



Stability in NYC Public Housing Conversions:

A Closer Look at NYCHA's Permanent
Affordability Commitment Together
(PACT) Program

Introduction: Executive Summary

The Permanent Affordability Commitment Together (PACT) program, created by New York City Housing Authority (NYCHA) leveraging the federal Rental Assistance Demonstration (RAD) program, was introduced to help renovate many public housing developments in dire need of restorations without placing the cost of such improvements solely on NYCHA. Through PACT, private and nonprofit development partners conduct the repairs, provide property management for the building and grounds, and provide enhanced social services to residents, and the buildings remain under public control, ensuring that residents maintain the basic rights they possess through the public housing program.

Given prior firsthand experiences with gentrification, systemic racism, and flawed public housing renovation efforts, NYCHA residents have expressed concerns about how the PACT program will work in practice, specifically expressing fears about whether PACT restorations will increase their risk of displacement. Notably, several policies and regulations of the RAD and PACT programs exist to mitigate residents' risk of displacement. Despite these protections, concern and distrust among residents persists.

This paper examines the data that currently exists to determine whether PACT sites experience higher relative rates of eviction after conversion to the PACT program, outlines eviction prevention efforts conducted at PACT sites to date, and highlights resources available for those that are at risk of eviction. The report concludes with short-term recommendations for NYCHA to further mitigate eviction risk and improve oversight of housing stability guidelines.

Ultimately, this paper finds that the data does not currently support concluding that changes in eviction rates or displacement is caused by the PACT program. The data further indicates that the evictions that have occurred are largely instances where tenants do not have a path to legal tenancy under federal rules.

The data in this paper --although limited because of the eviction moratorium, the timing of specific PACT conversions, and the fact that NYCHA has only collected data on eviction prevention efforts since 2021 -- **reveals that there is no conclusive relationship between PACT conversion and eviction rates.** The most recent data analyzed also shows that, though New York City is experiencing rising eviction rates, especially in the wake of COVID-19 and lifting of eviction moratoria, **filings for eviction in PACT sites are lower than filings citywide**, even though that PACT residents don't have access to emergency rental assistance programs.

Most of the evictions (70%) that occurred following a PACT conversion at the four properties analyzed were for holdovers, or lease violations unrelated to nonpayment; prior to conversion, 81% of NYCHA's evictions at these sites were for nonpayment of rent. Most of these holdover cases described in the data were related to instances in which the tenant of record was deceased or had abandoned the unit, and the current tenants did not meet the criteria outlined by the

federal Section 8 program to qualify under succession rights or, in some instances, did not submit the paperwork required to become an authorized tenant. Further research and analysis are needed over a longer time period to determine if holdover evictions peak in the immediate wake of conversions.

Prior to this analysis, previous reports have looked at the changes in eviction rates at PACT sites after conversion, but they have not looked at the trends in eviction rates over a longer period of time, nor have they delved into the nuances of the types of evictions that have occurred. Further, this is the first report that looks at pre-eviction outreach efforts as required by NYCHA's Housing Stability and Retention Guidelines and at early indicators of housing stability at PACT sites in the wake of the Covid-19 pandemic and the ending of the eviction moratorium.

Background

The New York City Housing Authority (NYCHA) is a lynchpin in the fabric of the City as it provides affordable housing to 1 in every 16 New Yorkers. However, it has faced decades of disinvestment and currently requires at least \$40 billion of investment to bring existing properties into proper repair. One of the key components of NYCHA's preservation strategy is its Permanent Affordability Commitment Together (PACT) program, which leverages the Section 8 program to recapitalize properties through the federal Rental Assistance Demonstration (RAD) Program as well as HUD's Section 18 program. NYCHA plans to preserve 62,000 units of housing through the PACT program by 2028 in partnership with private development teams. As of Spring 2022, NYCHA was nearly 25 percent of the way to this goal with 15,426 units transitioned from public housing to the PACT program, and there are over 19,000 additional units in the planning and engagement phase of the process. NYCHA maintains a tracker of properties that have converted or are in the process of converting.

Sites for PACT conversion have historically been selected based on their need for repairs, whether they would be inefficient for NYCHA to manage (e.g. small, scattered site properties), and whether they have existing subsidy sources. Development teams are selected for each site through a Request for Expressions of Interest (RFEI) process. Development teams include developer, general contractor, property management and service provider partners. The selection of development teams is based on a set of criteria outlined in the RFEI, including their development experience and capacity, property management experience and plan (including social services), financial proposal, rehabilitation plan, community engagement plan, and Section 3 hiring plan (based on the latest RFEI released as of this writing in December 2021). Starting in 2021, resident committees at each site are also included in the development team selection process.

NYCHA maintains oversight of the development team during both the construction phase and ongoing management. NYCHA has created an asset management department to provide ongoing oversight of PACT deals. The stated goals of NYCHA's Asset Management team are to monitor conditions at the developments and ensure that developers adhere to their obligations to residents, including:


- Monitoring the construction scope and progress of repairs
- Monitoring on-going maintenance and repairs at the properties
- Assisting with job placement and training related to the Section 3 program
- Monitoring the financial health of each transaction
- Monitoring minority and women-owned business enterprises (MWBE) contracting
- Monitoring outreach for arrears and holdovers


More detailed information on the process and impact of conversion can be found here. Highlights include:


- NYCHA provides a long-term lease to development teams, who take on a renovation that addresses the 20-year needs of the property and take over day-to-day management and provision of social services.
- Existing NYCHA residents are required to sign new leases with the private property management company right before the property is converted from public housing's Section 9 subsidy to project-based Section 8 subsidy, converted sites are under private management, but current residents are not re-screened for eligibility.
- Any vacant units are filled by people on NYCHA's Section 8 waiting list in a process overseen by NYCHA's Leased Housing Department.
- Residents retain many critical rights after conversion from public housing, including rent being limited to 30% of the household income, succession rights and the right to organize.

As the PACT program has rolled out, starting with the first conversion at Ocean Bay Bayside in 2017, one of the most significant concerns that residents have expressed is the fear of displacement once a property has been converted and is under private management. This fear is the consequence of past experiences of public housing renovation efforts, overall fears of gentrification in New York City, and long-standing practices rooted in systemic racism that have disenfranchised the largely black and brown population of NYCHA in the past.


The risk of displacement of existing residents is mitigated by the policies and regulations of the RAD and PACT programs. Beyond the baseline protections built into the federal RAD program, these policies have evolved over the past five years and currently include:

 **Right to Stay:** Existing tenants are not rescreened for eligibility when signing their new lease and all leases are required to be renewed upon expiration unless cause exists to terminate. Residents have the right to remain during construction and any residents that needs to be temporarily relocated during construction are supported in the process and have the right to return.


 **Continued Affordability:** Residents continue to pay 30% of their household income towards rent after conversion. If income decreases, they can apply for an interim recertification to reduce their rent. If a tenant experiences an increase in rent because they were previously paying less than 30% of their income, their rental increase is phased in over 5 years. Vacant units in PACT properties get released to people on NYCHA's Section 8 site-based wait list in a process overseen by NYCHA's Leased Housing Department. Households on this wait list are required to be at or below 50% area median income (AMI), whereas vacant public housing units can take households making up to 80% AMI. In 2022, this 50% AMI maximum threshold is \$66,700 for a family of four.

 **Additional Protections for PACT:** Through the RAD Roundtable on Resident Rights and Protections, NYCHA partnered with stakeholders to develop additional rights and protections that go beyond the federal RAD program and have since been integrated into the PACT program. These include clarifications to the right to stay and process


for adding people to the lease before conversion, strengthening temporary relocation protections and supports, and mandating an articulated grievance procedure that property managers need to follow for lease-related issues including terminations.



A Path to Tenancy: In advance of signing the new lease required for PACT conversion, residents are encouraged to add unauthorized occupants to their household so that they can be included on the new lease and are not at risk of rescreening or eviction after conversion. To be added to the household, tenants need to be eligible under public housing rules¹. Residents can access a free PACT hotline through The Legal Aid Society for support through this process. Additionally, NYCHA created a PACT pilot program in 2020 to provide a pathway to becoming an authorized tenant after PACT conversion for a limited window of time. Pilot participants must be in a unit that has no active tenant of record at the time of conversion, and the participant needs to be in an eligible familial category in relation to the last tenant of record. Further, the participant must be eligible and screened for the Section 8 program. An eligible pilot participant could also be a tenant who was previously terminated for chronic rent delinquency (meaning that the tenant had a habit of paying rent but not paying rent on time) but owes less than three months' rent. Unauthorized occupants that are not added to the household before conversion, through the PACT pilot, or cannot be added through the Section 8 succession process, may face legal holdover proceedings.



Expectation of Housing Stability and Eviction Prevention: In October 2020 (and updated in 2022), NYCHA created a Housing Stability & Retention Guideline for PACT Partners, which outlines the expectations that housing stability is a goal of the PACT program and that PACT teams need to ensure appropriate staffing and effective communication to residents to support this goal. The guidance outlines outreach, communication and resource connection efforts that need to be taken by development teams before starting formal eviction proceedings. It also provides additional guidance and templates for recertification, payment plans and social service referrals. Recent RFEIs have included an expectation that development teams will develop a resident stability and retention plan that “outlines their approach to proactive communication and outreach that property managers will take to avoid unnecessary evictions.” In January 2021, NYCHA also established a monthly reporting requirement that development teams document their outreach efforts to residents to promote housing stability. Finally, starting in October 2021, NYCHA started requiring applicants to submit an Eviction Rate Questionnaire and an Eviction Training Certification as part of their submission to the RFEI.



Continued Access to a Grievance Procedure: PACT residents continue to have the right to access a grievance process. After conversion, issues related to the Section 8 subsidy (e.g. tenant portion of the rent and adding household members to the subsidy) will be grieved with NYCHA's Leased Housing Department, while all other issues will be grieved with the new property manager (e.g. including issues related to lease violations).

Despite these policies, understandable fear and distrust remain, and continuous monitoring is critical to ensure compliance with stated protections. This analysis seeks to look at what early data illustrate in terms of the displacement and eviction risk at PACT sites and makes recommendations to continue to build on the protections and oversight in place.

¹Eligibility for permanent occupancy includes: A formerly authorized occupant who moved out of the household and seeks permission to rejoin the household, or one of the following: (a) Family Growth: a person born to, adopted by or the ward (under the legal custody/guardianship) of the tenant or an authorized permanent household member while the household member resides in the apartment, (b) the tenant's: spouse or domestic partner and their minor children, or (c) the tenant's: child, stepchild, parent, step-parent, sibling (including half-brother/sister), grandparent, grandchild, son-in-law, daughter-in-law, father-in-law, mother-in-law.

What is a completed eviction?

A completed eviction in this analysis is defined as a tenant vacating an apartment following an eviction judgment (in public housing sites, pre-conversion to PACT) or the date that the development partner obtained legal possession of the residence (post-conversion) and is based on data provided by NYCHA. The data on evictions is further disaggregated by evictions filed for nonpayment versus holdovers (e.g., other lease violations, such as the tenant of record no longer living in the residence). Note that different definitions of eviction (for example, warrants of eviction and marshal requests) may yield different data trends.

According to NYCHA and case notes analyzed by Enterprise, the primary reason for holdover evictions – both those inherited when a property is converted and those that arise after conversion – is unauthorized tenancy. Unauthorized tenancy typically occurs when a tenant of record leaves a unit or passes away, and the current occupant has no relationship to the tenant of record or they do not fall within an eligible familial category to be formally added to the household².

The eviction process is different after a site converts to PACT; under traditional public housing, an eviction process is initiated through NYCHA’s administrative hearing process or in Housing Court³ while under PACT, an eviction process is initiated in Housing Court. The differences in these processes are outlined in the [Chelsea-NYCHA Working Group report](#):

“Under Public Housing, NYCHA, as landlord, may terminate a tenancy for ‘good cause’ using an administrative hearing process. Grounds for termination include misrepresentation of income; chronic rent delinquency; unauthorized occupants; and criminal activity on or off development grounds. A tenant is entitled to a hearing before an impartial hearing officer at NYCHA’s hearing office currently located at 803 Atlantic Avenue, Brooklyn, New York. If the tenancy is terminated as a result of the administrative hearing process, a tenant may appeal the decision in an Article 78 proceeding in the New York State Supreme Court. If terminated, NYCHA must commence a holdover proceeding in Housing Court in order to secure a possessory judgment and warrant of eviction. In most holdover cases, NYCHA secures a termination of tenancy at the administrative hearing level, and issues at the administrative hearing level cannot be heard in Housing Court and are binding on a Housing Court judge.”

Further: “As with Public Housing, under the PACT lease, the new property manager may only evict a tenant for ‘good cause’ such as nuisance, criminal activity, and harboring a pet in violation of a no-pet clause. Under PACT, these cases are brought in Housing Court – not in NYCHA’s administrative hearing process – and decisions issued by a Housing Court judge are appealed to the State Appellate courts. Under PACT, NYCHA may move to terminate a resident’s Section 8 subsidy for ‘good cause’ including failure to submit required documentation, misrepresentation of income, and criminal activity in the unit. Tenants are entitled to notice and a hearing before an impartial hearing officer under the Williams Consent Decree. If terminated, a tenant can appeal the decision in an Article 78 proceeding in State Supreme Court.”

Moreover, the report indicates that NYCHA’s administrative hearings “have a lower standard of evidence than those brought directly to Housing Court and more often result in the eviction of a resident,” while cases brought directly to Housing Court “will likely result in fewer evictions for minor violations.”

² Eligible familial categories under both public housing and the Section 8 program include: (a) Family Growth: a person born to, adopted by or the ward (under the legal custody/guardianship) of the tenant or an authorized permanent household member while the household member resides in the apartment, (b) the tenant’s: spouse or domestic partner and their minor children, or (c) the tenant’s: child, stepchild, parent, step-parent, sibling (including half-brother/sister), grandparent, grandchild, son-in-law, daughter-in-law, father-in-law, mother-in-law.

³ A termination of tenancy is initiated through an administrative hearing process. If the lease is terminated, then NYCHA files an eviction proceeding in Housing Court. However, non-payments are initiated in Housing Court.

Analysis

Methodology

This report examines the impacts of PACT on eviction rates pre- and post-conversion. All data on evictions pre-conversion were collected and reported by NYCHA. However, once a property converts under PACT, the development partner is responsible for data collection and reporting. Enterprise reviewed deidentified data NYCHA and their PACT developer partners provided on completed evictions in all converted properties since 2012 and for PACT properties converted before the eviction moratorium went into effect in March 2020. The PACT program did not have a consistent data reporting process until January 2021, when NYCHA implemented monthly data collection and reporting requirements on all eviction-related activity across PACT sites. Enterprise reviewed this detailed eviction data, which was available through April 2022.

Enterprise summarized the total number of evictions and calculated eviction rates pre- and post-conversion by type, nonpayment vs. holdover evictions between 2012 and 2022⁴. This year-over-year analysis only includes counts of formal, completed evictions where the tenant has vacated the apartment, and no legal remedies to return to the unit are available.

Enterprise's analysis of current risks and opportunities is based on the monthly data collection and reporting by PACT development partners, provided by NYCHA. These data include information on eviction cases during pre- and post-eviction proceedings, including more detailed information on the pre-eviction outreach process initiated across all converted PACT projects. Enterprise outlined eviction activity at properties post conversion by reviewing the number of cases entered into the pre-eviction status and case notes.

Analysis of Yearly Post-Conversion Eviction Rates in NYCHA Properties:

To date, 12 NYCHA properties have been converted through PACT, though most occurred immediately before or during the citywide eviction moratorium in effect from March 20, 2020, through January 15, 2022⁵. Our analysis is therefore focused on the four properties that converted through the PACT program before 2020: Ocean Bay (converted December 2016), Betances (November 2018), Highbridge Franklin (November 2018) and Baychester/Murphy (December 2018). Table 1 shows the number of evictions annually in all 12 properties.

⁴ 2022 data includes executed evictions as of February 2022.

⁵ The Hope Gardens property was converted in July 2019 but did not have sufficient time to complete any evictions prior to the moratorium going into effect.

TABLE 1. Final Evictions by Development, 2012-2022⁶

| Development | Conversion Date | Unit Count | Eviction Moratorium | | | | | | | | | | |
|---------------------|-----------------|------------|---------------------|------|------|------|------|------|------|------|------|------|------|
| | | | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Ocean Bay | 12/31/16 | 1395 | 5 | 18 | 8 | 15 | 5 | 21 | 15 | 15 | 1* | 0 | 1 |
| Betances | 11/16/18 | 1088 | 4 | 1 | 5 | 3 | 1 | 8 | 1 | 10 | 3* | 0 | 0 |
| Highbridge Franklin | 11/30/18 | 336 | 0 | 3 | 1 | 0 | 3 | 0 | 1 | 0 | 0 | 0 | 0 |
| Baychester/ Murphy | 12/27/18 | 722 | 3 | 10 | 3 | 3 | 4 | 0 | 2 | 0 | 0 | 0 | 0 |
| Hope Gardens | 7/18/19 | 1321 | 3 | 1 | 2 | 2 | 1 | 4 | 0 | 0 | 0 | 0 | 1 |
| Twin Parks | 2/12/20 | 312 | 3 | 3 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Brooklyn Bundle | 2/12/20 | 2625 | 10 | 8 | 6 | 11 | 7 | 5 | 4 | 6 | 1** | 0 | 0 |
| Manhattan Bundle | 11/30/20 | 1718 | 11 | 6 | 6 | 1 | 5 | 4 | 2 | 6 | 1** | 0 | 0 |
| Williamsburg | 12/28/21 | 1621 | 5 | 1 | 3 | 3 | 7 | 0 | 1 | 4 | 0 | 0 | 0 |
| Boulevard | 12/28/21 | 1673 | 3 | 18 | 7 | 1 | 5 | 1 | 6 | 3 | 0 | 0 | 0 |
| Linden | 12/28/21 | 1922 | 16 | 17 | 4 | 2 | 1 | 4 | 2 | 16 | 1* | 0 | 0 |
| Harlem River | 2/17/22 | 693 | 4 | 9 | 9 | 1 | 3 | 2 | 4 | 1 | 0 | 0 | 0 |

* 2020 evictions reported here occurred before the eviction moratorium

**Evictions in the Brooklyn Bundle and Manhattan Bundle that occurred in 2020 happened before the PACT conversions at these sites.

Color Key

Pre conversion

Post conversion

This data shows that pre-conversion, the number of evictions in the 12 NYCHA properties varied widely by year. Of the four sites that converted before 2020: Ocean Bay, Betances, Highbridge Franklin and Baychester/ Murphy, only Ocean Bay and Betances reported post-conversion evictions. One additional property of the eight that converted after 2020 reported a post-conversion eviction through February 2022: Hope Gardens (1 eviction).

Segmenting evictions by type in the four properties that converted before 2020 reveals that most post-conversion evictions were holdovers⁷ (see Table 2), while pre-conversion, most evictions were due to nonpayment of rent. Indeed, 70 percent of evictions completed post-conversion stemmed from holdover cases. This is in contrast with a pre-conversion share of only 19 percent in these properties.

⁶ 2022 data includes executed evictions as of February 2022.

⁷ A holdover is an eviction proceeding a landlord brings in Housing Court to for a reason other than nonpayment of rent.

TABLE 2. Evictions by Year by Type, 2012-2022⁸

| Year | Eviction Type | Ocean Bay | Betances | Highbridge Franklin | Baychester / Murphy |
|------|---------------|-----------|----------|---------------------|---------------------|
| 2012 | Holdover | 0 | 2 | 0 | 3 |
| | Nonpayment | 5 | 2 | 0 | 0 |
| 2013 | Holdover | 3 | 0 | 0 | 1 |
| | Nonpayment | 15 | 1 | 3 | 9 |
| 2014 | Holdover | 0 | 3 | 0 | 0 |
| | Nonpayment | 8 | 2 | 1 | 3 |
| 2015 | Holdover | 2 | 1 | 0 | 3 |
| | Nonpayment | 13 | 2 | 0 | 0 |
| 2016 | Holdover | 0 | 0 | 0 | 1 |
| | Nonpayment | 5 | 1 | 3 | 3 |
| 2017 | Holdover | 15 | 0 | 0 | 0 |
| | Nonpayment | 6 | 8 | 0 | 0 |
| 2018 | Holdover | 8 | 1 | 0 | 0 |
| | Nonpayment | 7 | 0 | 1 | 2 |
| 2019 | Holdover | 10 | 10 | 0 | 0 |
| | Nonpayment | 5 | 0 | 0 | 0 |
| 2020 | Holdover | 0 | 2 | 0 | 0 |
| | Nonpayment | 1 | 1 | 0 | 0 |
| 2021 | Holdover | 0 | 0 | 0 | 0 |
| | Nonpayment | 0 | 0 | 0 | 0 |
| 2022 | Holdover | 1 | 0 | 0 | 0 |
| | Nonpayment | 0 | 0 | 0 | 0 |

Color Key

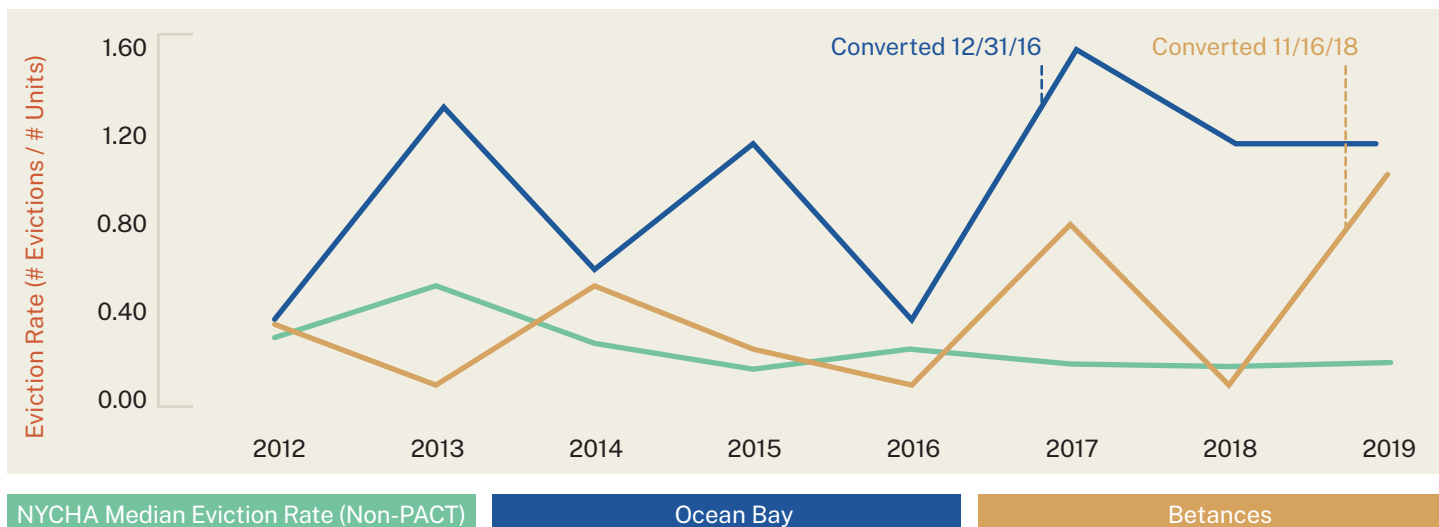
| | |
|---------------------------|-----------------------------|
| Pre-Conversion, Holdover | Pre-Conversion, Nonpayment |
| Post-Conversion, Holdover | Post-Conversion, Nonpayment |

To understand how eviction rates changed after conversion, we compared rates⁹ at individual PACT developments – Ocean Bay, Betances, Highbridge/Franklin, and Baychester Murphy – to rates at a ‘typical’ NYCHA property, defined as all non-PACT NYCHA properties.

⁸2022 data only includes executed evictions as of February 2022.

⁹ An eviction rate is the number of evictions per 100 renter homes. An eviction rate of 1% means that 1 of every 100 renter homes faced eviction in the selected time period. Eviction rates are calculated as: total number of evictions/total units *100

Figure 1. Ocean Bay & Betances Eviction Rates



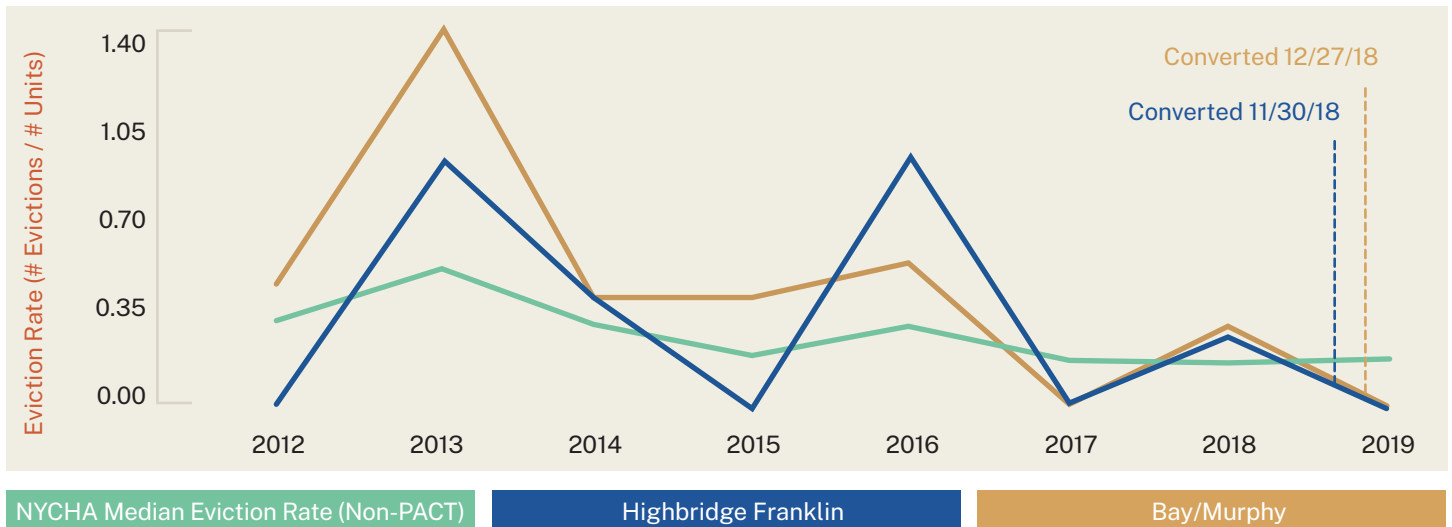
Between 2012 and 2019, the annual eviction rate at Betances has fluctuated, dropping above and below the rate of the typical NYCHA development. Betances saw an increase in eviction rates between 2018 and 2019 following its conversion (from 1 eviction to 10). However, it experienced a similar spike between 2016 and 2017 (from 1 to 8 evictions), making it difficult to determine whether the increase was due to PACT conversion or another reason.

Of the 13 eviction cases executed at Betances since conversion, one was for nonpayment, and the other twelve were holdover cases where the tenant of record was deceased (TOR deceased). In contrast, during the years before conversion, the majority (70%) of evictions executed by NYCHA at Betances were nonpayment evictions. According to case notes, three holdover cases were inherited before conversion occurred. The case notes also show that four cases proceeded to eviction because the units were occupied by a non-household member or an unauthorized tenant. Two cases proceeded where the occupant did not sign the lease or complete the needed paperwork to stay in the unit.

At Ocean Bay, eviction rates consistently remained higher than the typical NYCHA development before and after its conversion. The eviction rate increased in 2017 after the development converted, jumping from 5 evictions in 2016 to 21 in 2017. However, this jump was not necessarily abnormal compared to trends over the past decade, showing that total evictions fluctuated dramatically year over year. For example, a similar jump occurred between 2012 and 2013, and between 2014 and 2015. The eviction rate began to decrease in 2019. However, given the data limitations, it is not possible to conclude whether this trend will continue and whether it is due to general variation in annual eviction rates or the conversion.

Of the 52 eviction cases executed at Ocean Bay since its conversion, 19 (37%) were for nonpayment, and 33 (63%) were holdover cases resulting from an illegal occupant or an abandoned unit. Before converting under PACT, NYCHA executed nonpayment evictions at Ocean Bay at a much higher rate. Between 2012-2016, 90% of evictions executed by NYCHA were due to nonpayment.

Figure 2. Highbridge Franklin & Baychester/Murphy Eviction Rates



In contrast to Betances and Ocean Bay, Highbridge Franklin and Baychester Murphy executed zero evictions in the year following their conversion. Due to limited data, it is unclear whether this decrease is representative of a change due to PACT conversion or typical annual variation in eviction rates. However, it is important to note that of the four developments included in this analysis, two saw an increase in evictions the year following conversion and two saw a decrease, indicating that the impact of PACT conversion on eviction rates has been variable and is inconclusive at this time.

It is important to note that the two sites with eviction data post-conversion – Betances and Ocean Bay – are both managed by the same management company. More data is needed over a longer period of time to determine if any trends in terms of eviction rates and types of eviction post-conversion vary by property manager.

Eviction Mitigation Procedures among PACT Properties

While there is not enough data to conclude whether converting to PACT has impacted eviction rates in NYCHA properties, our information provides insight into the efforts to mitigate and avoid formal eviction outcomes during and after the conversion process. For example, Enterprise previously evaluated the Ocean Bay PACT conversion, finding the site's development partner, Wavecrest, took several steps to mitigate eviction and displacement among existing residents.

Wavecrest inherited approximately \$720,000 in accumulated rental arrears from tenants when the development was under NYCHA management¹⁰. Wavecrest had a dedicated staff member who

¹⁰ In 2022, NYCHA cleared 90% of their outstanding non-payment eviction cases and established a new policy to prioritize instances where significant back rent is owed beyond two years. This new policy could reduce the amount of arrears inherited at future PACT sites. <https://nychajournal.nyc/nycha-discontinues-over-31000-non-payment-cases/>

worked with residents, service providers and city agencies to assist tenants in resolving those arrears. Resolutions included creating payment plans, referrals to financial support services, and in certain instances, arranging to have arrears reduced in exchange for an upfront one-time payment of the remaining balance. When those measures failed, only then did Wavecrest initiate legal eviction action.

Social Service Providers are brought on during the pre-development process and are utilized to conduct a needs assessment and start providing services on-site after conversion. Social service providers are meant to help development teams build relationships with residents and to help with pre-eviction outreach, as outlined in the [Housing Stability and Retention Guidelines](#).

For all conversions occurring after October 2020, NYCHA has provided these eviction prevention guidelines to development partners, including establishing their expectations for developers around outreach to tenants prior to initiating a formal eviction proceeding, connecting tenants to assistance and social services, and setting up repayment plans/agreements. The guidelines require development partners to make a minimum of two outreach attempts to the tenant through two different modes of communication, such as phone calls, door knocking, and mail. The guidance also includes steps to ensure tenants are informed about available resources, such as emergency rental assistance, social services, and their right to council. Specific guidance was also provided during the pandemic encouraging PACT partners to assist tenants in filing hardship declarations, reporting income losses to NYCHA, and applying for rental assistance such as the Emergency Rental Assistance Program (ERAP).

As of January 2021, PACT partners are required to provide monthly reports to NYCHA summarizing all nonpayment, holdover and grievance cases, including notes on their outreach, service referrals, and formal eviction proceedings. Outreach begins before the legal eviction proceedings have been initiated (the pre-eviction phase). The pre-eviction stage means the development partner is actively working on outreach to the household to connect them with social services and programs to help prevent displacement. There is not a consistent definition of when a household is defined as in “pre-eviction status” across sites, though according to NYCHA, it is generally triggered in the instance of arrears when a household is 1 or 2 months behind on rent or have reached a threshold level of arrears. Management teams have taken strategies to support housing stability and connect residents to resources, including creating payment plans, informing residents of ERAP, and making referrals to the city’s eviction prevention program, Homebase. If no resolution is found during the pre-eviction outreach processes, cases move to open eviction status, meaning a legal proceeding has been initiated.

Between January and April 2022, 1,224 pre-eviction outreach cases opened across the twelve PACT properties (Table 3)¹¹. The percentage of households in PACT-converted communities that are in “pre-eviction outreach status” increased from 1.2% in January 2022 to 4.7% in April 2022. Significantly, a primary source of eviction prevention resources – the state’s Emergency Rental Assistance Program (ERAP) –deprioritized tenants with a rental subsidy; the state law required that tenants with rent limited to a percentage of their income are to receive funds only after all other applications have been paid. Since the demand for ERAP resources has outstripped the funds available to date, PACT residents are unable to receive ERAP rental assistance.

¹¹ There may be month to month inconsistencies in the data reported by developers and monthly totals are subject to change.

TABLE 3. Number of Pre-Eviction Outreach Cases at Converted Properties January - April

| Case Type | January 2022 | February 2022 | March 2022 | April 2022 |
|--|--------------|---------------|------------|------------|
| Pre-Eviction Outreach Arrears Cases | 178 | 1 | 319 | 549 |
| Pre-Eviction Outreach Holdover Cases | 1 | 0 | 0 | 176 |
| <i>Total number of converted units</i> | 14,773 | 14,773* | 15,426 | 15,426 |
| <i>Percent of units with pre-eviction outreach (rate)¹²</i> | 1.2% | <1% | 2.1% | 4.7% |

* Harlem River converted February 17, 2022 and is not included in the total unit count until March.

According to our analysis of outreach reports compiled from January 2021-February 2022, all households, regardless of case status, received, on average, three outreach attempts while in the pre-eviction outreach process. Outreach methods included mail, phone, email and door knocking. For nonpayment cases in pre-eviction outreach, the most common resources provided to tenants included information about ERAP and a link to HRA to apply for a One Shot Deal. Holdover cases in the pre-eviction phase were most frequently provided letters about the PACT pilot program and notices about recertification. Between 2021 and 2022, tenants were connected to temporary programs such as ERAP, Project Parachute, and Pilot Programs that were initiated during the pandemic. These case note findings are preliminary. A more detailed analysis of case notes is recommended to understand the most frequently used tools to assist tenants and what outreach efforts are most successful.

Current Risks and Opportunities

In the wake of the Covid-19 pandemic, an eviction moratorium was put in place in March 2020 that protected New Yorkers from evictions in cases of nonpayment. This protection was critical given the severe health and economic disruptions that New Yorkers faced. According to [Community Service Society's survey of low-income New Yorkers](#), 41 percent of low-income New Yorkers lost employment income during the pandemic, and more than 25 percent of low-income renters fell behind on their rent during the pandemic, with Black and Latinx renters at greatest risk. The eviction moratorium expired on January 15, 2022. Since that time, the city has seen a [significant](#)

¹² The rate, or percentage of units with pre-eviction outreach is calculated as: total number of outreach cases / total converted units *100

increase in eviction filings and evictions through the first half of 2022.

According to PACT development partners' data reporting, total eviction filings at all converted properties for the period of March-April 2022 was 166 (Table 4). Viewed as a percentage of all PACT converted units, the eviction filing rate was 1.1%.

TABLE 4. Number of Eviction Filings at Converted Properties January - April¹³

| Case Type | January 2022 | February 2022 | March 2022 | April 2022 |
|---|--------------|---------------|------------|------------|
| Nonpayment Evictions Initiated | 83 | 17 | 91 | 42 |
| Holdover Evictions Initiated | 1 | 7 | 13 | 20 |
| Total Evictions Initiated | 84 | 24 | 104 | 62 |
| Total number of converted units | 14,773 | 14,773* | 15,426 | 15,426 |
| Percent of units with eviction filings (eviction filing rate) ¹⁴ | 0.57% | 0.16% | 0.67% | 0.40% |

* Harlem River converted February 17, 2022 and is not included in the total unit count until March.

The increase in eviction filings between January and March (the 2022 peak in the data available) at PACT sites is lower than the increase in eviction filings citywide. In PACT sites, eviction filings increased by 24% between January (84 filings) and March (104 filings) compared to 64% citywide, which saw eviction filings increase from 5,471 in January to 8,967 in March.¹⁵

While these figures raise the concern about the increase in pending evictions, it will take some time for this post-moratorium backlog in cases to resolve, allowing many residents to remain in their homes and seek remedies for their missed payments or lease violations in the meantime. Even among these cases that do result in an eviction filing, residents can continue to access resources to assist them with resolving their cases, including:

¹³ It is not clear whether the level of arrears increased in and of itself since December or if the increase in arrears is impacted by reporting changes and/or the addition of newly converted units.

¹⁴ The eviction filing rate, or percentage of units with pre-eviction outreach is calculated as: total number of eviction filings/total converted units *100

¹⁵ NYU Furman Center for Real Estate and Urban Policy. NYC Housing Court Eviction Filing Rate from, <https://furmancenter.org/eviction-tracker>.

- The Legal Aid Society’s hotline
- Reduce their rent through an interim recertification if income has decreased
- On-site social service providers can provide services or make referrals
- Right to Counsel
- Citywide Landlord-Tenant Mediation Project for Housing Security
- Homebase, which can help residents apply for resources including One Shot Deals and private prevention resources
- ACCESS HRA to determine eligibility for rental assistance and/or other benefits
- While renters living in subsidized properties were deprioritized for the state’s Emergency Rental Assistance Program, all renters who applied for ERAP benefit from protections that preclude the court from moving forward with an eviction while an application is pending. NYCHA has further encouraged its development teams to avoid filing or proceeding with an eviction case in instances where an ERAP application is pending.
- Additional resources can be found from the Mayor’s Office to Protect Tenants.

Going Forward

Additional analysis is needed over a longer time period to better understand any impact that PACT conversion has on eviction trends and to understand the effectiveness of the housing stability and retention efforts. In the short term, NYCHA can take several steps to mitigate eviction risk and improve oversight of housing stability guidelines:

Improve housing stability and retention reporting documents for enhanced oversight:



Enhance oversight of the Housing Stability and Retention Guidelines by revising the reporting documents so that compliance can be more easily and effectively tracked. For example, creating standardized subcategories for pre-eviction outreach and case resolutions will allow for more ready tracking of compliance, effective strategies, and ongoing gaps (see Appendix A for detailed recommendations). This change will strengthen NYCHA’s ability to monitor compliance with the eviction prevention guidelines and to make informed decisions about possible removal of a property manager if they are not following the policy, which is within NYCHA’s rights under the PACT program. This data should be tracked over a longer period of time and can be used to assess compliance with eviction prevention guidelines, effective outreach and prevention strategies, and resource gaps.



Track outreach efforts and outcomes as it relates to finding pathways to tenancy for unauthorized tenants: NYCHA and property management teams should track their outreach efforts to unauthorized tenants, the number of unauthorized tenants that

get added to the household before and after conversion, including through the PACT Pilot Program, as well as the number of unauthorized tenants that get rejected in these efforts and the reasons for rejection. This tracking will enable NYCHA and other stakeholders to better track holdover cases and ensure that instances in which an unauthorized tenant is displaced is solely due to their inability to qualify under Section 8 succession criteria rather than inadequate outreach efforts.



Evaluate potential development teams on their Housing Stability and Retention plans:

Include a requirement in future RFEIs that development teams outline their plan to comply with the Housing Stability and Retention Guidelines in their upfront proposals and include an assessment of that plan in the evaluation criteria.



Publicly share key metrics around tenant stability efforts: Make key metrics around housing stability for PACT residents public on a routine basis so that residents and other stakeholders understand the housing instability risks for PACT residents as well as the efforts being made by NYCHA, development teams and other partners to keep residents housed.

Further, city, state and federal policymakers should allocate additional emergency rental assistance resources for subsidized tenants, who have been deprioritized for the state's Emergency Rental Assistance Program, which has been the primary source of rental relief in the wake of Covid.

Appendix A

- 1.** Pre-eviction outreach tracking
 - a.** Separate holdover and non-payment eviction outreach tracking
 - i. Track all types of holdover evictions (e.g., TOR deceased, TOR vacated, breach of lease). Reduce use of the “other” category by creating new categories. Holdover cases should be categorized in a way that indicates there is a clear path to tenancy or not.
 - b.** Minimize the use of comments where possible by creating common categories for outreach and resolution types.
 - c.** Separate each outreach attempt by type of outreach and date.
 - d.** Separate default notices from comments to indicate when a default notice was sent
 - e.** Create common categories for each type of resolution and create a drop-down list, for example (list is not exhaustive):
 - i. applied for HRA assistance
 - ii. applied for one-shot deal
 - iii. Catholic Charities conducting outreach
 - iv. awaiting ERAP payment
 - v. requested payment plan
 - vi. partial payment made
 - vii. no communication -requested rent demand
 - viii. no communication –default notice sent
 - ix. paperwork modification needed
 - x. other (use only where no other outreach applies)
 - e.** Create a separate date column when a resolution is reached
 - f.** Create categories for final resolution similar to outreach categories, for example:
 - i. payment made
 - ii. received ERAP (HRA, one-shot deal, etc.)
 - iii. tenant vacated unit
 - iv. eviction initiated
 - v. other (use only where no other outreach applies)
- 2.** Track individual household cases from pre-eviction outreach stage through resolution, including eviction by creating unique case ID numbers. This will allow for an evaluation of effectiveness of different eviction prevention strategies.