaks, mold, and mildew. They are made of several materials (most commonly, molded acrylic panels) fused together to make a seamless surface, to essentially make the tub area watertight. Because of the prevalent leaks in and around unit tub areas, NYCHA's use of tub enclosures is an important strategy to reduce leaks in its bathrooms.

and develop strategies to tackle the root causes of mold and leaks and WO backlogs. The strategies discussed at check-ins improve performance at developments when it is implemented.

The Monitor Team has recommended to NYCHA that after the OMAR EOP Team leaves a development, responsible managers in the operations division conduct periodic performance checks using the Scorecard methodology to assess whether the improvements during the EOP period have been sustained. If analysis reveals that certain problems remain, Operations managers should respond accordingly, including by recontacting OMAR if necessary. Such oversight should be done at the Neighborhood Administrator level or higher.

Building Line Initiative

OMAR created a building line rehabilitation program called the “Building Line Initiative,” or “BLI.” The process begins with careful study of building line leak data available in Maximo. The analysis reveals building lines which are most afflicted by leaks (which produce mold) and confirms that replacement of piping systems will address the leak and associated mold issues. The objectives are to target the problem holistically, resolve the underlying root cause, reduce the chances of mold and leak recurrence, and make a long-term investment in the building.

The first project was conducted in a 6-story building at NYCHA’s Red Hook East development in 2022. The cost per unit was approximately \$140,000. The scope included mold remediation, replacement of bathroom and kitchen fixtures, new tub surrounds, painting with mold resistant paint, replacement of tiles and flooring, replacement of all waste traps, door replacement, electrical work, window glass replacement, lead and asbestos testing and abatement, stack line replacement, and hot and cold-water branch line replacement. This highly cost-effective program should be considered as an alternative to comprehensive modernization whenever possible.

A second BLI project is underway at Tompkins Houses (85 Tompkins Avenue, “A” line). This is a 16-story building with 15 apartments on the “A” line and one storage area. NYCHA expects the project to be complete and residents to return to their units by March 2025. The project will cost approximately \$3.1 million and will include plumbing repairs, electrical repairs, and general construction. See generally, [Monitor Lead and Mold Report 08082023](#).

Mold Compliance Statistics

A chart showing NYCHA’s compliance with HUD Agreement Exhibit B, Paragraph 17, is linked here [Mold Paragraph 17 Compliance](#). In sum, NYCHA has not been compliant with any of these provisions, particularly Paragraph 17.b concerning mold cleaning and the closure of mold and leak related repair work orders. NYCHA has improved, however, in conducting timely mold inspections, with current timely performance at approximately 70%.

“Blended Rate” Compliance Performance

The Monitor and federal stakeholders allowed NYCHA to report mold compliance on a so-called “Blended Rate” basis whereby all the provisions of Agreement Paragraph 17.b are considered to determine an overall rate of compliance. During the past two years, NYCHA’s overall performance with Paragraph 17.b (using the Blended Rate) has improved significantly from a low of 3.27% in September 2021 to 13.76% in December 2023.

Emergency Leaks Addressed within 24 Hours

During 2023, NYCHA has slowly improved its performance in addressing emergency leaks within 24 hours, with an average compliance rate of approximately 70%, an average increase of 5% from years past.

Recommendations for Improvement

In February 2023, the Monitor Team, IMA, and IDA Teams met and conferred to create a comprehensive list of recommendations for NYCHA regarding how to respond to and prevent the recurrence of mold cases. In June 2023, we met with NYCHA to discuss the various recommendations. The Monitor requested at the time that NYCHA respond to each recommendation in writing within 30 to 45 days, which NYCHA did. One of the themes of the recommendations is the proposition that NYCHA must improve its productivity amongst skilled trades and maintenance personnel in responding to mold and leak work orders. After receiving NYCHA's responses, discussions in this area must be continued. OMAR continues to work through various strategies for improvement collaboratively. In January 2024, the IMA, IDA, and NYCHA drafted a set of goals for the 2024 year that NYCHA anticipates achieving, *Improving Mold and Leak Work Order Efficiency*. The recommendations and NYCHA's initial response may be found here, [NYCHA Response to Improving Mold Leak WO Efficiency Recommendations](#).

Waste Management Services

The Agreement obligations regarding waste management require that NYCHA, at least once daily, inspect the grounds and common areas of each building for cleaning and maintenance and correct conditions found, and that trash on the grounds or common areas of each NYCHA building is collected and either removed or stored in a secure manner. NYCHA pledged to install exterior bulk crushers or retrofit exterior compactors with auger bulk crushers at ten developments by December 31, 2022. NYCHA is now in compliance with each of these requirements.

The Monitor and NYCHA's Waste Management Department ("WMD") view Agreement Paragraph 45 as setting the overall goal that NYCHA ensure clean conditions at all NYCHA properties, which entails both picking up trash and removing it from the premises or storing in pest-proof containers. Trash accumulates on the grounds and in common areas within NYCHA buildings around the clock; the mere requirement that NYCHA inspect those areas and clean them at least once a day does not ensure cleanliness on an ongoing basis. Accordingly, the Monitor and WMD have required that development staff inspect development grounds and secure or remove the garbage at least once daily and more often, as necessitated by ambient conditions (thus the meaning of the term "at least"). In addition, as discussed below, the WMD instituted a protocol that enables management to determine whether the literal requirements of Paragraph 45 have also been achieved daily – at each building in the entire portfolio.

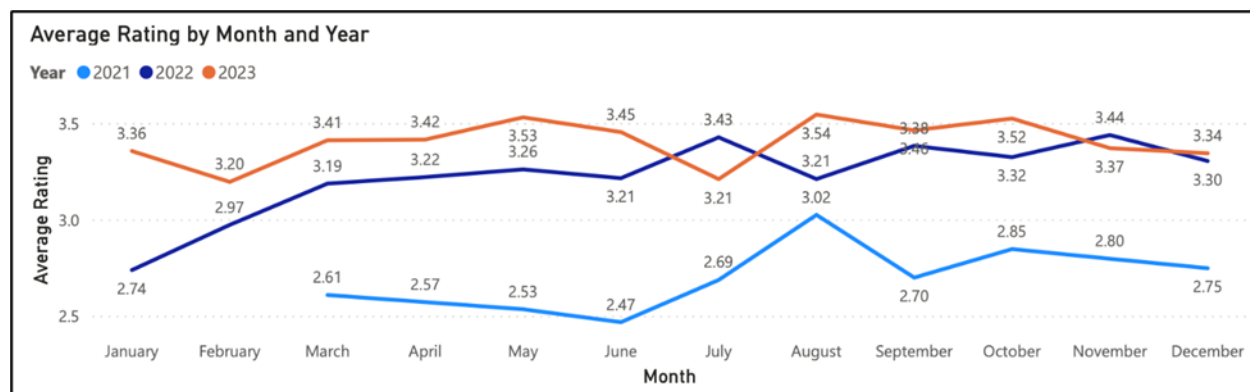
The challenge at the outset of the Monitorship was how to monitor waste conditions daily at each development to determine compliance, especially given the size of NYCHA (335 developments, 2,411 buildings, and some 180,000 apartments). The Monitor, aided by the leadership of the WMD, helped to solve that problem by developing and implementing the Waste Management Measurement Application (WAMMA), an electronic scorecard that rates waste and cleanliness conditions throughout each development on an ongoing basis.

The WAMMA scorecard is a mobile app that an inspector can use to record observations and photos of waste and cleanliness conditions, grading them from 1 to 5, with 5 being an excellent score and 1 reflecting seriously substandard conditions. The scoring system weighs the exterior and interior components of each development in accordance with their relative importance, including lawns and grassy areas; curbside pickup sites; walkways; short term storage; wasteyard and exterior storage; outside main entrances; roofs; interior components; lobbies; mailrooms; elevators; hallways; stairwells; compactor rooms; machine rooms; and, basements. See, [Monitor's Eleventh Quarterly Report](#) and the [Monitor Pest and Waste Management Report](#), which include a description of WAMMA.

In addition to data collection on the mobile application, photos can be taken and uploaded to illustrate the conditions being graded. Comments can be appended to provide descriptive elements to the scorecard. The following are examples of WAMMA reports, [WAMMA for St. Nicholas](#), [WAMMA for Dyckman](#). In the WAMMA process, data was stored and organized in the Monitor’s system and circulated to the Monitor Team, as well as to NYCHA borough vice presidents, operations administrators, neighborhood administrators, and development staff. Further, the Monitor IT Team prepared monthly summaries and circulated them to stakeholders as well. See, [GPS NYCHA - Cleanliness Ratings Dashboard](#) and [GPS NYCHA - Cleanliness Ratings Memo 02222024](#) which summarize the handheld reports including WAMMA, showing monthly trends on a portfolio- and development-wide basis from WAMMA’s inception through the present.

Throughout the Monitorship, Monitor field examiners were onsite at selected developments throughout the portfolio on a revolving basis. They collected the WAMMA data, and forwarded their findings to the Monitor for review, and circulated the data to interested parties, in the form of monthly summaries. The WMD is now working with NYCHA’s IT team to build SCORECARD 2.0 with a Maximo interface component that will automatically generate work orders from the inspections. Once that is achieved, the inspections will be conducted by a WMD team.

The inspection program has had a positive impact by showing development supervisors and staff where the waste and cleanliness problems lie and incentivizing them to improve those conditions. Indeed, since inception of the program, waste and cleanliness conditions throughout the portfolio have been gradually improving, as reflected in the chart below. While there are still developments and buildings that remain problematic in terms of waste and cleanliness conditions, the overall picture is positive and steadily improving. A high rating is desired.



In addition to implementation of WAMMA, the WMD has instituted a protocol whereby each development reports daily to the WMD that it has, or has not, collected the garbage from the common areas and grounds and either removed it from the development or stored it securely for collection by the New York City Department of Sanitation (“DSNY”). This program, in full force throughout 2023, has proven successful, as the results reported to the Monitor by the WMD reflect that all developments are now (and have been for some time) in continuous compliance with Paragraph 45.

Other WMD Initiatives to Improve Waste Conditions

As part of the original Waste Management Action Plan developed in conjunction with the Monitor, WMD personnel have been meeting on-site with development staff at all 131 consolidations to review all aspects of waste infrastructure and waste handling equipment/tools that affect the conditions at their developments, addressing all operational issues and authorizing additional bulk tickets where needed. WMD also maintains communication with DSNY, which assists NYCHA in identifying improperly maintained sites and equipment that needs repair or replacement. In conjunction with that program, the WMD has

developed a “quick reference Waste Asset Catalog” which contains the serial number needed to order the item and the most recent cost estimate for its purchase, as well as instructional flyers and pre-made waste management sign postings.

WMD also communicates with NYCHA’s privately contracted bulk vendors on an ongoing basis to report when a development appears to be struggling to maintain a clean waste yard. In that regard, WMD has greatly increased NYCHA’s use of bulk vendor services; annual bulk tickets in 2019 were just over 10,000, whereas today they are over 14,000, a 40% increase amounting to over 10,000 additional tons of bulk removal from NYCHA properties on an annual basis. Further, all new bulk container service contracts now include Saturday service, whereas previous contracts were for Monday through Friday. This additional service enhances NYCHA’s ability to maintain overall cleanliness in the developments, especially during 3-day weekend holidays.

Finally, on its own initiative, WMD began purchasing 6-yard rear-loading compactor trucks to augment DSNY’s curbside pickup schedule in Brooklyn and Coney Island, where there are many curbside pickup sites. Sites receiving the augmented service now get curbside trash collection five or six days a week instead of two or three days a week. WMD has recently expanded this program even further, purchasing 2-yard compactor bins that are compatible with NYCHA’s existing equipment for use at targeted developments throughout the portfolio (West Brighton; Van Dyke; Jefferson; Johnson; Bushwick; Taylor-Wythe; Morris; Astoria; South Jamaica; Lafayette; Richmond Terrace; Berry Homes; and Latimer Gardens). Not only have these augmented trash pick-up services resulted in cleaner streets, but they have also reduced the amount of nourishment available for rats in those neighborhoods.

These and other service upgrades during the past five years – some of which were required by the Pest and Waste Action Plan, and some of which originated with WMD – have caused a dramatic improvement overall in waste management and conditions throughout the entire portfolio. We anticipate that these improvements will continue, as WMD perseveres in its plan for waste-free NYCHA campuses. See, [Monitor's Eleventh Quarterly Report](#) and the [Monitor Pest and Waste Management Report](#).

A critical component of NYCHA’s ability to keep up with development waste management demands is the equipment and other infrastructure needed for this effort, which are located both in the buildings and on the nearby grounds. Building waste management equipment includes interior trash compactors located in building basements that compress building trash so it can be more easily stored and removed from the premises. These compactors must be constantly maintained and repaired, which has often been a significant challenge at many developments. Also, poor general building infrastructure conditions that cause basement flooding not only damage the equipment, but also make it difficult and sometimes impossible for staff to properly use it.

Development buildings have trash chutes with openings on every floor to enable residents and staff to send trash directly to the basement compactor, where it can then be properly stored in large plastic bags for removal. The chutes and chute doors located on building floors are often in poor condition from years of hard use and insufficient maintenance. In some circumstances they deteriorate to such an extent that they do not close automatically as required by law. This necessitates sealing chute doors when they no longer properly open or close (requiring alternative means of garbage disposal). Sometimes chutes themselves become clogged, in some cases with many floors worth of garbage stacked up.

Some NYCHA buildings have had to close chutes altogether because the chute walls (which are made of sheet metal) pull away from the building’s shaft walls to permanently obstruct the chute. When this happens, basement compactors can no longer be used. Trash must then be brought to designated locations in the buildings by residents and collected by staff for removal. This never works well, and the result is often that trash is found all over the buildings and grounds (including residents throwing trash out their apartment windows). This not only smells and looks unsightly but attracts vermin.

Addressing these building waste management infrastructure challenges has been a major part of the Monitor's work with the WMD. This includes inspections to identify the problems highlighted above in every building, and then devising a plan which includes other areas of NYCHA staff to address them. For example, broken chute doors not only disable a building's waste management efforts, but also create serious risks of building fires. In one serious case a child perished because of a chute fire.

Starting in 2022, the Monitor field examiners joined with the WMD and property management staff to execute a chute door inspection initiative to identify and secure all broken chute doors across NYCHA. It took several months to complete, but all faulty doors were identified and NYCHA has been working ever since to fully repair the broken doors. WMD has also partnered with property management to identify and repair defective interior compactors.

Waste management infrastructure also includes exterior waste yards located immediately outside of certain development buildings. These have been built based on the waste management needs of the development as much as space on the grounds outside of buildings will allow. These projects are designed and developed through a collaboration between the WMD and A&CM, and they have been expensive and time consuming to complete. Not only does the needed equipment have to be purchased and installed, but the yard itself must be built. NYCHA has been unable to maintain the initial project schedules it set, but where yards have been completed, they have greatly contributed to the development's overall waste management and even pest control conditions.¹²

Pest Management Services

The Agreement required that by July 1, 2019, NYCHA establish protocols, by which Integrated Pest Management ("IPM") professionals develop and provide reliable estimates, at least quarterly, of the pest populations (rats, mice, cockroaches, and bed bugs) in each NYCHA development. The Monitor and NYCHA's Pest Management Department (PMD) continued to work on the proposals and other input from the Monitor's consulting urban entomologists to finalize the methodology. Note that all pest management activities were hindered by the COVID-19 pandemic during which time neither NYCHA nor Monitor personnel could gain access to apartments.

Having pest population baselines is a critical component for assessing NYCHA's progress going forward and whether measures being deployed are decreasing these pest populations and if so, to what extent. Until the NPPI protocols are completed, NYCHA and the Monitor remain unable to assess compliance with various Agreement pest population reduction obligations, including that NYCHA decrease the populations for the four pest types by various percentages over specified periods of time. This includes the 50% reduction of its rat population and 40% reduction in its mice and roach populations by January 31, 2022, and a further 50% reduction in each of its pest types by January 31, 2024. NYCHA was also required to reduce its bed bug population by a percentage to be determined by the Monitor. We can report that based on ongoing inspections and data analysis by the Monitor's consulting urban entomologists, it appears that these mandated reductions have not occurred. We note that differences between central office policy and actions taken at the developments caused time to be lost in establishing and implementing uniform policies and protocols.

¹² See, A&CM section pp 75 to pp 76 *infra*.

Agreement requirements focused on NYCHA’s responses to resident pest complaints, including the number of complaints addressed within specified timelines. For example, NYCHA must: (1) respond to 75% of all rat complaints within 2 business days, and to all rat complaints within 5 days; (2) respond to 75% of all other pest complaints within 7 days, and to all other pest complaints within 10 days; (3) apply effective pest control methods in compliance with applicable laws to address any verified complaint within 7 days; and, (4) provide expedited response and application of pest control methods when residents have health conditions that are caused or exacerbated by exposure to pest infestations. COVID-19 (during which all in-unit pest remediation work was curtailed) significantly set NYCHA back in its efforts to decrease its response times to complaints, NYCHA’s pest management efforts have shown major improvements over the last year. In 2023, NYCHA’s pest work order data indicates that the PMD reduced both the backlog of its existing pest complaints (which grew tremendously during the pandemic) as well as the number of new complaints being made by residents. The later metric is important because it is an indication that its pest remediation measures are becoming more effective in addressing infestations. See chart below.

December 2023 Response Times

Response Time (MX - 155.20)

▼ Problem Code ×

Problem Code : Rats

Metric	Last Month	Last Month (Pest Sensitive)
% of Complaints responded within 2 Business days	89.74	100
% of Complaints responded within 5 Calendar days	89.74	100
Avg. Response Time (Days)	2	1.19

Problem Code : Mice, Roaches, and Bedbugs

Metric	Last Month	Last Month (Pest Sensitive)
% of Complaints responded within 7 Calendar days	18.27	52.63
% of Complaints responded within 10 Calendar days	40.54	68.42
Avg. Response Time (Days)	10.88	6.79

Note that in January 2023, there were approximately 16,000 open pest work orders which included backlogged work orders or work orders that were open for more than 30 days. Following a restructuring of PMD in early 2023 and the launch of specialized pest teams, PMD was able to address thousands of pest work orders, and by January 2024, had reduced the number of open pest work orders to approximately 5,300. PMD has also significantly reduced the number of days it takes to respond to rat complaints. By January 2024, approximately 90% of rat complaints were responded to within two business days, and 90% were responded to within five business days; the average response time to rat complaints was within 2 days. See, [Agreement Trackers](#).

In the opinion of the Monitor’s consulting urban entomologists, while NYCHA exterminators and vendors hired to do this work are steadily improving their pest remediation efforts, there is still a need for them to apply proper pest control measures more consistently as required by the Agreement. See Monitor inspection reports for NYCHA exterminator staff ([Monitor Inspection Reports](#)), and Monitor inspection reports for vendors ([Monitor Inspection Reports for Vendors](#)). The Agreement also requires that NYCHA incorporate IPM methodology in its pest remediations. The Monitor’s consulting entomologists and NYCHA trainers have

trained the PMD (and other relevant audiences) in IPM methodology, which is used in exterminations portfolio-wide, but the quality of such remediations remains variable. See, [Monitor Inspection Reports](#) and [NYCHA Training Summary Memo](#).

At the end of the Monitor's tenure, NYCHA agreed to form a special bed-bug team which would be trained by a Monitor subject matter expert. This will have to be continued and assessed by the new Monitor team.

Finally, as applicable to pest remediation, the Agreement required that NYCHA: (1) install 8,000 door sweeps on basement doors with gaps by March 31, 2020; (2) install 50 rat slabs (concrete flooring over what was once dirt or porous material which prevents the creation of rat entry points) by December 31, 2020; and, (3) dedicate 20 exterminator staff for comprehensive preventive maintenance treatments in public spaces in developments within New York City's Rat Mitigation Zone. After several false starts, the 8,000 door sweeps were installed. NYCHA has not completed the rat slabs (as of this writing 14 remain to be installed). And finally, NYCHA has dedicated staff for outdoor rat removal in the Rat Mitigation Zone. See [Monitor Pest and Waste Management Report](#) on these obligations.

NYCHA's Performance

In the absence of established protocols to set pest population baselines, the Monitor pest team proposed a different methodology based on measuring the relative increase or decrease in active pest populations. This is accomplished by examining and comparing indicia of pest activity periodically, specifically the volume of resident-generated pest complaints which are collected in Maximo on an ongoing basis, adjusted for under-counts and over-counts. As discussed below, we proposed this process to HUD and SDNY, which should not only allow NYCHA to set pest population baselines but will also identify "hot spots" in the portfolio that warrant enhanced attention and remediation. This will enable NYCHA's Pest Management Department (PMD) to manage the expenditure of its finite resources to achieve maximum impact. As of this report, discussions about the methodology have not been resolved. See, [NYCHA Memo 11172023](#).

Another concern of the Monitor has been NYCHA's focus on meeting Agreement performance metrics based on closing out specified numbers of pest complaint work orders but at the expense of doing the work properly in accordance with IPM pest control procedures. The speed with which exterminators respond to complaints, however, has nothing to do with the quality of the remediations. Indeed, the quality of remediations will likely suffer, as exterminators simply try to complete as many extermination tasks as quickly as possible regardless of their necessity or thoroughness – and we have seen abundant evidence of that attention to speed, not quality, throughout our tenure. The current head of the PMD recognized this problem, and over the past year has endeavored to reorient her staff to focus on quality remediations, spending more time in units and intensifying and broadening extermination efforts throughout the units. As a result, the volume of remediations, and the speed with which new remediations are begun in response to new complaints, have not been as robust as they might have been had the PMD's emphasis remained on quantity, rather than quality. But PMD's failure to meet the Agreement's quantitative benchmarks is tempered by the fact that the quality of remediations portfolio-wide is slowly improving, and repeat complaints are diminishing as a result.

The Monitor has helped facilitate PMD's compliance with the Agreement. Aided by two nationally known consulting urban entomologists and a consulting statistical expert. NYCHA has taken multiple actions (listed below), many in coordination with the Monitor and our recommendations.

- 1) Consolidation of the PMD.
- 2) Resident Ambassador Program.
- 3) Rat and Bed Bug Remediation Teams.
- 4) Outcomes Dashboard.
- 5) Updates to the Standard Operating Procedures.

- 6) Training PMD supervisors and extermination staff in IPM remediation techniques.
- 7) Inspection of PMD and vendor remediations throughout the portfolio.

Exterminators remain reluctant to take control of their service. They should be advising residents that they need to inspect the entire apartment, including bedrooms, to fully assess conditions, and then ask permission to do so. Instead, exterminators allow residents to control their service activities and rarely inspect anywhere other than where the resident indicates they have seen pest activity or requests treatment. As a result, rarely do the exterminators conduct a four-pest inspection of the entire apartment or try to educate the residents on best practices to reduce pest infestations. Due to the practices mentioned above, exterminators also chronically fail to treat all areas of pest activity within apartments (often limiting their treatments to kitchens and bathrooms). Another concern is the lack of supervision by SOEs (“Supervisor of Exterminators”). The Monitor has observed that SOEs assume the role of observer or helper, but rarely do they correct deficiencies in the exterminators’ work. Their failure to do so reinforces the mistaken notion that the work being done is adequate. See, Monitor recent inspection reports involving vendors: [Monitor Inspection Reports](#); [Monitor Inspection Reports for Vendors](#).

Recommendations for Improvement

In addition to building on the actions listed above, NYCHA should strive to:

- Improve the quality and frequency of hands-on field training and education of SOEs and exterminators. While classroom trainings are useful, they are no substitute for field training, especially as to SOEs, who play a critical role in ensuring that exterminators apply classroom training to field work. There is an immediate need for SOEs to better supervise their exterminators so that the quality of remediations continues to improve. Classroom trainings also need improvement; current trainings tend to be one-dimensional (i.e., power point) and fail to explain the reasons for the treatments that exterminators are performing.
- Hire individuals with advanced understanding of pest biology, behavior, and the scientific basis for the most effective pest control methods and materials who can guide the development of the department and participate in staff training.
- Supplement in-house training with SMEs to assist in the development of training programs and their execution.
- Develop an advanced training program for SOEs, program managers and Level II exterminators.
- Develop a process for periodic inspections of chronically infested apartments (which generate infestations throughout the building).
- Adopt a means to hold exterminators accountable for failure to follow the pest SOP.
- Revise current procedure to prevent the closing of work orders when a resident twice refuses access, as some of the worst infestations exist in apartments of residents who refuse access for remediations.
- Adopt and implement the Monitor’s Resident Ambassador Program as recommended, to include dedicated contact personnel, PMD remediations, and vendor remediations.

Inspectional Services (Three New Departments and PHAS)

The federal government’s complaint against NYCHA alleged that NYCHA had undermined HUD’s inspections regime, the Public Housing Assessment System (“PHAS”), by hiding the true condition of its properties and making false statements to HUD and the public; keeping inspectors away from troubled areas; temporarily hiding improperly stored hazardous material; providing training materials that served as a “how-to manual” for misleading inspectors; building false walls to conceal dilapidated rooms and improperly sending personnel ahead of inspectors to repair deficiencies during inspections. The complaint also addressed NYCHA’s failures regarding the required Annual Inspections of apartments, to avoid documenting needed work in its work order

system; permitting staff to close work orders by reporting that the resident was not at home when the worker arrived to perform the maintenance work, disguising the fact that the underlying problems were unresolved and falsely claiming success in backlog reduction.” See, [NYCHA Complaint](#).

To remedy recurrence of these situations the Agreement mandated the prompt creation of three new departments to deter, inspect for and detect violations (Compliance, Environmental Health and Safety, and Quality Assurance), and required the formulation of Action Plans to correct deficiencies in both PHAS and Annual Unit Inspections. The Action Plans were intended to describe in detail the steps NYCHA would take to ensure regulatory compliance before, during, and after inspections, including establishing internal controls to prevent deceptive practices and false statements or deliberate omissions in reporting, training on industry standards for maintenance and repair work, and a communications strategy that emphasizes the need for year-round quality maintenance and encourages employees to report deceptive or otherwise improper practices to the Chief Compliance Officer, charged with investigating such complaints.

Three Departments

The Agreement required NYCHA to establish three new departments to deter, prevent, inspect, and detect violations: Compliance, Environmental Health and Safety (“EHS”), and a Quality Assurance Unit (“QAU or QA”). Specific functions for each were set forth in charters that were created to increase transparency, accountability, and integrity within NYCHA; and a leader for each was chosen with the concurrence of the Monitor, after HUD and SDNY had an opportunity to comment.

NYCHA moved quickly on these requirements, which were stood up by the end of 2019 with the assistance of the Monitor Team. See, First and Second Quarterly Reports, [Monitor First Quarterly Report](#), [Monitor Second Quarterly Report](#). In brief, the Compliance Department’s mission - to ensure that NYCHA complies with laws and regulations and is ethical in fulfilling the overall mission to provide safe, affordable housing to NYCHA residents; the EH&S Department - responsible for providing oversight, analysis, and evaluation of all matters and work conducted by NYCHA which have any impact upon the environmental health and safety of NYCHA residents, employees, and real property; and, the QA Unit - responsible for improving performance and accountability by ensuring that maintenance and repairs are completed to industry standards in alignment with existing policies and procedures and provide objective assurance to management and regulators that residents receive high-quality workmanship from both staff and vendors. All of these, from the outset have been involved in oversight and inspections and investigation of NYCHA.

Because other operating and support departments failed to do so, the Compliance Department became significantly involved in the disciplinary process at NYCHA and included instructional and as appropriate counseling memos at the conclusion of an investigation (raising the issue of whether Compliance could be viewed as interfering in a process more properly handled by Operations in conjunction with Human Resources and Legal). See, [Monitor First Quarterly Report](#), [Monitor Second Quarterly Report](#), [Monitor Third Quarterly Report](#).

Compliance Department

The Compliance Department evolved more quickly in terms of organizational structure, staffing, and operationalization, given the allegations of the Complaint and the requirements and structure of the HUD Agreement. Four fully functioning sub-units: Compliance Inquiry Review and Assessment (“CIRA”), Compliance Integration Reporting and Evaluation (“CIRE”), the Monitoring Unit (“MU”), and the Procedures Unit were the first to be established.

Compliance Inquiry Review and Assessment (“CIRA”)

CIRA led the development and refinement of the Complaint Forum which satisfied the requirement imposed on each of the three new departments, to create a ‘forum’ for internal and external parties to make complaints regarding compliance, environmental health and safety issues, and concerns about the quality and timeliness of maintenance and repair work being performed at the developments, and to conduct investigations when appropriate. The Monitor team followed these developments closely, with constant interaction with the CIRA group. See, [Monitor Second Quarterly Report](#), [Monitor Third Quarterly Report](#).

Compliance Integration Reporting and Evaluation (“CIRE”)

CIRE was tasked with the responsibility of ensuring that NYCHA management and staff receive appropriate compliance training. NYCHA Compliance 101 Training, developed by CIRE with input from the Monitor team, was rolled out the last quarter of 2019 and to date has trained over 9,200 NYCHA employees. All employees were required to take the course which included detailed information on requirements set out in the HUD Agreement concerning lead, mold, pests, etc., and concluded with a test. A considerable portion of the training was devoted to ethics, non-retaliation, and NYCHA’s standards of conduct. See, Monitor’s First, Second and Third Quarterly Reports- [Monitor First Quarterly Report](#), [Monitor Second Quarterly Report](#), [Monitor Third Quarterly Report](#)). NYCHA also completed PHAS training to more than 6,000 employees to date. See PHAS discussion *infra*.

CIRE was also closely involved in the design and negotiation of the RFP for the PHAS training required by the HUD Agreement. CIRE negotiated a separate training for 3,000 Caretakers. CIRE also (in partnership with the Performance Tracking and Analytics Department or “PTAD”) worked to compile a matrix of key indicators to analyze risk across developments and to build an algorithm that weighs those key indicators and assigns a risk score to a development (providing Compliance with a better idea of where and how to focus Compliance resources such as monitoring and integration). The first ranking of developments was done in the last quarter of 2019, and the six lowest-ranked developments were chosen for the initial Compliance monitoring initiative which began in 2020. Both the Monitoring Unit and CIRA participated in the project.

Monitoring Unit (“MU”)

The CIRE-created a six-month monitoring plan that initially identified eight projects the MU was to initiate, and/or complete by the close of the first quarter of 2020. The focus included requirements under the HUD Agreement such as DEC pesticide regulations and 2019 HUD Agreement pest milestones, Exhibit A, Paragraph 30.b Certifications, compliance with lead safe housing and the Renovation, Repair and Painting Rule (“RRP”), recordkeeping requirements, compliance with EBLL (elevated blood lead level in children) regulations, mold requirements, and PHAS onsite and desktop monitoring.

As the MU continued to develop, its work involved a combination of desktop analysis, field observations, and interviews or surveys. Many involved other pillars of the HUD Agreement, e.g., the Compliance Department compiles a monthly “Exceptions Report” as part of the Lead Compliance Assurance Plan, to inform NYCHA leadership about the status of lead compliance in advance of the bi-annual certifications and performs data analysis regarding work order documentation as it relates to lead abatement, and renovation and repair activities. The MU conducts development site visits during which it interviews development staff about trash management practices, maps trash bins, recycling bins, exterior compactors, etc., and flags concerns which are then communicated to the CEO’s Office. The project’s purpose was to assist Operations in developing individualized Waste Management Plans for each development. The MU has also been involved in NYCHA’s response to mold, collaborating with CIRA, EHS, and the Quality Assurance Unit, conducting investigations of mold complaints received via the Complaint Forum, the mold ombudsperson, and other mechanisms to verify that these complaints are properly addressed within the required timeframes. The MU also played a key role in Compliance’s monitoring of the 2019 PHAS/REAC inspections (with the onset of COVID-19 these inspections did not recommence until 2023).

Procedures Unit

The Procedures Unit works with a procedure owner, i.e., the business unit responsible for the administration and implementation of a Standard Procedure (“SP”), to create new or update existing SPs and is responsible for maintaining copies of all NYCHA’s published SPs. When we first encountered the Procedures Unit, in the six-month Compliance roadmap, Procedures had 15 SPs or manuals to create or update by the close of the year concerning a wide range of topics - from lead safe housing to elevator service, maintenance, and repair, to repair standards and PHAS inspections - requiring cooperation from various business units including Operations, Administration, Healthy Homes, Public Safety, Finance, and QAU. This level of work has not decreased over the term of the Monitor. See, Compliance Department December 2023 Report, [Compliance Department Quarterly Report Q4 2023](#). While “owned” by the business unit where the subject matter expertise resides, most of the burden of drafting the procedure, as opposed to editing and packaging, falls to the Procedures Unit which documents the process in the Procedure Request Tracker maintained in the NYCHA Data Warehouse. A review of the tracker and all the back and forth required to move an SP from draft to final, clearly shows the process is inefficient and fails to place sufficient responsibility for SP creation and revision on its owner. Multiple SPs continue to be reviewed and updated; many are in place that are outdated. Accountability for the timely and consistent maintenance of SPs elevates process, increases knowledge and understanding, and promotes compliance. NYCHA should require that all SPs be subject to annual review by responsible persons in Operations and amended as necessary to adhere to best practices.

The Compliance Department has continued to expand its responsibilities, personnel, activities, and technical competence and has grown exponentially. Compliance has adjusted the size and duties of its component units over the past five years. In its present structure there are now seven units. The responsibilities of each of these units and their activities are summarized in quarterly reports. As presently configured Compliance describes its structure as follows:

- Compliance Inquiry Review & Assessment (CIRA)
 - Manages communication channels where residents, employees, contractors, and the general public can report compliance complaints anonymously and confidentially.
 - Investigates allegations of suspected noncompliance, including deceptive or other improper practices related to PHAS inspections and other compliance areas.
 - Collaborates with NYCHA's Environmental Health and Safety Department (EHS), the Quality Assurance Unit (QA), and other NYCHA departments to ensure that compliance issues are resolved promptly and effectively.
 - Makes recommendations to management regarding staff accountability arising from complaint investigations.
- Compliance Integration Reporting & Evaluation (CIRE)
 - Collaborates with departments to incorporate a compliance culture into everyday work practices through written advisories, business process redesign and change management.
 - Promotes compliance through research, data analysis, and statutory and regulatory review.
 - Ensures that NYCHA staff receive compliance training related to job functions.
 - Works in partnership with other departments to communicate to staff changes to regulations, laws, and procedures, including on areas of external reporting.
- Transactions Monitoring Unit (TMU)
 - Performs in-depth reviews of vendor agreements and conducts onsite compliance monitoring of vendors to ensure that all Section 3, Minority/Women’s Business Enterprise (“M/WBE”), and procurement policies, processes, and programs meet requirements under applicable governing regulations (City, State and Federal).
 - Oversees projects involving possible illegal, fraudulent, or improper practices, including issues related to vendor integrity.
 - Collaborates with NYCHA departments to ensure that identified areas of risk regarding vendors are mitigated

- o and compliance issues are resolved promptly and effectively.
- o Investigates complaints and potential areas of non-compliance in the Permanent Affordability Commitment Together (PACT) program.
- o Conducts onsite interviews with tenants and development staff.
- o Monitors capital projects for compliance with contract specifications and plans, accurate regulatory and financial reporting, compliance with laws and regulations, safety, quality, stakeholder inclusion, intra-agency communication, and transparency.
- Compliance Monitoring Unit (MU)
 - o Develops an annual compliance monitoring plan.
 - o Performs monitoring through onsite visits, interviews, and/or data analysis.
 - o Develops compliance reports and dashboards that include recommendations for improvement.
 - o Collaborates with departments to create corrective action plans to close compliance gaps.
- Violations Unit (VU)
 - o The Violations Unit tracks and responds to violations issued to NYCHA by various governmental agencies including Department of Buildings (DOB), Department of Health (DOH) and Fire Department (FDNY).
 - o The VU forwards dismissal packages or reports to regulating agencies for resolution after all violating conditions are corrected.
- Procedures
 - o Works with departments and other stakeholders across NYCHA to create new or update existing standard procedures.
 - o Maintains copies of all published NYCHA standard operating procedures.
- Records Management Unit (RMU)
 - o Ensures that NYCHA remains in compliance with all statutory and regulatory requirements for record keeping.
 - o Collaborates with NYCHA departments to develop and maintain record retention schedules, policies, and procedures.
 - o Approves and processes requests from NYCHA departments to destroy or transfer records for long-term storage.
 - o Acts as custodian for all NYCHA long-term inactive records located in warehouse storage and on microfilm.
- Technical Oversight and Special Projects
 - o Assists NYCHA business units with specific special projects involving complex regulatory structures and physical asset or environmental hazard and similar reporting.
 - o Builds data tools to track NYCHA's performance against technical procedures dealing with physical conditions and environmental hazards.

- o Works with Compliance and other executives to provide technical engineering and data analytics assistance.¹³

The present structure has been discussed with NYCHA to determine whether these functions and activities are properly placed within the Compliance Department. Given especially the strides in the utilization of information and dashboards by Compliance, the question remains how to put many of their activities into the operations department to achieve greater visibility, supervision, and accountability from NYCHA employees and vendors. While the Compliance Department has well demonstrated how NYCHA may progress, NYCHA has ignored prior recommendations to place some of Compliance’s functions into a functioning Internal Audit Department and entity-wide Risk Assessment Unit. The department appears to be overburdened with multiple tasks which, while important to NYCHA, should properly be in Operations.

An integral part of any successful compliance program, particularly so for a large organization, is “values-based” compliance. Such a program informs all employees of the imperative of conducting oneself ethically and creating a culture of integrity and transparency. NYCHA has yet to adequately address the imperative of such a values-based program and the constant communication of its purpose to all employees (many large companies do this daily). Such messaging must come from the top executives (the “tone at the top”) and be repeated throughout the organization. This will be an area where the new Monitor team will have to work closely with NYCHA.

Environmental Health & Safety Department (“EHS”)

EHS, inaugurated in April 2019, began to coalesce quickly as a department focused on overseeing and improving environmental health and safety at NYCHA. It consists of four oversight units: Environmental Hazards Oversight, which has oversight teams for lead, pests, and indoor air quality; Buildings Systems Safety Oversight, which has teams for heating, elevators, and fire safety; the Employee Safety Oversight Unit, with employee safety specialists and safety training personnel; and, the Analysis and Engagement Unit, which does analyses and reports on various inspection processes. Through a combination of field work and data analysis, EHS specialists use their subject matter expertise to collaborate with Compliance and QA to investigate complaints, independently observe and report to senior management on EHS issues encountered in the field, and actively advocate for EHS best practices at NYCHA. See, Monitor’s Second and Third Quarterly Reports ([Monitor Second Quarterly Report](#), [Monitor Third Quarterly Report](#)). EHS has collaborated well with Compliance, QA, and the Monitor.

As it expanded, the EHS unit commenced conducting independent, comprehensive investigations regarding NYCHA’s RRP compliance, including onsite inspections and whether lead disclosure documents were properly drafted and filed. EHS also has conducted root cause heat outage investigations for outages over 12 hours and has provided recommendations to improve NYCHA’s heating services based on its investigative findings. Its staff has expanded, and its activities now also include, among others, Community Air Monitoring Program Oversight, Apartment Turnover Health & Safety Inspections, EHU Complaint Investigations, Indoor Air Quality Oversight Team, Mold Remediation Oversight Inspections, Asbestos Investigations Oversight Inspections, Capital Onsite Monitoring, Complaint Investigation and Lead Oversight Team Visual Assessment Oversight Inspections. See, EHS Final Quarter Report 2023 ([EHS Q4 Report 020924](#)), for a current activity summary of the five units and teams that comprise EHS.

Quality Assurance Unit (“QA”)

¹³ See, Compliance Department Quarterly Report Q4 2023, [EHS Q4 Report 020924](#)

NYCHA named a Quality Assurance Officer (“QAO”) to head the unit near the end of the third quarter 2019. The new QAO, a seasoned investigator, had inherited a group of 12 experienced investigators transferred from the Leased Housing Department. The Agreement required the QA to expand its inspections to include reviewing work performed by NYCHA in advance of PHAS inspections to determine whether that work was industry-standard quality and to verify and contribute to compliance with the Agreement insofar as the Agreement bears on maintenance work at NYCHA. QA also collaborated with Compliance (MU) to conduct post-PHAS inspections of exigent health and safety repairs and commenced health and safety checks when performing QA inspections.

QA has been responsible for assessing the quality of repair work performed at NYCHA throughout each year, including work performed during the period in advance of a PHAS REAC inspections (See, Monitor’s Second Quarterly Report ([Monitor Second Quarterly Report](#))). To determine which developments and units to inspect, a list of closed and completed work orders for all crafts (maintenance, skilled trades, and vendors) at developments that had received the lowest PHAS scores in the last PHAS REAC inspections were randomly selected by assessment date by Maximo and loaded into the Quality Assurance Inspection System (“QIS”) used by QA inspectors. Inspectors then follow an inspection protocol, entering data into QIS as inspections are completed.

QA has broadened its outreach when NYCHA began its return from COVID-19. In 2023 QA, renamed the Quality & Cost Control Department (“QCC”) saw its duties expanded to include conducting numerous types of reoccurring inspections, investigative and administrative work to ensure that substandard work is flagged and corrected, and to deter inappropriate conduct, and resolve complaints in a timely manner. Although QA’s current focus “remains on repairs and resident complaints, the department has incorporated additional types of inspections such as: roof fan, house pump, apartment, and move-out inspections to widen the services that we provide to NYCHA residents and staff. The department has also taken a more proactive approach with communicating our findings to Operations to facilitate decision making and larger policy changes across the Authority.” See, Quality & Cost Control Department Quarterly (Q3 2023), Reporting Period January 2023- September 2023, November 15, 2023, [Quality Cost Control Q3 Quarterly Report 11152023](#).

The QCC, reporting to the SVP for Quality Assurance, Safety and Technical Programs now conducts a much wider scope of inspections, investigations, and activities throughout NYCHA. It is redeveloping its targeting strategy, making greater efforts to include resident feedback and satisfaction in its evaluations. While it has continued to grow and widen its scope, it continues to search for ways its “new units can make impactful differences and collaborate the other QCC units.” (See, Quality & Cost Control Department Quarterly (Q3 2023), Reporting Period January 2023 - September 2023, November 15, 2023, [Quality Cost Control Q3 Quarterly Report 11152023](#)). However, as it recognizes, the QCC headcount continues to be a limiting factor for the department. QCC currently only has 12 QA inspectors to conduct a growing number of inspections at each development in NYCHA’s portfolio, as part of QA’s visit schedule and [Onsite Monitoring, “OSM”]. Due to limited bandwidth, inspectors are unable to follow up and confirm that all deficiencies and repairs have been corrected following an inspection.

Current Assessment

The three new departments have made significant progress toward becoming vital and integral entities and have continued to adapt as necessary under continually changing circumstances. Their work is now summarized in quarterly reports. Their personnel have been available to speak with and have been cooperative with the Monitor Team. However, at some point certain other responsibilities they have taken on should be accomplished by operations. This includes driving change regarding proper staffing, training, oversight, and necessary supervision. This applies to both NYCHA staff and its vendors. While the three have embraced data analytics and new ideas, they must be adopted and utilized by executives and operations staff as a routine practice.

PHAS Action Plan

NYCHA was required to submit a PHAS Action Plan 90 days after the appointment of the Monitor. NYCHA timely submitted its Plan to the Monitor on May 29, 2019. The Monitor team had reservations about the Plan, including language used in communications about deceptive practices and the need for more specifics regarding timelines, frequency, methodology, and the proposed PHAS training, among others. PHAS REAC inspections recommenced on July 1, 2019. NYCHA decided to utilize the proposed Action Plan, although it was still under review. Throughout the summer of 2019, the Monitor team met on several occasions with the Procedures Unit to discuss potential revisions to the Plan. While these meetings were productive, on August 5, 2019, the Monitor formally rejected the May 29th Plan as inadequately addressing the historical practices and even deception engaged in by NYCHA in performing PHAS inspections. Thereafter the proposed Action Plan was improved, finalized and after reviews by SDNY and HUD, accepted by the Monitor on October 29, 2019.

The Compliance Department's Onsite Monitoring Unit visited developments scheduled for PHAS inspections and interviewed caretakers, maintenance workers, and supervisors to evaluate their understanding of PHAS procedures, including the prohibition on deceptive practices, and to verify that the deceptive practices poster was displayed in multiple locations in the development. Survey results showed that beginning in 2019, both familiarity with the deceptive practices prohibitions as well as awareness of the Compliance Department and the Complaint Forum as avenues to report unethical behavior were increasing. The Monitor's field team also participated in the monitoring and surveying of various PHAS sites. These efforts and others uncovered some improprieties requiring corrective action and a review of Maximo failure codes. An initiative to better align these codes with HUD's Exigent Health & Safety codes was commenced and resulted in a long list of Maximo revisions and additions which have been tracked and implemented. These activities have continued as PHAS inspections recommenced and transitioned to the new "NSPIRE" under which the PHAS inspections now are being conducted.

Since the PHAS inspections recommenced there has not been a discernable recurrence of the illegal activities concerning PHAS which ultimately led to the Monitorship.

ANNUAL INSPECTIONS

NYCHA submitted its initial Annual Inspection Plan to HUD in June 2019. HUD advised the Monitor that NYCHA's proposed approach, through which it opted to inspect roughly 50% of its units annually, was unacceptable considering HUD's intention to require inspection of 100% of units in the future. Over the course of the summer of 2019, focus turned to the PHAS Inspections Action Plan as HUD had recommenced its PHAS REAC inspections in July 2019. Discussions concerning an acceptable approach for the Annual Inspections Plan began again late in the fall and included HUD and SDNY.

In mid-January 2020, NYCHA submitted a second version of its Annual Inspections Action Plan. The format and content of this version reflected considerable input from the Monitor team. In conversations later in the month, NYCHA informed the Monitor team that it was strongly considering outsourcing annual inspections to a third-party vendor. When COVID-19 struck, annual inspections ceased and conversations regarding a new action plan were slowed. The Annual Inspection Plan, proposing the use of vendors for a portion of the annual unit inspections, was approved by the Monitor in December 2020. Annual inspections, with a target of 50% of the units recommenced after the pandemic and continue to the present. However, HUD did not formally announce the Agreement requirement that NYCHA inspect and perform minor repairs in 100% of its units until the NSPIRE Standards were distributed in 2023.

RECENT IMPROVEMENTS

During 2023, NYCHA accomplished the inspection of 95.79% of the targeted 50% of its apartments. As of this report, the Annual Inspections will be required for 100% of NYCHA's apartments. To date, they appear on track to accomplish this task. In addition, after expending considerable time to prepare, agree and post an RFP to obtain additional inspectional capability, a vendor was finally selected in 2023, and a pilot program instituted. One of the major issues was a determination of how to accomplish and price the minor repairs required by the Agreement during each annual inspection. As of the writing of this report, NYCHA has not determined the extent of utilization of the selected outside vendor. However, assignments for work to that vendor have been made and are proceeding. There had been indications that the "minor repairs" required to be done under the HUD Agreement at the time of inspection by the vendor would be limited and that instead of completion, new work orders would be created instead. At the most recent PHAS Pillar meeting NYCHA reported that the vendor would be performing those minor repairs.

Though the results of the recently completed round of PHAS REAC inspections were disappointing, the accuracy of the scores demonstrate that the efforts to obtain an honest evaluation without deception are succeeding.

RESIDENT ENGAGEMENT

When the monitorship commenced, NYCHA's communications channels with its residents, particularly resident leadership, were not functioning. Residents were very vocal about their mistrust of NYCHA and believed that NYCHA did not care about their wellbeing. Thus, the drafters of the Agreement included a resident engagement component in the document requiring that the Monitor establish and conduct at least quarterly meetings of a Community Advisory Committee or ("CAC") that would include the Monitor, resident leaders, NYCHA executives and other stakeholders to focus on NYCHA resident issues and concerns. We have worked with committee members to make the CAC a helpful vehicle to advance resident issues. We have also engaged in constant outreach to foster close relationships with residents and their leadership. One of the most important methods was the direct communication with residents accomplished by our field examiners. Every day they spoke with residents and workers, gained their trust and observed the conditions in which they were living and working. This enabled our office to learn with clear details about the challenges faced by residents and NYCHA at every development in the NYCHA system.

The Community Advisory Committee

The HUD Agreement required the establishment of a Community Advisory Committee, which would meet at least quarterly. In forming the CAC, the Monitor invited resident leaders, NYCHA, HUD, local elected officials including from the Mayor's Office, community leaders and city agencies serving NYCHA residents including the NYPD and FDNY to join as committee members. The meetings have been held every two months and have been live-streamed and recorded so residents can stay connected and informed. Committee members are asked to come to each meeting with an issue to present and to provide follow up on any items they were responsible for from the prior meeting. The focus was always on issues directly affecting residents.

A recurring concern related to safety and security conditions at the developments, especially, perpetually broken exterior building doors, insufficient or inoperable security cameras and lighting in and around development buildings. The CAC created a subcommittee to exclusively discuss and address development safety problems, particularly focused on improving the coordination between NYCHA's Office of Safety and Security and the Fire Safety Unit, NYPD and FDNY, and the Monitor's field examiner team (many of whom are former law enforcement personnel). The CAC safety and security subcommittee met biweekly to address both specific development issues and NYCHA-wide problems. The resulting communication and cooperation among the NYPD, FDNY and NYCHA's Office of Safety & Security improved the cooperation of all parties. The resulting increase in information and communication exchanges, helped directly address ground level problems at many developments. This included helping to reduce the recurring resident complaints of broken front and elevator doors by helping ensure local firehouses had

appropriate keys to avoid having to break doors. Regarding drugs, the CAC helped craft a targeted response process in certain drug infested areas. It also worked with appropriate agencies to address the issue of homeless persons on NYCHA property.

The CAC also suggested that NYCHA create a capital projects tracker similar to the city's Parks Department, so that people can go to NYCHA's website and obtain updates on NYCHA's capital projects. This project has reached fruition.

The Resident Roundtable

NYCHA's Transformation Plan included several proposed strategies to increase community engagement and to establish a working group of residents and resident leaders through a "Resident Roundtable." The Roundtable was created in 2021 to provide resident input on new initiatives to guide NYCHA's Transformation including on NYCHA's plans to decentralize operations to a more development-centric "Neighborhood Model." Recruitment for the Roundtable began in April 2021. Applications for Roundtable members were solicited, and members selected by lottery in the summer of 2021. Initial meetings were held in July. The Roundtable included four subcommittees – Safety & Security, Quality of Life, Quality Assurance and Management Practice. Roundtable members created the scope of work for each subcommittee. The Monitor's community and resident engagement team participated in each subcommittee. The Roundtable's first recommendations were issued to NYCHA in June 2022. NYCHA reviewed each recommendation to determine feasibility and responded to the Roundtable with a plan to address each of the 46 recommendations. After consolidating many recommendations, a total of 29 projects and follow up engagements were identified for "further exploration." These were incorporated into NYCHA's Phase II Implementation Plan, discussed *infra*.

Beginning in the fall of 2022, the subcommittees were reorganized into the following subcommittees: 1) Safety & Security; 2) Development Outreach & Beautification; 3) Resident Satisfaction & Oversight; and, 4) Resident Services & Engagement. The Roundtable subcommittees engaged in various activities over the last year and a half, to both identify key issues and concerns in their respective subcommittee areas and then conduct interviews of residents and others and gather information to provide reports back to the Roundtable, NYCHA, the Monitor and other stakeholders of their findings and recommendations for improving NYCHA's operations. These subcommittees presented recommendations to NYCHA in January 2024. See, NYCHA Resident Roundtable: 2023 Outreach, [Roundtable - Proposed Solutions 2023](#).

The work of each subcommittee has been impressive. They have worked hard and earnestly provided NYCHA with detailed reports on the issues they addressed. While NYCHA has worked productively with the Roundtable and held monthly meetings to feature subcommittee presentations and recommendations, NYCHA has yet to commit to addressing and implementing most of the recommendations made. Establishing the Roundtable was a first step taken by NYCHA to improve its relationship with its residents and use their knowledge and perspectives as a resource to improve NYCHA's operational structures. However, if NYCHA does not implement Roundtable recommendations, it will undermine the objectives for creating the Roundtable.

The NYCHA Community and Resident Services, Partnerships and Initiatives (RSPI)

NYCHA's Community and Resident Engagement ("CRE") unit, established in 2022, has endeavored to rebuild NYCHA's relationship with its residents and their leadership. CRE staff communicate to residents that NYCHA respects and cares about their concerns. CRE's small but ambitious staff have become involved in many of NYCHA's service delivery areas and have become a viable link between residents and many of NYCHA's operational units, striving to improve communication among residents and NYCHA staff.

Safety and Security at Developments

The Monitor's Field Examiners have amassed a trove of information since the beginning of the monitorship regarding safety and security issues at every NYCHA development. This information has been developed through observation and extensive communication with residents and staff.

Among the many security issues is the persistent problem of trespassers on NYCHA property. They often enter buildings to commit crimes, engage in vandalism, and seek shelter on roof tops and in elevator motor rooms, stairwells, basements, and even vacant apartments. Residents and staff must then contend with the damage, trash, personal belongings, and human waste that is left behind. The main cause is NYCHA's inability to properly secure its buildings, often the result of broken exterior doors that take weeks and even months to be repaired, only to be broken again soon after.

In addition to the problems with broken doors, other problems include faulty lighting and cameras. Even where cameras are installed and operable, we often found that development staff do not regularly review them or otherwise use them as a tool to improve security. Scaffolding and sidewalk sheds that encircle many NYCHA buildings create dark, secluded areas where residents often do not feel safe and are more vulnerable to being victimized. For the last several decades, NYPD crime statistics show that crime rates at NYCHA developments are on average 15% to 20% higher than other areas of the city. Developments across the city must contend with increasing numbers of homeless on their properties.

These conditions also affect NYCHA staff and their productivity. NYCHA staff often find themselves in unsafe conditions, such as being verbally or physically attacked or threatened by residents or outsiders with mental health problems or those engaged in criminal activity. We have been told that staff's concern for their personal safety, while also feeling that their employer is indifferent to this danger, has contributed to higher turnover among employees that deal with residents.

NYCHA can begin to address these safety concerns by eliminating preventable dangers created by residents. The Monitor field examiners have been assigned to developments since the start of the monitorship. Based on their interactions with residents and local staff, and their in-depth understanding of development conditions, they have made specific recommendations to NYCHA on how to improve safety conditions. The suggestions include methods to protect development doors, improve lighting and camera infrastructure, increase the effectiveness of security guards, and how best to deal with residents and trespassers who regularly violate NYCHA rules. NYCHA has not been able to substantially increase funding to address safety and security issues. Safety conditions at many developments are worse now than when the monitorship began. See, *Resident Roundtable Suggestions*; *Monitor Safety Report*; and, *Monitor Safety Associate Report* ([Roundtable - Proposed Solutions 2023](#), [Monitor Safety and Security Report](#), [Monitor - NYCHA - Safety and Security Technician](#)).

The Monitor field examiners also conducted an extensive review of the private guard service personnel engaged by NYCHA to provide security and fire-watch services at NYCHA buildings. NYCHA has recently entered a series of contracts for over \$180 million dollars to provide these services. The review showed that the guards often did not show up for work and that many were not present at their posts inside the buildings. Supervisors from the vendors failed to supervise and allowed the guards to sign in and out regardless of whether they were present. Resident leaders and other residents at various buildings complained that security guards and fire-watch personnel generally provided little meaningful security and often did not perform their duties. These issues were elevated by the Monitor to NYCHA, and the field team worked collaboratively with NYCHA to develop appropriate oversight of the security guards, although there is much more work to be done by NYCHA.

Pushing NYCHA to provide safer and more secure conditions at its developments has also been a top concern and priority of NYCHA's Resident Roundtable, the resident group established by NYCHA to assist with its Transformation Plan. Most of the Roundtable's recommendations concerned discrete actions to take regarding development safety and security issues. While NYCHA has acknowledged the problem, it has yet to substantially commit to any of the comprehensive measures put

forward by the Roundtable. See, [Roundtable - Proposed Solutions 2023](#). NYCHA's inability to address safety and security concerns will have to be addressed by the new Monitor.

Lease Rules Enforcement

For years NYCHA management has substantially failed to enforce its resident lease rules. Certain residents have created difficult living conditions and safety concerns at many developments endangering both residents and staff. Prohibited activities engaged in by certain residents include: 1) throwing trash from apartment windows; 2) allowing dogs – many banned by NYCHA, such as pit bulls - to roam freely, leaving excrement in elevators, hallways and on the ground and threatening others in and around buildings; 3) creating excessive noise; 4) storing lithium battery and gas powered vehicles in hallways and building entrances; 5) engaging in threatening and abusive behavior; 6) committing vandalism; and, 7) occupying public development spaces for their private use (for example, converting public balconies to private gyms, repair shops, or storage of personal items to the exclusion of other residents). The Monitor team has observed these circumstances during thousands of development field inspections. Residents regularly complain that NYCHA does not address these problems. Rule violators are aware that NYCHA does not currently have the capacity to engage in rule enforcement proceedings which require the gathering of evidence for presentation in administrative hearings, as a preliminary step in the eviction process. They do not have the capacity and apparently lack a commitment to engage in such enforcement proceedings.

The Monitor team has recommended to NYCHA that it create the new role of Safety and Security Technician for each of its 30 neighborhoods. Among other duties, those individuals would serve to collect all information required to properly initiate certain lease enforcement proceedings. This would reduce the time needed to gather needed information. It would also reduce incidents of animosity directed by residents at development personnel if they are required to perform such duties.

Based on extensive observations by Monitor field examiners over the years, the Monitor estimates that approximately 10% of the time worked by maintenance workers and caretakers is spent addressing damage, collecting garbage and cleaning detritus caused by rule violators and trespassers. Though the NYPD can arrest trespassers on NYCHA property, local district attorneys rarely prosecute these cases. When they do, the penalties issued by courts often do little to deter such conduct from recurring.

Certain Issues with Water Systems

The Monitor's office had cause to examine various circumstances in which NYCHA had issues with resident water systems.

Carleton Manor Hot Water Problems

In February of 2022, we learned through a news article of a lack of hot water at NYCHA's Carleton Manor development in Queens (Daily News, "Judge calls lack of hot water in Queens NYCHA building since November 'a crime'"). The Monitor team commenced an investigation with the assistance of our heating SME and discovered several issues which had been missed or overlooked by development staff and NYCHA's Capital Projects team who were responsible for the installation of a new heating plant at Carleton Manor in November 2021. Our full report of the investigation is available here, [Carleton Manor Report](#).

An Arsenic Scare at the Riis Houses

In September of 2022, the Monitor was informed by NYCHA that the water supply at the Riis Houses in lower Manhattan had tested positive for the presence of arsenic. We quickly joined forces with the NYCHA Inspector General's Office (from the New York City Department of Investigation) and conducted a multi-month investigation of how this circumstance occurred and how a laboratory eventually retracted its testing results and concluded that there never was any arsenic in the water supply at the Riis Houses. The investigation revealed significant flaws in NYCHA's operations pertaining to water system maintenance, as well as an initially inadequate response to the underlying circumstances by Operations personnel and senior management. See, [Riis Exhibit](#) for the Monitor's findings and recommendations.

Legionnaire's Disease at Langston Hughes Houses

In January of 2024 news accounts revealed that a second resident of the Langston Hughes Houses in Brooklyn had been afflicted with Legionnaire's Disease and that the first stricken resident had died in July 2023. We inquired with NYCHA about the situation and received a full report on the circumstances and on steps taken to ensure the removal of the Legionella bacteria from the hot water system in question. NYCHA established an Office of Water Quality within Healthy Homes, which is responsible for addressing Legionella and interfacing with the New York City Department of Health and Mental Hygiene.

In sum, Legionella contamination is regulated by the City of New York (through the Department of Health and Mental Hygiene, or DOHMH). When there are two or more incidents reported by healthcare professionals within a year, it triggers an investigation. The outbreak occurred at Langston Hughes Building 3. There have been two cases, one this past July and one in January.

Legionella is not a drinking water or roof tank issue; it is a hot or warm water issue. It can sometimes be caused by the hot water not being hot enough. You can drink the water and take baths, but you cannot shower. When you shower, it aerosolizes and that is how one can contract Legionnaire's Disease. A restriction was placed at Langston instructing residents to not shower. Then testing had to be done. A sampling plan was created and sent to DOHMH for approval. Once the plan was approved, testing was performed by a licensed vendor. Results typically take about two weeks because they require an incubation period. Notably, under City regulations, testing is not performed until a second case of Legionnaire's disease is confirmed.

Legionella is naturally occurring, and NYCHA anticipated that there would be positive legionella test results. When this is the case, chlorine is added to the water and run through the system for a few weeks. The water with added chlorine is safe to drink. Once the treatment is complete and taken offline, follow-up sampling is done a week later and then a month later. The vendor performing the treatment will monitor the situation to ensure the chlorine levels remain safe. NYCHA's water division (formed after the Riis Houses incident) is working on the matter.

NYCHA'S ORGANIZATIONAL CHANGES

Background

Institutional Changes Required by the HUD Agreement

For NYCHA to correct the problems leading up to the appointment of a Monitor, "to remedy the deficit physical conditions in NYCHA properties, ensure that NYCHA complies with its obligations under federal law, reform the management structure of

NYCHA...¹⁴ a complete reevaluation of NYCHA’s governance, organization, management, and compliance systems was warranted, followed by the adoption of recommendations and revisions to policies, procedures and the way work was being planned, executed and performed.

The Agreement required the City and NYCHA to make specific institutional changes, some which were required to be implemented immediately upon approval of the Agreement. The Agreement:

- Mandated that the city select and appoint a new Chair and Chief Executive Officer (to be approved by federal stakeholders).
- Required the city and the Monitor to jointly select a management consultant to “examine NYCHA’s systems, policies, procedures and management and personnel structures and make recommendations to the City, NYCHA, and Monitor to improve the areas examined.”¹⁵
- Required the Monitor work with NYCHA, upon reviewing the consultant’s recommendations, to create a new Organizational Plan for NYCHA to operate more effectively going forward and ensure compliance with its Agreement obligations. NYCHA was obligated to “promptly adopt it as its official policy, procedure and course of action and shall use best efforts to implement it.”¹⁶
- Required the Monitor work with NYCHA to establish three new departments – a Compliance Department to oversee regulatory compliance and overall compliance with NYCHA’s procedures and policies; an Environmental Health and Safety Department to analyze, oversee and improve the environmental health and safety at NYCHA; and a Quality Assurance Unit tasked with identifying and assessing maintenance performance problems; and
- Required that NYCHA not use deceptive practices with respect to PHA Inspections (PHAS) and ensure that all maintenance repairs are performed to industry standards.

NYCHA has implemented organizational and process changes, some on NYCHA’s own initiative and others completed with the support and insistence of the Monitor team. NYCHA has committed to alter its organizational structure to improve its operations, administration, and governance. Much work remains and should be a major focus of the new Monitor.

Board and Governance Structure

NYCHA’s Board and Governance structure is set forth in the New York State Public Housing Law (“PHL”) Section 402 as well as in NYCHA’s bylaws. When the HUD Agreement was signed, NYCHA’s Board consisted of seven members - including three resident members - all appointed by the Mayor. The Mayor designated one member as the Chair. Board Member duties included voting on contracts, resolutions, policies, motions, rules, and regulations at regularly scheduled meetings. Under NYCHA’s bylaws, the Chair also served in the role of NYCHA’s Chief Executive Officer (CEO), responsible for supervision of the agency. Although the PHL defines the Chair as a full-time paid position, NYCHA has historically been managed by both a combined Chair and CEO position and a General Manager, though the distribution of functions reporting to the two has changed over time.

¹⁴ HUD Agreement, Section I, 8. See, [NYCHA Complaint](#).

¹⁵ HUD Agreement, Section B, Paragraph 45. NYCHA was obligated to adopt these changes and use best efforts to implement them.

¹⁶ Id at paragraph 49

The Agreement required that the City in coordination with the Monitor engage a management consultant to assess NYCHA's systems, policies, and procedures, and recommend improvements. KPMG LLP was retained to conduct that assessment and delivered its final report in December 2019. See, [KPMG](#). The report included an assessment of and recommendations for NYCHA's governance and organizational leadership. KPMG recommended that the positions of Board Chair and Chief Executive Officer be separated with the Board Chair to be focused on governance and oversight, and the CEO to be focused on management. The Board Chair should be a full-time position, consistent with the PHL, and the Board composition should be increased to provide additional expertise. The Monitor team endorsed these recommendations. At the urging of the Monitor, NYCHA ultimately agreed to separate the roles of CEO and Chair.

As a part of NYCHA's reorganization strategy, and in preparing its Transformation Plan, NYCHA acknowledged the need to enhance its governance and leadership structure and proposed amendments to its bylaws and other legislative changes to the PHL. NYCHA's proposed changes addressed several but not all the recommendations endorsed by the Monitor.

Leadership

The monitorship commenced during the tenure of an interim CEO. One of the first steps in NYCHA's organizational transformation was the appointment in August 2019 of Gregory Russ, as Chair and CEO, whose appointment had to be approved by federal stakeholders. Russ was succeeded in September 2022 by an interim CEO, Lisa Bova-Hiatt, who became CEO in July 2023.

At the commencement of the monitorship, Vito Mustaciuolo served as NYCHA's General Manager. After his departure in 2021, the position of Chief Operating Officer ("COO") was created. A HUD official, Daniel W. Sherrod, was seconded by HUD to serve as NYCHA's interim COO for approximately six months. He was succeeded by Eva Trimble, who had served as COO.

The Beginning of Organizational Change

In September 2019, NYCHA created the Office of Strategy & Innovation to coordinate all work with the Monitor team, including beginning work on the organization plan. Though NYCHA declined to adopt all of the KPMG recommendations, its position is that all issues identified have been addressed. NYCHA began to draft what it referred to as a "Transformation Plan" which set forth the goals and changes that it would make if its resources were not "constrained." The Monitor's responsibilities in this regard were hampered by NYCHA's seeming reluctance to consider the many recommendations of the Monitor in this regard. After many months of discussion amongst NYCHA, the government and the Monitor, it was agreed that NYCHA would craft and execute a multi-faceted "Implementation Plan." The Implementation Plan, in turn, set forth NYCHA's intention to adopt a "Neighborhood Model" to decentralize many aspects of its operations. This process remains ongoing. The movement towards organizational change unfortunately has taken longer than it should have. NYCHA was initially and consistently resistant to initiatives recommended by the Monitor. While some of NYCHA's reluctance was eventually overcome, in many areas as noted below, NYCHA ignored or rejected various changes proposed by KPMG and by the Monitor.

Organization Plan

It is helpful to recall that KPMG issued two reports, completed in accordance with ISO standards, *NYCHA Organization Governance – Preliminary Observations and Recommendations* (issued in July 2019) and *NYCHA Current State and Maturity Assessment Report* (issued in December 2019) [[KPMG](#)]. These reports included the findings of KPMG's comprehensive assessment of NYCHA's organization and business processes and over 250 recommendations for change. The Monitor's intention was for NYCHA to use these reports as a basis for organizational change. NYCHA declined to so use the KPMG

recommendations. NYCHA chose instead to develop the Transformation Plan as part of what it referred to as the “Blueprint for Change.” The Transformation Plan contained proposed strategies for restructuring NYCHA’s business and operations.¹⁷ See, [Transformation Plan](#).

The Transformation Plan (“Plan”) set out NYCHA’s “unconstrained” (i.e., as if all proposals could be fully funded) strategic vision for reform regarding its governance and leadership structure, property management systems and central support functions. Among other strategies, the Plan introduced the Neighborhood Model concept for property management operations. However, the Plan did not generally specify how and when, and with what resources the strategies and associated milestones identified would be implemented. The Plan was silent regarding what actions NYCHA would take to address discrete and significant issues including workforce productivity and performance, worker accountability, staff training, supervision and quality assurance, procurement, capital project delivery, resident engagement, and employee and resident safety. In sum, the Plan did not provide a comprehensive strategy to effectively change NYCHA’s culture, ethics, administration, and operations and instill a commitment to collaboration, productivity, and accountability.

Current Assessment

Governance

As a part of NYCHA’s reorganization strategy and in preparing its Transformation Plan NYCHA acknowledged the need to enhance its governance and leadership structure and proposed amendments to its bylaws and other legislative changes to the PHL. NYCHA’s proposed changes addressed several but not all the recommendations endorsed by the Monitor. Significantly, NYCHA proposed separating the role of the Chair and the Chief Executive Officer, with the Chair and Board members remaining as part-time, unpaid positions. The proposed Board structure consisted of four committees: a combined Audit and Finance Committee, Operations Compliance & Capital Committee, Resident & Community Affairs Committee, and Governance Committee.

The CEO’s role included implementing the Board’s policy direction, managing NYCHA’s senior leadership team, and providing effective leadership to the organization. NYCHA also proposed to change the bylaws to allow the Board of Directors to appoint the CEO. This represented a change of appointment authority from the Mayor. Any new appointment during the pendency of the HUD Agreement requires approval of the federal stakeholders. The position of Chief Operating Officer was established to replace the General Manager title. The COO’s primary responsibility is to oversee all of operations including Property Management & Maintenance, Community Engagement & Partnerships, and Public Safety. The COO portfolio would also include NYCHA’s Leased Housing program to ensure that all housing units and vouchers are under the same executive management. A new Chief Asset and Capital Management Officer position was created, as part of the consolidation of Real Estate and Capital Program Departments.

Bylaw revisions proposed by NYCHA did not address some critical KPMG recommendations, including that the positions of Board Chair and Chief Executive Officer be separated into two positions, with the Board Chair focus on governance and oversight, and the CEO focus on management. KPMG proposed that the Board Chair be a full-time position, consistent with NYS PHL and the Board composition should be increased to provide additional expertise. The Monitor team endorsed these recommendations.

¹⁷ https://www.nyc.gov/assets/nycha/downloads/pdf/Blueprint_for_Change_Brief_8.5x11_English.pdf

NYCHA's proposed bylaw revisions also did not address some critical recommendations the Monitor deemed essential to ensure effective, accountable governance. The proposed revisions failed to define the roles and responsibilities of the Board Chair solely as a governance role or the duties and responsibilities of Board members, including their scope of authority and oversight; did not consider that special knowledge should be required for membership on the governance and finance and audit committees or that specific qualifications should be required for Board membership, including skills; and did not recommend increasing Board membership resulting in Board committee membership limited to two members plus the Chair. Further, the revisions combined the audit and finance committees, which created a conflict of interest.

The Monitor Team noted its objection to NYCHA's proposed bylaw amendments, as they did not comply with the directives of the HUD Agreement, nor would they sufficiently reform governance including empowering and strengthening the Board, sitting as fiduciaries, to make independent strategic and policy decisions. When NYCHA's Transformation Plan was released in January 2021, NYCHA and the Monitor were still in discussions regarding these governance issues. To allow the organizational planning to proceed it was agreed that NYCHA and the Monitor would continue to work together to propose final changes.

The Monitor Team, NYCHA and the government continued to discuss proposed changes to NYCHA's governance structure. On April 28, 2021, NYCHA sought and received Board approval for bylaw revisions. [Board Meeting Minutes_04282021](#). The revisions created four standing committees of the Board and approved charters for each of these committees: a combined Audit and Finance Committee; a Resident and Community Affairs Committee; an Operations, Compliance and Capital Committee; and a Governance Committee.

The NYCHA Board approved additional bylaw changes at its meeting of June 15, 2022, [NYCHA Board Minutes_061522](#) which separated the roles of Chair and CEO effective upon appointment of a new CEO and codified the division in roles and responsibilities between the Chair and the CEO within Sections 1.05 and 1.07 of the agency's by laws adopted June 15, 2022. In a letter dated January 26, 2023, to HUD and SDNY, NYCHA sought agreement by HUD and SDNY to make the position of NYCHA Chair a part-time, stipend paid position and allow for outside employment of the Chair. The letter noted that the Monitor had approved these recommended changes. However, although not stated in the letter, the Monitor's concurrence was premised on the understanding that the NYCHA Board would expand its committee structure substantially.

By letter dated February 8, 2023, SDNY advised NYCHA that the government concurred in NYCHA's proposal for governance changes. The letter stated, however, that "the Monitor, NYCHA, HUD and SDNY are discussing, and intend to continue to discuss, additional changes as needed to NYCHA's governance structure that will enable sustained compliance with NYCHA's obligations under this Agreement by ensuring effective and efficient governance."

On May 11, 2023, a bill denominated S.6835 was introduced in the New York State Senate to amend subdivision 4 of §402 of the Public Housing Law, adding subdivisions b, c, and d, to conform state law with the reforms undertaken by NYCHA, including:

- Direct Board oversight of the CEO and other managers and supervisors in the effective and ethical management of NYCHA.
- Board responsibility for understanding, reviewing, and monitoring the implementation of financial controls and operations decisions of NYCHA.
- Adoption of a code of ethics for officers and employees.

- Performance of their duties as Board members with due diligence, care, and skill.¹⁸

As of January 15, 2024, the bill had not passed.

Current Status of Governance Reform

Despite the many recommendations from the Monitor and KPMG in the past five years for professionalization of governance at NYCHA in a variety of ways, the only steps NYCHA has taken so far are to bifurcate the roles of Board Chair and CEO, and create a handful of new Board committees that, as far as the Monitor can determine, have not met, or conducted any business. Contrary to New York State law, the position of Chair is now a part-time, unsalaried position (with a stipend paid for performance of official duties). Contrary to best practices, the Audit and Finance Committee have not been divided into two committees. The Board remains a passive body that functions mainly to approve budgetary items. In sum, the great majority of the recommendations made by KPMG and the Monitor have been ignored.¹⁹

Organization Plan

One of the most difficult challenges of the HUD Agreement is the requirement that NYCHA prepare and implement an overarching Organization Plan. As noted above, NYCHA's Transformation Plan set out a financially unconstrained strategic vision for ongoing reform. Prior to its approval, the Monitor, HUD and SDNY required that the Plan be modified to include an exhibit entitled "A Roadmap to Implementation Plans," which established a framework for SDNY and HUD to participate in working groups with NYCHA and the Monitor to facilitate the reforms identified in the exhibit (referred to by the parties as "Exhibit A," see [Transformation Plan](#)). With this in place, HUD and SDNY concurred with the plan on March 2, 2021.²⁰

Exhibit A established an "Additional Reforms Working Group," led by HUD and SDNY, to evaluate a discrete set of critical topics essential to successful performance and recommend further reforms if necessary. The working group met weekly with NYCHA to review, among other things, NYCHA's procedures related to workforce performance and accountability, disciplinary practices, quality control, vendor performance and controls, operations staffing, training and work order management. NYCHA's implementation plans were to be informed by the work of this group. NYCHA's two Implementation Plans were concurred with on February 10, 2022, and March 15, 2023, respectively. See, [Implementation Plans](#).

Background

When considering attempts at organizational change, which involve not only policies, procedures, work plans, etc., the culture, of any organization seeking change, needs to be considered. For NYCHA, it is often easier to fix a problem than establish goals and a strategy to address the root cause of the problem. There remains an unwillingness by NYCHA's central offices to yield decision-making control to the developments and a reluctance to take advice from the Monitor's experts. NYCHA often

¹⁸ From the information publicly available and conversations with NYCHA, it appears that only the Audit and Finance Committee does meet.

¹⁹ The reader is directed to the NYCHA website ([NYCHA Board Minutes 06152022](#)) to review the monthly NYCHA Board meetings, which demonstrate an almost exclusive devotion by the Board to approving contracts or budgets.

²⁰ To support NYCHA's Neighborhood Model working group and hasten NYCHA's development of neighborhood model strategies and implementation plans, in the fall of 2021 the Monitor team conducted workshops and meetings to consider NYCHA's neighborhood model plans and issued the Monitor's NYCHA Neighborhood Model Report, including recommendations, which were shared with NYCHA. See, [Monitor NYCHA Neighborhood Model Report](#).

operates in emergency response mode, establishing special programs and assigning special teams which are not part of property management to address specific and persistent issues. This approach may appear to be successful in addressing crises, but it also often disrupts the work at the development level, resulting in confusion and a loss of accountability at the property level. Once these special teams move on to other projects, often there is no structure in place to ensure the emergency condition does not reoccur.

NYCHA's Transformation Plan included a change management plan to assess change readiness across the agency.²¹ More work needs to be done on communicating the plan, assessing the impact on employees of changes, and obtaining and acting on feedback obtained from employees.

The culture of NYCHA can be changed, but will require disciplined leaders executing a specific plan, with clearly defined goals, timelines, and costs. They must exhibit the correct tone and push cultural change from the top. They must constantly reinforce this message to NYCHA's employees. And they must take action to demonstrate their commitment to these principles and support staff to be successful. To accomplish change, these principles must be established and inculcated. As is the case with the Work Order Reform program, there must be rigorous communication and constant assessment of impacts.

Status of Implementation

NYCHA established the Office of Strategy & Innovation ("S&I") in 2019. In addition to serving as a principal point of contact with the Monitor's office, the putative objective of S&I was to work with all NYCHA offices to improve all aspects of operations. S&I took the leadership role in preparing the Transformation Plan and the subsequent Implementation Plans. S&I developed the Neighborhood Model strategy and was responsible for its implementation. S&I consolidated strategic planning and the performance management teams with a goal to ensure that NYCHA was using service design and data driven techniques, as well as introducing innovative tools to improve operational efficiency and the residents' experience.

To ensure implementation of the Transformation Plan, S&I established the "Transformation Plan Program Management Office," or "PMO," which is charged with managing the organizational reforms contemplated by the Organizational Plan. The PMO was established to ensure the success of the Transformation Plan by managing the portfolio of projects and coordinating activities in the following areas:

- Transformation Plan Governance
- Project Management Standards and Support
- Cross-Project Integration and Risk Management
- Stakeholder Management and Compliance
- Change Management

These activities of the PMO are led by the Deputy Director of Strategic Planning, under the direction of the EVP of S&I and VP of Strategy and Operations, supported by staff and consultants in S&I, and advised by the Federal Monitor.

The HUD Agreement requires NYCHA to "report in writing to the Monitor, HUD, and SDNY on its compliance with the Organization Plan." The Project Management Office was tasked with the responsibility to track and report on the status of

²¹ See Chapter 12 of the Transformation Plan.

NYCHA's implementation of the 38 strategies NYCHA committed to implement in the Transformation Plan. See, [Transformation Plan Projects](#) prepared by NYCHA, which lists the strategies and the stage of progress as reported by NYCHA for each strategy in December 2023.

Each of NYCHA's strategies are being managed by a responsible department. The PMO maintains a tracking report and convenes a monthly meeting where each department reports on the status of implementation. NYCHA is tracking a total of 337 milestone activities, and they report 74% of these activities are completed. There has been disagreement as to the definition of "completed" and to what extent there has been accomplishment of the strategies.

NYCHA is endeavoring to implement systemic change. Some changes will support the "Neighborhood Model" but have been done without sufficient input from S&I. For instance, in 2023, operations reorganized the heating department to be in alignment with the Neighborhood Model. Similarly, the Office of Administration Contracts and Analysis ("OACM") was reorganized independently from organizational planning occurring within the Office of Strategy and Innovation.²² The impact that these organizational changes and responsibility overload has on existing processes in Neighborhoods and at developments within the context of NYCHA's transformation strategy is rarely considered.

Most of these and other enterprise-wide changes are not being tracked, monitored, or assessed by NYCHA's PMO or captured in the HUD Agreement-required compliance report. NYCHA has been consistent in its position that the compliance report only includes those strategies and associated milestones identified in the Transformation Plan. The impact of all these organizational changes should be monitored and assessed and adjusted as appropriate. They also need to be better coordinated with other changes and communicated appropriately to staff.

The PMO has not yet achieved the purpose defined in the Implementation Plan. The PMO's efforts have been largely concentrated on reporting on Transformation Plan strategies, including setting project management standards, and on managing and delivering those strategies being executed by S&I staff. The PMO has the skills to fulfill the role originally outlined in the Implementation Plan, to ensure cross-project integration, and coordinate risk and stakeholder management, compliance, and change management. The PMO should be given the authority to work with the program management teams and with other teams and departments. This will foster uniformity of messaging, program management excellence and ensure better coordination of change initiatives.

Among the changes NYCHA has been implementing, some of the most impactful are described below.

Work Order Reform

For many years NYCHA lacked a plan to address the failures in executing work orders. Many of these failures were the result of inadequate data and scheduling techniques as well as lack of coordination with residents.

The Work Order Reform (WOR) initiative is one of the longest running parts of NYCHA's transformation, with initial analytical work pre-dating the development of the Transformation Plan. In November 2020, NYCHA launched a pilot in Western

²² 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.

Queens to test several in-unit repair changes prior to implementing a full citywide rollout. The results of the pilot were used to inform the design of the Work Order Reform program that was first deployed in Queens and Staten Island in November 2021.

The object of WOR was to improve the delivery of maintenance and repair services. Certain skilled trades workers were moved from the borough level to the neighborhood level to increase efficiency in response times between work sites.

To help achieve the objectives of WOR, NYCHA created the “neighborhood planner” role responsible for scheduling skilled trades work and improving coordination with residents. Speaking with residents helps coordinate the date of the repair visit. The process for scheduling work orders also was modified. Maintenance workers are now required to create all necessary in-unit repair work orders simultaneously at their first on-site maintenance visit.

The WOR project included 34 milestones. Of these, 3 milestones are not yet complete, 22 are complete, 3 milestones are deferred and 6 have been canceled. Once these milestones are complete, the Work Order Reform project will become standard practice. A group of cross departmental representatives is currently evaluating and implementing additional changes to improve work scheduling. The work undertaken by the WOR team goes beyond the strategies and activities included in the Transformation Plan.

The WOR initiative appears to be an example of a NYCHA success. NYCHA fully committed to WOR, providing staff the time to properly plan and consult affected departments on changes; committing resources and later a team to project manage and implement the program; hiring staff for all four “boroughs” (NYCHA’s four jurisdictions one of which comprises Queens and Staten Island) based on both work order analytics and significant consultation with borough staff; communicating with property level staff prior to roll out; and continuing cross-departmental coordination in a wide range of forums. NYCHA has grown the program scope and maintained resources to identify and resolve issues associated with the repairs process. The project team is committed to providing significant support to Property Management, and frequently makes site visits to support staff locally and is in regular contact with Neighborhood Administrators.

WOR is still evaluating the implementation outcomes and while there has been improvement in work order completion, many performance metrics still require improvement, including compliance with the issued WOR guidance.

Productivity Analysis Tool

Beginning in 2023, the Monitor team in collaboration with Neil Steinkamp of Stout, who also serves as the *Baez* Independent Data Analyst (“IDA”), developed a productivity analysis tool to assess the relative productivity of different operations and skilled trades titles at NYCHA. The goal was to assess their relative productivity using Maximo work order data in comparison to their clocked in hourly time. The tool enables a variety of comparisons between trades as well as individuals working within the same trades and job categories. As the chart below indicates, not all trades appear to be equally productive with questions raised about productivity for example, of plumbers versus other trades. Further study of productivity within the plumbing trade must be undertaken to reach any conclusion as to whether plumbers are significantly less productive than other trades. The Monitor team and Stout have presented this tool to federal stakeholders in the expectation that NYCHA can use the information to perform a data driven assessment of worker performance, both individually and by title, and foster accountability among its employees and departments.

PRODUCTIVITY ANALYSIS

This productivity analysis is focused on six skilled trades based on current employee titles for a three-year period from Nov 2020 until Nov 2023. Productivity is measured by identifying total hours of time worked on work orders in Maximo over total hours booked in Kronos. Alternative productivity calculations have also been accounted for to exclude employee meal and rest breaks from the total hours booked in Kronos.

A		B			C			D			E			F			G			H			I			J			K		
		Nov 2020 - Nov 2021			Nov 2021 - Nov 2022			Nov 2022 - Nov 2023																							
Skilled Trade	Title	Total	Productivity %		Total	Productivity %		Total	Productivity %		Total	Productivity %		Total	Productivity %		Total	Productivity %		Total	Productivity %		Total	Productivity %							
		Persons	Productivity %	(Excluding Breaks)	Persons	Productivity %	(Excluding Breaks)	Persons	Productivity %	(Excluding Breaks)	Persons	Productivity %	(Excluding Breaks)	Persons	Productivity %	(Excluding Breaks)	Persons	Productivity %	(Excluding Breaks)	Persons	Productivity %	(Excluding Breaks)	Persons	Productivity %	(Excluding Breaks)						
Bricklayer	Bricklayer	53	75.26%	79.47%	49	77.53%	81.83%	52	75.62%	80.03%	53	75.26%	79.47%	49	77.53%	81.83%	52	75.62%	80.03%	53	75.26%	79.47%	49	77.53%	81.83%						
Bricklayer	Mason's Helper	59	60.87%	64.39%	69	63.89%	67.62%	66	69.30%	73.31%	59	60.87%	64.39%	69	63.89%	67.62%	66	69.30%	73.31%	59	60.87%	64.39%	69	63.89%	67.62%						
Bricklayer	Supervisor Bricklayer	14	27.23%	28.74%	13	16.95%	17.92%	9	5.23%	5.54%	14	27.23%	28.74%	13	16.95%	17.92%	9	5.23%	5.54%	14	27.23%	28.74%	13	16.95%	17.92%						
Carpenter	Carpenter	244	71.31%	74.82%	274	66.80%	70.00%	259	73.74%	77.32%	244	71.31%	74.82%	274	66.80%	70.00%	259	73.74%	77.32%	244	71.31%	74.82%	274	66.80%	70.00%						
Carpenter	Supervisor Carpenter	26	34.21%	36.03%	25	12.27%	12.94%	23	3.83%	4.06%	26	34.21%	36.03%	25	12.27%	12.94%	23	3.83%	4.06%	26	34.21%	36.03%	25	12.27%	12.94%						
Maintenance	Maintenance Worker	1,306	32.67%	35.27%	1,363	32.36%	34.91%	1,445	34.23%	36.91%	1,306	32.67%	35.27%	1,363	32.36%	34.91%	1,445	34.23%	36.91%	1,306	32.67%	35.27%	1,363	32.36%	34.91%						
Maintenance	Maintenance Worker (Non-Comp)	48	41.66%	45.16%	36	45.47%	49.21%	34	47.69%	51.60%	48	41.66%	45.16%	36	45.47%	49.21%	34	47.69%	51.60%	48	41.66%	45.16%	36	45.47%	49.21%						
Maintenance	Supervisor Mechanical Install & Maint	23	0.06%	0.06%	25	0.03%	0.03%	22	0.00%	0.00%	23	0.06%	0.06%	25	0.03%	0.03%	22	0.00%	0.00%	23	0.06%	0.06%	25	0.03%	0.03%						
Painter	Painter	300	66.30%	70.22%	333	64.05%	67.92%	343	65.31%	69.33%	300	66.30%	70.22%	333	64.05%	67.92%	343	65.31%	69.33%	300	66.30%	70.22%	333	64.05%	67.92%						
Painter	Supervisor Painter	109	18.88%	19.91%	100	14.46%	15.32%	93	6.36%	6.74%	109	18.88%	19.91%	100	14.46%	15.32%	93	6.36%	6.74%	109	18.88%	19.91%	100	14.46%	15.32%						
Plasterer	Plasterer	268	77.00%	82.79%	266	77.62%	83.58%	252	81.84%	87.98%	268	77.00%	82.79%	266	77.62%	83.58%	252	81.84%	87.98%	268	77.00%	82.79%	266	77.62%	83.58%						
Plasterer	Supervisor Plasterer	36	17.00%	18.20%	34	8.55%	9.16%	34	3.62%	3.87%	36	17.00%	18.20%	34	8.55%	9.16%	34	3.62%	3.87%	36	17.00%	18.20%	34	8.55%	9.16%						
Plumber	Plumber	127	36.93%	38.98%	142	32.29%	34.03%	144	43.47%	45.89%	127	36.93%	38.98%	142	32.29%	34.03%	144	43.47%	45.89%	127	36.93%	38.98%	142	32.29%	34.03%						
Plumber	Plumber Helper	112	37.07%	39.16%	195	32.56%	34.26%	210	40.59%	42.73%	112	37.07%	39.16%	195	32.56%	34.26%	210	40.59%	42.73%	112	37.07%	39.16%	195	32.56%	34.26%						
Plumber	Supervisor Plumber	28	22.48%	23.76%	27	11.96%	12.65%	27	6.36%	6.74%	28	22.48%	23.76%	27	11.96%	12.65%	27	6.36%	6.74%	28	22.48%	23.76%	27	11.96%	12.65%						

Procurement

In 2019, NYCHA engaged an independent consultant to conduct a comprehensive assessment of its procurement operation. During the second quarter of 2020, the consultant began a fourteen-week review of procurement culminating in a series of recommendations for enterprise-wide improvements. NYCHA moved quickly in response to recommendations beginning with the identification and hiring of a Chief Procurement Officer (“CPO”). Towards the end of 2020, NYCHA hired a new CPO tasked to develop a strategy and lead NYCHA’s improvement in the Supply Management and Procurement Department (“SMPD”).

In support of NYCHA’s broader Transformation Plan, NYCHA’s CPO developed a three-year strategic plan for SMPD. The plan included broad goals of hiring additional staff and restructuring the department; improving procurement and contract management processes; broadening staff capabilities; improving NYCHA’s vendor pool; reordering the handling of logistics and warehousing; implementing modern technology; and, making procurement sourcing more strategic. Over the last two years, SMPD has made significant changes to address several key issues raised in the initial assessment of the division.

Highlights include:

- Hiring key leadership positions to support transformational change within the department.
- Organizational restructuring and creation of the Purchasing, Logistics, and Inventory group.
- Revisions to the Procurement Policy Manual.
- Developing a path to increase engagement with M/WBE vendors and improve Section 3 hiring.
- Assessing and updating standard procedures for procurement thresholds, materials disposal/obsolescence, vendor ethics and responsibility.
- Deploying training on procurement ethics and vendor responsibility.
- Creation of a procurement board comprising NYCHA leadership to address enterprise-wide procurement matters.
- Broadening the scope of the vendor integrity and background checks as part of the vendor responsibility function process.

Procurement is unique in that the lifecycle of the procurement process requires participation from multiple departments and individuals for its success. SMPD has served as a catalyst by bringing together otherwise siloed groups within NYCHA to improve how NYCHA procures goods and services. However, there are points at which SMPD can no longer advance improvement, but others whose participation is required to attain the goals, have yet to fully assume responsibility. Most notable are areas where action is required by another accountable department or individual within the NYCHA organization. Some examples include forecasting material needs, developing scopes of work for prospective vendors and completing the approval, acceptance and sign off for work or goods delivered. In these instances, the business units are the subject matter experts or the people on the ground best suited to perform those functions.

Under the leadership of the CPO, SMPD has undertaken and significantly advanced its own transformation focused on customer service, data informed decision making and best practices in procurement processes. Organizational and policy changes within the department have supported development of necessary foundational components that have led to overall improvement not only for the department, but also for the entire NYCHA enterprise.

Examples include:

- Development and ongoing work to update NYCHA procurement policy manual.
- Creation of newsletters focused on providing information to NYCHA staff and vendors about new policies, procedures, general information about procurement initiatives and dissemination of notifications of expiring contracts.
- Launch of M/WBE program and corresponding training for NYCHA staff.
- Rollout of the procurement helpdesk for staff requiring assistance.
- Improvements in evaluating vendor responsibility and the vendor review process.
- Development of the procurement administration guide.
- Increased use of innovative contracting solutions (e.g., piggyback contracts, blanket contracts, MSAs)
- Fostering broader application and enforcement of Section 3 requirements to a larger group of lower threshold contracts.

Work remains across the NYCHA organization to improve the procurement process. One area requiring improvement, highlighted above, is assignment of requisite responsibility to appropriate staff across the organization, to aid in performing essential work in the procurement lifecycle, such as forecasting, scoping, and contract and vendor management. Another is the full consolidation of all procurement activities across departments in SMPD. A third is the recognition of the need for cooperation of various departments with the overall procurement process, especially in some Operations Departments and in the Asset & Capital Management Department (“A&CM”).

A&CM is responsible for the execution of capital improvement projects for NYCHA, which at this point involve billions of dollars and which procures very significant, if not the highest amount of goods and services, compared to any other department in NYCHA. However, A&CM has historically operated in many ways independently of the procurement done for Operations and developments. NYCHA must finally determine whether procurement should be monolithic, that is controlled by an ultimate function, or divided as expedient and necessary among different functions. The former will better lead to the concept of “One NYCHA” and allow exploitation of a much larger unified purchasing power.

Property Based Budgeting

The Department of Financial Planning and Analysis (“DFPA”) has implemented training enhancements to ensure property managers and central office departments are involved in the budget process. DFPA provided a series of training sessions each year from 2020 to 2022 focused on basics including general budget principles, budget submission processes, budget revisions,

understanding the General Ledger account structure, personnel action requests, navigation of a budget portal and accessing budget financial and headcount reports.

The goal of property-based budgeting is to empower property staff to have more control over and transparency of their budgets to support the principles of the neighborhood operating model. Phase I of the property-based budgeting program was designed to achieve three goals: provide property managers with an ownership approach to managing AMP budgets (Asset Management Projects, a HUD concept which helps establish budgets for public housing authorities), manage the shift of skilled trades to the neighborhood level, and review the possibility of using excess cash to fund AMP operating deficits. These goals would be achieved through training and education of property management staff, led by NYCHA's Finance Department and its consultants.

During the first few years of this effort, the Finance Department limited the portion of the budget for which the field staff would have input to specific budget responsibility groups. These were equipment, supplies, contracts and Other Than Personal Services ("OTPS"). Even for this limited range of items, extensive training had to be provided for the property managers, assistant property managers, maintenance supervisors and assistant maintenance supervisors. By the second year of the effort, the training was expanded to include the Neighborhood Administrators in a "train the trainer" effort. The concept was that the property managers would prepare their portion of the budget, based on the prior year's budget and three years of actuals. This would be reviewed by the Neighborhood Administrator, who could add or subtract funding based on the neighborhood budget, and then be reviewed by the Borough VP who also could add or subtract funding based on the Borough's overall funding.

Finance scheduled meetings every two weeks to track progress. The plan was to train the field staff and have them participate in the 2022 budget process. The first year of the training effort was a challenge. In the beginning many of the targeted staff failed to attend the training sessions. The property supervisors had little experience with budgets. It is not known whether their lack of participation was due to fear of processing budgets or just apathy. In response to the low turnout, the training sessions were made mandatory. In the first year 449 of the 528 targeted staff took the training. Overwhelmingly, those not participating were maintenance staff. This first year was not particularly successful. The field staff was not proficient, and Finance continued to perform almost all of the budgeting chores.

To improve budget proficiency Finance staff provided one on one training in the field. Finance had hoped to move on to more advanced training in 2022, introducing the concepts of encumbrances, income, and expenditures. But the poor results forced them to delay this effort.

The 2023 budget process was a little more successful but still required attention by Finance. One of the problems the training effort faced was constant turnover of field supervisory staff, requiring Finance to continually provide one on one training. To address this ongoing need, Finance videotaped the training sessions. NYCHA's consultant, BDO, was tasked with preparing a next step budget training module (Budget 201). However, prior to doing so its contract expired. In the almost nine months since that event, the contract has not been renewed. As a result, the budget 201 module is on hold.

It is not known whether the field staff will master the budget skill or whether and when they will have real control over the budget process. This area represents one of the "decentralization issues" which needs to be addressed. Finance is very hesitant about expanding "field control." Finance claims ownership and ultimate responsibility for the budget, and thus do not want to cede control. This conflict has also arisen regarding invoice payments. Finance does not want the field paying invoices. It is possible that many of these issues can be resolved if Finance staff can be located in the neighborhood office. This could offer Finance a sufficient hands-on control. While the Finance Department is making a considerable effort to engage the field staff in the budget process, they have not made any significant progress in ceding sufficient control to the field.

Enterprise Level Data, Analytics, and Technology

The Office of Strategy & Innovation is responsible for implementing several strategies intended to support work force accountability. The Performance Tracking and Analytics Department (“PTAD”) maintains data, performs analytics, and maintains dashboards to support operational, strategic, and tactical decisions. PTAD facilitates monthly “NYCHA STAT” meetings to bring together the executive staff with NYCHA-wide borough, neighborhood, and development staff to do a data driven review of performance. NYCHA STAT meetings at the borough level are also being held so that staff can focus on the priority needs and challenges closer to their developments. PTAD developed new key performance indicators which will be used to measure progress toward the goals set forth in the Transformation Plan itself, as well as the performance of property management, support and central office departments including Human Resources, Procurement, Capital Projects, and Finance. The NYCHA STAT process must be completed by ensuring that action based on statistical analysis is always taken and reported back so that accountability results.

NYCHA lacked an enterprise-wide strategy for managing asset data. S&I engaged with an industry leader consultant to complete an asset information management strategy. This strategy will provide NYCHA with the tools and analytics to support cross functional decision making, enable the analysis of root cause failures to improve maintenance, allow for real time performance monitoring and better work order tracking and analysis. NYCHA is in the early stages on implementing this strategy. NYCHA has been installing a new state-of-the-art Building Management System (“BMS”) to provide real-time feedback on assets, such as heating equipment failures, utility usage, and indoor temperature sensor readings. In addition to this and other smart building technologies, NYCHA will invest in an Enterprise Geographic Information System (“GIS”) that is integrated throughout the agency and make a technological transformation with the adoption of Building Information Modeling (“BIM”), a process used by architecture, engineering, and construction (“AEC”) professionals to plan, design, and construct buildings more efficiently.

Central Office and Technical Office Restructuring

Based on recommendations from the Monitor regarding integration and use of NYCHA’s information systems, holistic, department-wide strategies have been developed for the Procurement, Information Technology, and A&CM departments to realign with best practices processes and procedures. IT systems upgrades for work order management, resident case management, and human capital management are being slowly advanced. These should improve information quality and business process efficiency. NYCHA’s heating, elevator, and pest departments have been restructured to better align with neighborhoods as well. In these and other areas there is a greater focus on data analytics and training. NYCHA has increased the type, quality, and timeliness of training being provided. Other departments throughout NYCHA also have been reorganized and some have new leadership and revised standard operating procedures. An assessment of their effectiveness against NYCHA-wide mission and goals has not been undertaken. As noted elsewhere, many of these changes are not well coordinated, their impacts on staff and performance not assessed pre or post implementation and are not always aligned with the Neighborhood Model.

Status of Neighborhood Model Implementation

Although NYCHA announced its intention to transform to a Neighborhood Model over two years ago, it has yet to conclude this process and clearly announce the division of responsibilities among boroughs, neighborhoods, and developments. Moreover, NYCHA has not yet established a clear action plan for implementing the Neighborhood Model. Much of the effort to realign operations at the neighborhood level has occurred without this organization-wide blueprint defining how a neighborhood is expected to operate; what the functional relationships are between the Central Office and specialized departments including where decision authority resides and what structural and business process changes are necessary at the central office; how staff

will be adequately trained to meet the new responsibilities expected of them; or how they will be provided with adequate resources. This clarity and alignment across the organization is necessary to improve collaboration, communication, and culture.

Despite that there is no clear action plan, NYCHA is implementing large-scale change to the organization's operating model through individual departmental improvements, discrete sets of initiatives, and organizational restructuring to address specific issues and actions taken within the core pillars as well as in certain central office departments. In most cases these changes have improved the functioning of those departments. However, the changes were advanced without a clear methodology to integrate with the Neighborhood Model and without input from NYCHA's Neighborhood Model architects. For example, some departments within the organization have adopted the concept of "neighborhoods" and developed strategies to reorganize and service the existing geographic network of neighborhoods. Examples include the Heating Management Services Department, Supply Management and Procurement, and Finance. In many instances these changes raised new questions regarding who is responsible for various actions and decisions.

The integration of specialized business functions into daily operations at developments presents a larger challenge. This is an area where NYCHA continues to work in silos and has not determined how to integrate these specialized businesses to provide necessary support to front-line staff. This issue was evident at the start of the Monitorship in 2019 and continues today. For NYCHA to operate cohesively and realize the efficiencies and productivity it needs, employees and functions must be better coordinated and integrated.

Contrary to NYCHA's stated objectives, operational control remains centralized. Development staff are not empowered to address problems that arise without first elevating the issue up the chain of command, leading to confusion and unnecessary delays. The Central Office driven approach 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. Whatever path is taken, NYCHA needs to empower staff, and build trust among various functions.

The lack of clear communication between the Central Office and borough operations staff is another challenge that has impacted development staff and implementation of the Neighborhood Model. Borough, neighborhood, and development staff do not have a clear or common understanding of 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 clarifications that are required to elevate performance and individual accountability.

Clear communication among and between every level of an organization is crucial to achieving required performance and empowering staff, even more so when an organization is in a constant state of change. The Borough Monitoring Team ("BMT")²³ noted many instances where communication was not clear, was inconsistent, or non-existent. In late December 2022,

²³ The primary objective of the BMT was to monitor and report the progress NYCHA is making to achieve the goals set forth in its initiatives that support the creation of the new neighborhood operating model, and evaluating whether operational components at the borough, neighborhood and development level are adequately supported and achieving broader central office goals. The BMT team had a borough lead, supported by field examiners and subject matter experts in capital projects and building maintenance. The BMT analyzed NYCHA systems data to select priority areas. Since it commenced in August 2021, the BMT has conducted approximately 600 interviews with NYCHA staff and issued six reports. The reports identify issues at a high level and are an assessment of NYCHA's transformation. They are intended to provide guidance to the Monitor, NYCHA and other stakeholders by observations of the operational impact of central office initiatives. The initiatives and operational areas

the Central Office made a decision to give Neighborhood Administrators (“NA”) new assignments without obtaining local input. One Bronx NA said, “it was very abrupt, staff were perplexed” and “no reason or justification was given. 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 approach and contradicted the basic principles of the Neighborhood Model.

NYCHA staff frequently express a desire to be part of a team with a direction and purpose. There is evidence that team building, independent thinking, and innovative ideas occurred in selected neighborhoods. Some managers promoted the sharing of information between and among neighborhood team members, but this was not consistent across the organization. Lack of staff resources, inadequate 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.

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.²⁴ 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.²⁵

A primary concern raised by development staff about NYCHA’s new operating model is their lack of decision-making authority given the Central Office’s expectation of improved performance. Staff are held accountable for results by both residents and the Central Office for issues 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.²⁶ The new Monitor will have to be closely involved to assist in moving these concepts forward.

The Neighborhood Model Integration Project

reviewed and reported by the BMT included: Implementation of the Neighborhood Model including Human Resources/Central Office Support, training, Operations/Management-Decentralization, Communications and Resources (report #1); Waste Management Division, Property Based Budgeting, Work Order Reform (report #2); Rule Enforcement and Occupancy Management, Work Order Reform (report #3); Procurement, Property Based Scheduling, Work Order Reform (report #4); Neighborhood Model (report #5); Office of Operational Analysis and Contract Management (report #6).

²⁴ 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).

²⁵ Borough Monitoring – Quarterly Report August 2023. See, [Borough Monitoring Team Reports](#).

²⁶ To support NYCHA’s Neighborhood Model working group and hasten NYCHA’s development of neighborhood model strategies and implementation plans, in the fall of 2021 the Monitor team gathered in workshops and meetings to consider NYCHA’s neighborhood model plans. The Monitor’s NYCHA Neighborhood Model report was shared with NYCHA. See, [Monitor NYCHA Neighborhood Model Report](#).

In early 2023, with the support of NYCHA's CEO and HUD, the Neighborhood Model Integration Project was initiated to create a shared vision for the Neighborhood Model and a conceptual model for how core functions of NYCHA should be distributed in the future. This vision and model were intended to serve as a guide for future organizational, policy, and budgetary decisions. The project is being led by NYCHA's Strategy and Innovation department, overseen by a Steering Committee with the work performed by a technical working group, composed of representatives from NYCHA, HUD, and the Monitor team.

Workshops were held during spring, summer, and fall of 2023 with senior staff, department leads, and subject matter experts at NYCHA to create a visual representation of the business activities NYCHA undertakes to deliver NYCHA services, from start to finish. With this information and the knowledge gained, core functions were mapped to where they occur - at the borough, neighborhood, or property level, to provide a basis for developing a future state where aspects of NYCHA's operations can become more decentralized. The model will describe the most appropriate level of the organization for these functions - or components of these functions - to occur.

Key objectives are to provide senior level staff across NYCHA a shared understanding of what functions are performed by specific parts of the organization and how central Operations works in a Neighborhood Model. Another goal is for key decision makers to understand how to use functional mapping tools to continue moving the organization toward strategic decentralization of NYCHA operations.²⁷ This process and the functional mapping tool:

- Will enable NYCHA to conceptually align NYCHA's core functions with an operating model that shifts decision-making closer to the point of delivery.
- Serve as a guide for future implementation of initiatives that bring about the Neighborhood Model.
- Ensure that senior staff across NYCHA have a shared understanding of this model and a belief that it is a future state worth moving toward, which is essential to bringing about change, especially in such a large and historically siloed organization.
- Identify functions and services that are currently being delivered in a way that is closest to the Neighborhood Model and those that are furthest away in order to set future priorities.
- Provide a framework to resolve functions with overlapping jurisdictions, business process pain points and unclear decision-making authority or accountability.

A significant amount of work remains to ensure that NYCHA's organization, budgeting, policies, and workflow allow developments to be as nimble, efficient, and responsive to residents as possible. While the Neighborhood Model, if successful, will ultimately lead to the decentralization of many functions, a strategic planning process is needed to identify functions – or components of those functions – that may be accomplished more effectively in a decentralized model. The Monitor has always interpreted the HUD Agreement and the mandate for an “organizational plan” as the vehicle by which NYCHA should undertake the strategic planning process discussed above. This process, which was expected in the Transformation Plan, and then in the Implementation Plans, should have begun to describe the appropriate level within NYCHA for these functions to occur, so that NYCHA residents can benefit from the efficiencies of appropriate levels of centralization and decentralization.

²⁷ The Neighborhood Model Integration Project team created and signed a Project Scoping document, which spelled out the scope, activities, timeline, and deliverables for the project.

Accountability, Performance, Workforce Development

Additionally, in the fall of 2021, at the request of HUD, SDNY and the Monitor, a Monitor Team subcontractor, Quadel, was asked to draft an accountability plan for property management positions within NYCHA that perform maintenance work focused on improving the living conditions for residents. Quadel drafted an “Accountability Framework” that provided guidelines for developing performance standards and supervisory procedures for workers in the maintenance and caretaker positions (including supervisors up to superintendent). They proposed that these accountability concepts and principles be incorporated into job descriptions and standard operating procedures.

Accountability is more than just regulatory compliance or audit. Accountability is the relationship between the agency, its residents, its employees, HUD and the City of New York. It does not and cannot exist only in its three accountability departments. To be accountable, NYCHA must set and strengthen goals, develop an organizational culture that embraces accountability and then report on its progress truthfully and consistently.

Accountability is the responsibility of all employees. For NYCHA to fulfill its mission, employees are expected to complete the tasks they are assigned, to perform the duties required by their jobs, and to be present for their proper shifts. NYCHA, as an organization, is accountable to its employees. They are expected to provide employees with the necessary tools and organizational structure to be successful and accountable. That structure includes well defined job duties and performance standards, the proper tools and equipment to do the job and training in all aspects of the job, including, but not limited to training on job specific topics as well as topics such as customer service, fair housing, unlawful harassment, and cyber security awareness, etc.

Accountability happens when there is proper supervision and oversight of people and processes. Progressive and appropriate corrective actions must be taken when people and processes don’t meet expectations. The people who meet and exceed expectations must be acknowledged and recognized. With these tools, skills and support systems employees will be empowered to perform a quality job thereby creating a positive work environment.

All Transformation priority projects are designed to create and reinforce accountability at different levels of the organization.²⁸

Quadel also prepared NYCHA’s “Neighborhood Model – Implementation Plan, Phase II” which includes the NYCHA Maintenance and Accountability Plan which was incorporated into NYCHA’s Implementation Plan Phase 2 document. Quadel focused its efforts in three areas: conducting a skills assessment of maintenance workers and caretakers and identifying training needs; reviewing property management roles and the Neighborhood Model; and enhancing accountability.

Work under the Neighborhood Model has been categorized within four categories, including Enabling Functions, Oversight Functions, Core Property Management, and Service Providers. This comprises the labor force which must work in a coordinated way for NYCHA to successfully deliver services to its residents. For NYCHA to be effective, the roles, responsibilities, authorities, accountabilities, and key performance indicators associated with each functional area and position type need to be defined.

²⁸ NYCHA Transformation Implementation Plan Phase I, page 15

Quadel conducted a skills assessment of maintenance workers and caretakers and provided results to NYCHA including recommendations for enhancing worker training. It reviewed all job descriptions for core property management functions, including maintenance workers and caretakers, and their supervisors, up to the property manager. Consolidated job descriptions based on exiting NYCHA and NYC job descriptions were developed for these positions as well as a performance standards framework. Quadel also reviewed standard operating procedures and drafted process maps and recommendations for training.

To develop the accountability plan, the Quadel team evaluated current maintenance operations at developments and the issues preventing workers from completing their work. The accountability plan identified key principles and guidelines required to achieve an accountable organization. Improving resident living conditions requires strong site management and maintenance. Building a strong effective management team requires clear protocols, procedures, structures, ownership of responsibilities, quality control and professional development with training programs – all of which along with disciplined oversight should ultimately produce accountability. Before a supervisor can hold employees accountable, the supervisor needs to have a good understanding of their authority and responsibility to help create a high performing program. Elements of an accountable organization include:

- Front line supervisors are accountable for performance. This includes their ability to delegate work, give instructions to their employees and recommend changes based on employee performance.
- Supervisors and employees take responsibility for completing their work and performing to expectations. Supervisors provide training, set clear expectations, evaluate the work being done, offer feedback for performance improvements, and provide suggestions to high-level managers for process improvements.
- Training and professional development is central to building and maintaining a culture of accountability.
- Setting clear expectations and establishing achievable performance standards are critical first steps in creating a culture of accountability.
- Performance evaluations are critical for improving organizational.
- Regular feedback, both positive and negative, between supervisor and employee is a required task for an accountable organization.

The interviews conducted by, and the observations made by the Monitor's Borough Monitor Team lend support to the importance of these principles. In interviews conducted with neighborhood administrators an identified "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, property managers, and other development staff titles. The NA explained that "managers and supervisors are overwhelmed and are constantly handling urgent issues." The NA added "who has time to do oversight, QA, accountability, let alone read emails?" An 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." ²⁹ 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." ³⁰

²⁹ Id

³⁰ 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."

Interviews with NYCHA staff suggest that NYCHA’s culture reflects the problem of unnecessary elevation of issues to more senior managers. Middle-level managers are not often given authority to exercise individual judgement, despite having first-hand knowledge of necessary information to make informed decisions. Mandates from leadership restrain local independence.

In January 2024, responsibility for certain training programs was transferred to Operations.³¹ The responsibility to train crucial front-line operations staff has been fractured and not deployed according to a broader enterprise-wide strategy. Despite this, 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.

Quadel proposed an “accountability plan” that includes the following topics for the core property management positions:

- Regular performance monitoring.
- Performance metrics and reporting.
- Performance feedback.
- Responding to poor performance.
- Supervision of staff in the maintenance and caretaker lines (up to superintendent).
- Dealing with performance issues, up to and including discipline.
- Quality assurance protocols, including resident feedback and audits by Quality Assurance and EH&S, to provide adequate and reliable information about worker, manager, development, and neighborhood performance.
- Communication within Operations and between Operations and supporting departments.
- Encouraging a culture of accountability.

The Quadel team made numerous recommendations for achieving the above objectives. The recommendations were focused on low-cost solutions that were feasible based on NYCHA’s current staffing, funding, and staff capabilities. The recommendations were based on best practices in the industry and on practices observed within NYCHA, or from staff input. The findings and recommendations on maintenance worker and caretaker accountability have been divided into four categories:³²

- *Institutional Accountability* involves creating organization structures that facilitate worker success. It recommends that NYCHA invest in offices build institutional strength, such as Quality Assurance and Communications and proposed creating a continuous improvement office who will implement cost-saving efficiencies throughout the organization.
- *Performance Management* focuses on ways to improve day-to-day supervision, such as Maintenance and Caretaker daily musters to foster stronger two-way communication, suggestions for improving NYCHA’s communications infrastructure, and a plan for performing regular performance evaluations.
- *Quality Assurance* addresses the ways that NYCHA ensures work has been completed in conformance with standards. The Monitor team worked with the QA department to provide QA with data and dashboards that will enable it to be more strategic and comprehensive in its review of work orders and expand QA work to skilled trades and vendors, amongst other recommendations.
- *Resident Accountability* involves NYCHA’s challenges with lease violations which degrade conditions at developments

³¹ Support Services, which sits within Operations began training Heating Management Services Department staff in late 2023. Support Services also will be responsible to train other NYCHA operations staff.

³² NYCHA Maintenance and Caretaker Accountability Plan March 2023, pages 4-5. See, [Implementation Plans](#).

and require attention from maintenance workers and caretakers who could be focusing on core responsibilities. This section makes suggestions in line with industry standards and private management to enable NYCHA to more consistently enforce leases and to train operations staff on lease enforcement processes.

Next Steps

NYCHA's organization has matured since the Transformation Plan was first introduced in 2020. NYCHA acknowledges it must complete the design for the Neighborhood Model and provide clarity to all personnel. Initial logistical changes, including the geographic redistribution of development management and the creation of new titles were a necessary first step. This work must include how the changes in the pillar areas and other ongoing improvement initiatives exist within a Neighborhood Model to ensure sustained operational improvement. The success of the Neighborhood Model will depend on the ability of 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.

NYCHA'S CAPITAL PROGRAM

Background

NYCHA's 2023 Physical Needs Assessment forecasts a need for \$78 billion (2023 dollars) to repair NYCHA buildings. "Fifty-four percent (or \$42.1 billion) of the total need identified relates to assets requiring replacement immediately or within the next year, and 77 percent (or \$60.3 billion) of the total need identified relates to assets requiring replacement within the next five years. Thus, the majority of the 20-year physical needs should be addressed in the short term."³³ See, [2023 PNA Report - Physical Needs Assessment NYCHA](#).

Assuming this funding was available today, given the lifecycle for delivering capital projects and the operating budget funding needed to support execution of these projects, it would take NYCHA upward of ten years to complete these improvements. The poor conditions of NYCHA's buildings increase its operations and maintenance costs, and directly impact NYCHA's finances by increasing the cost to operate and maintain buildings. Repeated repairs are often required; completion of repairs, performance and productivity of property management staff may be less than optimal because aging buildings and facilities break down more frequently, often require more time to repair and parts may be unavailable; and the culture and morale of employees and residents, where problems may seem overwhelming and conditions so poor that personal safety feels threatened.

Failing building envelopes and leaking internal supply and waste lines contribute to: (i) lead based paint and mold exposure; (ii) pest infestations (as pests have easy movement into and among NYCHA apartments); (iii) damage and degradation to heating, elevator and waste management equipment; and, (iv) generally poor living conditions in many resident units. Government regulations intended to protect residents have led to increased costs for NYCHA, such as the Local Law 11 mandating scaffolding and various energy efficiency goals. NYCHA and HUD have developed multiple programs in recent years to dramatically upgrade developments and buildings, including the PACT programs, the Public Housing Preservation Trust, the City funded Capital Action Plan (CCAP), Comprehensive Modernization Programs, Building Line Initiative, and others.

³³ <https://www.nyc.gov/site/nycha/about/physical-needs-assessment-faqs.page>

The HUD Agreement includes specific obligations for NYCHA to invest in its failing infrastructure. The Agreement requires that NYCHA replace or address approximately 500 heating systems, at least 425 elevators, 50 rat slabs, and install exterior bulk crushers or retrofit exterior compactors with auger bulk crushers at 10 developments. The Agreement required that the City contribute \$2.2 billion in capital funding and that these funds be spent in accordance with a Monitor approved Action Plan. In addition to heat and elevator investments, the approved Action Plan includes significant funding for waste management, lead abatement and the comprehensive modernization of two NYCHA developments. NYCHA receives other capital funding to support these and other investments from HUD, New York State, and New York City.

NYCHA must become more adept at delivering capital projects on schedule. To this end, NYCHA's Asset and Capital Management Department has implemented a strategic and targeted program to improve the delivery of capital construction projects. For example, several years ago, NYCHA's standard practice in reporting on the status of capital projects was unreliable. We learned that schedules were sometimes adjusted in arbitrary ways to create the appearance that projects were on or close to schedule. Through ongoing work with NYCHA, this situation has greatly improved.

Under the Agreement, the Monitor reviews NYCHA's: (i) delivery of specific capital projects; (ii) delivery of specific projects outlined in the City Capital Action Plan ("CCAP"); (iii) other capital projects directly related to the pillar service areas under Exhibits A and B of the Agreement; and, (iv) assesses the capital planning and management improvements that A&CM implements as part of the organization plan changes in NYCHA's Transformation Plan. To do this, the Monitor formed a capital projects team with capital program and project management, delivery, and oversight experience in the public and private sectors.

Current Assessment

From the start of the Monitorship, the Monitor team identified problems with the quality and consistency of NYCHA's capital project management processes and procedures, and NYCHA's ability to execute and deliver capital projects. Its approach compromised the project scoping process, the management of project schedules and risks, the quality of contract documents and ultimately the timeliness of capital project delivery. The capital project procurement process, which included obtaining required approvals from the City's Office of Management and Budget ("OMB") and the City Comptroller, was a significant challenge that NYCHA had not successfully navigated, and which greatly impacted the project schedules.

Through early 2023, NYCHA's heat, elevator, and waste capital project portfolios had regular schedule delays. We noted in the Monitor report issued in September 2022, that Capital projects planning had not sufficiently improved. See, [Twelfth Monitor Quarterly Report](#). At that time the capital projects for heating, elevators and waste management were behind schedule on average between 9 and 12 months, and month over month delays were on the increase. Some schedule delays are still being observed. However, the duration and frequency of these delays are on the decline and the number of schedule adjustments has also declined.

Since the issuance of the Monitor's September 2022 report, A&CM has taken actions to address long standing program and project execution process and procedure challenges, has implemented management improvements across the department, and is applying risk assessments and lessons learned to mitigate future project impacts. A&CM has revised several of its management procedures to standardize and better control projects, has engaged with NYC agencies to identify ways to expedite capital project approval processes, and has deployed borough liaisons who communicate with property management staff regarding capital projects.

During 2023, A&CM invested a significant amount of time standardizing its schedule management practices and digital reports. As a result, A&CM's accuracy in planning and reporting progress of projects has improved significantly. These two

improvements enabled NYCHA to develop and implement a new capital project reporting tool for use by all external stakeholders including residents and elected officials.

At NYCHA's request, the Monitor team has been working with A&CM to develop and implement a capital project delivery training program. The training program follows Construction Management Association of America's ("CMAA") guidelines, one of the largest construction management professional organizations in the United States. A&CM are corporate members of the CMAA and are proactively using the training to support individuals' progress through the CMAA professional qualification program. Achieving the designation of CCM is a significant achievement for an individual and is held in high regard by the industry. A&CM's alignment to this and the AIA professional qualifications demonstrates A&CM's drive to continually improve its organization and build an organization with highly trained and skilled individuals.

A&CM is managing a capital project portfolio that is the largest investment portfolio undertaken by NYCHA. Through October 2023, NYCHA installed 98 new boilers. NYCHA has also installed 84 elevators during the monitorship. NYCHA also obtained approval to award two contracts for the comprehensive rehabilitation of St. Nicholas Houses and Todt Hill (totaling over \$800 million) and continued to conduct system-wide lead testing and abatement in units with children under six years of age.

NYCHA estimates that approximately \$38 billion (or 49 percent) of the 20-year PNA estimate can be addressed through ongoing and planned capital projects, the PACT program, and the Public Housing Preservation Trust (removing responsibility from A&CM).

Over the past year A&CM has taken steps to increase its collaboration with other NYCHA departments. While improvements in coordinating equipment handover processes are evident, there is still room for further improvements. Additionally, there are ongoing efforts to implement preliminary stakeholder engagement plans that A&CM recently developed. As a summary, A&CM has more work to do to complete staff training, implement management improvements and facilitate better engagement with other NYCHA staff.

Monitor Capital Program Oversight

The Monitor's capital program oversight team has focused on NYCHA's performance in three core areas: project delivery; program and project planning and management; and, organizational improvements.

Project Delivery

Each month the Monitor team conducted a detailed review of a sample selection of projects to assess the progress of projects that were being delivered to meet the requirements of the HUD Agreement and assess if the improvement practices were being deployed into the projects. The project review process included assessing project documentation, data analytics, and on-site visual inspections to assess the likelihood that NYCHA will meet the target dates in the Agreement.

Program Delivery

The Monitor's capital oversight team developed performance dashboards to assess NYCHA's overall construction progress for all projects required by the Agreement. Utilizing data extracted from A&CM's project management information system and information obtained from onsite observations and attendance at project meetings, the Monitor team assessed the overall performance of the programs of work. The reporting framework developed consists of detailed analyses of specific projects, a summary overview of findings, and trend reports. These reports allowed the team to quickly identify performance issues and trends across all the projects that were impacting or might impact the delivery of asset replacements within the

scheduled timeframe and identify common performance improvement areas in the programs. These findings and trends were discussed with NYCHA in a collaborative engagement.

Organizational Improvement

The Monitor team has been reviewing and supporting A&CM with the development and implementation of its improvement program. Over 50 improvements were identified following the full review of process and procedures. This was then distilled down to a short list of improvements and working groups were formed and tasked to implement the improvements. The Monitor team is pleased to see that most of the critical improvements were implemented during 2023, and the final activities on which the Monitor team collaborated with A&CM, will be deployed during first quarter of 2024.

During 2023, NYCHA addressed long standing project execution roadblocks. It also conducted risk assessments and lessons learned exercises to mitigate future project impacts. A&CM has focused on collaboration, team building, engagement, communications, and reporting, and has created a culture of continuous improvement. In addition, the Monitor team has seen improvement in the development of standard documentation.

Certain Capital-Related HUD Agreement Obligations

Exhibit B of the HUD Agreement mandates that NYCHA replace and/or address approximately 500 heating boiler systems, at least 425 elevators, 50 rat slabs, and install exterior bulk crushers or retrofit exterior compactors with auger bulk crushers at 10 developments. The Monitor team has developed heat and elevator dashboards that enable them to pull information from NYCHA's project management database and analyze cost and schedule trends. In addition to the dashboards, the team creates monthly reports that provide both high level program status and a detailed analysis of specific projects that the team assessed for the current month. These reports and findings are shared with NYCHA.

The City Capital Action Plan

The Agreement requires New York City to provide a total of \$2.2 billion in capital funding to NYCHA over the ten-year period beginning in 2019; \$250 million per year for the first four years, and an additional \$200 million per year for the remaining six years. The funds can only be used for capital projects and must be spent pursuant to an Action Plan approved by the Monitor. NYCHA's City-Funded Capital Action Plan (CCAP) was approved on May 8, 2021, and was amended in September 2023.

The CCAP commits NYCHA to complete specific capital projects related to the pillars in the Agreement - lead-based paint ("LBP") and mold remediation and abatement, heat and elevator services, and pest/waste management services. The action plan commits funding for system-wide abatement of lead-based paint. The CCAP also covers the comprehensive modernization of 2 developments where the improvements will greatly reduce leaks and thus mold. Under the September 2023, amendment of the CCAP, funds are allocated as follows:

Summary of City Capital Action Plan Program³⁴

³⁴ Though NYCHA has referred to the Todt Hill and St. Nicholas projects as "Lead Abatement & Comprehensive Approach to Mold", the projects are in fact, complete modernizations of these developments. It should be noted that the project costs that are shown exclude federal and state participation amounts. The City Capital Action Plan does not reflect the full costs. The projected costs for comprehensive modernization (Comp Mod) total \$814 million.

Program of Project	Number of Projects	CCAP Project Cost
“Lead Abatement & Comprehensive Approach to Mold”	2 – Saint Nicholas & Todt Hill	\$678,252,084
Lead Abatement	3 phase program	\$756,817,000
Heating	5 projects	\$202,027,920
Elevators	8 projects, 106 elevators	\$34,927,000
Waste Management	7 projects, 324 sites at 197 developments	\$527,975,996
Total		\$2,200,000,000

Following is a brief description of each program of projects, the current status, and challenges and risks NYCHA faces in delivering these projects.

Elevator Replacement Program

The HUD Agreement requires that NYCHA replace or address at least 425 elevators by 2024 in accordance with the following schedule:

- Replace 108 elevators by December 31, 2022
- Replace an additional 167 elevators by December 31, 2024 (for a total of 275 elevators)
- Transfer 150 elevators to third-party management through the PACT program by December 31, 2024. As of December 2023, NYCHA exceeded this goal ahead of schedule with 184 elevators transferred.

The status of NYCHA’s progress toward meeting these Agreement requirements is summarized below.

Elevator Replacement Progress as of December 2023

Replacement Date	Cumulative No. Required	Cumulative No. Delivered	No. Projected
December 31, 2022	108	2	2
December 31, 2024	275	54	249
PACT Program	150	184	

NYCHA’s 275 elevators at 22 developments identified to be replaced are older than the typical 15 to 20-year lifespan of elevators usually found in multifamily residential properties. NYCHA’s funding for elevator replacements should enable NYCHA to exceed the number of elevators required under the Agreement.

The elevator replacement scope includes, but is not limited to:

- New gearless AC hoist machine with a rope break and rope gripper device.
- New controllers, dispatchers, and selectors.
- A new governor and weight frame.

- New emergency stop button and cab emergency lighting.
- New elevator machine room (EMR) fixed louver complete with masonry unit and EMR access entrance.
- Remote elevator monitoring system (REMS).
- New cables.
- New cars and car door operator.
- New slide entrances on both the main floor lobby and all typical floors.
- Phase I fire service key switch fixture on the lobby floor.
- New car slings and safeties.
- Overhaul car and counterweight rails and roller guide assemblies.
- All new wiring and conduit.
- New top and bottom of car light fixtures.
- New car and counterweight spring buffers.
- New pit stop switch and pit access ladders.
- New cab enclosures.

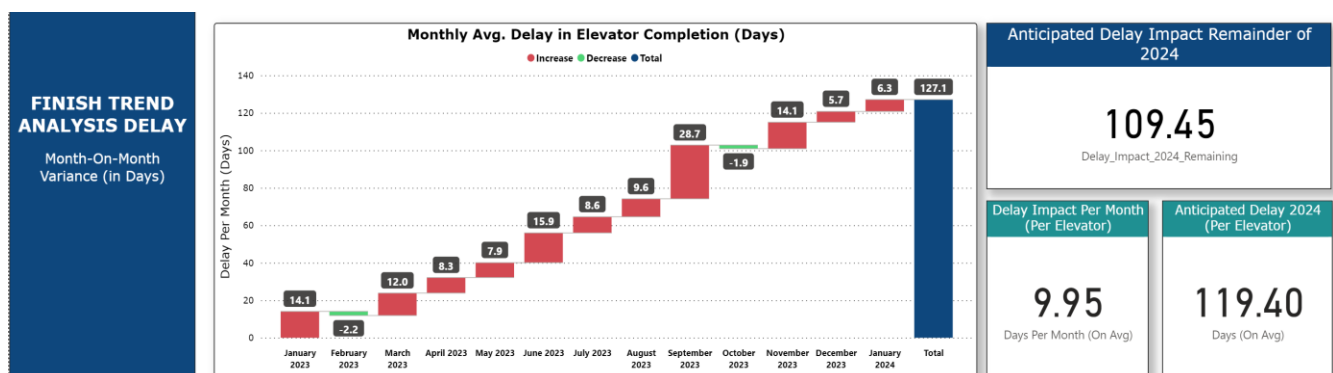
Summary of Progress

NYCHA got off to a slow start with the elevator replacement program. By December 31, 2022, only two of the 108 planned elevator replacements were installed. This delay was the result of COVID-19, supply chain shortages of certain equipment, delayed completion of environmental assessment and removal, and unforeseen existing conditions.

The Monitor’s Elevator Dashboard tracked and reported on cost and schedule trends, which are indicative of NYCHA’s probability of meeting the Agreement metrics. Through December 2023, NYCHA installed 54 elevators, which is 61 below the Agreement requirement. Although schedule delay trends persist in elevator replacement projects, A&CM had made progress in streamlining equipment takeover and handover processes with ESRD and other NYCHA departments. The current schedule indicates a lag in completing 275 elevators by the end of 2024.

An excerpt from the dashboard is provided in the table below.

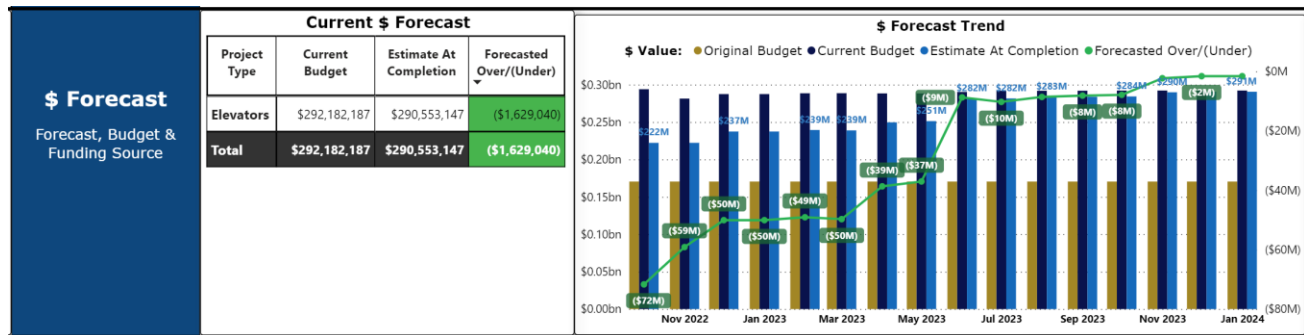
Elevator Dashboard



While NYCHA’s elevator replacement program has experienced delays, the average delay is on the decline.

- The average delay per elevator project for all projects is 7 months. Upon analysis of elevator portfolio data, elevator projects have 9.95 days/month delay per project.
- The Elevators portfolio has high average delay month over month and the overall portfolio is trending two quarters beyond the Agreement timeline.

The current budget for the elevator portfolio from all sources based on eBuilder, NYCHA’s project management database, is \$292,182,187. The cost estimate at completion for the portfolio is \$290,553,147, which is \$1,629,040 under budget.



The Monitor team observed improved coordination and collaboration between A&CM, ESRD and other departments in Operations.

Elevator Delivery Schedule

Year	2023			2024												Total								
	Quarter		Total	Qtr 1				Qtr 2				Qtr 3					Qtr 4				Total			
	December	Total		January	February	March	Total	April	May	June	Total	July	August	September	Total		October	November	December	Total				
ADAMS					7		7					7				7					14	14		
AMSTERDAM									5	3	8				1	1	4	3			7	16	16	
ATLANTIC TERMINAL SITE 4B				1			1			1	1					1					1	3	3	
BUTLER	3	3	3	3			3		3	3	6						6				6	15	18	
CAREY GARDENS					1	2	3			1	1		2			2						6	6	
CONEY ISLAND I (SITE 18)				1			1			1	1											2	2	
CONEY ISLAND I (SITES 4 & 5)				1	1	1	3															3	3	
DYCKMAN										7	7						7				7	14	14	
HERNANDEZ								1			1		1			1						2	2	
HIGHBRIDGE GARDENS	2	2	2	3	1		4															4	6	
HYLAN				1			1			1	1											2	2	
MCKINLEY				5			5															5	5	
MELTZER TOWER						1	1						1			1						2	2	
MITCHEL	1	1	1	1	2	1	4		2	5					5					5	5	16	17	
MORRISANIA AIR RIGHTS					4		4				4				4						5	5	13	13
QUEENSBRIDGE NORTH	4	4	4	1			1	7			7	7			7			7			7	22	26	
QUEENSBRIDGE SOUTH	4	4	4	3			3		7		7			7	7							17	21	
RICHMOND TERRACE	2	2	2																				2	2
SAINT NICHOLAS										5	5						5				5	10	10	
SARATOGA VILLAGE				1			1			1	1											2	2	
UNITY PLAZA (SITES 17,24,25A)				3			3															3	3	
UNITY PLAZA (SITES 4-27)	2	2	2			1	1	4			4	1	3		4							9	11	
Total	18	18	18	24	16	6	46	12	17	23	52	24	7	8	39	5	28	10	43	180	198	198		

The Monitor team identified the following issues during 2023 and has worked with A&CM and ESRD to find solutions to prevent further delays.

- ESRD is working with contractors to maintain elevators not under construction (known as Contract Part B) to improve the performance of those elevators during the construction project. Specific actions have been identified and the Monitor observed the implementation of changes to assess the impact.
- The handover process of new elevators to ESRD was causing delays and needed improvement. Recommendations were provided and the Monitor assessed whether the changes were being adopted.
- ESRD is working to develop robust elevator performance data for the elevators being managed and maintained by the contractors. NYCHA relies on Maximo for its asset performance data, however, the elevators that are maintained during the construction project are not captured in Maximo. A series of changes has been discussed which will improve the data analytics.
- NYCHA is in the process of standardizing and increasing project quality assurance and quality control to assure standardized, uniform delivery and performance among the four contractors providing elevator work.

Heat Replacement Program

The HUD Agreement requires that NYCHA “replace or address” approximately 500 boilers by 2026, on the following schedule:

- 297 boilers will be replaced through NYCHA’s capital program.
 - 70 are to be replaced by January 31, 2022
 - 63 additional by January 31, 2024, and
 - 164 remaining by December 31, 2026
- Approximately 200 boilers will be addressed through the PACT program by December 31, 2026. The developers selected through PACT will replace or repair the heating systems as needed. As of December 2023, NYCHA exceeded this goal ahead of schedule with 263 boilers addressed through PACT.

The status of NYCHA’s progress toward meeting these Agreement requirements is summarized in the table below.

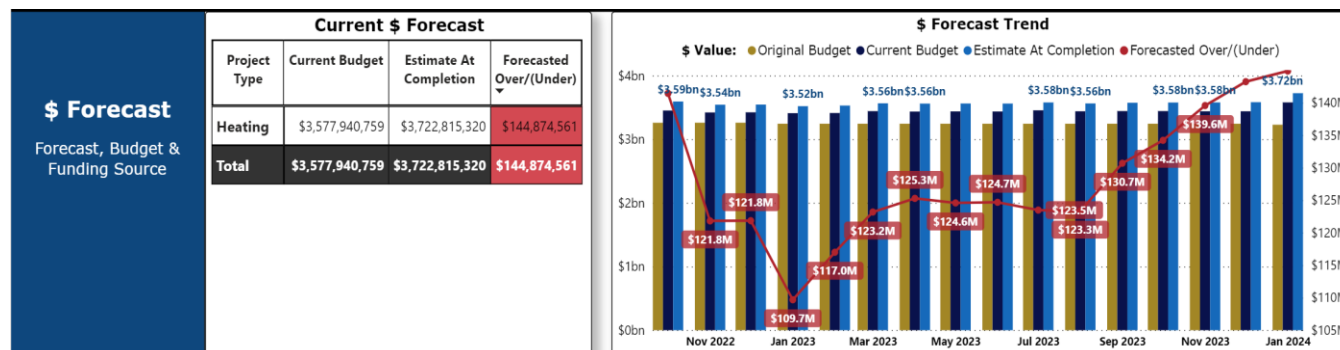
Heat Replacement Progress as of December 2023

Replacement Date	Cumulative No. Required	Cumulative No. Delivered	No. Projected
By January 31, 2022	70	70	
By January 31, 2024	133	82	
By December 31, 2026	297		284
PACT Program by December 31, 2026	200	263	

NYCHA intends to invest in more sustainable, reliable, and lower operational cost heating systems, and move from steam heating systems to hydronic (hot water) heating systems and high efficiency electric heat pumps. NYCHA also has added domestic hot water decoupling to the scope of work. By decoupling hot water heating systems from space heating systems, NYCHA will increase the efficiency of its systems and enhance operational capacity. As part of its heating system investment strategy, NYCHA may install different systems in different developments or in different buildings within one development. Developments receiving heat system upgrades in NYCHA’s overall heat pipeline are bundled into larger projects in the contract

documents to provide maximum flexibility. For most of the heat replacement portfolio, the existing boiler systems will be replaced in kind.

The budget for NYCHA’s heating improvements totals \$3,577,940,759. This includes funding from New York City and New York State, HUD and other federal funds including Superstorm Sandy funding. Ten projects are currently in construction, six projects are in the pre-construction phase and four are ready to be closed out. The cost estimate at completion of the portfolio is \$3,772,815,320. This estimate is \$144,974,561 over budget.



Of the 297 heat assets to be replaced by NYCHA by December 31, 2026, NYCHA has replaced 98 through December 2023. Using data from NYCHA’s project management system the trend indicates that NYCHA will replace 301 heating systems by 2026, 4 boilers in excess of the Agreement requirement. Under the Agreement, 297 boilers must be replaced by December 31, 2026.

The heating projects continue to incur schedule delays.

- The Heat portfolio average delay per project on all projects as reported in e-Builder is 15 months. Average delay per project decreased 10 days since January 2023.
- The Boiler project portfolio has high average delay per month, but overall portfolio still shows promise to complete the Agreement requirements by end of 2026.

The Monitor team identified the following issues during 2023.

- Projects faced schedule delays due to NYCHA’s lack of coordination with agencies whose approvals are necessary for projects to proceed. NYCHA must better coordinate with other agencies to gain approvals and advance project schedules.
- Due to inadequate preconstruction site surveys, problematic existing site conditions were not discovered until construction had commenced, causing delays. Better preconstruction site surveys and proactivity is necessary to eliminate this risk.
- While resident engagement and cooperation has improved, there is still room for improvement to adequately categorize the risks, including the risk of residents declining to cooperate with construction projects, including vacating apartments as necessary.
- A&CM is also confronted by security and vandalism issues as they attempt to begin and complete projects.

Waste Management

The Agreement requires the following performance relating to waste management.

Waste Management Projects as of December 2023

	Replacement Date	Number Installed	No. Projected
50 Rat Slabs	December 31, 2020	36	50
10 Bulk Crushers	December 31, 2022	10	

NYCHA has not installed a rat slab since the end of 2020. Fourteen more are required to be installed under the Agreement. The responsibility for funding the project lies with A&CM.

To address certain waste obligations of the Agreement, the CCAP includes funding for 12 waste projects including one development-specific project (Polo Grounds Towers - waste yard and pneumatic machinery), and 11 sets of bundled projects which consist of construction of waste yards or installation of interior compactors at multiple developments. At the end of 2023, 7 of the 12 project bundles were active.

Beginning in the end of 2022, the waste program picked up pace and the capital aspects of the waste program are progressing. Some delays have been observed due to the adoption of new technology, but the team continues to improve its performance in driving the program forward.

We note the progress made by the interior compactor program. The exterior compactor program is also progressing, and the waste yards will provide enhanced waste storage facilities. NYCHA has also taken the opportunity to create designs that enhance the attractiveness of the area.

- All the capital projects included in the Pest and Waste Management portfolio are scheduled to be complete by Spring of 2026.
- Five waste projects (Polo Ground Pneumatics, Fiscal Year 2022 interior compactors and three rat slab projects) are scheduled to be complete by end of 2024. Bundle 1 waste yard and Fiscal Year 2021 interior compactor projects are scheduled to be complete by second quarter of 2025 and Fiscal Year 2021 waste yards project is scheduled to be complete by first quarter of 2026.
- These projects have incurred an average delay of 8.28 months.

The status of the capital waste management portfolio follows:

- For the Waste Management portfolio, seven of the eleven projects are currently active, with two projects (Fiscal Year 2022 interior compactors & Fiscal Year 2022-2023 waste yards) on track; one project (Fiscal Year 2023 interior compactors) is currently experiencing a minor delay and the remaining four projects are exhibiting major delays. Out of the seven active project bundles, four are in construction, two projects are in procurement phase, and one is in the planning stage. Construction is underway for pneumatics, Fiscal Year 2021 waste yards, Fiscal Year 2021 and Fiscal Year 2022 interior compactors. Construction mobilization commenced for four sites for the Design-Build waste yards.

The Monitor team identified the following issues for the Pest and Waste Management Capital Program:

- Existing site conditions were discovered during construction activities that caused schedule delays. Better preconstruction site surveys and proactivity is necessary to eliminate this risk.

- In some cases, existing DOB violations have resulted in delays obtaining DOB work permits. NYCHA must better coordinate with other agencies to facilitate gaining approvals.
- Supply chain issues as well custom fabrication requirements for augers, as per NYCHA design, have impacted some of the Waste Yard projects.
- Discovery of Hazardous Materials (Asbestos) and the subsequent additional testing and abatement have caused delays on the Interior Compactor projects.

Lead Abatement & Comprehensive Approach to Mold

CCAP is funding the Comprehensive Modernization Program (“Comp Mod”) at two developments, Todt Hill and Saint Nicholas. NYCHA is also in the planning stages of Comp Mod at two other developments not funded through the CCAP (Gowanus Houses and Wyckoff Gardens). The Comp Mod program enables NYCHA to repair an entire development at one time. The goals, objectives, and approach to executing these projects is defined in NYCHA’s Project Execution Plan.

The Comp Mod Program requires careful planning and execution, strong organizational support and integration, and management with appropriate skills. It will significantly affect residents, require tenant relocations and involve many risks that need to be carefully managed. NYCHA has assembled a project management team including NYCHA staff experienced in implementing Superstorm Sandy reconstruction projects, and other consultants. NYCHA is taking steps to thoroughly evaluate the project risks and schedules and is adopting industry best practices in the development of designs, project execution plans and contract documents. NYCHA did a significant amount of outreach to the contracting community to gain feedback to better understand the risks and challenges associated with this type of project. NYCHA also interacted with residents to educate them about the projects, and to identify risks associated with residents, including refusal to cooperate.

In October 2023, the NYCHA Board of Directors gave NYCHA approval to award two design-build contracts, one for Todt Hill and one for Saint Nicholas. The project scope for Todt Hill includes abatement of lead in units; kitchen and bath renovations; replacement of bathroom windows, plumbing, and elevators; steam trap and radiator improvements and repairs to the distribution system; improving ventilation; installation of new compactors and improved exterior waste yards; and the repair and painting of common areas.

The Saint Nicholas project scope includes abatement of lead in units; kitchen and bath renovations; replacement of bathroom windows, plumbing, and elevators; boiler replacement with decoupled electric hot water; improving ventilation; installation of exterior waste yards; and the repair and painting of common areas.

NYCHA is in the process of obtaining required approvals from city agencies to issue the notices to proceed. Both contractors are preparing full design and construction schedules. NYCHA is working toward issuing a limited notice to proceed to each firm so that they can begin resident outreach efforts. NYCHA contemplates selective relocation of residents in temporary housing located on site or within the neighborhood. NYCHA has been meeting with residents at these developments to establish reliable communication, engage them in the planning process, and discuss and mitigate the impact to residents. They have established a robust resident engagement process. The NYCHA Board also approved contracts for construction management firms to oversee the projects.

Resident engagement and timely relocation are vital to the critical paths of these two projects. For schedules to be met and costs contained, the design-build teams must be deeply engaged with each household and prepared to address every contingency swiftly and efficiently. In preparation for the project NYCHA, held family day events and led Community Visioning Workshops in which the residents provided feedback regarding the temporary move plans, design, and finishes for interior bathrooms and kitchens. NYCHA leadership and Comp Mod Program team members regularly engaged with residents, tenant

association leadership, and elected representatives to provide program status, prioritize scope, design requirements and preferences as applicable to the project, and discuss construction and temporary moves. The Comp Mod stakeholder engagement sub-team maintains a strong presence in the community to ensure that residents have a platform to voice their concerns, ask questions, and stay updated on project developments.

NYCHA has completed a full risk assessment for each of the projects, which entails identification and consideration of the risks associated with the projects to be followed by development of risk mitigation plans. These risk assessments will be revisited with the contractors and throughout construction to mitigate risks.

The Comp Mod projects will enable NYCHA to develop and assess new methods and approaches to delivering large scale capital projects. The Comp Mod team has learned many lessons over the years and is developing a new and improved project delivery method.

The CCAP allocates funding for lead abatement in individual units and in common areas, which is occurring system wide. NYCHA is advancing a three phased approach to lead abatement that starts with abating lead in units where a child under six resides or spends a significant amount of time. In March 2022, management of the program was transferred to the Healthy Homes Department and the three-phase approach was modified as noted below.

Phased Approach to Lead Abatement

Phase	Original Approach	Revised Approach
Phase I	<p>Initial Lead Action Plan: Abatement in units with 2 or fewer lead-based paint components as part of the TEMPO program.</p> <p>CCAP: Abating CU6 units regardless of number of components and abating developments that have 1 or 2 simple components within units and common spaces.</p>	<p>NYCHA is currently testing all units that were identified as CU6 as of January 2022 at the 0.5 mg/cm² 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/cm²standard.</p>
Phase II	<p>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.</p>	<p>Abate any CU6 units identified after January 2022, and moveout and abate all non-CU6 apartments that had positive components above 1.0 mg/cm² during the XRF initiative that took place between 2019 and 2021. Abatements will be performed to the 0.5 mg/cm²).</p>
Phase III	<p>Projects with higher complexity where disruption will increase due to scope.</p>	<p>Abate all common areas</p>

Since approval of the CCAP in March 2021, the City revised its lead abatement regulations for apartments with children under six years old. NYCHA had been testing to the prior limits which were 1.0mg/cm² which the City then revised to 0.5mg/cm². NYCHA is currently testing all units that were identified as CU6 as of January 2022 at the 0.5mg/cm² 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. Phase1 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 to the 0.5mg/cm² standard.

NYCHA allocated \$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 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 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.

Reorganization of A&CM

In 2021, NYCHA reorganized the capital program division and the real estate division to create A&CM and appointed a Chief Capital and Asset Management Officer to oversee the department.

Reorganizing the capital program division was a strategic and timely move by NYCHA. First, NYCHA was about to further expand its capital investment portfolio and the capital program department and its ability to deliver capital projects needed major improvements and restructuring to successfully deliver these projects. Second, NYCHA was about to undertake the comprehensive modernizations described above. Third, legislation was passed establishing the Public Housing Preservation Trust. And fourth, NYCHA's Transformation Plan, including A&CM's own Transformation Initiatives, set out goals to increase transparency and customer service, improve internal collaboration and communication, and improve workforce business processes and resident engagement. Each of these initiatives introduces a set of new risks that require strong and capable management.

During 2023, A&CM made progress toward advancing and implementing organizational improvements. The Monitor capital program team began to see improvements in management practices and in reduced schedule delays and improved risk mitigated. Schedule baselines are more stable and project schedules are more consistent and complete. Project management staff is more proactively addressing on site conditions as well as anticipating risks based on lessons learned. A&CM has established processes to improve communications with property management staff and residents who best know the condition of their buildings and equipment. Staff including consultants are using trend and performance data, are receptive to training and are being held more accountable. NYCHA needs to continue this path to cement a culture of good project management and accountability. This includes managing to schedule, accurate and timely reporting, planning for unknown site conditions, planning and prioritizing investments in collaboration with stakeholders and proactively engaging with external agencies.

NYCHA completed an update to its five-year Physical Needs Assessment (PNA) which identified over \$78 billion in required repairs to NYCHA facilities. The PNA will serve as the starting point for capital project planning. To improve project planning, A&CM has initiated monthly investment planning meetings with operations staff to coordinate investment decisions, discuss priorities and identify funding opportunities. The planning process will involve cross-divisional collaboration to maximize project planning, execution, and oversight. To strengthen stakeholder engagement A&CM has implemented the Capital Property Liaisons. The liaisons are tasked with maintaining effective channels of communications and will serve as a single point of

contact on capital projects for resident leadership and property management. A&CM also launched a web-based Capital Projects Tracker that will enable anyone to view the status of capital projects funded through NYCHA's capital investment portfolio.

ACCOMPLISHING THE BASICS

This report demonstrates that, NYCHA has taken and continues to take steps to improve its operations and make important changes. However, NYCHA management must ensure that the following basics can and will be completed and implemented.

- 1) NYCHA senior leadership must:
 - a. perform at the highest standards of excellence (and individual executives must be regularly assessed and terminated when they do not meet this goal).
 - b. make informed, judicious decisions about spending as part of a cohesive, long-term strategy.
 - c. ensure that the CEO and Chair are fulfilling their respective responsibilities.

- 2) NYCHA must:
 - a. finalize the mix between central and local management functions, right-size the NYCHA workforce, and complete and implement the Neighborhood Model.
 - b. appropriately train managers, supervisors, and workers to execute and be held accountable to well-considered standard procedures and work rules; and require adherence to defined and well-calculated productivity standards.
 - c. reward productive employees.
 - d. discipline employees who knowingly violate work rules and standard procedures.
 - e. terminate nonproductive employees or those who repeatedly or egregiously violate work rules and standard procedures.
 - f. collect all rent owed.
 - g. enforce resident rules of conduct.
 - h. evict residents who repeatedly violate rules of conduct or who do not pay their rent.
 - i. institute appropriate contract and vendor management protocols and procedures; require that vendors and contractors always provide bargained-for goods and services; and ensure that their performance is regularly evaluated.

- 3) The NYCHA Board, whose members sit as fiduciaries, must learn and understand its role as such, execute a strategy of oversight and accountability as a Board, run proper meetings and closely scrutinize the operation of the Authority on a continuous and disciplined basis through the operation of committees which oversee the various departments comprising the Authority and report their findings and recommendations to the Board as a whole, which will hold all accountable.

ADDITIONAL RECOMMENDATIONS

While we have made recommendations for improvement throughout the report, for the readers convenience they are summarized below. These relate to NYCHA, and other stakeholders involved with the Authority.

Administration

1. Every Mayoral agency should have a designated, senior staff person assigned to be the point of contact between their agency and NYCHA. There should also be a designated point person assigned at all major utility companies (such as Con Ed) and any other entities that are essential for NYCHA to coordinate with in times of emergencies or other instances when immediate action is critical. This will facilitate better communication, and more effective decision-making and outcomes when issues arise involving NYCHA and other city agencies.
2. NYCHA should regularly confer with other city and state agencies and authorities with similar issues so that these organizations can learn from each other.

Community & Resident Engagement

1. NYCHA needs to continually strive to be more effective with its resident communications.
2. NYCHA needs to implement the recommendations made by the Resident Roundtable.

Governance

1. The NYCHA board of directors should be structured as a proactively functioning board with fiduciary responsibility (rather than as just a “rubber stamp” for procurement and other ministerial matters). Board members need to be properly trained, have access to information, ask questions, probe and demand to be kept abreast of important issues and decisions, and be fully engaged in NYCHA’s progress towards resolving problems and complaints.
2. NYCHA’s Chair should draft and distribute a guidance regarding the start of a program to change the culture and conduct of NYCHA. To be effective, the statement should say that there will be zero tolerance for improper and unethical conduct. The statement should also emphasize the requirement for all NYCHA employees to be honest and truthful when performing their work.
3. The NYCHA Chair should be a full-time, salaried position.
4. NYCHA’s bylaws should recognize and adopt applicable best practices regarding NYCHA’s administration and operations. Guidance may be obtained from the New York State Public Authorities law.
5. The bylaws should clearly express the Chair’s authority in leading the Board, ensuring that the Board is performing its duties, overseeing the integrity of Board decisions, seeing that all matters of importance are brought to the Board by NYCHA and are fully vetted by the Board. The bylaws should further emphasize the Chair’s role as spokesman for the residents.
6. The bylaws should state that the Board shall execute direct oversight and hold them accountable for achieving performance goals of the agency’s CEO and other management and should set forth clearly the Board’s duties and responsibilities.
7. The bylaws should clearly describe the Board’s roles and responsibilities, including oversight of operations; monitoring of financial controls and decisions, including vendor contracts and their execution; setting of policies regarding compensation, as well as rules for attendance of the CEO and management; adoption of a code of ethics for all officers and employees; and establishment of policies and procedures for all personnel.
8. Since, under statute, the Board is limited to 7 persons, any change would require state legislative action. In the absence of such legislation, NYCHA should expand the Board’s committee structure to include non-Board member subject matter

experts as committee members reporting to the Board, who will elevate the quality of Board discussions and consideration of NYCHA issues.

9. The bylaws should establish professional qualifications and mandatory training for Board membership and provide for more effective representative of resident organizations.
10. The Board should meet monthly or more frequently as required by circumstances and be compensated. There should be an annual review of each Board member's participation in his or her assigned committees.
11. The Board should substitute written reports, submitted in advance, for unnecessary discussion of expenditure items and other unimportant matters so to use its time more efficiently. A written agenda should be submitted in advance of the Board meeting, focused on important and emergent issues affecting NYCHA.
12. The agenda for board meetings should include reports from the Chair and CEO on their activities and of those who report directly to them to enable informed questioning by board members.

Operations

1. NYCHA operational management should immediately coordinate with the Chair to create a Code of Conduct based on best practices for all NYCHA employees with an emphasis on ethics. NYCHA should develop a plan to systematically roll out the Code to all employees, contract employees and provide relevant training.
2. NYCHA operational management should ensure that all NYCHA's motor vehicles are equipped with operational GPS tracking devices and that there is a procedure for regular analysis of the location data.
3. NYCHA operational management should ensure that all NYCHA hand-held devices have GPS tracking and the capability to take photographs and videos. Data obtained from GPS tracking on NYCHA hand-held devices must be regularly analyzed to help ensure accountability.
4. NYCHA should require a written agreement with every organization (including City agencies) that use NYCHA development spaces, such as community centers. These agreements should make clear that the organizations using the spaces are responsible for upkeep and needed repairs, and NYCHA should make sure that such work is performed.
5. NYCHA must enforce all tenant lease rules.
6. NYCHA must improve its payment procedures with vendors and overcome the very slow pay to contractors. While, at the same time, NYCHA should thoroughly and timely inspect and sign-off on all work completed.

Organizational Transformation

1. NYCHA should more clearly define the goals and "achievable" in the three documents that comprise the Organizational Plan, paying special attention to the Neighborhood Model and the steps necessary to achieve its implementation.
2. NYCHA should expand the tracking of change initiatives beyond those included in the Organization Plan. This will provide transparency to those changes and enable better cross functional coordination.
3. NYCHA should continue to build out and support a professional Project Management approach to implement change, leveraging the skills and procedures established in S&I, IT, and A&CM. Bring in PM resources from across NYCHA,

including Operations, to create a community of practice for creative problem solving and execution of change. Give the S&I PMO authority for decision making and transition them from reporting to an enforcement function.

4. NYCHA should define how NYCHA will be structured to improve performance, efficiency and overall property management operations and reallocate staff and resources accordingly.
5. NYCHA should continue to establish organizational structures, business processes, and communication channels, and provide staff with the tools to achieve and measure defined change goals. Embrace an organization change approach that enables management to think strategically and align on strategy, set priorities, communicate these and ensures ongoing support for them.
6. NYCHA should continue to establish a structured continuous improvement program, drawing from expertise within NYCHA and building upon internal centers of excellence to expand into other areas of NYCHA.
7. NYCHA should define and communicate:
 - Annual and 1-3-5 year agency priorities for leadership and management to align to.
 - An operations plan which assigns appropriate decision-making authority at the development level to facilitate improvements in property management.
 - Support for the operations plan, through training and managing, and with expectations of central office support for localized decision making.
 - An expectation that departments will work together to achieve objectives.
 - Address systemic issues and root causes in lieu of “firefighting” a discrete issue. Analyze and find solutions to difficult problems. Confront difficult problems, such as safety, environmental hazards, and improved workforce productivity. Work with HUD and the City to assist in solving these problems.
 - Solutions and actions should be informed by a risk assessment and should identify organizational impediments to good management, such as improving quality of data, training, valuing quality as much as quantity and making quality assurance every supervisor’s responsibility.
 - Communicate often and always when required by prudence. Communicate up and down the hierarchy. Learn to trust employees when such trust has been earned.
 - Use interdepartmental teams and work groups to address issues. Draw upon the strengths and subject matter expertise of employees and adopt successful practices and spread their knowledge across the organization. Create centers of excellence.
8. NYCHA should undertake a comprehensive update of job descriptions including competencies. Provide clarity to Borough VPs and Neighborhood Administrators regarding what good performance looks like. Define the skills needed to successfully manage properties and to prioritize and make appropriate and timely decisions regarding property management. Incorporate these skills into job descriptions and training programs.
9. NYCHA should continue to establish and refine performance standards. Work with the City Department of Citywide Administrative Services (“DCAS”) to revise or add job titles that meet the needs of a modern, professionally run property management organization. Work with unions to establish appropriate job titles and experience levels, and job training programs.

10. NYCHA should continue to train property management teams in best practices. Revise property management job titles, competencies, and experience requirements as appropriate to maintain best practices.
11. NYCHA should review and implement the Monitor's recommendations to improve accountability.

Neighborhood Model

1. NYCHA should conclusively define the concept and scope of the Neighborhood Model.
2. NYCHA should continue to align the vision set forth in NYCHA's Transformation Plan with the Neighborhood Model. Prepare a detailed plan that sets forth the steps that must be taken to obtain funding, expend resources in a prudent manner, process changes that need to be taken, and sets forth the schedule and persons and functions needed to achieve the purpose of the plan. The plan should also address issues regarding governance, culture, accountability, partnership, leadership, and commitment to ethics and best practices.
3. NYCHA should continue the Neighborhood Model Integration project. Expand the understanding of what NYCHA does across the organization. Identify priority areas for decentralization. Facilitate cross departmental meetings to address duplication of functions and pain points, problem solve, educate on each other's role and dependencies, and determine ownership of decision-making and accountability for getting the work done.
4. NYCHA should implement the work begun by the Monitor team to revise job descriptions consistent with the Neighborhood Model and associated business process flows. Adopt the performance standards framework. Establish a performance management and evaluation process based on these.

Safety & Security

1. NYCHA must address the concerns expressed by NYCHA development staff regarding safety and security, particularly regarding feeling intimidated by trespassers and certain residents. Take appropriate enforcement action when rules are violated. NYCHA should endeavor to better support its Office of Safety and Security, particularly to enable its staff to engage in rule enforcement activities at developments (rather than development staff).
2. NYCHA should adopt a staff position within the NYCHA office of Safety and Security consistent with the Monitor team's recommendation for a Safety & Security associate within each NYCHA neighborhood.

Three Departments (Compliance, EH&S and QA)

1. NYCHA should evaluate the present tasks performed by the three departments to determine whether there are appropriate personnel assigned, overlap in activities performed, and whether activities of each ought to be transitioned to Operations.
2. NYCHA should recognize that these departments are not a substitute for appropriate supervisory processes to lead and oversee workers and vendors and impose accountability on both. These departments should continue to help inform supervisory training and procedures to infuse a culture of integrity, compliance, and worker accountability throughout NYCHA.
3. NYCHA's Chief Compliance Officer should inform the Monitor of all referrals made to the Office of the Inspector General.

4. NYCHA's Compliance Department should continue to exercise a strong investigative component, but a focus on integrity and ethical behavior must be instituted and remain vigorous at all times.

Other Actions

1. NYCHA should continue to foster and improve relationships with external stakeholders and create collaborative intergovernmental relationships. Transparency, and seeking help from other agencies and organizations (including labor unions) and fostering these relationships will improve NYCHA as an organization and build public trust. Incentivize better performance, absent the availability of funding. Create training programs and attract and develop skilled workforce. Improve relationships with the vendor community, with residents and with the City. Address the dichotomy of NYCHA not being a City agency but being subject to various policies and rules of the City, and accountable to various parts of City government.
2. NYCHA should initiate a budget planning process that sets policy and priorities prior to initiation of the budget process.
3. NYCHA should conduct and review staffing assessments and productivity analyses throughout the Authority. This will help to identify productivity savings and right size the central office functions.
4. NYCHA should consolidate existing development level information created by various departments and create one comprehensive development level plan including asset management and needs assessments. These plans will support cross departmental strategizing and decision-making. These plans will help maintain the knowledge continuity chain given high turnover rates.
5. NYCHA should support residents to be full and accountable partners with NYCHA. NYCHA's resident base is a tremendous resource that can be better leveraged to support change. NYCHA and NYCHA's resident engagement teams have well established relationships with residents across NYCHA. Residents are the eyes and ears of the developments. Along with development staff, residents must be a part of the solution, and a part of the culture change needed at NYCHA. Resident behavior impacts employee morale and their ability to properly perform their work. Residents have generated many ideas for NYCHA; they need to better understand NYCHA's limitations and challenges so they can collaborate on achievable solutions, including being a voice for NYCHA with public officials.

In Closing

The last five years have demonstrated that NYCHA is capable of improving its administration and operations. Those at NYCHA who have embraced the need for improvement and have worked tirelessly in this regard must be commended and supported.

However, any evaluation of NYCHA's performance should primarily look to an assessment of the general living conditions of its residents. Improving the conditions in residents' apartments, buildings, and grounds, as well as the core services provided to them, is the intention of the Agreement and has been the main focus of the Monitor team in its role to objectively measure and report on NYCHA's progress. While we have heard from many residents, and from the objective measurements available, that they are seeing NYCHA making some clear gains in its performance, NYCHA has much more to do to enhance the general living conditions at the developments, which at many locations remain unacceptable.

In this report we have outlined measures that NYCHA must implement, including providing better safety and security at developments, enforcing tenant lease rules, and improving staff performance so that resident apartment maintenance and repair needs are better met. NYCHA must continue to do better with the resources it has.

But the overarching problem that impacts resident living conditions is the poor physical state of NYCHA's buildings. Constant leaks from interior plumbing deterioration and exterior building envelope degradation have gradually damaged NYCHA's buildings, building systems, and apartments and created hazardous conditions such as mold growth. Capital funding necessary to fully modernize these buildings has not been available and the expenditure of available funds has often been mismanaged. Moreover, over the last two decades, NYCHA has not had adequate funding to address work orders on a timely basis, and its Operations budget requires collection of all rent due to ensure proper staffing and function.

It is not acceptable for trespassers to constantly loiter in NYCHA building lobbies and other public areas to engage in drug activity - including the sale of drugs - and often to harass and threaten residents in their own buildings. While the plight of the homeless is regrettable, NYCHA residents should not bear the burden of sheltering them, as they freely come and go in NYCHA buildings, breaking into elevator motor rooms, storerooms, stairwells, and other spaces to sleep, often damaging property and leaving filth behind.

As we have detailed in this and prior reports, NYCHA and the government are at the crossroads of NYCHA's future. The level to which government (at all levels) will financially support NYCHA and provide other significant services, including the cooperation that has grown among NYCHA, the NYPD and FDNY, DOB and others, due in part to our efforts, must be addressed by all responsible persons - in and out of government.