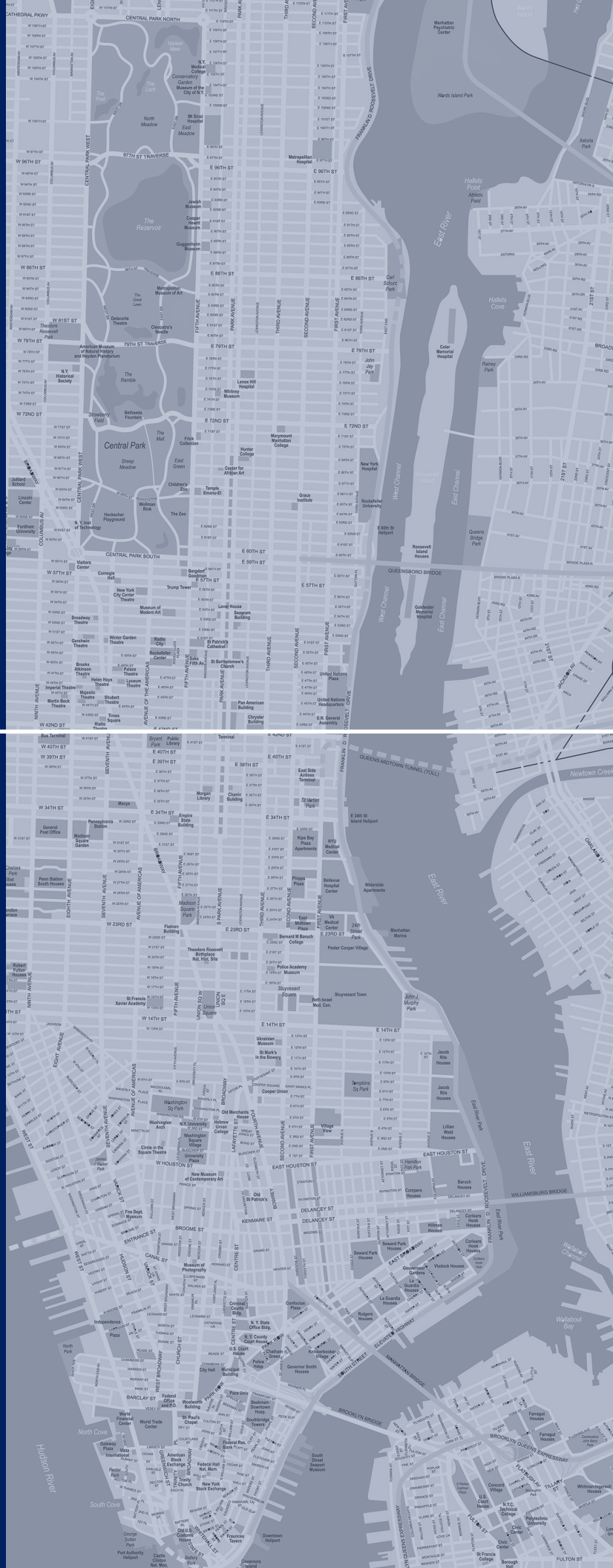


# New York City Housing Authority Monitorship

Monitors' Report  
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## **EXECUTIVE SUMMARY**



In January 2019, the New York City Housing Authority ("NYCHA") committed to implement essential reforms to improve housing conditions for NYCHA residents through an agreement (the "HUD Agreement" or "Agreement") with the U.S. Attorney's Office for the Southern District of New York ("SDNY"), the U.S. Department of Housing and Urban Development ("HUD"), and the City of New York (the "City"). In the HUD Agreement, NYCHA agreed to numerous obligations, including providing residents with adequate heating, improving the reliability of building elevators, remediating lead paint, addressing mold and leaks, implementing effective pest and waste management, and properly conducting and facilitating apartment inspections. The Agreement also required NYCHA to reform and reorganize itself, recognizing that the agency needed to change in order to deliver better services to residents. To hold NYCHA accountable, the Agreement established a monitorship. The first five-year term of the monitorship recently concluded, and as of February 28, 2024, the government selected a new monitor team—led by co-monitors, Neil Barofsky and Matthew Cipolla of Jenner & Block LLP (the "Monitors")—to oversee NYCHA's compliance with the Agreement over the next five years. This is the new Monitors' first report of their activities.

The Monitors' first priority was to assess NYCHA's progress in meeting its commitments over the last five years—especially how much NYCHA had improved the day-to-day lives of its residents. The Monitors' preliminary assessment is that NYCHA has made important progress in laying the foundation for significant improvements at its developments, but that much more must be done to translate that progress into widespread improvement to residents' quality of life. In some important areas, NYCHA has either achieved the Agreement's goals or has shown meaningful improvement, but in too many others, NYCHA is not meeting its obligations. This is reflected in the feedback NYCHA residents have provided to the Monitors: although many residents appreciate that there have been improvements, they still confront livability issues across the areas that the HUD Agreement covers. To NYCHA's credit, it has not ignored these concerns and continues to work toward further improvements. Overall, the Monitors recognize that meaningful progress has been made, but it must be significantly built upon for NYCHA to meet the requirements of the HUD Agreement.

As for what has been accomplished in the first five years of the monitorship, NYCHA's achievements should not be understated. NYCHA now is a very different organization than the one that signed the HUD Agreement in 2019. Its new senior leadership has conveyed to the Monitors their dedication to the important task of improving the living conditions of NYCHA residents. These new leaders have been backing that up by laying the groundwork for reform and seem committed to creating lasting change within the organization. Their work has included, among other things, starting new departments and initiatives focused on establishing NYCHA's compliance with its obligation to maintain livable housing and to remediate defective physical living conditions; changing many policies and practices to define the steps NYCHA's personnel are expected to take to achieve these goals; making capital improvements and expenditures to address NYCHA's most dire deficiencies; and launching pilot programs and other initiatives to address key health and safety issues. Changes made by NYCHA's Operations Department in particular have contributed to improvements that have resulted in NYCHA either meeting certain obligations of the Agreement or, in most instances, at least gaining ground on those for which NYCHA continues to fall short.

At the same time, there are still too many obligations imposed by the HUD Agreement that NYCHA has failed to meet and are now past due. The metrics contained in these requirements are designed to measure NYCHA's progress in the critical work of improving the living conditions of its residents in the key areas noted above—such as requiring NYCHA to ensure that residents have heat in the winter, working elevators to access their apartments, and quick responses from the agency when rats or mold invade their apartments. NYCHA must be sure that it is on a path to meeting all of these property management commitments. For example, as residents have told the Monitors, even though residents may appreciate that NYCHA has shaved hours off the time NYCHA takes to get a broken elevator back in service, it is cold comfort to them if that elevator is still breaking down more than a dozen times a year, stranding residents without access to their apartments. Likewise, for a resident who has reported concerns about pests and mold, their apartment may remain unlivable if, even after it has been eradicated of pests, the resident is still waiting for NYCHA to treat mold growth. And although residents have told the Monitors that they appreciate the return of more authority to their developments through NYCHA's organizational

reform, that does not blunt the desperation they feel when a worker does not show up for a scheduled repair—particularly if it is one that is on the list of 600,000 backlogged work orders. NYCHA must meet the HUD Agreement’s requirements on all the property management obligations to deliver the promise of quality housing for NYCHA residents.

NYCHA must also continue to ramp up its efforts to change the organization itself. For years, NYCHA has been implementing strategic plans aimed at improving how NYCHA functions and delivers services to residents. Although aspects of those plans have been implemented, significant work remains for NYCHA to see them through.

The Monitors recognize that changes like these are difficult for a large organization with the complex constraints NYCHA faces. Organizational change takes time to design and implement properly, and thus deliberation and thoughtfulness are key. However, as with any organizational change, there must also be a sense of urgency. Residents emphasized to the Monitors that they already have waited a long time for the commitments reflected in the HUD Agreement to be fulfilled. Looking forward, while acknowledging the budget constraints under which NYCHA operates and the need for further funding, the Monitors believe the focus must be on maximizing the resources that are available to NYCHA to maintain and build on the progress that has been achieved, and on redoubling efforts to drive change where NYCHA’s achievements have lagged. In particular, over the course of their term, the Monitors plan to focus attention on NYCHA’s efforts to implement the agency-wide, cross-cutting reforms needed to achieve the shared goal of housing for NYCHA residents that meets all of the HUD Agreement standards.

The Monitors are committed to working collaboratively with NYCHA and the other parties and stakeholders to the HUD Agreement, and fairly and accurately reporting on NYCHA’s compliance with the Agreement, as well as NYCHA’s efforts to improve resident quality of life. Further information concerning the Monitors’ initial assessments through June 2024 is included below and in the remainder of this report.

The report is organized into three sections. **Section I** provides an overview of the monitorship and the circumstances that led to it, including background about how this monitorship has been

structured and the activities of the second term of the monitorship. **Section II** discusses the six “property management” areas in which the HUD Agreement imposes substantive requirements to improve housing conditions at NYCHA’s developments: heat, pests and waste, lead paint, mold and leaks, elevators, and inspections. **Section III** discusses the progress NYCHA has made to improve the structure and functioning of NYCHA as an organization under the HUD Agreement.

The rest of this executive summary further summarizes each of those three areas.

### **Background Concerning the Monitorship (Section I)**

On February 28, 2024, the Monitors assumed the monitorship for its second five-year term. In their first few months, the Monitors have established a monitorship team to carry out the day-to-day work of the monitorship, including meeting with resident leaders and resident groups, conducting inspections and site visits, meeting with NYCHA employees and leaders, and gathering data and information.

In their work, the Monitors are guided by several core values:

- The Monitors will maintain a **focus on NYCHA residents** to understand their experience and whether the changes NYCHA makes are creating material improvements in their living conditions.
- The Monitors will pursue **transparency** in delivering their public reports, communicating with residents and stakeholders, and interacting with NYCHA.
- The Monitors will require **accountability** from NYCHA, and from themselves, by grounding their work in the HUD Agreement, setting objective goals against which they can measure progress, and inviting and embracing constructive feedback to continuously improve the work of NYCHA and the Monitors.

In all this, a significant component of the Monitors’ work is interaction with the many people invested in NYCHA’s success. Over the first few months of the monitorship, the Monitors have met with numerous residents and resident leaders, who dedicate significant

amounts of their time to helping the monitorship, and the Monitors are appreciative of their ideas, commitment, and motivation to improve NYCHA and better the lives of their communities. Those meetings have demonstrated that, without resident participation and input, it will be impossible for NYCHA to meet its goals under the Agreement. Of course, the Monitors also meet regularly with NYCHA, and the Monitors have observed that NYCHA leadership and staff have shown receptiveness to working with the new Monitors, have been transparent in sharing information, and have expressed their desire to work collaboratively. The Monitors recognize and appreciate the dedication of the many hard-working NYCHA leaders and employees who have shown commitment to meeting the goals set forth in the HUD Agreement and who have been working toward those goals for many years. Finally, the new Monitors have benefited from the input, expertise, and engagement of SDNY, HUD, New York City, elected officials, community groups, the first monitor ("First Monitor") appointed under the HUD Agreement, and others.

Additionally, in the Monitors' work interfacing with residents, one important issue that regularly arises is the safety and security of NYCHA residents at their developments. The Monitors recognize its importance and have held numerous meetings and discussions with resident groups, NYCHA, the New York City Police Department, the Fire Department of the City of New York, and others to understand these concerns and assist NYCHA in addressing them. The Monitors have also made safety and security a standing agenda item for their regular Community Advisory Committee meetings and will continue the First Monitor's focus on these important issues.

The Monitors look forward to continuing engagement with all interested stakeholders.

### **The Property Management Requirements (Section II)**

The HUD Agreement imposes an array of obligations on NYCHA that relate to how NYCHA manages its developments, generally referred to as "property management requirements." These requirements are numerous and detailed, and they address key deficiencies identified by the federal government. Most significantly, these requirements include performance metrics that measure NYCHA's ability to provide fundamental services to residents—such as providing adequate heat, functioning elevators, eliminating lead-based paint hazards, and mold and pest management. The

Agreement requirements are intended to create a rigorous framework to enable objective measurement of NYCHA's progress. At the same time, in assessing compliance with those requirements, the Monitors recognize that data alone cannot and does not capture the full picture of the living conditions that NYCHA residents experience every day. The Monitors will continue to engage with residents regularly to contextualize and inform this data-driven approach.

Given the breadth and complexity of the HUD Agreement's requirements in each area, it has been challenging to capture succinctly the status of NYCHA's progress. Despite that challenge, one of the Monitors' goals upon assuming their tenure has been to consolidate—and to explain through their reporting—NYCHA's progress in satisfying each of the property management requirements. In the six subsections of Section II, the Monitors have summarized those requirements and NYCHA's status in meeting them. At the end of each subsection, the Monitors have included a table summarizing the terms and status of each, so that stakeholders can review NYCHA's progress directly against the Agreement. The Monitors plan to update that information in ensuing reports to allow for transparent tracking of NYCHA's progress, and the attendant accountability resulting from consistent disclosure of this information. The Monitors welcome feedback from residents and other stakeholders on how they can improve the clarity and transparency of their reporting.

NYCHA's performance on the property management requirements under the HUD Agreement has been mixed. As detailed further in Section II, NYCHA has expended years of effort toward meeting the Agreement requirements and making changes that will position NYCHA to deliver further improvements in the future. Those efforts have delivered important accomplishments. Some of the highlights of that work include the following:

- **Heat.** The HUD Agreement requires NYCHA to improve heating conditions for residents by replacing boilers, establishing systems for responding to heating failures, timely restoring heat to apartments after heating failures, reducing the number of heating failures in apartments, investigating failures to timely restore heat, timely notifying residents about heating outages, and monitoring apartment temperatures. Since January



2019, NYCHA has made some important improvements to how it maintains and operates its heating systems. NYCHA is on track to meet the Agreement's interim requirement of replacing 133 of its worst functioning boilers by the end of 2024, and it has met the Agreement's requirement that 200 boilers be replaced or repaired in developments that have transitioned to private developers. NYCHA also created a 24/7 Heat Desk that tracks data that comes from heat work orders and dispatches staff to address resident complaints regarding heat. And to meet the Agreement's requirement that it timely notify affected residents of both planned and unplanned heating outages, NYCHA implemented a centralized robocall system. These and other reforms contributed to NYCHA significantly reducing the number of heating outages (*i.e.*, when failure in a building's central heating system results in a large number of apartments not receiving heat) from 518 unplanned outages following the COVID pandemic to 297 in the last heating season. NYCHA also reduced its restoration time for such unplanned heating outages by an average of an hour since the inception of the monitorship.

- **Elevators.** The HUD Agreement requires NYCHA to meet a variety of obligations to ensure that NYCHA residents have reliable elevator access—that elevators go out of service less often, and, when they do, that service is restored in a timely manner. NYCHA has improved its response time for elevator outages, *i.e.*, the speed with which it restores service after an outage. The Agreement required NYCHA to resolve 75% of “no-service conditions”—when all elevators in a given elevator bank are out—within 18 hours during the first year of the monitorship, and NYCHA exceeded that requirement beginning in Year 2, the first full year for which NYCHA provided data. NYCHA has also come close to meeting the Agreement's other metrics for restoration of service. For example, NYCHA was required to resolve 85% of all elevator car outages within ten hours of learning of them, beginning in the fifth year of the monitorship, from February 1, 2023 to

January 31, 2024 ("Year 5"). NYCHA came very close to meeting this requirement, resolving 84% of elevator car outages within ten hours. And NYCHA is in compliance with the Agreement's requirements to establish a system to provide residents with 24 hours advanced notice of all planned outages and notice of all unplanned outages within two hours.

- **Pests and Waste.** The HUD Agreement requires NYCHA to address pest infestations, timely respond to resident pest complaints, apply timely and effective pest management techniques, enhance cleanliness at developments by improving waste management practices, and reduce the size of pest populations at each development. NYCHA has met the Agreement's requirements that it install 8,000 door sweeps on basement doors with gaps, hire 20 full-time exterminator staff members to conduct ongoing comprehensive preventive maintenance treatments in public spaces, and install bulk crushers at 10 developments for garbage disposal. To meet the Agreement's requirement to prioritize pest complaints from residents whose health conditions are caused or worsened by pest infestations, NYCHA developed a tool to flag apartments of residents with such health conditions and provides them with expedited service. NYCHA also reports inspecting the grounds and common areas of each building for cleaning and maintenance needs at least every 24 hours as required by the Agreement.
- **Mold and Leaks.** The HUD Agreement requires NYCHA to reduce and prevent mold growth and occurrence, fix mold and leaks in a timely manner, and prevent NYCHA workers from improperly closing mold and leak work orders. Although, as detailed below, NYCHA is significantly out of compliance with the Agreement's response time metrics for addressing mold once it is reported, the agency has done a better job in addressing the root causes of mold growth—principally moisture and poor ventilation—which has resulted in NYCHA satisfying the Agreement's

requirement that 85% of its apartments and common areas must not have a second mold complaint within 12-months after a first one. NYCHA continues to try and close the gap on its other recurrence reduction requirements through projects such as roof fan replacement, through which NYCHA has inspected over 8,000 roof fans and replaced nearly 6,200 to improve ventilation throughout its buildings and thereby reduce the sustained moisture that can lead to mold. NYCHA has also implemented IT upgrades to its work order system that help prevent the closing of mold work orders before they are actually addressed, as required by the Agreement.

- **Lead.** The HUD Agreement requires NYCHA to implement a lead compliance program that includes short-term measures to control existing lead-based paint hazards that might poison its residents and broader efforts to permanently remove all lead-based paint from NYCHA's developments in the long term. NYCHA has significantly increased the rate at which it abates (removes) lead in apartments and is currently abating apartments at a pace of approximately 400 apartments a month so that it can be on track for meeting the Agreement's requirement that it abate all lead-based paint in 100% of apartment units by January 31, 2039. NYCHA is also prioritizing the dangers posed by lead exposure to children under age six, including by complying with the Agreement's requirements to identify apartments where children under six live or spend time so that they can be prioritized for testing and abating, and report on cases of children with elevated blood lead levels.
- **Inspections.** The HUD Agreement requires NYCHA to comply with HUD's inspection program, complete annual self-inspections, make physical repairs in compliance with HUD requirements and industry standards, and prevent deceptive practices with respect to HUD inspections. NYCHA is currently on track to inspect 100% of its apartment units in 2024, as required by federal law. Additionally, NYCHA has made

important strides toward training inspections staff on HUD's inspections guidelines, including the importance of not committing deceptive practices, as required by the Agreement. NYCHA is also updating its internal processes and procedures to comply with new HUD inspection standards. Further, although results are preliminary, initial inspection results indicate that NYCHA improved its HUD inspection passage rate since last year.

NYCHA has also tried to address some of the root causes of its property management challenges through launching efforts like preventive maintenance programs and pilot programs, like a program to remove curbside trash on days the Department of Sanitation does not, or a program to identify failing plumbing lines and perform comprehensive renovations on the affected apartments in order to reduce mold-causing leaks. These and other achievements detailed in this report have taken concerted effort and focus by NYCHA staff and many of them were realized despite setbacks and delays occasioned by the COVID-19 pandemic during the first monitorship term.

But much more work remains. Given the size of NYCHA—estimated by the City of New York to house more than a half million residents<sup>1</sup>—these incremental gains may not be felt by the residents they do not directly impact. Broad reform that positively impacts all residents requires broad transformation consistently applied across the agency. Indeed, a core purpose of conducting objective, agency-wide measurement is to ensure that improvements reach all residents.

Although further details about NYCHA's progress in each area are contained in Section II, some of the key measures on which NYCHA is not meeting the HUD Agreement's requirements include the following:

- **Heat.** As noted below, it is not yet possible to determine whether NYCHA is meeting three key Agreement obligations because it is not currently tracking and reporting on its performance with respect to addressing heating failures in individual apartments, as opposed to broader heating outages that impact numerous apartments.

- Elevators.** Although NYCHA improved its elevator outage response times, coming close to or surpassing some requirements, it is still lagging behind on others. NYCHA also has not met the HUD Agreement's requirements for reducing the frequency of outages. NYCHA's biggest gap is on one of the most important metrics: that it drastically reduce the number of elevator banks with no-service conditions. One potential contributor is that NYCHA is not on track to meet its obligation to replace 275 elevators by December 31, 2024 (123 have been replaced as of June 2024). Specifically:

Requirement	Performance in Year 5
The Agreement requires that beginning in Year 5, <b>85%</b> of no-service conditions will be resolved within four hours of the time NYCHA learns of them.	<b>70%</b> of no-service conditions were resolved within four hours of the time NYCHA learned of them.
The Agreement requires that, beginning in Year 5, <b>85%</b> of multi-elevator banks will have no more than one no-service condition per year.	<b>31%</b> of multi-elevator banks had no more than one no-service condition.
The Agreement requires that, beginning in Year 3, <b>100%</b> of multi-elevator banks will have three or fewer no-service conditions per year.	<b>63%</b> of NYCHA's multi-elevators banks had three or fewer no-service conditions.
The Agreement requires that, beginning in Year 5, <b>85%</b> of elevator cars will have no more than 8	<b>58%</b> of elevator cars had no more than 8 unplanned outages.

unplanned outages per year.	
The Agreement requires that, beginning in Year 5, <b>100%</b> of elevator cars will have 12 or fewer unplanned outages per year.	<b>73%</b> of elevator cars had 12 or fewer unplanned outages.

- Pests and Waste.** The HUD Agreement requires NYCHA to respond to pest complaints in a timely manner, but NYCHA does not do so sufficiently. Although NYCHA is having more success and may meet some of these obligations in Year 6 (February 1, 2024 to January 31, 2025), particularly as it relates to its response time to rat complaints, it will have to sustain its efforts throughout the year. The Agreement also requires NYCHA to construct 50 rat slabs by December 2020. It has not done so. Specifically:

Requirement	Performance in Year 5
The Agreement requires that, by the end of Year 5, NYCHA will respond to <b>90%</b> of rat complaints within two business days.	NYCHA responded to rat complaints within two business days <b>61%</b> of the time.
The Agreement requires that, by the end of Year 2, NYCHA will respond to <b>100%</b> of rat complaints within five days.	NYCHA responded to rat complaints within five days <b>73%</b> of the time.
The Agreement requires that, by the end of Year 5, NYCHA will respond to <b>90%</b> of other pest	NYCHA responded to other pest complaints within seven days <b>22%</b> of the time.

complaints within seven days.	
The Agreement requires that, by the end of Year 2, NYCHA will respond to <b>100%</b> of other pest complaints within ten days.	NYCHA responded to other pest complaints within ten days <b>39%</b> of the time.
The Agreement requires that NYCHA install <b>50</b> rat slabs by December 31, 2020.	NYCHA has installed <b>37</b> rat slabs and does not anticipate completing the project until 2025.

- Mold and Leaks.** The HUD Agreement requires NYCHA to respond and address mold and leak complaints in a timely manner, but NYCHA is materially out of compliance with these obligations. NYCHA currently has a backlog of more than 73,000 open mold and leak repair or remediation work orders. Specifically:

Requirement	Performance in Year 5
The Agreement requires NYCHA to remove or remediate mold within certain timeframes set out in the Agreement <b>95%</b> of the time.	NYCHA did so <b>12%</b> of the time.
The Agreement requires NYCHA to abate within 24 hours <b>100%</b> of reported floods, leaks from above, and other conditions that cause sustained or recurrent moisture to flow into a resident's apartment or the apartment's walls.	NYCHA abated these conditions within the 24-hour timeline <b>69%</b> of the time.

- **Lead.** NYCHA still does not comply with the Agreement's obligations to remediate lead paint issues within federally mandated time frames, and continues to report a backlog of uncorrected deficiencies dating back to 2019, citing a number of contributing factors. For example, NYCHA reports that it is not meeting its obligation under the Agreement to implement hazard controls for 100% of lead-based paint issues it identifies during visual assessments within 90 days for apartments with children, and for 12 months for all other apartments. In addition, NYCHA does not yet have a plan for abating interior common areas, which puts it at risk for meeting the Agreement's requirement that it abate all lead-based paint in 100% of interior common areas by January 31, 2039.
- **Inspections.** Although NYCHA has met its obligations to increase the number of inspections it conducts and to revamp its training and policies to address the deceptive practices underlying the HUD Agreement's requirements, once an inspection identifies a needed repair, NYCHA is under an obligation to make that repair within certain timelines depending on the severity of the problem identified. NYCHA has not been meeting those standards and needs to improve the timeliness with which it completes many of its skilled trade repairs, in particular painting requests. Importantly, NYCHA reports a backlog of over 600,000 work orders, including approximately 300,000 for skilled trades workers. As noted in the report, with those delays, residents often face unacceptable wait times of many months for repairs to their homes.

Overall, NYCHA's record on these property management reforms has led to understandable frustration with NYCHA's progress from resident leaders and other stakeholders. Many have emphasized that fixing these long-standing issues requires more urgency and more attention to the perspective of residents. The Monitors will continue to welcome and solicit feedback to ensure that NYCHA's progress is translating to tangible results that improve residents' quality of life.



Finally, because the Monitors' work is guided by the terms of the HUD Agreement itself, the Monitors' work and reporting must include **all** the metrics contained in the Agreement, even those that have not yet been measured, tracked, or reported during the first five years of the monitorship. As noted throughout the report, the Monitors are continuing to work with all parties to establish clear rules about what the Agreement demands. The Monitors anticipate swiftly concluding those discussions and adopting protocols for each of these. For example:

- **Heat.** The HUD Agreement requires that NYCHA timely restore heat to each apartment in the event of a heating failure, regardless of its root cause. For instance, from 2019 to 2024, NYCHA was required to restore heat to affected apartments within 24 hours for 85% of heating failures and within 48 hours for 100% of heating failures. The Monitors currently cannot assess NYCHA's compliance with these requirements for individual apartments because, although NYCHA captures individual unit heat complaints unrelated to building-wide heating outages, it has not reported on its compliance with the Agreement's obligations to restore heat to individual apartments that experience loss of heat for reasons other than the failure of central heating equipment. Nor does NYCHA conduct root cause investigations for heating failures that impact only individual apartments. NYCHA has submitted a proposal to the Monitors regarding its heat restoration and investigation obligations for individual apartments, which the Monitors are reviewing.
- **Elevators.** The Agreement, as modified by the parties, requires that NYCHA shall not have planned outages resulting in a no-service condition between 6 a.m. and 9 a.m. or between 4 p.m. and 8 p.m., except for planned elevator rehabilitation or replacement or outages mandated by another governmental agency or regulatory entity. However, NYCHA does not have complete data on planned outages that cause no-service conditions during prohibited times. In particular, NYCHA's data excludes outages due to

preventive maintenance, which are not exempted under the HUD Agreement.

- **Pests and Waste.** The Agreement requires the Monitor, in consultation with NYCHA, to establish reasonable protocols to develop pest population estimates, for NYCHA to publish quarterly pest population estimates, and to determine whether the agency met the Agreement's pest population reduction targets. This has not yet occurred, and the Monitors are currently developing protocols to estimate pest populations.
- **Mold and Leaks.** The Agreement requires NYCHA to remove any standing water within 48 hours of when it is reported to NYCHA and to do so at least 95% of the time. At this time, the Monitors cannot report on NYCHA's progress toward meeting this requirement because NYCHA does not yet track this metric.

For some of these, NYCHA has collected data that could be used to track its performance (such as by using NYCHA's data on residents' complaints about heating failures in individual apartments), but has not used that data in tracking and reporting on its progress under the monitorship. For others, NYCHA and the First Monitor did not settle on an approach prior to the end of the First Monitor's term (such as pest population estimates). Regardless, the Monitors will work toward objective measurement of and reporting on these required areas, under the principle that, each of the Agreement's metrics are important to ensuring the necessary improvements of the quality of life of the residents.

### **NYCHA's Progress in Transforming the Agency (Section III)**

NYCHA's progress on meeting the property management metrics cannot be separated from its progress in changing the organization itself. Indeed, as alleged in the federal complaint that preceded the monitorship, NYCHA's failures to provide decent, safe, and sanitary housing were tied to "management dysfunction and organizational failure" and a culture where "accountability often does not exist." Organizational change is therefore required not just for the sake of change, but because it is critical to improving all other aspects of NYCHA's performance. Here, too, NYCHA has made important progress, but its efforts remain incomplete.

The HUD Agreement required NYCHA to adopt a detailed plan to transform the agency. NYCHA met that planning requirement and, in 2021, released its Transformation Plan, which outlines more than 40 initiatives for transforming NYCHA to create a “culture of service,” “empower [NYCHA] employees,” and “[s]trengthen[] NYCHA’s partnership with [its] residents,” among other goals. NYCHA also created a new Office of Strategy and Innovation (“S&I”) to drive the plan forward.

Pursuant to that Transformation Plan and the HUD Agreement, NYCHA has accomplished many positive changes over the last several years, partially transforming the structure of the agency in ways that set NYCHA up for key improvements. These changes include:

- **New Departments:** As required by the Agreement, NYCHA created or significantly revamped three key functions: Compliance, Environmental Health and Safety (“EH&S”), and Quality Assurance (“QA”).
- **Neighborhood Model:** The Transformation Plan committed NYCHA to adopting the “Neighborhood Model,” a more decentralized operating structure that would give more decision-making authority to personnel at individual developments. The goal of the Neighborhood Model is to empower NYCHA staff at developments to be more responsive on site without needing to resort to NYCHA’s central office functions. NYCHA has made progress in implementing the Neighborhood Model. NYCHA is now organized into 29 “neighborhoods,” each located in the same geographic area, and with new staff members who have responsibility over that neighborhood.
- **Work Order Reform:** Another important initiative of the Transformation Plan is an effort to improve NYCHA’s processes for arranging and tracking repair work by skilled tradespeople in order to address the growing backlog of work orders and bring more transparency to the repair process. NYCHA has hired 450 additional workers and revamped its process for creating work orders so that all work orders for a needed repair should be scheduled at the same time. NYCHA reports that

from late 2021 through the end of 2023, the number of work orders completed on a monthly basis increased by 59%.

While these changes, along with others described in **Section III**, are welcome, here too significant work remains to be done. For example, although the structure of the Neighborhood Model is in place, NYCHA needs to ensure that the necessary resources are actually located at the neighborhood level so that Property Managers are more empowered to address the challenges in their developments. Work to align the central office functions to the neighborhoods—as the Transformation Plan promised to do through the creation of “Borough Administration Teams”—remains ongoing. On Work Order Reform, NYCHA still reports a backlog of roughly 300,000 work orders involving skilled trades (half of the 600,000 total work order backlog), which means that residents requesting repairs often have to wait months or sometimes over a year for service—an unacceptable backlog. Work Order Reform was designed to combat further growth of this backlog. And better trainings are necessary throughout the agency (and are required by the Transformation Plan in connection with numerous initiatives), particularly for maintenance workers, who play a critical role in addressing residents’ needs.

NYCHA must make significantly more progress in other areas as well. A central tenet of NYCHA’s Transformation Plan is for NYCHA to establish “clear management structures so individuals can be measured against clearly defined goals.” In other words, NYCHA personnel must be held more accountable for the quality of their performance, from on-the-ground workers who are not doing their jobs, to exterminators who are not applying the necessary standards when treating apartments for pests, to NYCHA executive leadership. To date, NYCHA has no performance review procedures for its employees; it reports that it has adopted a “managerial performance review,” which will occur in early 2025 and cover managerial employees, but for the 95% of the NYCHA that is non-managerial, there is no performance review system. NYCHA does not yet have concrete, actionable plans in place for implementing one, and will need to work with employee representatives and other stakeholders to do so. The Monitors are also reviewing and working closely with certain key central office functions for NYCHA, including Procurement, Finance, Information Technology, and Human Resources, the improvement of which are vital to NYCHA’s overall

transformation. While plans to improve and reform those departments are detailed in the Transformation Plan and elsewhere, much work remains to be done in achieving those reforms.

One challenge NYCHA repeatedly points to is lack of funding. And to be sure, the overall disinvestment in public housing is felt acutely at NYCHA. The Monitors intend to closely examine the impact of lack of funding on NYCHA and the extent to which additional funding may be necessary for NYCHA to meet its obligations under the Agreement. But successful implementation of organizational change can blunt the impact of budget shortfalls. For example, greater accountability for the workforce will result in better efficiency. Directing more responsibility and authority to the neighborhoods should allow for a decrease on the demands of the central office, as should the future capital and modernization of NYCHA's properties.

And NYCHA must ensure it is spending the money that was allocated to it under the HUD Agreement in a timely and efficient manner. As noted throughout this report, delays in capital projects involving elevator and boiler replacements, as well as the construction of new waste facilities, have had negative impacts on residents. As of the date of this report, the City has committed a minimum of \$2.2 billion in capital funding to meet the Agreement's requirements, of which \$1.4 billion is currently available to NYCHA. Of those amounts, NYCHA has spent approximately \$273 million and has entered into contracts to spend an additional approximately \$946 million. The Monitors will work with NYCHA to assess its capital program, and will include their assessment, and any recommendations, in a future report.

\* \* \*

Pursuant to Paragraph 28 of the HUD Agreement, NYCHA does not yet meet the criteria for termination. As discussed above, NYCHA has made important progress in the first five years of the monitorship and has set itself up to continue building on that progress. While acknowledging NYCHA's accomplishments over the first five years, the Monitors believe it is now time to seize upon the unmet promises of the HUD Agreement as an urgent call to action to deliver better housing to NYCHA's residents. The Monitors embrace the opportunity to work with NYCHA's leaders, employees, residents, and all of those who share the common goal of delivering a better NYCHA for all.



## **SECTION I: BACKGROUND**





This section of the report provides an overview of the NYCHA Monitorship. It begins by summarizing the complaint that SDNY filed in 2018 against NYCHA and describes the conditions SDNY and the HUD found at NYCHA's developments and considered to be violations of federal law and regulations at that time. Next, it describes the 2019 Agreement between SDNY, HUD, NYCHA, and the City that governs the monitorship. The section then provides a brief description of the tenure of the First Monitor. Finally, this section describes the structure of the current Monitors' team as well as the work being conducted by the Monitors to help NYCHA achieve compliance with the Agreement.

Throughout the report, the Monitors worked collaboratively with NYCHA to ensure that the facts are correct, and appreciates NYCHA's cooperation, diligence, and effort in helping to finalize this report. The Monitors provided several drafts of each section of the report to NYCHA for review and incorporated NYCHA's feedback, to correct any potential factual errors and to ensure that NYCHA's position was accurately included in the draft. The Monitors also provided drafts to SDNY and HUD and incorporated their feedback as well. In all events, the Monitors retained discretion to determine what facts should be included in the report, with the key aim of a factually accurate report.

#### **A. The Federal Complaint and Conditions Uncovered at NYCHA's Developments**

Leading up to 2018, SDNY conducted a years-long investigation in which it identified NYCHA developments with systemic lead-paint violations; pervasive mold; widespread lack of heat in winter; infestations of rats, mice, and roaches; and chronic elevator outages. During that same time, HUD's investigators discovered that NYCHA had repeatedly made false statements to HUD and the public regarding these issues and concealed the conditions at its developments during HUD inspections.<sup>2</sup> In June 2018, SDNY filed a lawsuit in federal court against NYCHA for failing to comply with health and safety regulations mandated by HUD.<sup>3</sup> To resolve the litigation, the parties filed a proposed consent decree in which NYCHA made certain admissions about its conduct and agreed to take remedial action.<sup>4</sup> After the Court rejected that proposed decree,<sup>5</sup> the parties voluntarily withdrew the case and agreed to resolve the matter through the HUD Agreement, wherein NYCHA conceded that it was not in compliance with the relevant applicable

federal statutory and regulatory requirements.<sup>6</sup>

In setting forth the background below, this section includes statistics from the federal Complaint concerning NYCHA's historical performance in the key areas relevant to the monitorship. The Monitors include NYCHA's historical performance data as context for the monitorship and the terms of the HUD Agreement; they are not intended to serve as a precise baseline for comparison. Further detail concerning NYCHA's current performance under the Agreement is contained in **Sections II and III** of the report.

### **1. NYCHA Failed to Adequately Assess Lead Paint Contamination, Report Lead Poisoning of Children, and Employ Lead-Safe Work Practices**

Lead poisoning, particularly among children, was a centerpiece of the concerns raised by SDNY and HUD. Lead exposure, even at low levels, can lead to significant harms, including irreversible neurological damage in children.<sup>7</sup> Because lead paint was used in housing for decades prior to the discovery of its toxic effects on children, HUD has set forth a comprehensive regime intended to protect public housing residents from lead poisoning, including through affirmative steps such as risk assessment, reporting, and safe work practice rules.<sup>8</sup> In 2018, NYCHA acknowledged that more than half of NYCHA's developments contained lead paint, including at least 92 developments with confirmed cases of lead paint inside apartments.<sup>9</sup>

As alleged in the Complaint, NYCHA violated the requirement that it report to HUD each known case of a child under the age of six with elevated blood lead levels.<sup>10</sup> Studies have found that such elevated blood lead levels are associated with brain function deficits, including learning disabilities and behavioral problems.<sup>11</sup> In the 2018 proposed Consent Decree, NYCHA admitted that it had failed to provide HUD with the required disclosures regarding children found to have elevated blood lead levels from at least 2010 to 2015.<sup>12</sup>

According to the Complaint, NYCHA violated regulations requiring it to conduct annual visual assessments of every apartment and common area containing lead paint to identify deteriorated paint, unusual amounts of dust, and paint-related debris on or around lead paint surfaces, as well as structural problems that may be causing those conditions.<sup>13</sup> NYCHA conceded that from at least 2012 to 2016,

NYCHA failed to perform visual assessments (inspections) of apartments for lead paint hazards as required by regulation.<sup>14</sup> At the time of the 2018 proposed Consent Decree, NYCHA had not yet performed visual assessments in the majority of apartments that were suspected to contain lead paint.<sup>15</sup>

For years before the HUD Agreement, NYCHA failed to comply with HUD's requirement that it perform ongoing monitoring of lead-based paint hazards, including through procedures known as biennial risk assessment reevaluations of apartments and common areas in developments containing lead paint.<sup>16</sup> At 50 developments where lead-based paint was known or suspected to be present, NYCHA conducted no risk assessment reevaluations from at least 2010 to 2017.<sup>17</sup>

For years before the HUD Agreement, NYCHA also did not ensure its staff used lead-safe practices when performing work on surfaces that may contain lead paint, lacked policies and procedures to ensure maintenance workers were informed that the surfaces they worked on contained lead paint, and did not employ sufficient workers trained on lead-safe work practices.<sup>18</sup> According to the Complaint, since at least 2010, NYCHA violated lead-safe work regulations requiring that NYCHA seal doors, windows, and vents with protective sheeting; thoroughly clean work areas after work had been completed; and prevent residents from going into work areas.<sup>19</sup> Further, the Complaint alleged that NYCHA sent workers into developments containing lead paint to demolish walls, scrape paint, clean mold, or perform other work that would disturb paint without even checking whether those surfaces contained lead, and also did not tell workers about the surfaces that did have lead paint.<sup>20</sup> As also alleged in the Complaint, until August 2017, NYCHA had last trained its workers on lead-safe work practices in 2008.<sup>21</sup> In a May 2016 email, one senior NYCHA manager advised that there were only 33 painters and paint supervisors trained in lead safe practices working in Brooklyn developments—in which NYCHA had determined that at least 12,000 apartments could contain lead paint.<sup>22</sup>

Although then-senior NYCHA officials were aware that NYCHA was not in compliance with HUD's lead paint safety regulations,<sup>23</sup> they falsely reassured HUD and the public of NYCHA's compliance, including in false representations submitted in NYCHA's certifications to HUD.<sup>24</sup>

## **2. NYCHA Had Widespread, Recurring Mold**

As detailed in the Complaint, NYCHA's developments had widespread and substantial mold growths.<sup>25</sup> From 2013 to 2016, NYCHA residents made between 18,000 and 28,000 complaints about mold growth every year.<sup>26</sup> Moreover, of the mold complaints between 2014 and 2016 for which size data was available, 60% involved mold growth covering 10 or more square feet.<sup>27</sup>

As alleged in the Complaint, there were several contributing factors to this mold growth.<sup>28</sup> One was that ventilation at NYCHA was often ineffective, leading to mold growth when interior rooms were unable to vent moisture.<sup>29</sup> According to former NYCHA maintenance workers, NYCHA failed to repair broken roof ventilation fans or, for those that did work, would turn them off to save money.<sup>30</sup>

Another factor was flooding and leaks. From 2013 to 2016, NYCHA residents complained about flooding or leaks from ceilings, walls, and pipes between 117,000 and 146,000 times each year.<sup>31</sup> As one example, a family in the Long Island Baptist Houses experienced repeated leaks and mold, with over a dozen mold growths from 2013 to 2017.<sup>32</sup> The family repeatedly complained to NYCHA, which recorded numerous work orders with descriptions like flooding and constant leaking, including one from November 2016 for roof leakage from above.<sup>33</sup> But the problem was not addressed, and in 2017, the ceiling in the bathroom collapsed, the result of years of unaddressed water damage.<sup>34</sup>

As alleged in the Complaint, even when NYCHA cleaned the mold, it often grew back because NYCHA did not adequately address its root causes. In 2018, NYCHA conceded that mold returned in more than 30% of the apartments where NYCHA had responded to complaints.<sup>35</sup>

NYCHA's failures persisted despite a 2014 settlement of a federal class action lawsuit brought by NYCHA residents with asthma.<sup>36</sup> As a term of that settlement, NYCHA committed to taking steps intended to remediate the mold problem in NYCHA housing, including a promise that NYCHA would remediate mold growth within specified timeframes.<sup>37</sup> As alleged in the Complaint, NYCHA claimed to be complying with the new mandated timeframes, but in fact, NYCHA's reporting made it appear that NYCHA was fixing residents' mold problems far quicker than it was.<sup>38</sup> Residents

reported that NYCHA often closed mold work orders without ever addressing the mold that generated them.<sup>39</sup>

### **3. NYCHA Failed to Provide Necessary Heat in Winter**

As alleged in the Complaint, in the small number of developments where NYCHA had installed electronic devices to record temperatures, at least 75% of apartments fell below legal limits at some point in the winter of 2015-2016, and on average the apartments with violations fell below the legal limit on at least 21 separate days during this time period.<sup>40</sup> For nearly every day when outside temperatures fell below 55 degrees during the day, NYCHA employees recorded apartment temperatures below—and often five or ten degrees below—the legal minimum at the time.<sup>41</sup> The Complaint also alleged that there were hundreds of thousands of resident calls complaining about insufficient heat over a five-year period from 2011 to 2016.<sup>42</sup>

According to the Complaint, during a particularly cold stretch between December 29, 2017, and January 8, 2018, 32 of NYCHA's developments had recurring heat outages.<sup>43</sup> Many thousands of residents were impacted by NYCHA's inability to maintain this basic service when it was needed most.<sup>44</sup> NYCHA later conceded that hundreds of thousands of residents—80% of the entire NYCHA population—suffered heat outages in winter 2017-2018 alone.<sup>45</sup> According to NYCHA, the average duration of these outages was 48 hours.<sup>46</sup>

### **4. NYCHA Failed to Provide Functional and Adequate Elevators**

As alleged in the Complaint, between 2011 and 2016, NYCHA experienced an average of 94 outages per elevator across its developments.<sup>47</sup> Almost 40% of NYCHA residents lived in buildings where an elevator was out of service more than 20 times in 2016.<sup>48</sup> In that same year, nearly 70% of NYCHA buildings with elevators suffered through an outage during which all of the building's elevators were out.<sup>49</sup> NYCHA later admitted that the majority of NYCHA elevator buildings had at least one period in 2016 with no functioning elevator service, including an average of more than 13 outages per elevator.<sup>50</sup> Not only were NYCHA's elevators often broken, but the breakdowns frequently occurred when residents were inside the elevators.<sup>51</sup> NYCHA's work order data reflected that,

in 2016, approximately 1,900 elevator outages involved a passenger who was stuck in the elevator during the outage.<sup>52</sup> NYCHA later admitted that its elevator outages also left elderly and disabled residents stranded in the lobby of their buildings.<sup>53</sup> In December 2015, an 84-year-old resident of the Boston Road Plaza senior building was killed by a NYCHA elevator malfunction.<sup>54</sup> Due to a breakdown of basic communication, then-NYCHA senior management did not even learn of the incident and investigate it until four days after it had occurred.<sup>55</sup>

### **5. NYCHA Failed to Address Rats, Mice, and Other Vermin**

As alleged in the Complaint, according to NYCHA's internal data, from 2010 to 2016, NYCHA residents reported nearly 15,000 rat complaints, more than 130,000 mouse complaints, and more than 280,000 roach complaints.<sup>56</sup> Residents in 14% of NYCHA apartments reported seeing 20 or more cockroaches a day, more than three times the percentage for all renter-occupied New York City housing at the time.<sup>57</sup> NYCHA later conceded that resident roach complaints more than doubled between 2010 and 2016.<sup>58</sup>

NYCHA's pest problems stemmed from poor sanitation and waste management, widespread leaks, and a failure to address holes in apartment walls.<sup>59</sup> NYCHA's exterminators also lacked the appropriate pesticides to do their work, and NYCHA failed to follow a systematic and efficient procedure for scheduling extermination appointments.<sup>60</sup>

### **6. NYCHA Hid Deficient Housing Conditions from HUD's Inspectors**

Under federal law, HUD conducts inspections of physical conditions at public housing properties to determine if they meet the legal standard of decent, safe, sanitary housing in good repair.<sup>61</sup> HUD can only rely on its inspections process if housing agencies participate in good faith.<sup>62</sup>

However, for years prior to the Complaint, NYCHA had systematically deceived HUD's inspectors by concealing conditions at its developments.<sup>63</sup> As alleged in the Complaint, NYCHA hid its ventilation and leak problems from HUD inspectors, leading to falsely inflated HUD inspection scores and hiding from HUD the true state of

disrepair.<sup>64</sup> For example, former NYCHA personnel in Brooklyn and the Bronx confirmed that development staff would shut off a building's water supply just before the HUD inspector arrived to inspect common areas in order to temporarily stop ongoing leaks that would otherwise be visible.<sup>65</sup> Once the inspector left the building, the water supply would be restored.<sup>66</sup> Beyond leaks and ventilation, NYCHA often covered up holes in walls and ceilings, which were hiding places for cockroaches and other pests in apartments.<sup>67</sup> The Complaint alleged that, according to a former manager, it was a common practice to stuff holes in the walls with newspaper and cork and then paint over the holes, to conceal them from HUD inspectors.<sup>68</sup> NYCHA sent teams of elevator mechanics to stay one step ahead of HUD inspectors.<sup>69</sup> One maintenance worker employed by NYCHA through 2016 explained that a maintenance worker would be given a single electric panel cover and tasked with running ahead of the inspector to fit that single cover on each uncovered electrical box before the inspector arrived.<sup>70</sup> NYCHA admitted that in 2013 a NYCHA superintendent wrote to staff members, "We're hiding four big pails of oil behind your containers for our [HUD] inspection today. We'll get them after it's over."<sup>71</sup>

NYCHA engaged in other deceptive practices as well. For example, NYCHA admitted to providing its staff with a list of "Quick Fix Tips" that served as a how-to manual for misleading HUD's inspectors for a decade.<sup>72</sup> These techniques were included in annual trainings instructing NYCHA staff how to prepare for HUD inspections.<sup>73</sup> Borough-level management widely circulated a link to these tips to development leadership.<sup>74</sup> A former NYCHA caretaker explained how her superintendent would instruct staff before HUD inspections to lock the doors of basement rooms with dangerous or unsanitary conditions and post a sign reading Danger: Do Not Enter, to keep the inspectors out.<sup>75</sup> After the inspections were completed, the signs would be removed and staff would continue to use those rooms in carrying out their daily responsibilities.<sup>76</sup>

## **7. NYCHA Suspended its Annual Self-Inspections Process and Manipulated its Work Order Numbers**

The Complaint cited NYCHA's backlog to complete repairs to deficient conditions at residents' homes—roughly 400,000 work orders on its books at the end of each year—as a contributing cause of the deficient living conditions at NYCHA's developments.<sup>77</sup> In the face of public and regulatory pressure to reduce the backlog, NYCHA



promised HUD and the public that it would make improvements to eliminate the backlog, and ultimately claimed to have done so.<sup>78</sup> However, in fact, NYCHA reduced the backlog in part by suspending legally-mandated self-inspections of its developments.<sup>79</sup> By avoiding inspections, which typically identified deficient conditions and thus generated new work orders, NYCHA intended to avoid the creation of large numbers of new work orders, as well as to free up personnel to work on backlog reduction projects.<sup>80</sup> However, as the Complaint described, suspending inspections did not eliminate the need for the work that the inspections would have found; instead, it allowed NYCHA to avoid documenting needed work in its work order system, and in the meantime, problems would get worse, become more costly to fix, or (as in the case of leaks and pests) spread into additional apartments.<sup>81</sup>

In addition to suspending self-inspections, NYCHA gave the appearance of reducing the work order backlog by closing work orders without performing the needed work.<sup>82</sup> Specifically, NYCHA restored a prior policy that allowed NYCHA staff to close a work order by reporting that the resident was not home when the worker arrived to perform the maintenance work.<sup>83</sup>

#### **B. The 2019 Agreement Between HUD, SDNY, NYCHA, and the City of New York**

On January 31, 2019, HUD and SDNY entered into the HUD Agreement with NYCHA and the City of New York to address and rectify NYCHA's failure to comply with federal health and safety standards alleged in the Complaint.<sup>84</sup>

Through a series of one-time and ongoing obligations, the HUD Agreement serves as the framework for the work NYCHA must complete to meet the federal government's expectations that NYCHA provide residents with housing that is functionally adequate, operable, and free of health and safety defects. The Agreement also outlines other compliance requirements and action plans for NYCHA to develop, including significant institutional and leadership changes. In addition to NYCHA's obligations, the Agreement also outlines the oversight responsibilities assigned to a federal monitor to ensure NYCHA's compliance with the Agreement. This subsection briefly summarizes the material terms of the HUD Agreement.



## 1. Areas of Improvement

**Compliance Requirements.** The HUD Agreement creates a framework that, when implemented, is intended to enable NYCHA to improve its compliance with the requirements of federal law by providing housing that is functionally adequate, operable, and free of health and safety defects.<sup>85</sup> The Agreement identifies six key issue areas, which derive directly from the deficiencies that the federal government described in its Complaint, and which are summarized above. In attached exhibits, the Agreement itemizes those requirements in significant detail. Those areas are as follows:

- Lead-Based Paint;<sup>86</sup>
- Mold and Moisture;<sup>87</sup>
- Pests and Waste Management;<sup>88</sup>
- Heat;<sup>89</sup>
- Elevator Service;<sup>90</sup> and
- Inspections.<sup>91</sup>

**Section II** of this report is devoted to a detailed description of each of these priorities and requirements under the HUD Agreement and to conveying NYCHA's status in meeting them as of June 30, 2024.

To meet its obligations, NYCHA requires adequate funding. To assist, the HUD Agreement imposes on the City of New York various requirements to set aside financial support for NYCHA in carrying out the requirements of the Agreement.<sup>92</sup> Those obligations include set asides of capital funding to be used to meet capital needs to improve NYCHA's performance in the key areas under the Agreement.<sup>93</sup> The Agreement provides NYCHA with \$2.2 billion in funding over 9 years for capital improvements through the City Capital Action Plan, with additional funding after that period.<sup>94</sup> As of the date of this report, the City has committed a minimum of \$2.2 billion in capital funding, of which \$1.4 billion is currently available to NYCHA to meet the Agreement's requirements. Of those amounts, NYCHA has entered into contracts to spend approximately \$946 million and has spent approximately \$273 million.<sup>95</sup> NYCHA also receives funding for capital projects from state and federal sources.<sup>96</sup> With this funding,

NYCHA has made some progress towards the capital improvement obligations in the Agreement, as discussed in further detail in **Section II** of this report. The Monitors are in the process of assessing NYCHA's deployment of those funds and whether and how such deployment could be improved to more quickly or efficiently meet the Agreement's requirements. In response to a draft of this report, NYCHA stated that notwithstanding these funding streams, it faces funding challenges in meeting certain of its Agreement obligations. The role of funding in NYCHA's ability to meet the Agreement's requirements will also be addressed in future reporting.

**Organizational Change.** The federal Complaint also detailed NYCHA's "management dysfunction and organizational failure," which led to a culture within NYCHA "where spin is often rewarded and accountability often does not exist."<sup>97</sup>

In addition to calling out the specific areas for improvement noted above, the HUD Agreement imposes an equally significant requirement upon NYCHA to effect organizational change in order to achieve sustainable, long-term improvements in the quality of NYCHA's housing to the benefit of its residents and to address the problems with NYCHA's management described in the federal Complaint. To that end, the Agreement requires, among other things, the development of a "Transformation Plan"<sup>98</sup> and the establishment of a "Quality Assurance Unit,"<sup>99</sup> a "Compliance Department,"<sup>100</sup> and an "Environmental Health and Safety Department."<sup>101</sup>

As part of the Transformation Plan, NYCHA committed to, among other things:

- Changing NYCHA's management, organizational, and workforce structure (including work rules) and implementing necessary or appropriate overarching policies to achieve sustained compliance with its obligations under the Agreement.<sup>102</sup>
- Changing the roles, responsibilities, authorities, and reporting lines of NYCHA's Chair, General Manager, and Board, as appropriate.<sup>103</sup>
- Adopting the Transformation Plan as its official policy, procedure, and course of action, and using its best efforts to implement it.<sup>104</sup>

Further detail concerning the Agreement's requirements concerning organizational change are set forth in **Section III** of this report.

## **2. The Monitor's Oversight Role**

Core to the HUD Agreement is the imposition of a federal monitor, funded by New York City, with broad powers to, among other things, access information, report on (and assist with) NYCHA's compliance with the Agreement's terms, and engage with various stakeholders—all with the goal of improving NYCHA's compliance with federal law and helping NYCHA meet its residents' needed living standards.<sup>105</sup> A brief description of the federal monitor's oversight role, as stated in the Agreement, is set forth below.<sup>106</sup>

### **a. Documents and Information**

The HUD Agreement bestows broad powers on a federal monitor to obtain information from NYCHA and its employees. Those provisions include:

- The monitor may communicate with any NYCHA personnel or residents, without notice to or permission from NYCHA, and NYCHA must make any such individuals within its control available upon request.<sup>107</sup>
- The monitor has full access to all information in NYCHA's possession, as well as to all programs, services, facilities, and premises under the control of NYCHA (excluding privileged information).<sup>108</sup>
- NYCHA is required to cooperate in all respects with actions taken by the monitor under the Agreement.<sup>109</sup>

In addition, the federal monitor is empowered to engage staff, expert consultants, and other third-party contractors in order to perform the responsibilities under the HUD Agreement.<sup>110</sup> The federal monitor can also interface with other third parties, including members of the public or government representatives.<sup>111</sup>

### **b. NYCHA Action Plans**

The HUD Agreement required NYCHA to prepare “Action Plans” it would undertake to meet the substantive obligations contained in the Agreement and to submit those Action Plans to the federal monitor for approval.<sup>112</sup> As referenced further below, these Action Plans were drafted and approved during the term of the First Monitor.

The HUD Agreement contains various provisions outlining the federal monitor’s authority to remediate NYCHA’s failure to comply with any of its provisions.<sup>113</sup>

### **c. Interface with NYCHA and other Government Entities**

Under the HUD Agreement, the federal monitor may request that NYCHA meet with the monitor, HUD, the Environmental Protection Agency (“EPA”), or SDNY to review the monitor’s reports or discuss strategies for improving NYCHA’s performance.<sup>114</sup> At the discretion of HUD, EPA, or SDNY, the monitor must also meet with HUD, EPA, or SDNY, individually or collectively, to review NYCHA’s performance under the Agreement, including to review the monitor’s reports.<sup>115</sup>

### **d. Stakeholder Engagement and Reporting**

The HUD Agreement contains various provisions requiring the federal monitor to engage with key stakeholders, especially residents, on matters relating to the Agreement. Among those requirements, the monitor is required to establish procedures through which to communicate with residents, and to convene and conduct regular meetings with a Community Advisory Committee (“CAC”) comprised of NYCHA residents and other stakeholders to solicit input regarding the achievement of the HUD Agreement’s purpose.<sup>116</sup> The Agreement also requires the federal monitor to issue quarterly reports to the public.<sup>117</sup>

## **C. The First NYCHA Monitorship Term**

SDNY and HUD appointed Bart Schwartz, Chairman of Guidepost Solutions LLC, as the first NYCHA monitor (as noted above, “First Monitor”).<sup>118</sup> During the initial monitorship term, the First Monitor oversaw significant milestones in NYCHA’s path to improve

the living conditions of its residents. During his term, the First Monitor oversaw the creation and approval of the Action Plans to address the substantive issue areas under the HUD Agreement, and saw through NYCHA's completion of numerous milestones, including replacing approximately 6,200 roof fans and cleaning nearly 73,000 vents in order to reduce incidences of mold;<sup>119</sup> improved its method of locating children under six and accomplishing a record number of abatements in apartments containing lead paint;<sup>120</sup> and established a new organizational plan,<sup>121</sup> among other achievements. The First Monitor also stewarded NYCHA through the implementation of significant reforms in NYCHA's organizational functions, including the creation of a Compliance Department, Quality Assurance Unit, and Department of Environmental Health and Safety; the improvement of data collection and tracking processes for NYCHA's work orders; and the initiation of substantial engagement efforts with residents and the public.<sup>122</sup>

Despite significant milestones achieved, the First Monitor also reported that NYCHA continued to face tremendous challenges with respect to many obligations under the HUD Agreement. As he reported, the "overall quality of NYCHA's heating data is lacking" and "incomplete" to assess the quality of its heating system overhaul work;<sup>123</sup> NYCHA has not been compliant with provisions in the Agreement concerning mold cleaning;<sup>124</sup> and NYCHA still needs to improve accountability for exterminators that do not follow proper pest remediation procedures.<sup>125</sup> On a broader scale, the First Monitor noted NYCHA's continued to struggle to establish a culture of accountability,<sup>126</sup> in which staff focus on work properly done, rather than simply work completed.<sup>127</sup>

A complete description of all of the First Monitor's activities and achievements is beyond the scope of this report, but they are detailed in the thirteen quarterly reports, five issue area reports, one safety and security report, six borough monitoring reports, and one final report issued by the First Monitor, the majority of which are available to the public for viewing at [guidepostmonitor.com](https://guidepostmonitor.com).<sup>128</sup> As detailed in the First Monitor's final report, NYCHA made progress in meeting the objectives of the HUD Agreement but did not achieve sufficient compliance with the Agreement during his term to allow for termination of the monitorship.<sup>129</sup> The Monitors thank the First Monitor and his team for all of their assistance in a smooth transition between the two monitorship terms.

## **D. The Newly Appointed Federal Monitors**

On February 28, 2024, Neil Barofsky and Matthew Cipolla of Jenner & Block LLP were selected as co-monitors (as noted above, the “Monitors”) under the HUD Agreement for a five-year term. This subsection describes the core values that inform the Monitors’ work, as well as the steps the Monitors have taken in the initial period of their work to establish and organize the monitorship.

### **1. The Monitors’ Core Values**

The mission of the monitorship is to assure that NYCHA implements the necessary improvements under the HUD Agreement to ensure that all NYCHA residents can enjoy safe and healthy living conditions in their homes. To achieve this mission, the Monitors will use the Agreement—and NYCHA’s compliance with the Agreement—as the benchmark by which to measure NYCHA’s success. In pursuit of this goal, the focus of the Monitors is, above all, on improving the real-world living conditions of NYCHA residents. The Monitors’ efforts to do so are informed by several core values: (1) resident focus, (2) transparency, and (3) accountability.

#### **a. Resident Focus**

A key value underlying the Monitors’ work is a focus on the NYCHA residents themselves. The monitorship will only succeed if NYCHA residents experience material improvements in their day-to-day living conditions, especially with respect to the remediation of lead, mold, pests and waste, heat outages, and broken elevators. These goals must be assessed from the perspective of residents, so the Monitors’ work to assess NYCHA’s progress, and to make recommendations for improvement, will therefore be informed at all times by a focus on the experiences of the residents.

In the first months of their term, the Monitors have established numerous processes to ensure responsiveness to NYCHA residents and their concerns. Further detail concerning these activities is set forth below, including a description of the Monitors’ regular meetings with residents and development visits. NYCHA residents can contact the monitorship team by phone at 212-303-2530, or by email at [nychamonitor@jenner.com](mailto:nychamonitor@jenner.com). The Monitors seek continuous improvement in their engagement with residents and welcome their feedback.

## **b. Transparency**

Transparency is core to any monitorship and is a key value here. Among other things, the Monitors will pursue transparency in their public reports on NYCHA's progress, and in communicating with residents and other stakeholders through various forums. To those ends, the Monitors expect transparency from NYCHA.

Aspects of this value include:

**Transparency from NYCHA.** Transparency from NYCHA is a prerequisite for various essential aspects of this monitorship, including the effective tracking of NYCHA's progress in meeting its obligations under the HUD Agreement; proper accountability for NYCHA and its employees; and accuracy in the Monitors' reports. Transparency is also vital for other stakeholders—especially NYCHA residents—who deserve, and should be entitled to expect, visibility into NYCHA's efforts toward improving resident living conditions, both the successes and the failures. Over the first months of the monitorship, NYCHA has been fully transparent and cooperative in providing the Monitors with relevant information and answering questions pertaining to NYCHA's compliance with the Agreement.

The monitorship intends to deliver this transparency in several ways. Most importantly, each of their reports will provide a transparent overview of the status of NYCHA's progress under the HUD Agreement, such that any resident or member of the public will be able to access objective information about how NYCHA is, or is not, meeting the requirements of the Agreement. At CAC meetings as well, the Monitors will expect NYCHA to present to residents on its current initiatives to meet the Agreement's requirements, including the steps NYCHA is taking to improve resident living conditions and the challenges NYCHA is facing.

**Transparency from the Monitors.** The Monitors also plan to provide transparency in their own operations. NYCHA residents and other stakeholders can expect visibility into what the Monitors are doing to track NYCHA's progress toward meeting its obligations under the HUD Agreement. Accordingly, the Monitors will publicize information on their current operations so that stakeholders can follow along.

### c. **Accountability**

Another key value of this monitorship is accountability. Ensuring accountability will be essential for NYCHA and NYCHA employees to meet their obligations under the HUD Agreement. To further this core value, the Monitors plan to work toward accountability from NYCHA, but also from the Monitors themselves by inviting and incorporating feedback from interested stakeholders, including residents, about how the Monitors are meeting their responsibilities under the Agreement.

Aspects of this value include:

**Grounding in the HUD Agreement.** The Monitors will work to hold NYCHA accountable by expecting NYCHA to adhere to its stated obligations under the Agreement and by objectively tracking NYCHA's efforts. The Agreement sets concrete requirements for NYCHA across various property management areas, and each of these requirements bears directly on the living conditions of NYCHA's residents. For any organization, accountability requires setting objective goals against which success and failure in meeting these requirements can be measured; without identifiable references for improvement, corrective action and recognition of success—both building blocks of accountability—would be difficult to obtain. To that end, the Monitors will be reporting on NYCHA's compliance with the Agreement and NYCHA's efforts to meet these requirements, including its adherence its Transformation Plan and other action plans to help NYCHA meet these requirements.

Consistent with those expectations, an important first priority for the Monitors is, for those requirements under the HUD Agreement for which there has not yet been published obligations and reporting—such as those with respect to heat and pests that were referenced in the First Monitor's final report—to establish obligations by which to objectively measure NYCHA's successes and failures against the requirements that NYCHA agreed to meet under the Agreement. Establishing and then holding NYCHA accountable to those obligations is the Monitors' key mechanism to ensure that NYCHA is working to improve the living conditions of NYCHA residents.

**Data-Driven Approach.** Where appropriate, the Monitors will use a data-driven approach to measuring NYCHA's progress in



meeting its obligations. Accountability requires a shared understanding of the facts, and doing so here will require clear and agreed-upon data to measure NYCHA's progress objectively, so that all interested parties have a clear reference point for the adequacy of NYCHA's efforts. The Monitors will track and help support NYCHA's efforts to verify the data-collection processes that are already in place for tracking NYCHA's progress for each of its obligations under the HUD Agreement, as well as to establish additional methods for collecting data on NYCHA's work.

Notwithstanding these efforts to track NYCHA's progress objectively, the Monitors readily acknowledge that the purpose of this monitorship is to help NYCHA improve the living conditions of NYCHA's residents—something that cannot be assessed with data alone. Doing so requires hearing directly from residents themselves and staying aware of the real-world meaning of data.

As a result, it is important to emphasize that the Monitors do not intend to use data as an exclusive metric for measuring NYCHA's performance, nor will the Monitors evaluate data without reference to the real-world, lived experiences of NYCHA's residents. Engagement with residents, through resident reports, visits, forums such as the CAC and Town Halls, and otherwise, will all be critical to contextualize, supplement, and inform the data collected and used in measuring NYCHA's progress toward meeting its obligations under the HUD Agreement.

## **2. Organization of the Monitorship**

During the first few months of the monitorship, the Monitors have worked to establish an organized team and to initiate processes to enable their work, with the goal of creating a monitorship that can meet the obligations of the HUD Agreement. Broadly speaking, the Monitors have divided the work of their staff members into three core teams: Property Management, Stakeholder Engagement, and Organizational Change—all overseen by an Executive Committee.

Further detail about each area is contained below.

### **a. Executive Committee**

The Executive Committee is entrusted with the strategic oversight and direction of the monitorship. It is comprised of the

Monitors, Deputy Monitors, the heads of each team, and representatives from Quadel Consulting & Training, LLC (“Quadel”), and Turner & Townsend Inc. (“T&T”), experts in public housing and property management.<sup>130</sup> Quadel and T&T, which had originally been engaged by the First Monitor, work as members of the various teams noted below, as appropriate to carry out the activities of the monitorship. This committee supports the Monitors and oversees the work of the three teams discussed below. It also oversees the Monitors’ efforts to manage and analyze the data necessary to assess NYCHA’s compliance with the HUD Agreement.

#### **b. Property Management**

The Property Management team is responsible for evaluating and helping to drive NYCHA’s compliance with the various requirements and obligations outlined in the HUD Agreement, including recommendations for improvements. This team is organized into sub-teams, each dedicated to working across six key areas highlighted in the Agreement—Pests and Waste, Lead, Inspections, Elevators, Heat, and Mold. As noted above, further detail concerning their work in these areas is contained in **Section II.**

#### **c. Organizational Change**

The Organizational Change team is focused on transitioning NYCHA’s existing departments into a structure that is more efficient and equipped to respond quickly to resident needs, building issues, and other situations. This team is focused on implementing NYCHA’s Transformation Plan, including overseeing workstreams related to work order reform, accountability, and training, among other things. As noted above, further detail concerning these topics and the activities of the Organizational Change team is contained in **Section III.**

#### **d. Stakeholder Engagement**

The Stakeholder Engagement team is the cornerstone of the Monitors’ interactions with residents, orchestrating meaningful dialogue through hotlines, open meetings, and housing development visits. These touchpoints are intended to enable the Monitors to gain a deeper understanding of residents’ lived experiences, and the extent to which NYCHA’s efforts are actually improving resident living conditions. This team also engages with

various stakeholders, including government officials, not-for-profits, and the public. Further detail concerning their work is contained below.

### **3. The Monitors' Activities to Establish the Monitorship**

Since the beginning of their term in late February, the Monitors have worked to develop a framework for monitoring NYCHA's actions to satisfy the terms of the HUD Agreement. This subsection briefly summarizes the primary categories of work that the Monitors have done, across the teams described above.

#### **a. Establishing Policies and Procedures**

The Monitors have established policies and procedures for the monitorship concerning the maintenance and use of confidential information, data protection, and guidelines for efficiency. The Monitors favor hiring NYCHA residents and resident-owned businesses where possible.

#### **b. Meetings with Relevant Parties**

The Monitors or their staff have established and participated in a cadence of regular meetings with NYCHA across a variety of areas. This includes the following:

- The Monitors hold regular meetings with the executive leadership of NYCHA, including separate regular meetings with the Chief Executive Officer, the Chief Operating Officer, and the Chair of the NYCHA Board of Directors.
- The Monitors participate in weekly meetings with the leadership of NYCHA, HUD, and SDNY, at which NYCHA (and where appropriate, the Monitors) provides updates on the substantive areas of the HUD Agreement, including lead, mold, pests and waste, elevators, heat, inspections, and organizational change progress.
- The Monitors participate in regular meetings with NYCHA leadership at which NYCHA provides updates on implementing significant reforms in NYCHA's organizational structure.

- The Monitors and/or their staff participate on a daily basis in an array of regular working meetings with NYCHA and NYCHA staff on all aspects of the HUD Agreement's requirements, including approximately two dozen weekly, bi-weekly, or monthly meetings with NYCHA about matters including heat, elevators, pests and waste, inspections, mold, lead, organizational change, and data and statistics, among other topics.
- The Monitors and/or their staff also participate in myriad additional ad hoc meetings with NYCHA and NYCHA staff in order to monitor and assist NYCHA's progress under the HUD Agreement.

The Monitors also hold periodic meetings with various other interested parties, including:

- The Monitors and/or their staff engage in routine and ad hoc meetings with officials from SDNY and HUD concerning all relevant matters.
- As it relates to mold, the Monitors or their staff also participate in periodic meetings with the plaintiffs from a 2014 settlement of a federal class action lawsuit brought by NYCHA residents with asthma, as well as the Independent Mold Analyst appointed in connection with that settlement.<sup>131</sup>
- The Monitors and/or their staff meet with residents, resident leaders, and resident groups, across all five boroughs. Additional detail about the Monitor's resident engagement effort is included below.
- The Monitors and/or their staff also meet with other interested parties and stakeholders, such as union leadership, elected officials, various government agency officials, and/or their respective staff, as it relates to issues touching on the HUD Agreement.

### **c. Development of Requirements and Protocols**

The Monitors have worked with NYCHA to develop agreed-upon requirements and protocols to help assess progress and

compliance with various requirements in the HUD Agreement. To measure NYCHA's performance, the Monitors' staff members are in the process of developing a data analytics approach to include the validation of relevant data extracted from NYCHA's software tools. When complete, this will allow the Monitors to confirm how NYCHA is reporting their progress against the Agreement's obligations. The results of this analysis will also be integrated with the observations arising from the Monitors' own inspections, thereby allowing the Monitors both to check NYCHA's progress on executing property repair tasks and to independently verify that the work has been done in accordance with appropriate regulations and HUD, New York State, and New York City guidelines on industry standard practices and procedures. To date, the Monitors are working to track numerous measurement points within the Agreement.

In many areas, these requirements are still under development, for reasons described further in **Section II**. When completed, these protocols will establish the key criteria to determine whether NYCHA is meeting its obligations under the HUD Agreement and will help ensure that NYCHA focuses on, and is evaluated on, the extent to which it is meeting its obligations under the Agreement.

#### **d. Inspections at NYCHA's Developments**

A core part of the monitorship is the Monitors' on-site inspections to measure NYCHA's compliance with its substantive obligations under the HUD Agreement. Since the start of the monitorship, the Monitors' staff have conducted inspections to assess NYCHA's elevators and heating-related equipment (e.g., boilers, tank rooms) and continue to monitor NYCHA's preventive maintenance programs in these areas. In June 2024, the Monitors began performing building-level inspections to evaluate NYCHA's efforts to remediate issues within the scope of the monitorship's mandate, assess the performance of NYCHA's property management staff, and address trouble areas identified through a review of data from NYCHA's IT systems.

#### **e. Stakeholder Engagement and Other Activities**

The Monitors have taken steps to enable direct communications with NYCHA residents, interface directly with other interested stakeholders, and otherwise build an infrastructure for stakeholder engagement. These efforts have included the following:

- **Website.** The Monitors have established a website with information about the HUD Agreement and the monitorship, including answers to frequently asked questions and contact information for the Monitors. The website also provides resources for residents who need assistance to contact NYCHA regarding conditions related to the key areas of the Agreement. In the future, the Monitors' website will include information reflecting NYCHA's progress toward meeting key obligations under the Agreement. This report, and all future reports, will be posted on the Monitors' website ([www.nychamonitor.com](http://www.nychamonitor.com)).
- **Contact Information.** The Monitors have created a dedicated email address ([nychamonitor@jenner.com](mailto:nychamonitor@jenner.com)) and a telephone number (212-303-2530) through which residents and other interested parties can contact the Monitors. Members of Stakeholder Engagement regularly monitor the inboxes.
- **Resident Leadership.** The Monitors have met with various stakeholders to solicit input and advice regarding the monitorship, as well as establish a culture of collaboration, including resident leaders. For example, in April, the Monitors attended a meeting of the Executive Board of the Citywide Council of Presidents ("CCOP"). The Monitors also issued a letter to each Committee President of the District Committee of Presidents ("DCOP") with the Monitors' contact information, including how to raise complaints or engage directly with the monitorship.
- **Community Advisory Committee.** As required by the Agreement, the Monitors have established a CAC for the second monitorship term. A complete list of membership is available on the Monitors' website. To date, the Monitors have hosted two CAC meetings. The first meeting took place virtually on April 15, 2024. The second meeting took place on June 17, 2024, both virtually and in person at NYCHA's headquarters. The meetings are being recorded and video of CAC meetings is posted on the Monitors' website; beginning

with the second meeting, the CAC meetings are also live-streamed.

- **Resident Job Postings.** To ensure that NYCHA residents have a role in the monitorship, the Monitors have posted job openings for NYCHA residents and thus far hired a NYCHA resident in a role to assist with site visits, data collection, and other work at developments. The Monitors' team is also hiring a project analyst and intern to assist with project management tasks. The Monitors also have posted a position for a Resident Consultant to assist the Monitors with resident engagement. Open job postings can be found at [www.nychamonitor.com](http://www.nychamonitor.com).
- **Town Halls.** The Monitors are in the process of setting up a Town Hall for all residents, with the location for such meetings expected to rotate by borough throughout the year. The first Town Hall is set to take place in the Fall.
- **Resident Letter.** The Monitors have sent a letter to residents, introducing themselves and providing information on the monitorship, including opportunities for residents to raise concerns or provide feedback.
- **Other Engagement Efforts.** Members of Stakeholder Engagement have undertaken other efforts to interface with stakeholders and obtain their input, including numerous meetings with resident association representatives, not-for-profit organizations, and government officials. The Monitors will also continue to visit developments to hear first-hand from residents and NYCHA staff. The Monitors conducted their first such visits at the Johnson Houses in Manhattan and Mariner's Harbor Houses in Staten Island.

Further detail concerning the activities of the Monitors is set forth in the remainder of this report.





## **SECTION II: PROPERTY MANAGEMENT**



## II.1 Heat

New York City Code requires NYCHA to maintain apartment heating levels above certain **minimum temperatures** during the **heating season**.<sup>132</sup> According to the Complaint, in the five years leading up to the HUD Agreement, NYCHA apartments were often below—and often five or ten degrees below—these minimum temperatures.<sup>133</sup> The Complaint alleged that hundreds of thousands of residents—approximately 80% of NYCHA residents—suffered heating failures between October 1, 2017, and January 22, 2018.<sup>134</sup> The average duration of these failures was 48 hours.<sup>135</sup> In 2016, NYCHA falsely stated that its “heating policy at all times has complied with applicable law” and that “its procedures and practices for implementing the policy maintain or exceed the minimum temperatures the law requires.”<sup>136</sup>

To address these issues, the HUD Agreement requires NYCHA to improve heating conditions for NYCHA residents and ensure those improvements are independently verified by the Monitors. Those requirements include (1) replacing boilers; (2) establishing systems for responding to heating failures; (3) timely restoring heat to apartments affected by a heating failure; (4) investigating failures to timely restore heat; (5) notifying residents of heating outages; (6) monitoring the temperature in apartments; and (7) reducing the number of heating failures experienced by residents. This section describes those requirements and the progress that NYCHA has made in complying with them as of June 2024.

Since January 2019, NYCHA has made some important improvements in how it maintains and operates its heating systems. For example, NYCHA has improved the performance of its boilers and other heating equipment by replacing 128 of its older boilers and significantly increasing the amount of preventive maintenance it performs on its central heating systems.<sup>137</sup> NYCHA has also created a dedicated “24/7 Heat Desk” that is staffed around the clock during the heating season and coordinates NYCHA’s response when a resident informs NYCHA that they do not have sufficient heat in their apartment. Following these and other reforms, NYCHA achieved a 24% reduction in the number of **heating outages** and a 13% reduction in the average time that these outages lasted, as measured between the 2019-2020 heating season, the first heating season

**Minimum Temperature:**

During the day (6AM to 10PM), apartments must be at least 68 degrees when the outside temperature is below 55 degrees, and at least 62 degrees at night (10PM to 6AM) regardless of the outside temperature.

**Heating Season:**

October 1 to May 31. This is the period when resident-occupied buildings in New York City are required to be provided with heat from a central heating system.

**Heating Outage:**

A failure of the central heating system that prevents the system from delivering heat to multiple apartments. It does not include instances when heat is not being provided to an individual apartment, such as when a single radiator malfunctions.

governed by the HUD Agreement, and the 2023-2024 heating season.

Despite these improvements, NYCHA has not yet complied with certain of its heating obligations under the HUD Agreement. For example, although NYCHA captures individual apartment heat complaints unrelated to heating outages, as detailed below, the agency has not reported on its compliance with the Agreement's obligations to restore heat to individual apartments that experience loss of heat for reasons other than the failure of central heating equipment. As a result, the Monitors are not presently able to assess NYCHA's performance with these obligations. But NYCHA has agreed with the Monitors that it will include individual apartments within its assessment of and reporting on the Agreement's requirements in future reporting. Focusing on the experience and needs of individual residents is a core value of the Monitors and they appreciate NYCHA's continued commitment to this value. The Monitors look forward to supporting NYCHA's efforts to build out its approach to more effectively measure and report on its performance in detecting and responding to heat loss at the apartment level, and improving those response times, as necessary.

## **A. NYCHA's Efforts to Improve Heating Performance**

### **1. Boiler Replacements**

One of NYCHA's biggest challenges is the age of its heating systems. Most of NYCHA's boilers are well past their recommended life span, resulting in equipment that is prone to frequent breakdowns.<sup>138</sup>

To address this problem, the HUD Agreement requires NYCHA to replace 297 boilers by December 31, 2026.<sup>139</sup> Of the 297 boilers, 70 were required to be replaced by December 31, 2022, and another 63 are required to be replaced by December 31, 2024, meaning that NYCHA has to replace 133 boilers by that date.<sup>140</sup> As of the end of June 2024, NYCHA has completed 128 of the 133 boiler replacements it is obligated to complete by December 2024. In addition, NYCHA forecasts replacing more than 50 additional boilers during 2024 that are currently in construction. Accordingly, the Monitors anticipate that NYCHA will easily meet this interim requirement.

NYCHA also projects that it will complete all of the required 297 boiler replacements by the December 31, 2026 deadline. To meet this deadline, NYCHA will need to replace the next 169 boilers at a far faster pace than it has achieved for the first 128 boilers that have already been replaced. NYCHA has increased its rate of boiler replacement and has represented to the Monitors that significantly more boilers are expected to be replaced between 2024 and 2026 compared to previous years. The Monitors will track the agency's progress toward meeting this HUD Agreement obligation.

Keeping careful track of the rate of progress in replacing boilers is important. Delays on boiler replacement projects can compound problems with heat delivery at affected developments. For instance, NYCHA received funding to replace the boiler plant at Smith Houses in spring 2020. While their boiler replacement project is underway, Smith Houses relies on portable equipment—mobile boilers—to provide heat to residents. The project has faced numerous delays and is nearly eighteen months behind schedule. In the meantime, residents are faced with multiple heating outages. During the last heating season, Smith Houses had four unplanned outages that together lasted nearly 38.7 hours. NYCHA now estimates that it will complete the boiler plant replacement at Smith Houses in October 2025, so residents there are at risk of experiencing at least one more heating season with similar conditions.

To help NYCHA meet its obligation to replace 297 boilers by December 31, 2026, the Monitors will closely oversee the budget and schedule of replacement projects and assist NYCHA in identifying and overcoming obstacles to ensure the replacement process proceeds apace. NYCHA's Asset and Capital Management Division recently completed a project management training program, developed and delivered collaboratively with the First Monitor, to promote consistency in the delivery of capital projects. The Monitors are also assisting NYCHA with developing a new risk management tool to allow NYCHA to identify, assess, and mitigate risks in capital construction projects. Together, the project management training and the risk management tool will help NYCHA improve its management of capital construction projects. Still, as illustrated by the example of Smith Houses above, delays in boiler replacements can result in further heating problems for residents. Thus, in future reporting, the Monitors will focus on NYCHA's deployment of capital made available under the HUD Agreement in a timely and efficient

manner to meet the Agreement's requirements and improve living conditions for residents.

The HUD Agreement also requires NYCHA to address an additional 200 boilers by transferring them to third-party management through the **Permanent Affordability Commitment Together ("PACT") program**.<sup>141</sup> The Agreement requires the PACT developer to repair or replace the boiler and accessory heating systems as appropriate.<sup>142</sup> NYCHA has represented to the Monitors that PACT developers have already completed more than the required 200 boiler repairs or replacements. The Monitors are in the process of verifying compliance with this requirement.

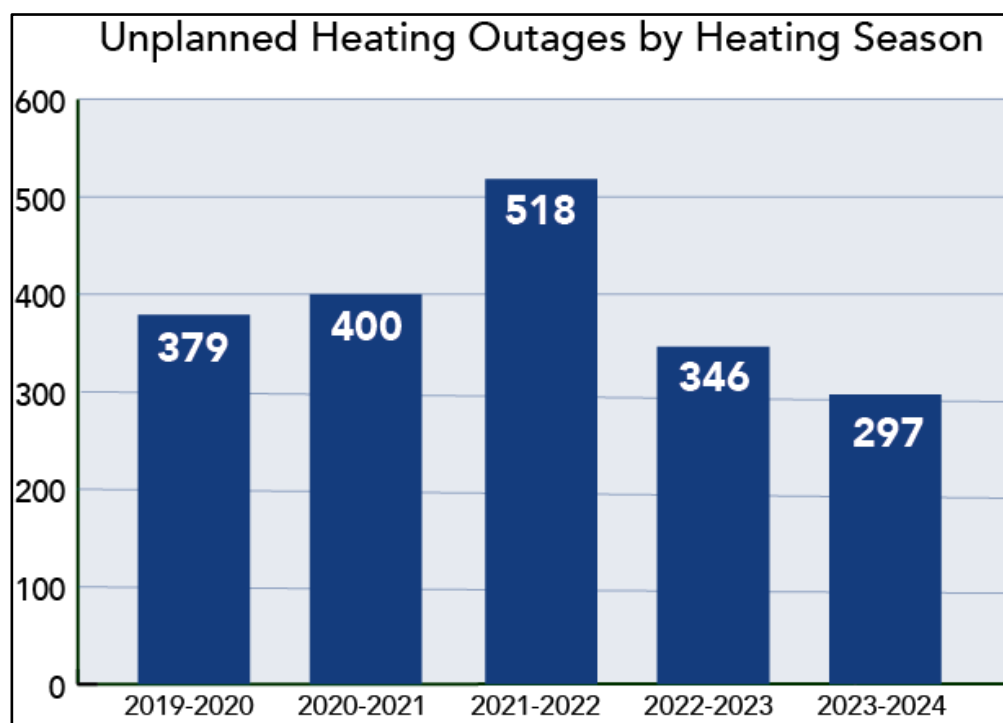
**Permanent Affordability Commitment Together ("PACT"):** When a NYCHA building enters the PACT program, NYCHA continues to own the building and handle certain administrative tasks, but a third-party developer assumes management responsibilities for the building, including conducting repairs.

## 2. Preventive Maintenance

In order to improve residents' heat experience overall, NYCHA has focused on improving the performance of its existing boilers and other heating equipment by conducting more consistent and comprehensive preventive maintenance. Preventive maintenance involves cleaning the heating equipment, then thoroughly inspecting it to identify and complete any needed repairs and replacements.<sup>143</sup>

The bulk of the preventive maintenance program takes place each summer, when only hot water is required, which allows workers to shut down boilers and empty them of water to perform more extensive cleaning and repairs.<sup>144</sup> Additional preventive maintenance work occurs throughout the heating season as equipment must be regularly lubricated, cleaned, and checked for any required repairs during the eight months it operates between the beginning of October and the end of May.<sup>145</sup> This includes the work of NYCHA's recently established Steam Optimization Squad that performs specialized maintenance work throughout the year, principally on the pipes that distribute steam throughout the building and apartment radiators.

During the most recent heating season, there were 297 unplanned heating outages, which is fewer than any prior heating season during the term of the monitorship. The First Monitor concluded that the enhanced preventive maintenance work NYCHA performed during the summers of 2022 and 2023 improved heating performance during the 2022-2023 and 2023-2024 heating seasons, as illustrated in the following chart.<sup>146</sup>



NYCHA is conducting summer preventive maintenance again this year. At first, NYCHA was behind the pace for preventive maintenance compared to last year. This is because NYCHA's Heating Management Services Department took over management of heating services that third-party contractors had been operating and maintaining in approximately 50 developments. NYCHA reports that it did this to address budgeting shortfalls after the approval of the Fiscal Year 2024 budget, thereby saving \$22.3 million.

Since then, NYCHA has made significant progress on its summer preventive maintenance efforts. NYCHA is now tracking last year's pace in completing preventive maintenance work orders for boilers, 22% ahead on inspections of boilers, and 4% behind pace on inspections of heat distribution systems.

Recognizing the importance of preventive maintenance to avoid heating failures during the heating season, the Monitors will continue to track NYCHA's ongoing preventive maintenance efforts during the summer and will track and help support NYCHA's efforts to further improve its program before the 2024-2025 heating season begins.

### **3. System for Responding to Heating Failures**

Under the HUD Agreement, NYCHA was required to create an action plan to address heating failures at NYCHA's developments<sup>147</sup> and to create a "24/7 Heat Desk" to monitor heating performance and dispatch staff to address heating failures.<sup>148</sup> NYCHA has completed those tasks.

The First Monitor approved NYCHA's action plan for heating in December 2019 (the "Heat Action Plan").<sup>149</sup> As the HUD Agreement required, NYCHA's Heat Action Plan detailed how NYCHA would respond to heating outages, identify what caused them, and set forth NYCHA's protocol for its preventive maintenance program described above.<sup>150</sup> The Heat Action Plan also established how NYCHA would provide heated community spaces for residents when heating outages are expected to last for a substantial duration.<sup>151</sup>

In early 2019, NYCHA created a 24/7 Heat Desk as the HUD Agreement required. The 24/7 Heat Desk monitors heat issues and sends staff to address heating failures.<sup>152</sup> The 24/7 Heat Desk's staff tracks data that comes from heat work orders, which NYCHA's computer system automatically creates when residents lodge complaints by calling the Customer Contact Center ("CCC") or by using the MyNYCHA Application.<sup>153</sup> When the 24/7 Heat Desk receives heat complaints, the desk personnel are required to dispatch appropriate staff from NYCHA's Heating Management Services Department to investigate.<sup>154</sup> The 24/7 Heat Desk must also open a heating outage work order if it receives a call from NYCHA staff who observe a problem with a building's heating system, such as a boiler that appears not to be functioning.<sup>155</sup>

#### **B. Heat Restoration**

Several of the HUD Agreement's requirements are intended to ensure that when a NYCHA apartment loses heat, it is restored in a timely manner.<sup>156</sup> The Agreement also requires NYCHA to investigate what the problem is when heat is not restored on time and to notify residents of heating failures in a development.<sup>157</sup>

The language used in the HUD Agreement to describe a lack of heat uses various terms: "heating shortage,"<sup>158</sup> "heating shortfall,"<sup>159</sup> "heating outage,"<sup>160</sup> and "heating failure."<sup>161</sup> The Agreement does not define any of these terms. Since the beginning



of the monitorship, NYCHA and the First Monitor were tracking the Agreement's requirements using these terms only with respect to heating failures that affect multiple apartments in a building, such as when a boiler fails, which NYCHA calls "heating outages," as noted above.<sup>162</sup> The First Monitor reported that NYCHA took this approach because NYCHA prioritized heating outages, which impact more apartments, even though NYCHA also responded to individual apartments that complained of heating failures.<sup>163</sup> SDNY and HUD's longstanding position, however, was that the Agreement's obligations require the tracking and reporting of loss of heat for each apartment, and that the response obligations in the Agreement apply equally to both system-wide and individual apartment heating failures. In other words, the Agreement requires NYCHA to timely restore heat to each apartment, regardless of whether the heating failure is due to a broken boiler (which would satisfy NYCHA's definition of a heating outage) or a faulty radiator (which has not yet been reported out as part of the Agreement).

There is also a practical need to measure and report out on NYCHA's response to heating failures in individual apartments, because, regardless of why the heat is out, not having heat during the heating season adversely impacts the lives of individual residents. That point was underscored for the Monitors in a recent meeting with a resident association. In that meeting, resident association leadership stated that, although NYCHA was working on replacing their boiler, it had not checked individual apartments to see if they were getting heat (and some were not). They raised the concern about NYCHA only being "concerned about getting in the boiler, but not if they're getting heat in individual apartments."

After consulting with SDNY, HUD, and NYCHA, and mindful of the need to focus on the resident experience, the Monitors determined that it was imperative that the Monitors measure, report, and hold NYCHA accountable to the HUD Agreement's heat restoration obligations for the loss of heat in any individual apartment, in addition to heating outages that affect multiple apartments at once. NYCHA has submitted a proposal to the Monitors regarding its heat restoration obligations for individual apartments. The Monitors are reviewing this submission, and after consulting with NYCHA, SDNY, and HUD, will provide an update in a future report.

### 1. Restoring Heat to Affected Apartments

There are two aspects of NYCHA's heat restoration requirement under the HUD Agreement. **First**, NYCHA must restore heat to affected apartments, on average, within 12 hours.<sup>164</sup> This requirement covers the entire monitorship period beginning with the 2019-2020 heating season.<sup>165</sup> **Second**, regardless of the average time to restore heat, during the 2019-2020 heating season through the one that just concluded in May 2024, NYCHA was required to restore heat to 85% of apartments within 24 hours, and restore heat to 100% of apartments within 48 hours.<sup>166</sup> Starting with the upcoming 2024-2025 heating season, the second set of heat restoration requirements become more stringent: NYCHA must restore heat to 85% of apartments within 12 hours, and to 100% of apartments within 24 hours.<sup>167</sup>

As NYCHA previously had been reporting out on the HUD Agreement's requirements only as to heating outages that impact a large number of apartments—as opposed to all heating failures, including those that might only impact a single apartment—NYCHA reported that it has been substantially in compliance with its obligations to timely restore heat from the very first heating season of the monitorship.

As demonstrated in the table below, in the five heating seasons since the beginning of the monitorship, the average length of time between when a heating outage that impacts multiple apartments is recorded in NYCHA's system and its resolution was always less than 12 hours; NYCHA has consistently resolved over 85% of heating outages within 24 hours; and NYCHA has resolved 100% or close to 100% of all heating outages within 48 hours. NYCHA has also made progress in reducing the average restoration time by about an hour, from 7.62 hours in 2019-2020 to 6.61 hours in 2023-2024.

Heating Season	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Average Outage Restoration Time	7.62 hours	7.14 hours	8.22 hours	7.41 hours	6.61 hours
Outages Resolved with 12 hours	88.29%	93.97%	86.17%	91.04%	94.00%
Outages Resolved within 24 hours	97.66%	99.81%	98.04%	99.27%	99.61%
Outages Resolved With 48hours	99.85%	100%	99.86%	99.82%	100%

But, as noted above, this does not tell the full story of NYCHA's performance with respect to restoring heat to individual apartments. In future reporting, the Monitors will include in these metrics NYCHA's restoration times with respect to individual apartments.

## **2. Investigation of Failure to Timely Restore Heat**

The HUD Agreement requires NYCHA to investigate instances when it takes more than 12 hours to restore heat to a particular apartment.<sup>168</sup> The purpose of this requirement is to ensure that NYCHA knows why heating failures occur so it can work to prevent future failures.<sup>169</sup> Under the Agreement, the investigation must determine the cause of both the initial heating failure and the failure to restore heat within 12 hours.<sup>170</sup> As part of the investigation, NYCHA must identify corrections to prevent or decrease the recurrence of the failures and track their implementation to make sure that NYCHA applies the lessons that it learns from these reports.<sup>171</sup>

As with the requirements to restore heat described above, to date, NYCHA has carried out its obligation under the HUD Agreement to conduct a heat failure investigation with respect to heating outages that impact multiple apartments for more than 12 hours, but it has not yet reported on investigations of heating failures that impact individual apartments.<sup>172</sup>

For heating outages longer than 12 hours, NYCHA's Environmental Health and Safety Department's ("EH&S") Heating Oversight Team investigates the causes, provides a report, and makes recommendations to NYCHA's Heating Management Services Department—which is responsible for maintaining NYCHA's heating systems—for improvements.<sup>173</sup> To identify and define when one of these long heating outages occurs, the Heating Oversight Team monitors multiple NYCHA information sources, including resident complaints and data that NYCHA maintains regarding the performance of its buildings' central heating systems.<sup>174</sup> Once the Heating Oversight Team identifies a heating outage that lasts longer than 12 hours, the team gathers evidence associated with the heating outage, which includes interviewing residents and conducting a site visit to assess the heating equipment.<sup>175</sup> After the Heating Oversight Team issues its report and recommendations, the Executive Vice President of Operations Support Services provides a quarterly report to EH&S tracking whether NYCHA has implemented EH&S's recommendations for corrective actions arising from its

investigation.<sup>176</sup> The First Monitor regularly reviewed EH&S's Heat Oversight Team's reports, and in 2020, the First Monitor reported that EH&S's investigations were thorough and comprehensive.<sup>177</sup> The Monitors will likewise assess the effectiveness of NYCHA's heat failure investigations and the remedial actions NYCHA takes in response to the investigations' proposals for corrective action going forward.

NYCHA should be commended for its efforts toward implementation of the HUD Agreement's requirements as it pertains to boiler failures and other types of heating outages that affect multiple apartments. But, as noted above, the Agreement is not limited to failure of a building's central heating system; the same reporting and remedial requirements also apply to heating failures in individual apartments. Indeed, without comprehensive tracking and reporting of individual heating failures, including identifying and investigating the cause of 12-hour heating failures that impact individual apartments, it will not be possible for NYCHA to meet this requirement. NYCHA's above-referenced proposal for measuring its efforts to restore heat to individual apartments also addresses the agency's obligation to investigate heating failures of more than 12 hours in individual apartments. As noted above, the Monitors are reviewing this proposal and will provide an update in future reporting.

### **3. Notice of Heating Outages**

Unplanned heating outages can occur for a variety of reasons—for example, a boiler could go down, pipes supplying water to a boiler could burst, or a steam pipe could rupture.<sup>178</sup> Heating outages can also be planned—for example, if NYCHA needs to shut off the heat to perform equipment repairs or maintenance.<sup>179</sup>

The HUD Agreement requires NYCHA to timely notify affected residents and the Monitors of both planned and unplanned heating outages.<sup>180</sup> For a planned heating outage, the Agreement requires NYCHA to give 48 hours' advance notice to affected residents and the Monitors; for an unplanned heating outage, the Agreement requires NYCHA to give notice within two hours of learning of the incident.<sup>181</sup>

NYCHA has instituted a robocall system to notify residents of both planned and unplanned heating outages.<sup>182</sup> For unplanned heating outages, within an hour of NYCHA identifying the heating outage and logging it in its system, affected residents receive a

robocall. For planned heating outages, affected residents receive two robocalls: one 48 hours prior to the scheduled service disruption and one the morning of the scheduled disruption. Moreover, whenever a heating outage lasts over 12 hours—whether due to planned repairs or an unplanned heating outage—NYCHA makes additional robocalls to affected residents every few hours with an update so residents know that NYCHA is continuing to work on the problem.

The First Monitor received sample data from the robocall system to confirm that these notifications go out in a timely fashion. The Monitors will provide more information on the steps they are taking to confirm NYCHA's continued compliance with this requirement in a future report. They will also assess the quality of NYCHA's contact lists with residents as part of their broader review of work order reform, as referenced in Section III of this report.

The First Monitor received notices of heating outages by email, and NYCHA continues to provide notice to the Monitors in the same manner.

### **C. Apartment Temperature**

As explained above, the New York City Code sets mandatory minimum temperatures for all apartments during the heating season to ensure livable apartment conditions. The HUD Agreement contains requirements to measure the temperatures in apartments throughout NYCHA and to limit the number of occasions that NYCHA apartments fall below those mandatory minimums. The first set of requirements applied during the 2019 to 2024 period and required NYCHA to install remote temperature monitoring equipment, including temperature sensors.<sup>183</sup> NYCHA has installed some temperature sensors and has procedures in place for monitoring the sensors and contacting residents when they record temperatures that are below the limit.<sup>184</sup> However, NYCHA has not yet installed the required number of temperature sensors. Additionally, the Monitors are assessing whether agency staff consistently follow standard procedure and contact residents to resolve any heating failures when the sensors record temperatures that are below the limit. The second set of requirements will apply during the 2024 to 2029 period, when the Agreement requires NYCHA to ensure minimum indoor temperatures starting with the 2024-2025 heating season.<sup>185</sup>

## 1. 2019-2024 Temperature Monitoring

The HUD Agreement envisions NYCHA monitoring indoor temperatures at NYCHA buildings by installing and remotely monitoring temperature sensors in various locations, including by installing a minimum percentage in individual apartments. These sensors generally measure indoor temperatures at regular intervals, transmitting live data to the 24/7 Heat Desk. As of May 2024, NYCHA has installed temperature sensors in 75 developments. As described in more detail below, however, NYCHA has installed remotely monitored temperature sensors in fewer apartments than the Agreement required.

**First**, the HUD Agreement required NYCHA to modernize its **Building Management Systems** in 44 developments, including by installing temperature sensors by the end of 2020.<sup>186</sup> The Building Management Systems use these temperature sensors much like an individual thermostat to monitor the temperature throughout the building, and based on their readings, either automatically turn on or off the boilers to maintain a range of temperatures. In a related provision, NYCHA was required to install temperature sensors in at least 30% of the apartments in those 44 developments by December 31, 2020.<sup>187</sup> NYCHA was also required to draft an action plan with a schedule for installing electronic temperature monitoring systems in the remaining developments.<sup>188</sup>

**Building Management Systems:** Building Management Systems are computerized controls that provide automation, remote monitoring, and remote control for building mechanical systems such as boiler plants.

NYCHA has partially complied with these requirements. NYCHA reports that it modernized the 44 Building Management Systems required by the HUD Agreement and installed temperature sensors in them by the end of 2020. Indeed, it has installed temperature sensors in a total of 75 developments. However, NYCHA is close to, but has not met, the requirement to install temperature sensors in at least 30% of the apartments in those 44 developments. For the developments where NYCHA has installed temperature sensors, NYCHA reports that the percentage of apartments in each development that includes a temperature sensor varies: in seven developments, approximately 90% of apartments have temperature sensors; in 67 developments, approximately 27% of apartments have temperature sensors; and in one development, less than 10% of apartments have temperature sensors.

With regard to expanding the rollout of these temperature sensors to additional developments, NYCHA's 2019 Heat Action Plan

included a schedule for installing temperature sensors under which 69 developments would have temperature sensors by 2020, an additional 68 developments would have temperature sensors by 2023, and a total of 277 developments would have temperature sensors by 2030.<sup>189</sup> As described above, NYCHA has installed temperature sensors in 75 developments total, and thus has not met its commitment to install them in 137 developments by 2023. One of NYCHA's priorities this year is to complete a supplemental action plan to address this HUD Agreement requirement. As that plan is developed, a key concern to address is one shared by NYCHA and the First Monitor that the temperature sensors may be lacking in accuracy and reliability. As temperature readings must be both accurate and reliable to achieve the purpose of the Agreement, the Monitors will evaluate their concerns and assess whether these temperature sensors meet the Agreement's requirement to provide NYCHA with a comprehensive understanding of the heating conditions in the developments where they are installed.

**Second**, NYCHA had certain obligations regarding how the data generated by temperature sensors was used and reported. In particular, NYCHA was required to institute and maintain a system by May 1, 2019, that identified apartments in which installed temperature sensors indicated a temperature below the mandatory minimum indoor temperature.<sup>190</sup> NYCHA was required to make information from the temperature sensors available to NYCHA personnel responsible for heating, NYCHA development managers, the Monitor, HUD, and SDNY.<sup>191</sup> NYCHA was also required to detail an appropriate mechanism for disclosing information about temperature violations identified by temperature sensors to the public in an action plan.<sup>192</sup>

Of the 75 developments with temperature sensors installed, NYCHA has made the temperature information reported by in-apartment monitoring devices in 66 developments available, in real time, to NYCHA personnel responsible for heating, NYCHA development managers, the Monitors, HUD, and SDNY.<sup>193</sup> The Monitors are reviewing the data and assessing how it can be most efficiently used to improve the resident experience. The 2019 Heat Action Plan also stated that NYCHA would make information about violations of the mandatory minimum indoor temperatures available on its website,<sup>194</sup> but NYCHA has removed this information from its website because of its concerns about the accuracy of the sensors'



temperature readings, mentioned above. The Monitors will track and support NYCHA's efforts to satisfy these obligations.

## **2. 2024-2029 Temperature Monitoring**

The HUD Agreement establishes the number of times apartments can have temperatures below the mandatory minimum indoor temperature. These requirements will apply for the first time for the 2024-2025 heating season, which begins on October 1, 2024.<sup>195</sup>

In particular, the HUD Agreement requires that no more than 15% of occupied apartments have a temperature below the mandatory minimum indoor temperature each heating season.<sup>196</sup> For this provision, the Agreement specifies that the measurement will be calculated according to procedures agreed upon in an action plan, and that those procedures may include a reliable sampling method.<sup>197</sup> The Agreement also requires that no apartment can have the temperature fall below the mandatory minimum indoor temperature on more than three separate occasions during a heating season.<sup>198</sup> This provision, however, does not specify that a sampling method may be used.<sup>199</sup>

NYCHA has proposed a plan for measuring its compliance with these HUD Agreement requirements across all its developments. The proposal includes using data from residents' heat complaints and NYCHA's work order data generated in response to these complaints. The Monitors are reviewing NYCHA's proposal, and after consulting with NYCHA, SDNY, and HUD, will provide an update in a future report. Reaching agreement on how to measure this requirement is an urgent priority given the upcoming start of the heating season.



### **Overview of Heating Obligations**

The following table summarizes the status of NYCHA's compliance with the requirements of the HUD Agreement as of the end of the 2023-2024 heating season unless otherwise noted, and categorizes each requirement as a one-time requirement (blue); occurrence obligation (yellow); response obligation (orange); or policy and practice obligation (green):

<b>Req. No.</b>	<b>Description</b>	<b>Status</b>	<b>Compliance Details</b>
<b>One-Time Requirement</b>			
H1 (Ex. B ¶ 14(c))	<b>Boiler Replacement—</b> <b>NYCHA:</b> NYCHA will replace 297 boilers by December 31, 2026. Of the 297 boilers, 70 will be replaced by December 31, 2022 and another 63 (total of 133) will be replaced by December 31, 2024.	Not due; on track to complete 2024 obligation; 128 of required 133 boilers replaced as of June 2024	NYCHA met its obligation to replace 70 boilers by December 31, 2022. NYCHA has completed 128 boiler replacements as of June 30, 2024, and projects that it will complete all 297 boiler replacements by the deadline. To meet this deadline, NYCHA will need to replace the next 169 boilers at a faster pace than it has achieved for the first 128 boilers that have already been replaced. NYCHA has increased its rate of boiler replacement and has represented to the Monitors that significantly more boilers are expected to be replaced between 2024 and 2026 compared to previous years. The Monitors will track the agency's progress toward meeting this Agreement obligation and note that NYCHA is well poised to meet the 2024 interim

Req. No.	Description	Status	Compliance Details
			Agreement requirements for boiler replacements.
H2 (Ex. B ¶ 14(c))	<b>Boiler Repairs or Replacement– PACT:</b> 200 additional boilers will be addressed through PACT by December 31, 2026, and the developer selected will replace and repair boilers as needed.	Complete	NYCHA has represented that more than 200 boilers have been repaired or replaced through PACT as of June 30, 2024. The Monitors are in the process of verifying this representation.
H3 (Ex. B ¶ 14(b))	<b>BMS Modernization:</b> NYCHA will modernize the Building Management Systems at 44 developments by December 31, 2020. Modernization will include introducing indoor temperature sensors.	Complete	NYCHA modernized the Building Management Systems at 44 developments by December 31, 2020, and has reported that it installed indoor temperature sensors in more than the 44 developments required by the Agreement. The Monitors are in the process of reviewing the data produced by these sensors and how NYCHA uses that data to improve the residents' heating experience.
H4 (Ex. B ¶ 7)	<b>Installation of Electronic Temperature Monitoring Devices:</b> NYCHA will install electronic temperature	Incomplete	NYCHA has installed temperature sensors in at least 30% of apartments in seven developments. In 67 developments, approximately 27% of apartments have temperature sensors; and

Req. No.	Description	Status	Compliance Details
	sensing devices sufficient to provide NYCHA a comprehensive understanding of heating conditions in 30% of apartments in 44 developments by December 31, 2020.		<p>in one development, less than 10% of apartments have temperature sensors.</p> <p>The Monitors are in the process of assessing whether the temperature sensors provide NYCHA a comprehensive understanding of heating conditions.</p>
H5 (Ex. B ¶¶ 6-7)	<p><b>Action Plans for Installing Temperature Monitoring and Disclosing Temperature Information:</b></p> <p>NYCHA will draft an action plan to set electronic temperature sensing device installation deadlines for the rest of all the developments and provide an appropriate mechanism for disclosing information from electronic temperature reading devices to the public.</p>	Incomplete	<p>One of NYCHA's priorities this year is to complete a supplemental action plan that includes a timeline for installing electronic temperature monitoring devices at all developments. NYCHA removed information about violations of the mandatory minimum indoor temperatures from its website because of its concerns about the accuracy of the sensors' temperature readings.</p>
H6 (Ex. B ¶ 2(a))	<p><b>Action Plan for Heat Mandatory Minimum Indoor Temperature:</b></p> <p>NYCHA shall establish an Action Plan</p>	Incomplete	<p>NYCHA has submitted a proposal to the Monitors. The Monitors are reviewing this submission, and after consulting with NYCHA, SDNY, and HUD, will</p>

Req. No.	Description	Status	Compliance Details
	setting forth a reliable sampling method to measure what percentage of occupied apartments have had the temperatures fall below the mandatory minimum indoor temperature by October 1, 2024.		provide an update in a future report.
<b>Occurrence Obligation</b>			
H7 (Ex. B ¶ 2(a))	<b>Apartments with One Violation:</b> Beginning in the 2024-2025 Heating Season, no more than 15% of occupied apartments shall have an occasion in which the temperatures fall below the mandatory minimum indoor temperature.	TBD	The Monitors will begin reporting on this requirement after the 2024-2025 Heating Season has begun.
H8 (Ex. B ¶ 2(b))	<b>Apartments with More Than Three Violations:</b> Beginning in the 2024-2025 Heating Season, no apartment shall have an occasion in which the temperatures fall below the mandatory	TBD	The Monitors will begin reporting on this requirement after the 2024-2025 Heating Season has begun.

Req. No.	Description	Status	Compliance Details
	minimum indoor temperature on more than three separate occasions.		
<b>Response Obligation</b>			
H9 (Ex. B ¶ 9(a))	<b>12 Hour Average Heat Restoration:</b> Starting with the Heating Season beginning October 1, 2019, NYCHA will restore heat to apartments affected by a heating failure within an average of 12 hours.	Partial compliance; 6.61 hours per outage for those impacting multiple apartments.	NYCHA responds to heating outages impacting multiple apartments within an average of 12 hours. NYCHA has submitted a proposal to the Monitors, SDNY, and HUD regarding the heat restoration obligations for individual apartments. The Monitors are reviewing this submission, and after consulting with NYCHA, SDNY, and HUD, will provide an update in a future report.
H10 (Ex. B ¶ 9(b))	<b>Overall Heat Restoration (2019-2024):</b> NYCHA will restore heat to affected apartments within (i) 24 hours for 85% of heating failures, and (ii) 48 hours for 100% of heating failures.	Partial compliance; no longer operative (i) 99.61% for outages impacting multiple apartments (ii) 100% for outages impacting multiple apartments	In the most recent heating season, NYCHA resolved 99.61% of heating outages within 24 hours and 100% of heating outages impacting multiple apartments within 48 hours. NYCHA has submitted a proposal to the Monitors regarding the heat restoration obligations for individual apartments. The Monitors are reviewing this submission, and after consulting with NYCHA, SDNY, and HUD, will provide an update in a future report.

Req. No.	Description	Status	Compliance Details
H11 (Ex. B ¶ 10(a))	<b>Overall Heat Restoration (2024-2029):</b> NYCHA will restore heat to affected apartments within (i) 12 hours for 85% of heating failures, and (ii) 24 hours for 100% of heating failures.	TBD	NYCHA has submitted a proposal to the Monitors regarding the heat restoration obligations for individual apartments. The Monitors are reviewing this submission, and after consulting with NYCHA, SDNY, and HUD, will provide an update in a future report.
H12 (Ex. B ¶ 13(a), (c))	<b>Notification to Residents of Unplanned Heating Outage:</b> Within two hours of learning of an unplanned heating outage, NYCHA will notify affected residents by robocall and also post notifications in the affected building(s) and on NYCHA's website, and also notify the Monitor.	In compliance	For unplanned heating outages, within an hour of NYCHA identifying the heating outage and logging it in its system, affected residents receive a robocall. When a heating outage lasts over 12 hours—whether due to planned repairs or an unplanned heating outage—NYCHA makes additional robocalls to affected residents every few hours with an update, so residents know that NYCHA is continuing to work on the problem. NYCHA also notifies the Monitors. The Monitors are in the process of verifying whether NYCHA posts timely notifications in its buildings and on its website.
H13 (Ex. B ¶ 13(b), (c))	<b>Notification to Residents of Planned Heating Outage:</b> For planned heating outages, NYCHA	In compliance	For planned heating outages, affected residents receive two robocalls: one 48 hours prior to the scheduled service disruption, and one the

Req. No.	Description	Status	Compliance Details
	will provide 48-hours' advanced notice to affected residents via robocall and also post notifications in the affected building(s) and on NYCHA's website, and also notify the Monitor.		morning of the scheduled disruption. When a heating outage lasts over 12 hours—whether due to planned repairs or an unplanned heating outage—NYCHA makes additional robocalls to affected residents every few hours with an update, so residents know that NYCHA is continuing to work on the problem. NYCHA also notifies the Monitors. The Monitors are in the process of verifying whether NYCHA posts timely notifications in its buildings and on its website.
<b>Policy and Practice Obligation</b>			
H14 (Ex. B ¶¶ 9(c), 10(b))	<b>Heating Failure Investigation:</b> Starting in October 2019, a root cause investigation will be performed for all heating failures where heat was not restored within 12 hours in an apartment. Starting in October 2024, the investigation shall be performed by the Quality Assurance Unit.	Partial compliance	NYCHA has performed the required root cause investigations for all heating outages impacting multiple apartments that lasted 12 or more hours. NYCHA has submitted a proposal to the Monitors regarding the heat restoration obligations for individual apartments. The Monitors are reviewing this submission, and after consulting with NYCHA, SDNY, and HUD, will provide an update in a future report. The Monitors are also assessing NYCHA's proposal that EH&S continue performing investigations.

Req. No.	Description	Status	Compliance Details
H15 (Ex. B ¶¶ 3-5)	<b>Information from Electronic Temperature Sensing Devices:</b> For apartments with electronic temperature sensors, NYCHA shall institute and maintain a system that identifies apartments in violation of City temperature code requirements and the indoor and outdoor temperatures associated with the violations by April 1, 2019. This information will be available to all NYCHA personnel, the Monitor, HUD, and SDNY.	Partial compliance	NYCHA has a procedure in place for monitoring the sensors and contacting residents when they record temperatures that are below the limit, and the Monitors are in the process of verifying whether NYCHA follows these procedures. NYCHA had made live temperature readings that are reported by electronic temperature sensors available to NYCHA development managers, the Monitors, HUD, and SDNY.



## II.2 Elevators

NYCHA operates more than 3,000 elevators.<sup>200</sup> Age (more than half have been in use longer than their recommended lifespan), flooding, lack of regular maintenance, and debris in the elevator tracks, among other things, lead to frequent outages. And, more than half are in single-elevator banks, which means that an outage of even one elevator leaves apartments inaccessible by elevator.<sup>201</sup>

In the years leading up to the HUD Agreement, NYCHA's developments experienced frequent and lengthy elevator outages. In 2016, for example, almost 40% of NYCHA residents lived in buildings that had more than 20 elevator failures, according to the Complaint.<sup>202</sup> Many outages left buildings without any functioning elevators, sometimes for extended periods of time, the government alleged.<sup>203</sup> These conditions caused hardship for disabled and elderly residents in particular, in some cases leaving them stranded in the lobby in the middle of the night.<sup>204</sup>

To address these issues, the HUD Agreement requires NYCHA to reduce the frequency and duration of elevator outages, timely notify residents about outages, and install new elevators.<sup>205</sup> The Agreement has a particular focus on remedying **no-service conditions**, i.e., when all elevators in a single bank are out of service at the same time. Moreover, among no-service conditions, those in multi-elevator banks are particularly concerning because in many cases it means that more than one elevator has broken down.<sup>206</sup>

The requirements of the HUD Agreement include (1) reducing the frequency and duration of no-service conditions, (2) reducing the frequency and duration of outages in any elevator car, (3) giving prompt notice about elevator outages and collecting data about them, (4) replacing elevators, (5) installing remote elevator monitoring systems, and (6) establishing schedules for cleaning elevators and planned elevator outages that improve residents' experience with elevators. This section describes the Agreement's elevator requirements and NYCHA's compliance with them as of June 2024.

Since January 2019, NYCHA has taken important steps to improve the performance of its elevators. NYCHA has implemented regular cleaning of elevator door tracks and more frequent preventive maintenance, which keep elevators in better condition.<sup>207</sup>

### No-Service Condition:

The HUD Agreement defines "no-service conditions" to include only a situation where all elevators are out of service at one *building*. However, NYCHA, HUD, and SDNY have agreed that it is consistent with the purpose of the Agreement for "no-service conditions" to also include a situation where all elevators that serve an apartment are out of service, which generally means all elevators in one *bank* are out of service. For example, a single building may have one bank of elevators that serves the northern half of the building, and a second bank of elevators that serves the southern half of the building. If all of the elevators that serve the northern half of the building stop working, that would be considered a no-service condition because the apartments on the northern half of the building cannot be accessed by elevator, even though other elevators in the building continue to function.

These measures have helped reduce the frequency and duration of elevator outages. For example, NYCHA reduced the duration of elevator outages by over 25% during the monitorship—from an average duration of 9.8 hours in the year before the monitorship began to an average duration of 7.2 hours by the end of Year 5. To improve communication with residents about elevator outages, NYCHA established a system to notify residents of planned elevator outages before they happen and of unplanned elevator outages soon after they are identified.<sup>208</sup>

Despite these improvements, NYCHA has not yet complied with several of its obligations under the HUD Agreement. For example, the best way to minimize the recurring failure of an elevator that has outlived its lifespan is to replace it, and the Agreement requires NYCHA to replace 275 such elevators by December 31, 2024.<sup>209</sup> NYCHA will not meet this requirement. As of June 30, 2024, it had replaced 123 elevators, and it has informed the Monitors that it anticipates completing another 15 elevators by year end for a total of 138 elevators. This is only approximately 50% of the Agreement's 275 elevator replacement requirement.<sup>210</sup> The Monitors will track and support NYCHA's efforts to address the pace of elevator replacements, including NYCHA's management of its capital projects.

Further, as detailed below, NYCHA must also significantly reduce the number of times residents lose elevator access to their apartments and the duration of those failures. For example, beginning in Year 5, NYCHA was required to ensure that 85% of multi-elevator banks had no more than one no-service condition per year.<sup>211</sup> NYCHA has not yet met this requirement—by the end of Year 5, only 31% of multi-elevator banks had one or fewer no-service condition that year. Consistent with the Monitors' focus on the experiences and needs of residents, the Monitors will track and support NYCHA's efforts to limit the frequency and duration of elevator outages and no-service conditions that residents experience. Details of that approach will be provided in future reports.

## **A. NYCHA's Efforts to Improve Elevator Performance**

### **1. Elevator Replacements**

As noted above, many of NYCHA's elevators are beyond their recommended lifespan and need to be replaced.<sup>212</sup> These elevators are prone to frequent breakdowns.

To address this problem, the HUD Agreement requires NYCHA to replace 275 elevators in its buildings by the end of 2024.<sup>213</sup> Of the 275 elevators, 108 were required to be replaced by December 31, 2022, and the remaining 167 are required to be replaced by December 31, 2024.<sup>214</sup> As of June 30, 2024, NYCHA has completed 123 of the required elevator replacements.

Even though NYCHA has improved its pace for elevator replacements in the last six months, its current projections will result in it falling far short of the HUD Agreement's obligation to replace 275 elevators by December 31, 2024. NYCHA projects that instead it will complete only 138 elevator replacements by the end of the year, which is 137 elevators short of the Agreement requirement. In addition to operational difficulties, NYCHA has also reported delays in accessing the designated funding, including bureaucratic and procedural delays. The Monitors plan to work closely with NYCHA to track the pace of elevator replacements in the upcoming months, help NYCHA take the steps necessary to increase the number of elevator replacements by year end, and, more generally, will focus on NYCHA's deployment of funds made available in connection with the Agreement in a timely and efficient manner to meet the Agreement's requirements and improve living conditions for residents.

The HUD Agreement also requires NYCHA to address 150 additional elevators by transferring them to third-party management through the PACT program by December 31, 2024.<sup>215</sup> The Agreement requires the selected PACT developer to replace those elevators "as needed."<sup>216</sup> NYCHA has represented to the Monitors that it has transferred 68 developments to PACT developers, and those developments included more than 150 elevators. NYCHA has further represented that the PACT developers have replaced 129 elevators. The Monitors are in the process of verifying compliance with this requirement.

## **2. Cleaning Elevator Tracks**

NYCHA satisfied the HUD Agreement's requirement to adopt a seven-day, extended schedule for caretakers—the NYCHA employees responsible for, among other things, cleaning elevator door tracks—so that they can clean elevator tracks more frequently.<sup>217</sup> Regular cleaning of elevator door tracks keeps elevators in better condition and reduces the frequency of outages.<sup>218</sup> NYCHA's schedule ensures coverage for this important work from 8:00 a.m. to 4:30 p.m. on weekdays and 8:00 a.m. to 1:30 p.m. on weekends.<sup>219</sup> NYCHA has continued to meet this obligation, which helps decrease elevator outages.

## **3. Preventive Maintenance**

To improve residents' overall experience with elevators, in 2021 NYCHA began piloting a targeted, intensive preventive maintenance program at one of its worst-performing developments.<sup>220</sup> Preventive maintenance of elevator equipment involves inspecting and repairing components in the motor room, checking elevator hatch doors and car door operators, cleaning the elevator pits, and repairing elevator door opening buttons.<sup>221</sup> Although the HUD Agreement does not explicitly require NYCHA to conduct elevator preventive maintenance, it is a vital part of keeping the elevators running properly. This is particularly important given the age of NYCHA's elevators—more than 60% of NYCHA's elevators are still in use beyond their intended lifespans.<sup>222</sup>

Although NYCHA conducted preventive maintenance before implementation of the HUD Agreement, personnel conducting preventive maintenance at that time also responded to elevator outages, and they often needed to prioritize addressing an outage over conducting preventive maintenance.<sup>223</sup> NYCHA implemented a new targeted, intensive preventive maintenance program for elevators during the First Monitor's term to allow personnel to focus on conducting preventive maintenance.<sup>224</sup>

In this program, NYCHA assigns a designated team of elevator mechanics to focus on only performing preventive maintenance for elevators in their assigned developments.<sup>225</sup> These teams perform more comprehensive maintenance on the elevators, which includes a deeper cleaning, and thorough assessment and replacement of equipment parts.<sup>226</sup> In addition, because elevator outages can divert

staff away from important preventive maintenance, additional staff are deployed to the developments in this program to ensure that repair teams at these sites are properly resourced to respond to outages.<sup>227</sup>

NYCHA first piloted the dedicated preventive maintenance program in Mott Haven Houses, which at the time was one of the developments with the worst record for elevator performance.<sup>228</sup> After one year of this program, the First Monitor reported that although outages persisted, NYCHA had cut the total number of outages in this development by more than one-half.<sup>229</sup> In 2022, NYCHA expanded this program to Patterson Houses, and within one year, NYCHA had also decreased the outages there by over 50%.<sup>230</sup> To continue building on these achievements, in 2023, NYCHA launched the preventive maintenance program in four additional developments: Bushwick Houses, Lincoln Houses, Tilden Houses, and Lafayette Houses.<sup>231</sup> Through the course of the preventive maintenance program in 2023, NYCHA improved the performance of its elevators in each development.<sup>232</sup> Residents at Mott Haven Houses and Patterson Houses have also continued to see improvement, although more work remains. In 2023, for example, although significantly down from the prior year, there were still a combined total of 508 outages at these two developments.

One of NYCHA's current priorities is to expand this preventive maintenance program to additional developments. As of June 2024, NYCHA has launched the program in the Polo Grounds Houses and Tompkins Houses. Recognizing the importance of preventive maintenance to avoid elevator outages, and given the success of this program, the Monitors will continue to track and encourage NYCHA's ongoing preventive maintenance efforts, including further expansion of the pilot program across the NYCHA portfolio.

## **B. No-Service Conditions**

The HUD Agreement requires NYCHA to reduce how often and for how long residents face a situation where none of their elevators are working.

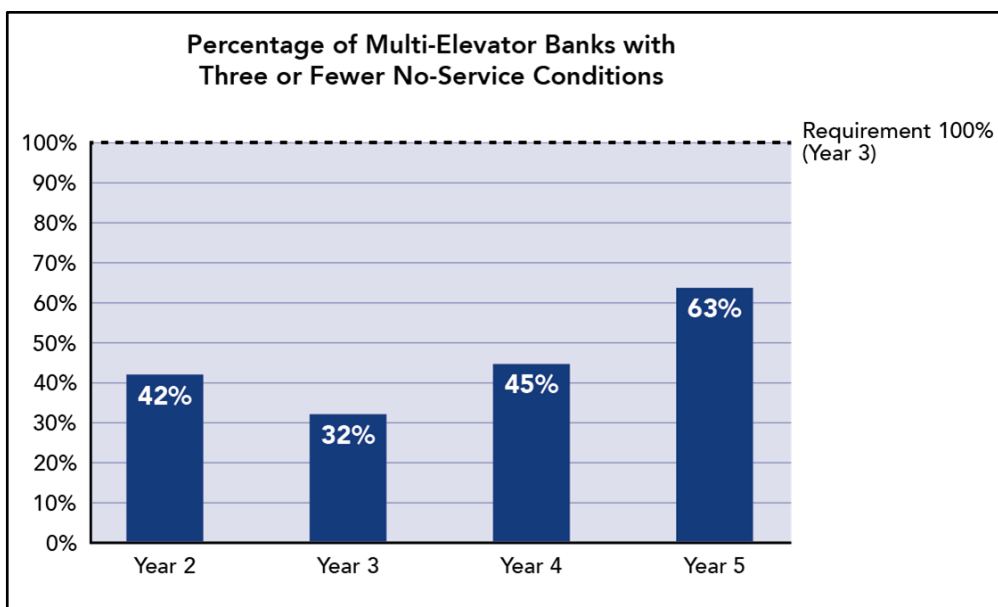
During Year 1 of the monitorship, the HUD Agreement required NYCHA to create an action plan to address how it will respond to no-service conditions in each building.<sup>233</sup> The First Monitor approved NYCHA's action plan for elevators in January 2020

(the “Elevator Action Plan”).<sup>234</sup> The Elevator Action Plan, which lays out NYCHA’s process for responding to elevator outages, specifies that no-service conditions should be responded to before outages that do not trigger a no-service condition.<sup>235</sup> It also outlines how NYCHA will communicate with residents regarding no-service conditions, including additional outreach to seniors and mobility-impaired residents.<sup>236</sup>

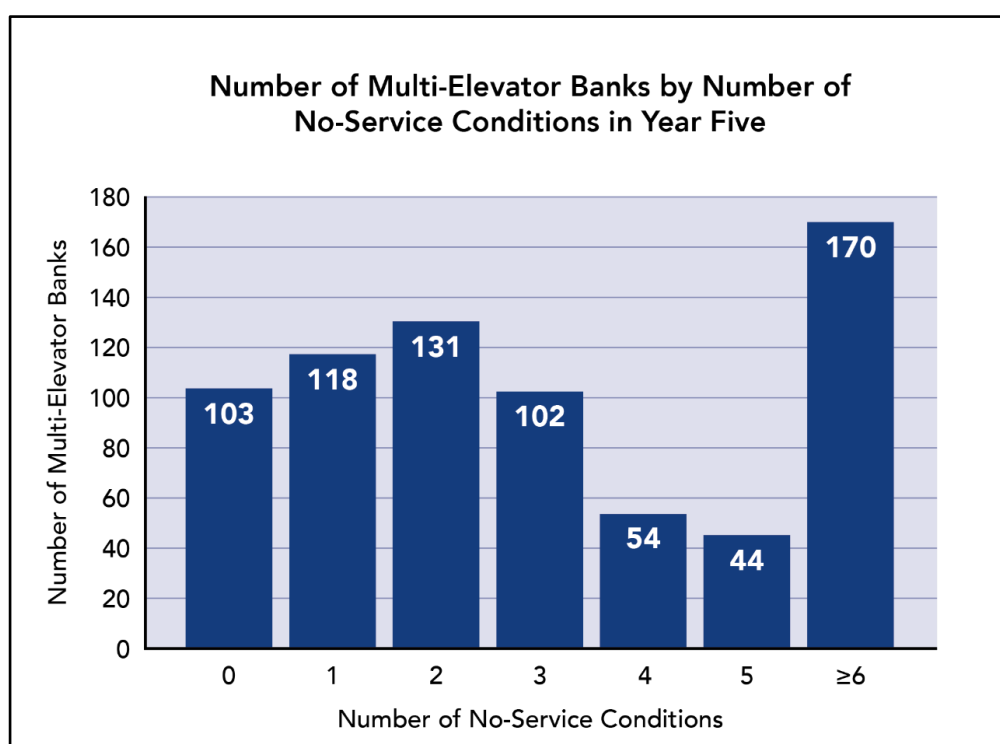
### 1. Frequency of No-Service Conditions

The HUD Agreement requires NYCHA to reduce the frequency of planned and unplanned no-service conditions in elevator banks with multiple elevators. In NYCHA’s developments, there are 722 elevator banks with multiple elevators.

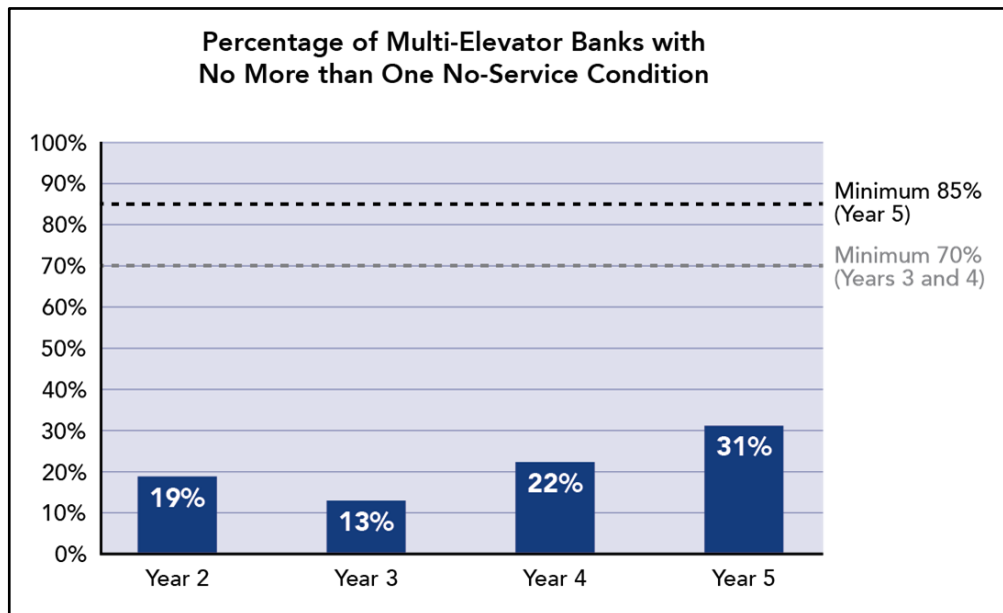
The HUD Agreement required that, beginning in Year 3, 100% of multi-elevator banks have three or fewer no-service conditions per year.<sup>237</sup> NYCHA has shown consistent improvement to date, but it does not comply with this obligation as shown in the chart below.<sup>238</sup> In Year 5, 63% of multi-elevator banks experienced three or fewer no-service conditions. Although this shows significant year-over-year progress for which NYCHA should be commended, it still means that more than a third of multi-elevator banks experienced more than three no-service conditions in Year 5, thus falling short of the Agreement’s requirement.



To meet the HUD Agreement's objectives, NYCHA will have to continue to build on its achievements in recent years to significantly improve the performance of non-compliant elevator banks. While 63% of multi-elevator banks had three-or-fewer no-service conditions in Year 5, as indicated below, the vast majority of the remaining 37% of multi-elevator banks were not close to meeting the standard, with most having six or more no-service conditions or double the permitted amount. In other words, the elevator banks that are out of compliance are not missing by a small margin—they are missing the mark significantly.



In addition to prohibiting more than three no-service conditions per year for all multi-elevator banks, the HUD Agreement also sets a minimum number of such banks which must have no more than one no-service condition per year. During Years 3 and 4, the Agreement required that at least 70% of multi-elevator banks have no more than one no-service condition per year, and this requirement increased to 85% beginning in Year 5.<sup>239</sup> Once again, although NYCHA has made progress, increasing from just 13% in Year 3 to 31% in Year 5, it is still far short of the Agreement's requirements.



It is important for NYCHA to identify and focus on improving the worst-performing elevators and the Monitors will continue to track and support NYCHA's efforts to identify and implement solutions, including accelerating the pace of elevator replacement and continued expansion of the pilot program for preventive maintenance.

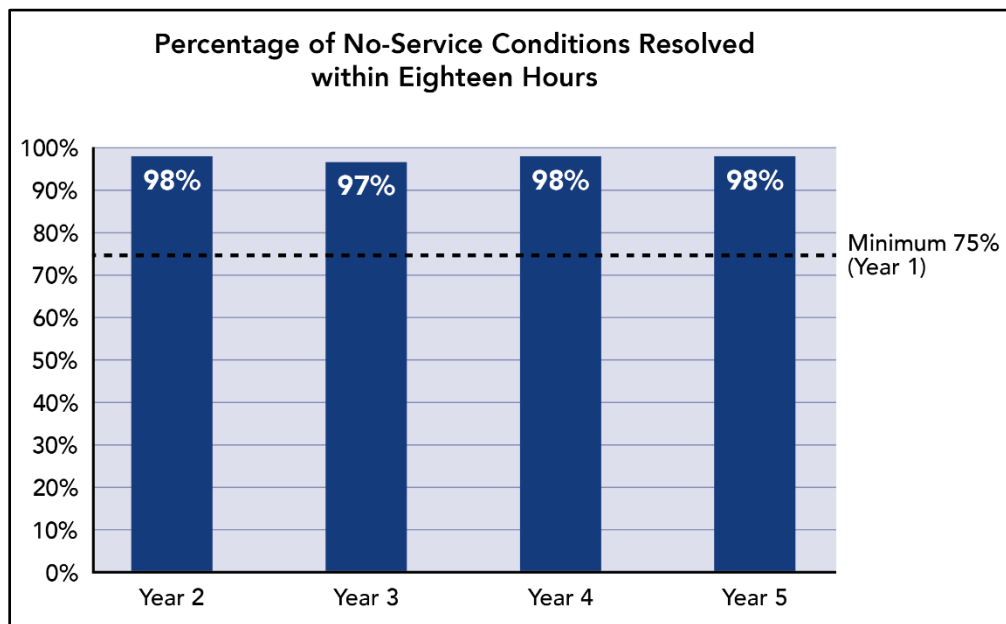
## **2. Duration of No-Service Conditions**

The HUD Agreement requires NYCHA to reduce the duration of all no-service conditions, regardless of whether they occur in multi-elevator banks or single-elevator banks. This is because the effect of a no-service condition is the same on residents regardless of how many elevators are in the bank: the residents cannot access their apartments by elevator.<sup>240</sup> The Agreement sets forth the following obligations regarding the duration of no-service conditions.

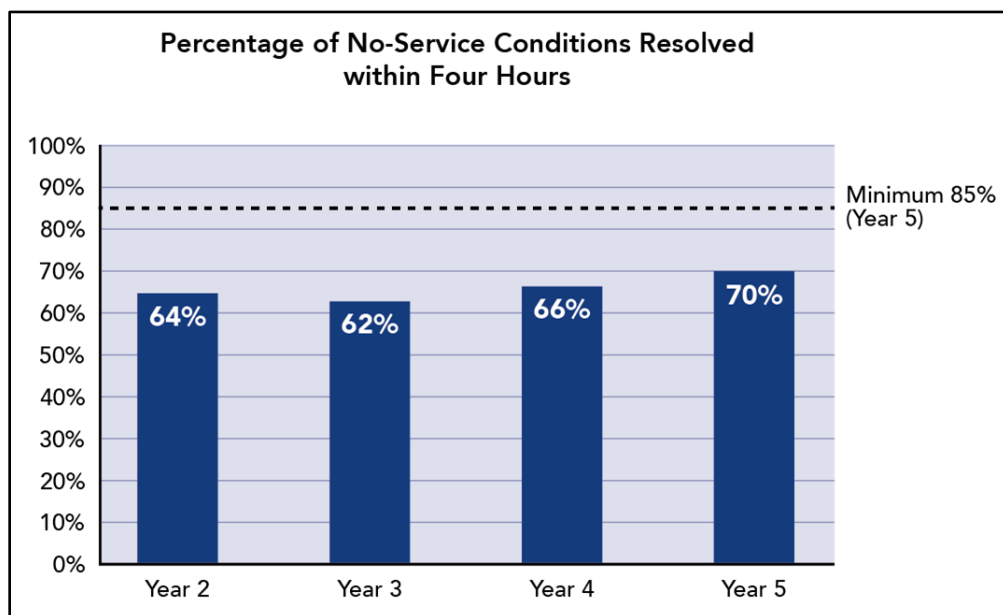
**18-Hour Obligation.** By the end of Year 1, NYCHA was required to resolve 75% of no-service conditions within 18 hours of learning of them.<sup>241</sup> NYCHA appears to have met this obligation. The Monitors cannot verify compliance in Year 1 of the monitorship because NYCHA began reporting complete data regarding no-service conditions in August 2019, approximately halfway through Year 1.<sup>242</sup> But, beginning in Year 2, the first full year for which NYCHA reported complete data, NYCHA reports that it has consistently



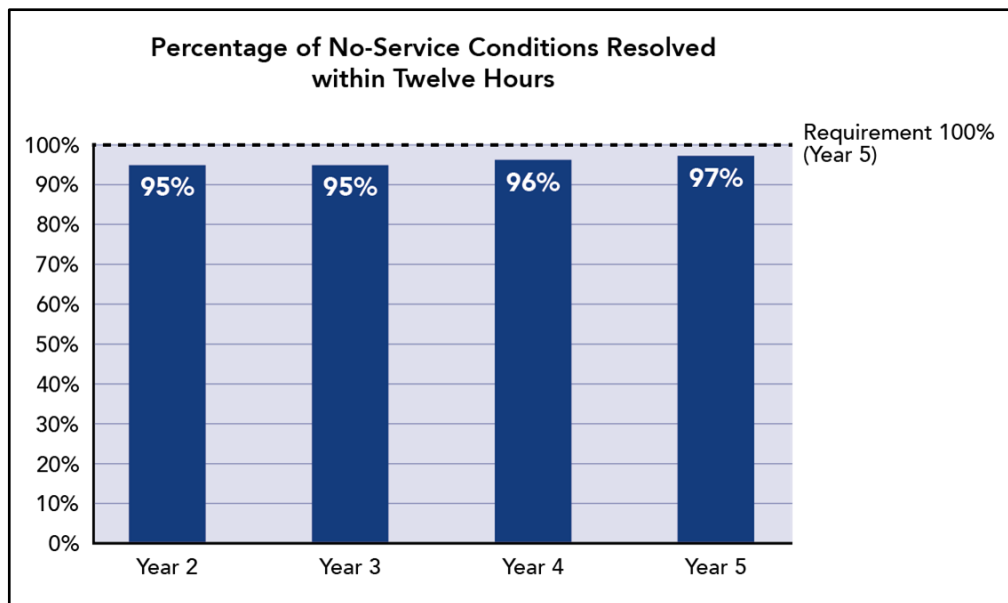
resolved well over 95% of no-service conditions within 18 hours of learning of them.



**Four-Hour Obligation.** The HUD Agreement significantly changes and raises the standard in Year 5, raising the threshold for resolving no-service conditions from 18 hours to four hours, and the percentage from 75% to 85%. <sup>243</sup> NYCHA has not met this requirement, as illustrated below, but it has improved its performance in this area.

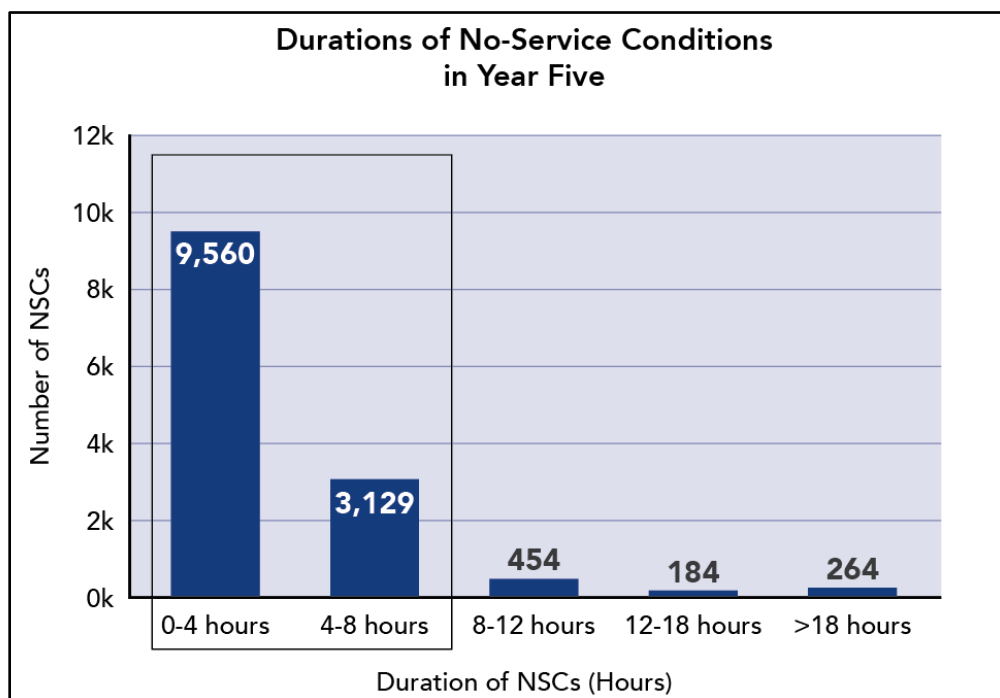


**Twelve-Hour Obligation.** The HUD Agreement required that, beginning in Year 5, in addition to resolving 85% of no-service conditions within four hours, NYCHA must resolve all no-service conditions within 12 hours.<sup>244</sup> There are three exceptions to this requirement. A no-service condition that lasted more than 12 hours would not count against NYCHA if it occurred in a single-elevator bank and the outage: (1) was due to the elevator being rehabilitated or replaced, (2) had an industry-accepted repair time of longer than 12 hours, or (3) required NYCHA to order unavailable parts to repair.<sup>245</sup> NYCHA tracks outages due to elevator rehabilitation or replacement and the Monitors have exempted those outages from the data. NYCHA does not, however, track whether a no-service condition had an industry-accepted repair time of longer than 12 hours or whether a part was unavailable. Accordingly, the Monitors' assessment of NYCHA's performance may include such outages. The Monitors will determine whether NYCHA's data can capture the necessary information to allow the Monitors to exclude such outages from the data going forward. Based on the available data, NYCHA has not met this requirement, but as demonstrated by the chart below, it is close, having reached 97% compliance last year.



Overall, NYCHA is on the right path in reducing the duration of no-service conditions in all elevator banks. As noted above, in Year 5, 70% of all no-service conditions in all elevator banks were resolved in four hours or less, and as the chart below indicates, 93% of all no-service conditions in all elevator banks were resolved in eight hours

or less. But there is still work to do, particularly at those developments that continue to experience repeat outages, and the Monitors will track and support NYCHA's efforts to make the necessary improvements so that it can meet the HUD Agreement's requirements.



### 3. Timing of No-Service Conditions

The HUD Agreement prohibits NYCHA from scheduling planned outages that will result in a no-service condition between 6 a.m. and 9 a.m. and between 4 p.m. and 8 p.m.<sup>246</sup> Planned outages occur when NYCHA intentionally takes an elevator out of service for preventive maintenance or to make other improvements or repairs. The purpose of this requirement is to prevent avoidable outages during the busiest elevator hours—the times when residents are most likely to be using them. There are exceptions to this rule. The Agreement allows for planned outages during peak times if the outage is the result of an elevator replacement or rehabilitation, which can require an elevator to be out of service for weeks at a time, or if the outage is mandated by a governmental agency or regulatory entity, such as when the Department of Buildings conducts an inspection.<sup>247</sup>

NYCHA is not in compliance with this obligation, and because the agency does not have complete data on planned outages that cause no-service conditions during prohibited times, the Monitors cannot include the extent to which NYCHA is out of compliance in this report.<sup>248</sup> The Monitors will track and support NYCHA's efforts to comprehensively record planned outages to allow the Monitors to accurately report on this obligation in a future report.

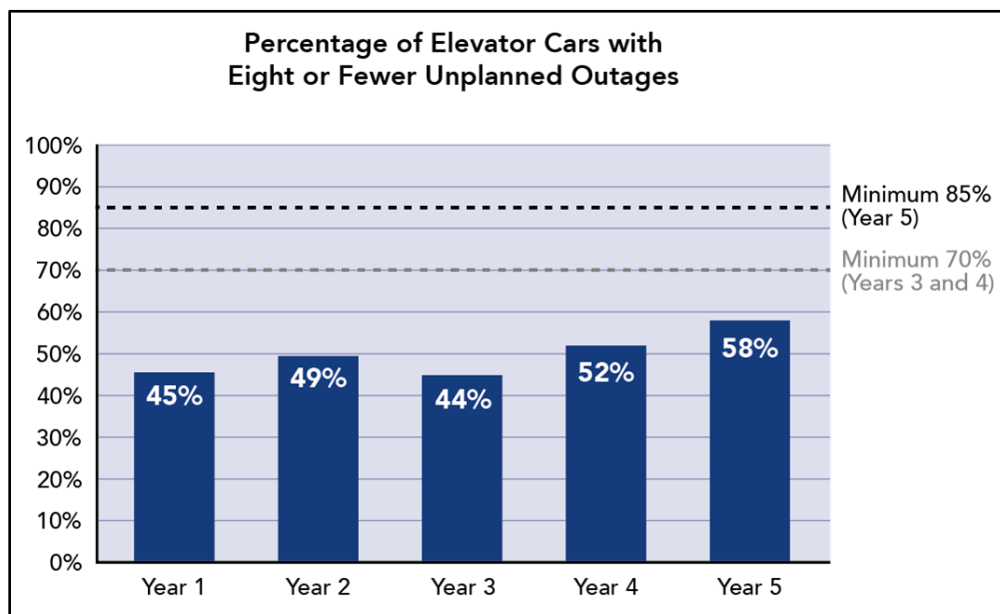
### **C. Elevator Car Outages**

The HUD Agreement also focuses on reducing the total number and duration of unplanned outages that occur in any elevator car, regardless of whether the outage causes a no-service condition. However, the Agreement's requirements are understandably more lenient for individual elevator car outages than for no-service conditions.

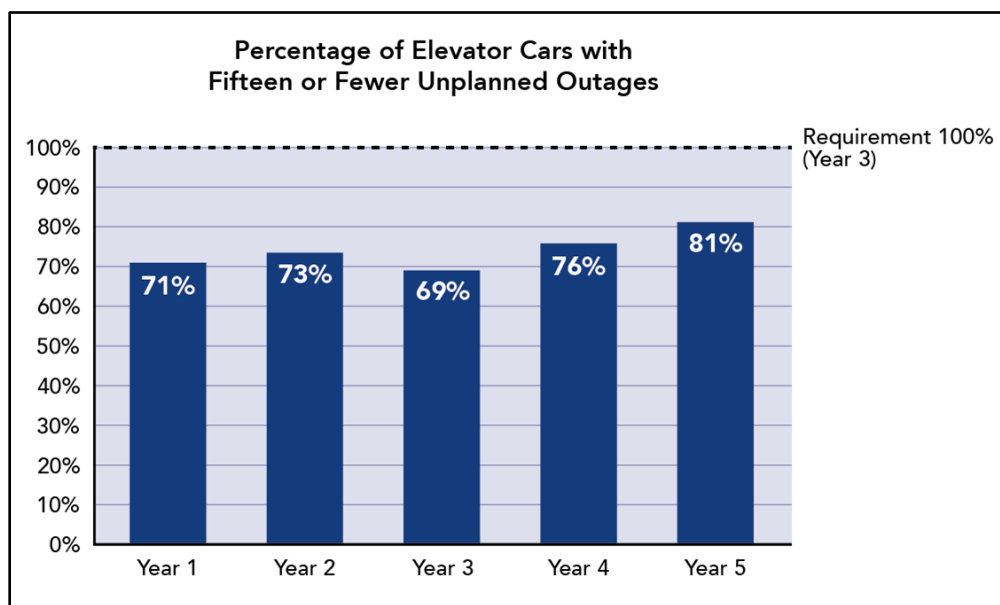
#### **1. Frequency of Elevator Car Outages**

The HUD Agreement contains a series of obligations to assess NYCHA's performance with respect to the frequency of elevator car outages.

**Eight-Outage Obligation.** The HUD Agreement required NYCHA to ensure that 70% of elevator cars had no more than eight unplanned outages during Years 3 and 4, increasing to 85% beginning in Year 5.<sup>249</sup> Although NYCHA has shown some improvement in reducing the total number of outages, NYCHA has not yet met this obligation, as shown in the chart below.

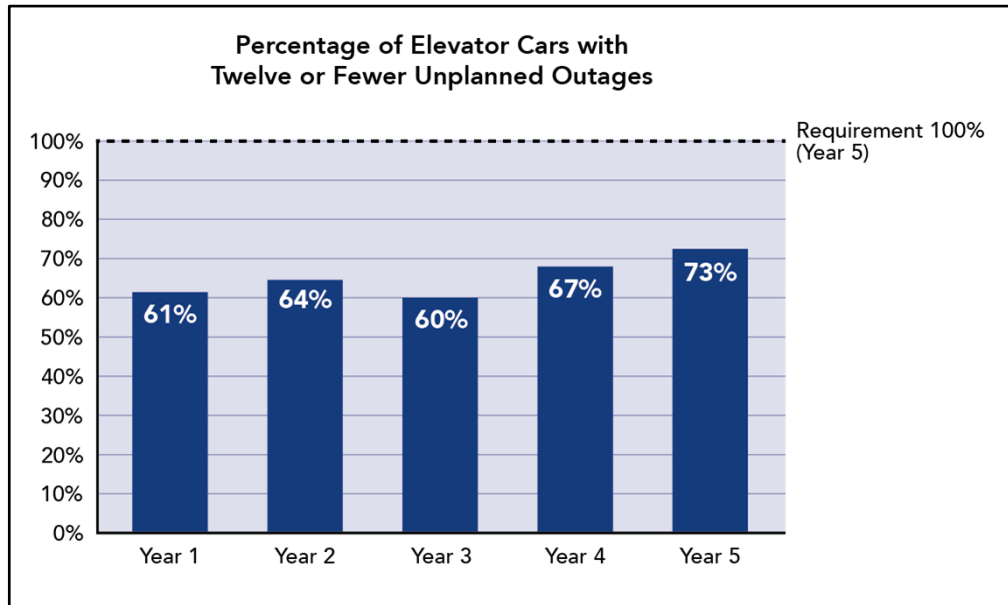


**15-Outage Obligation.** During Years 3 and 4, the HUD Agreement required that no elevator have more than 15 unplanned outages per year.<sup>250</sup> Once again, NYCHA has made some progress, but did not meet this requirement, as depicted in the chart below.

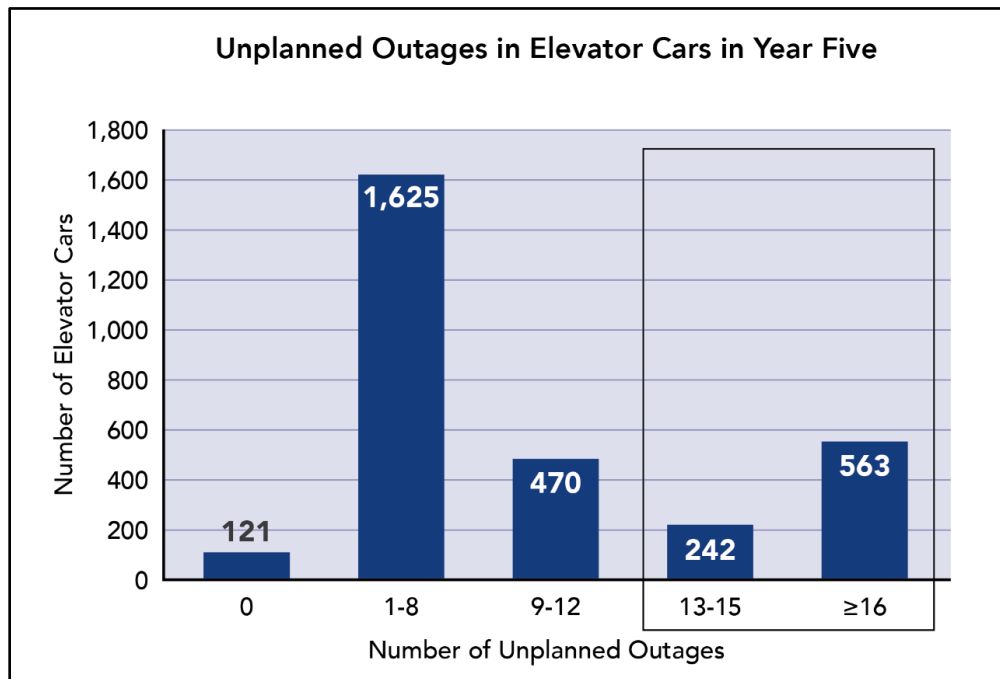


**12-Outage Obligation.** The HUD Agreement changes the requirement after Year 4, dropping the maximum number of unplanned outages per year from 15 to 12 in Year 5.<sup>251</sup> Again,

although NYCHA has made some progress, it has also not yet met this obligation, as depicted in the chart below.



As with no-service conditions, NYCHA will have to make significant progress with elevator car outages to meet these obligations. In Year 5, of the elevator cars that had more than 12 unplanned outages per year, approximately 70% had 16 or more outages. One thing that will help improve NYCHA's performance is increasing its pace of elevator replacements and expanding its preventive maintenance program, which should reduce the number of the worst offending elevator cars.<sup>252</sup> But this alone may not be enough, and the Monitors will track and support NYCHA's efforts to address the underlying causes and reduce the frequency of elevator car outages.



## 2. Duration of Elevator Car Outages

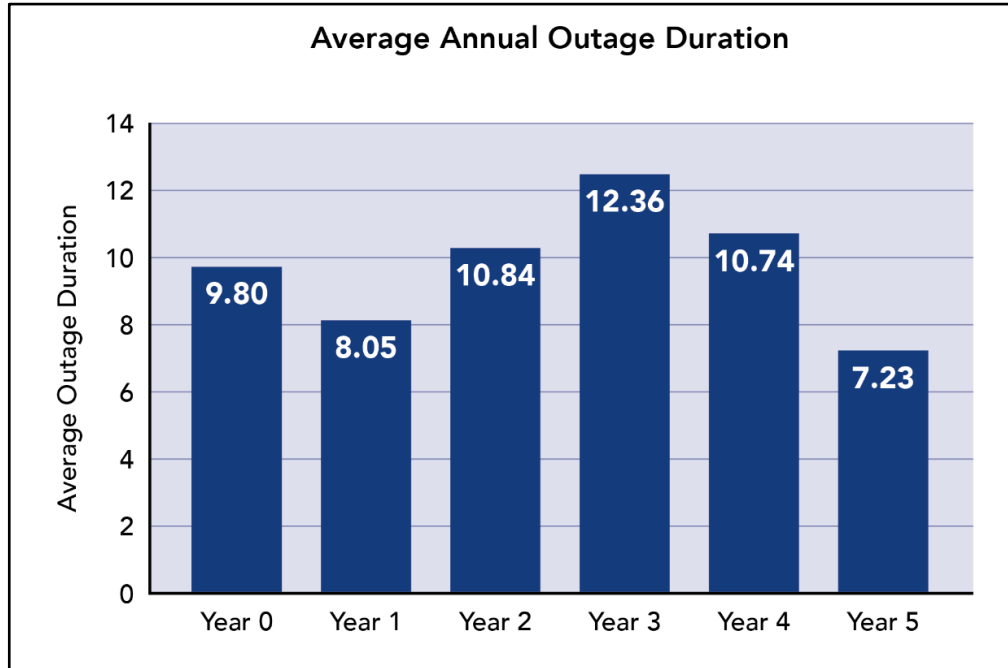
The HUD Agreement contains a series of obligations about the duration of elevator car outages.

**Percentage Reduction in Outage Duration.** In Year 1 of the monitorship, the HUD Agreement required NYCHA to reduce the duration of service outages by 10%.<sup>253</sup> NYCHA exceeded this requirement by reducing outage durations by 18% in Year 1, from an average duration of 9.8 hours before the monitorship to an average duration of 8.1 hours by the end of Year 1.

After Year 1, NYCHA was required to reduce the average outage duration by a rate set by the First Monitor based on data that NYCHA provided to them.<sup>254</sup> The First Monitor, however, did not formally establish a percentage reduction target. The Monitors are in discussions with the parties to the HUD Agreement to determine the appropriate outage duration target, which will be set forth in future reports, together with the duration of elevator outages.

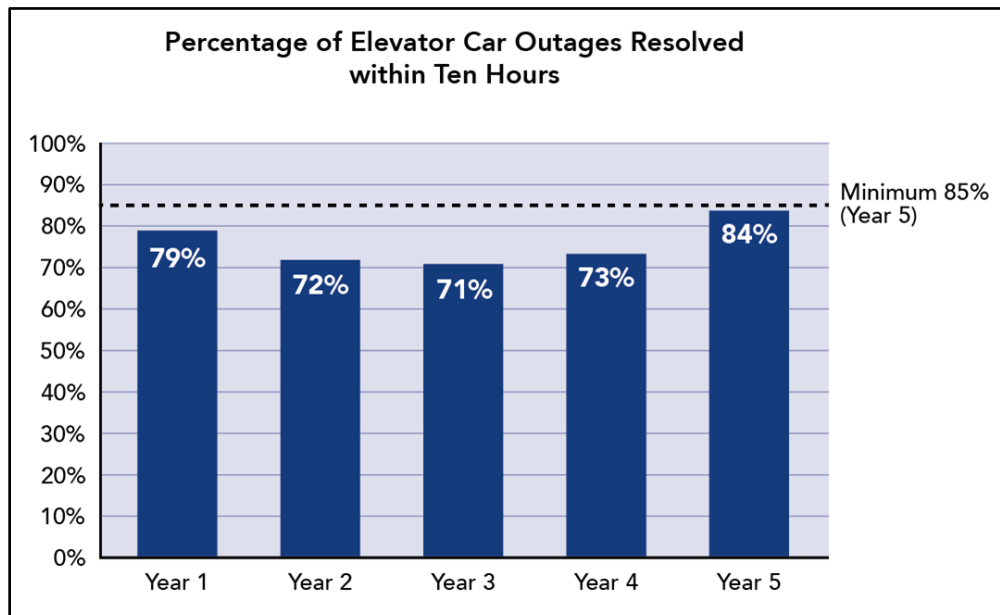
Ultimately, although the duration of outages fluctuated over the last five years, due in large part to the COVID-19 pandemic halting elevator maintenance work, by Year 5, NYCHA decreased average outage duration from 9.8 hours to 7.2 hours, a significant

improvement. The Monitors will support NYCHA's efforts to build on this success.



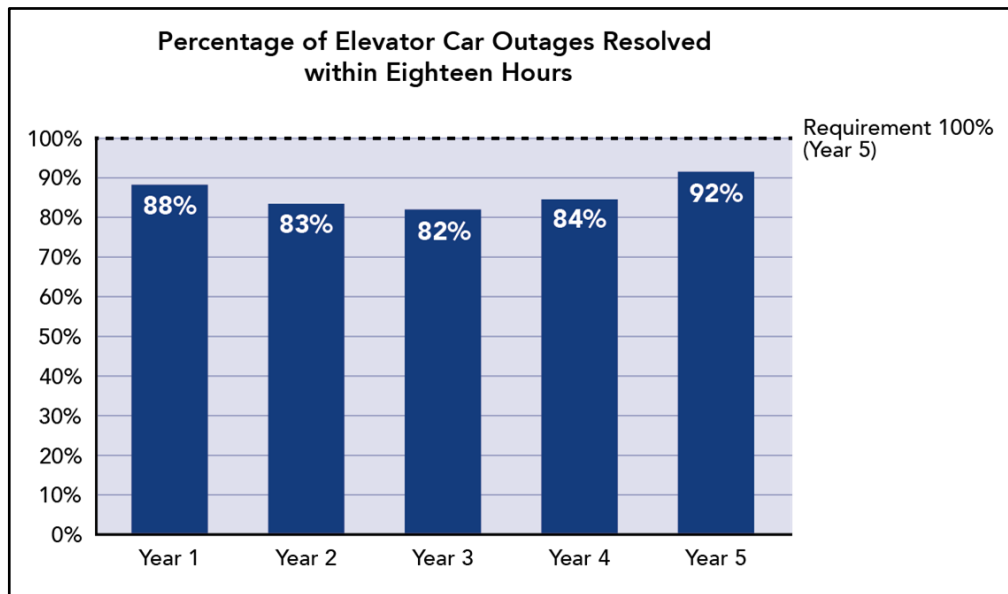
**10-Hour Outage Obligation.** Beginning in Year 5, NYCHA was required to resolve 85% of all elevator car outages within ten hours of learning of them.<sup>255</sup> As demonstrated by the chart below, NYCHA came very close to meeting this requirement in Year 5, resolving 84% of elevator car outages within ten hours.



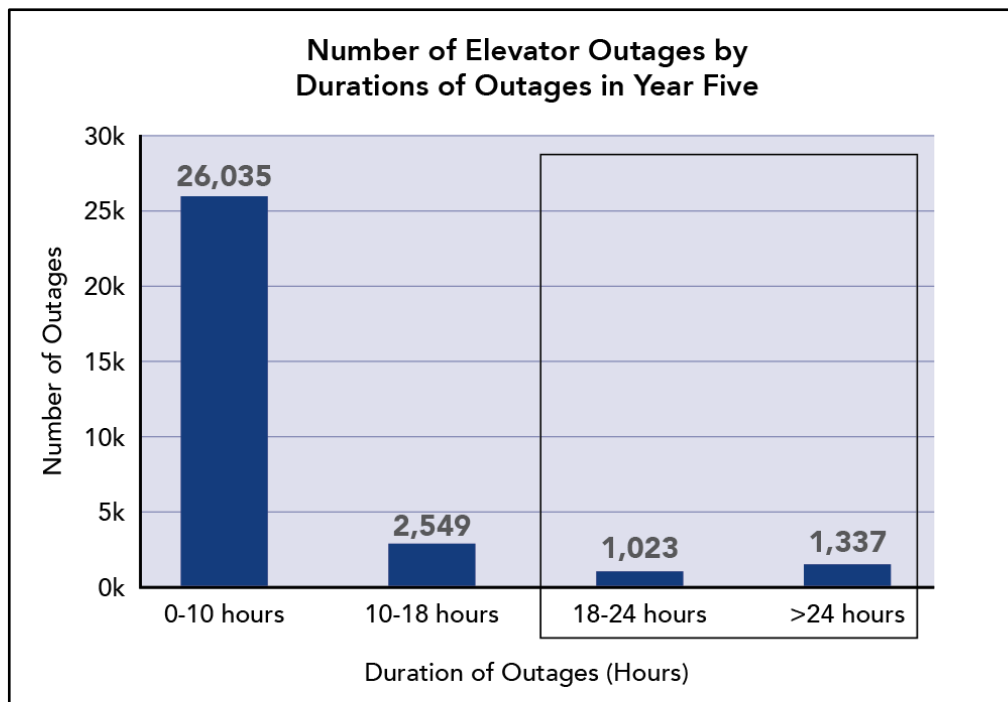


**18-Hour Outage Obligation.** NYCHA was also required to resolve 100% of elevator car outages within 18 hours beginning in Year 5.<sup>256</sup> There are two exceptions to this requirement. As with no-service conditions, an elevator car outage that lasted more than 18 hours would not count against NYCHA if: (1) it was due to the elevator being rehabilitated or replaced, or (2) it had an industry-accepted repair time of more than 18 hours.<sup>257</sup> NYCHA tracks outages due to elevator rehabilitation or replacement and the Monitors have exempted those outages from the data. NYCHA does not, however, track whether a no-service condition had an industry-accepted repair time of longer than 18 hours. Accordingly, the Monitors' assessment of NYCHA's performance may include such outages. The Monitors and NYCHA will determine whether NYCHA's data can capture the necessary information to allow the Monitors to exclude such outages from the data going forward. Additionally, NYCHA has requested that outages caused by vandalism and by utility companies also be exempted. The Monitors will engage with NYCHA, SDNY, and HUD to discuss whether these exceptions should be granted.

Here too, although NYCHA has fallen short of this requirement based on the available data, NYCHA has shown improvement. In Year 5, NYCHA resolved 92% of elevator car outages within 18 hours.



Closing the gap on the remaining 8% will not be easy and will require close attention to its weakest-performing elevator cars.<sup>258</sup> Of the outages that were not in compliance, more than half of these outages were over 24 hours.



The Monitors will support NYCHA's efforts to identify and address the underlying causes to reduce the duration of elevator outages that impact NYCHA residents.

#### **D. Data and Notifications**

The HUD Agreement requires NYCHA to collect and maintain data about elevator outages, share elevator outage data with HUD and the Monitors, and provide residents and the Monitors with notice of planned and unplanned outages.

- **Elevator Data Delivery.** NYCHA was required to provide HUD and the Monitors with data on elevator service interruptions from the prior three years by May 31, 2019, and to update that information at least quarterly.<sup>259</sup> NYCHA has been complying with this requirement by giving HUD and the Monitors access to Maximo, NYCHA's system for managing and tracking maintenance. Maximo includes data on elevator interruptions, among other things.
- **System for Identifying Elevator Outages.** NYCHA was required to institute and maintain a system for identifying elevator outages and the start and end times of the outages by July 31, 2019.<sup>260</sup> NYCHA has satisfied this requirement by using the elevator outage data in Maximo.<sup>261</sup> One of NYCHA's current year priorities is to improve the accuracy of elevator failure and repair codes for elevators by reviewing and revising obsolete or unusable codes within Maximo.
- **Notification of Planned and Unplanned Outages.** NYCHA was required to establish a system to provide both residents and the Monitors 24 hours' notice of planned outages and notice of unplanned outages within two hours of learning of them by July 31, 2019.<sup>262</sup> NYCHA is required to notify residents by robocall, postings in the affected building, and postings on NYCHA's website.<sup>263</sup> The notice to residents must include instructions about the assistance NYCHA will have available for individuals with mobility impairments while the elevator outage continues.<sup>264</sup> NYCHA is currently in compliance with these requirements.<sup>265</sup>

- **Continuous Remote Monitoring.** Finally, to improve NYCHA's ability to identify elevator outages, the HUD Agreement required NYCHA to establish continuous remote monitoring in 70% of its elevators by January 31, 2024.<sup>266</sup> As of June 2024, NYCHA has reported that 64.2% of NYCHA's elevators have technology capable of continuous remote monitoring. The Monitors are working with NYCHA to confirm whether these systems are functional. One of NYCHA's current year priorities is to work with the Monitors to explore how this data can be used for preventive maintenance and other performance management. The Monitors plan to work with NYCHA to make its continuous remote monitoring systems helpful in identifying outages and their causes.

### **Overview of Elevator Obligations**

The following table summarizes the status of NYCHA's compliance with the requirements of the HUD Agreement as of the end of Year 5 (January 2024) unless otherwise noted, and categorizes each requirement as a one-time requirement (blue); occurrence obligation (yellow); response obligation (orange); or policy and practice obligation (green):

<b>Req. No.</b>	<b>Description</b>	<b>Status</b>	<b>Compliance Details</b>
<b>One-Time Requirement</b>			
E1 (Ex. B ¶ 34 (b))	<b>Elevator Replacement</b> <b>NYCHA:</b> By December 31, 2024, NYCHA will replace 275 elevators.	Incomplete	NYCHA has completed 123 of the required elevator replacements. According to NYCHA's estimates, it will have completed an additional 15 elevator replacements, for a total of 138, by the December 31, 2024 deadline.
E2 (Ex. B ¶ 34 (b))	<b>Elevator Replacement</b> <b>PACT:</b> By December 31, 2024, NYCHA will transfer 150 elevators to third-party management through the PACT program. The developer selected will replace elevators as needed.	Complete	NYCHA has represented that it has transferred 68 developments to PACT developers, and those developments included more than 150 elevators. NYCHA has further represented that the PACT developers have replaced 129 elevators. The Monitors are in the process of verifying that representation.
E3 (Ex. B ¶ 22)	<b>Service Interruption Data:</b> By May 31, 2019, NYCHA shall provide HUD and the Monitors	Complete	NYCHA has made its Maximo system, which contains data sufficient to identify elevator service interruptions, available to HUD and the Monitors.

Req. No.	Description	Status	Compliance Details
	with sufficient data to identify elevator service interruptions in the prior three years. This data shall be updated quarterly.		
E4 (Ex. B ¶ 30)	<b>Elevator Outage Monitoring:</b> By July 31, 2019, NYCHA will institute and maintain a system that identifies every elevator outage and the start and end times of such outages.	Complete	NYCHA has satisfied this requirement by using the elevator outage data in Maximo, NYCHA's system for managing and tracking maintenance. The start and end times associated with work orders in Maximo are used by NYCHA to determine the start and end times of outages.
E5 (Ex. B ¶ 31)	<b>Remote Elevator Monitoring System:</b> NYCHA will install continuous remote elevator monitoring systems (REMS) in 70% of its elevators.	Incomplete; 64% as of June 2024	As of June 2024, NYCHA has reported that approximately 64% of NYCHA's elevators have technology capable of continuous remote monitoring. However, NYCHA has not confirmed that these systems are functional.
<b>Occurrence Obligation</b>			
E6 (Ex. B ¶ 23 (a))	<b>Buildings with One No-Service Condition—Year 3 and Year 4:</b> In Years 3 and 4, 70% of elevator banks with more than one elevator will have no more than one no-service condition.	Not met; no longer operative; 13% in Year 3 and 22% in Year 4	NYCHA has not met this requirement. This obligation is no longer operative because it was superseded in Year 5.

Req. No.	Description	Status	Compliance Details
E7 (Ex. B ¶ 24 (a))	<b>Buildings with One No-Service Condition—Year 5:</b> Beginning in Year 5, 85% of elevator banks with more than one elevator will have no more than one instance per year where all elevators are out of service.	Not in compliance; 31% in Year 5	NYCHA is not in compliance with this requirement. In Year 5, 69% of multi-elevator banks had more than one no-service condition.
E8 (Ex. B ¶¶ 23 (a), 24(a))	<b>Buildings with Three No-Service Conditions—Year 3-5:</b> By the end of Year 3, no elevator bank with more than one elevator should have more than three no-service conditions.	Not in compliance; 63% in Year 5	NYCHA is not in compliance with this requirement. In Year 5, 37% of multi-elevator banks had more than three no-service conditions.
E9 (Ex. B ¶ 23 (b))	<b>Eight Unplanned Outages—Year 3 and Year 4:</b> In Years 3 and 4, for at least 70% of elevators, there will be no more than 8 unplanned outages per year.	Not met; no longer imperative; 44% in Year 3 and 52% in Year 4	NYCHA has not met this requirement. This obligation is no longer operative because it was superseded in Year 5.
E10 (Ex. B ¶ 24 (b))	<b>Eight Unplanned Outages—Year 5:</b> Beginning in Year 5, for at least 85% of all elevators in NYCHA buildings, there shall be no more than 8 unplanned outages per year.	Not in compliance; 58% in Year 5	NYCHA is not in compliance with this requirement. In Year 5, only 42% of elevators had more than eight unplanned outages.

Req. No.	Description	Status	Compliance Details
E11 (Ex. B ¶ 23 (b))	<b>Fifteen Unplanned Outages—Year 3 and Year 4:</b> In Years 3 and 4, no elevator shall have more than 15 unplanned outages per year.	Not met; no longer operative; 69% in Year 3 and 76% in Year 4	NYCHA has not met this requirement. This obligation is no longer operative because it was superseded in Year 5.
E12 (Ex. B ¶ 24 (b))	<b>Twelve Unplanned Outages—Year 5:</b> Beginning in Year 5, no elevator shall have unplanned outages more than 12 times per year.	Not in compliance; 73% in Year 5	NYCHA is not in compliance with this requirement. In Year 5, 27% of elevators had more than 12 unplanned outages.
<b>Response Obligation</b>			
E13 (Ex. B ¶ 28)	<b>Reduction of Outage Time:</b> In Year 1, NYCHA shall reduce the duration times of its elevator outages by 10%.	Complete; 18% reduction in duration in Year 1	NYCHA met this requirement, reducing the average duration time of elevator outages by 18% in Year 1.
E14 (Ex. B ¶ 28)	<b>Eighteen-Hour No-Service Conditions—Year 1:</b> By the end of Year 1, 75% of no-service conditions shall be resolved within 18 hours of the time NYCHA learns of them.	In compliance; 98% as of Year 2	The Monitors cannot verify compliance in Year 1 of the monitorship because NYCHA began reporting complete data regarding no-service conditions in August 2019, approximately halfway through Year 1. But, beginning in Year 2, the first full year for which NYCHA collected data, NYCHA reports that it has consistently resolved 98% of no-service conditions



Req. No.	Description	Status	Compliance Details
			within 18 hours of learning of them.
E15 (Ex. B ¶ 29 (a)(i))	<b>Four-Hour No-Service Conditions–Year 5:</b> Beginning in Year 5, 85% of no-service conditions shall be resolved within 4 hours of the time NYCHA learns of them.	Not in compliance; 70% in Year 5	NYCHA is not in compliance with this obligation. In Year 5, 30% of no-service conditions lasted more than four hours.
E16 (Ex. B ¶ 29 (a)(ii))	<b>Twelve-Hour No-Service Conditions–Year 5:</b> Beginning in Year 5, no no-service condition shall last more than 12 hours.	Not in compliance; 97% in Year 5	Based on NYCHA's data, it is not in compliance with this obligation, but it came close in Year 5: 3% of no-service conditions lasted more than 12 hours.
E17 (Ex. B ¶ 28)	<b>Improved Outage Duration:</b> After Year 1, the response rate shall improve over the prior year by a rate set by the First Monitor.	Partial compliance	The First Monitor did not formally establish a percentage reduction target. The Monitors are in discussions with the parties to the Agreement to determine the appropriate outage duration target. Although the duration of outages fluctuated over the last five years, due in large part to the COVID-19 pandemic halting elevator maintenance work, by Year 5, NYCHA decreased outage duration from 9.8 hours in Year 1 to 7.2 hours, a significant improvement.

Req. No.	Description	Status	Compliance Details
E18 (Ex. B ¶ 29 (b)(iii))	<b>Ten-Hour Elevator Car Outages—Year 5:</b> Beginning in Year 5, 85% of elevator car outages shall be resolved within ten hours of the time NYCHA learns of them.	Not in compliance; 84% in Year 5	NYCHA is not in compliance with this requirement, but it came close in Year 5: NYCHA resolved 84% of elevator car outages within ten hours.
E19 (Ex. B ¶ 29 (b)(iv))	<b>Eighteen-Hour Elevator Car Outages—Year 5:</b> Beginning in Year 5, no elevator car outage shall last more than 18 hours.	Not in compliance; 92% in Year 5	Based on NYCHA's data, it is not in compliance with this requirement in Year 5: 8% of elevator car outages lasted more than 18 hours.
E20 (Ex. B ¶ 32)	<b>Resident Outage Notification System:</b> By July 31, 2019, NYCHA will establish a system that provides 24 hours advanced notice of all planned outages and notice of all unplanned outages within two hours.	In compliance	NYCHA is currently in compliance with this requirement.
E21 (Ex. B ¶ 33)	<b>Monitor Outage Notification System:</b> NYCHA will provide the Monitor 24-hour advance notice of any planned outage and shall notify the Monitors of any unplanned	In compliance	NYCHA complies with the requirement to notify the Monitors by sending reoccurring emails with a current list of planned and unplanned outages.

Req. No.	Description	Status	Compliance Details
	outage within two hours of learning about it.		
<b>Policy and Practice Obligation</b>			
E22 (Ex. B ¶ 27)	<b>Planned Outages:</b> By February 1, 2020, NYCHA shall not have planned outages resulting in a no-service condition between 6 a.m. and 9 a.m. or between 4 p.m. and 8 p.m., except for planned elevator rehabilitation or replacement or outages mandated by another governmental agency or regulatory entity.	Not in compliance	NYCHA is not in compliance with this requirement, and because the agency does not have complete data on planned outages that cause no-service conditions during prohibited times, the Monitors cannot include the extent to which it is out of compliance in this report. The Monitors will track and support NYCHA's efforts to comprehensively record planned outages to allow the Monitors to accurately report on this obligation in a future report.
E23 (Ex. B ¶ 34 (a))	<b>Caretaker Requirements:</b> NYCHA will adopt and maintain an extended schedule for development caretakers to allow for cleaning of elevators as part of every shift.	In compliance	NYCHA is in compliance with this requirement. The extended caretaker schedule ensures coverage from 8:00 a.m. to 4:30 p.m. on weekdays and 8:00 a.m. to 1:30 p.m. on weekends.

### II.3 Pests & Waste

Pest infestations harm human health. Pests can transmit disease, contaminate food and water supplies, and aggravate pre-existing medical conditions.

In the years leading up to the HUD Agreement, NYCHA did not use effective pest management techniques, failed to adequately train or supervise exterminators, and did not provide them with appropriate supplies.<sup>267</sup> NYCHA's Pest Control Department operated in what the Complaint alleged was an "environment of 'chaos.'"<sup>268</sup> Often, once a pest established a presence at a development, the pest population would quickly develop into a "full-blown" pest infestation.<sup>269</sup> The Complaint also described instances in which exterminators sprayed water instead of pesticide because the exterminators did not have sufficient supplies.<sup>270</sup> The Complaint further alleged that NYCHA struggled to manage waste, a root cause of pest infestations.<sup>271</sup> As a result, NYCHA's developments experienced worse pest problems than other New York City rental housing buildings.<sup>272</sup>

To address these issues, the HUD Agreement requires NYCHA to improve the agency's pest control and waste management practices. The Agreement focuses on NYCHA's ability to control four types of pests: rats, mice, cockroaches, and bedbugs,<sup>273</sup> and requires NYCHA to (1) address pest infestations occurring in apartments when NYCHA entered into the Agreement;<sup>274</sup> (2) timely respond to residents' pest complaints;<sup>275</sup> (3) apply timely and effective pest management techniques;<sup>276</sup> (4) estimate and report on the size of the pest populations at each development, and reduce each of those pest populations by a specific percentage over time;<sup>277</sup> and (5) enhance cleanliness at developments by improving waste management practices.<sup>278</sup> This section describes those obligations and the progress NYCHA has made in complying with them as of June 2024.

Since the outset of the monitorship in 2019, NYCHA has improved its pest management practices. NYCHA has committed to educating its staff on best practices and has collaborated with the First Monitor and current Monitors' consulting urban entomologists to enhance NYCHA's training offerings.<sup>279</sup> NYCHA has also significantly improved its response time to residents' complaints, including to rat complaints in apartments, an important area of focus

for residents. For example, in June 2024, NYCHA responded to 98% of resident complaints about rats in apartments within two business days. This is a significant achievement for an agency that responded to such complaints within two business days only 28% of the time during Year 1 of the monitorship. NYCHA has also substantially reduced the backlog of unaddressed pest complaints through several initiatives, including improving pest management techniques, developing specialized pest teams, and hiring additional staff. As a result, the number of open pest work orders dropped from approximately 16,000 in January 2023 to approximately 5,300 in January 2024.<sup>280</sup>

NYCHA has also improved its waste management practices. The agency created an entirely new department, the Waste Management Department (“Waste Management”), to improve sanitation and cleanliness across NYCHA. Waste Management has since initiated several projects that have enhanced cleanliness and sanitation. For example, the department purchased two rear-loader trucks, which enabled NYCHA to pilot a **curbside trash pickup** program whereby the agency picks up curbside trash at pilot sites on days the Department of Sanitation does not. Increasing curbside trash pickup reduces the time that trash sits out on the curb, which results in less time for pests to feed on the garbage, and, in turn, has lessened the number of pests in exterior common areas.<sup>281</sup> To build on the pilot’s success, NYCHA has begun expanding the program, purchasing more trucks to broaden the program’s reach.

**Curbside Trash Pickup:**

Where garbage is piled on the curb and later collected, typically by the New York City Department of Sanitation.

Despite the improvements, certain HUD Agreement obligations for pest and waste management are not tracked. Specifically, the Agreement requires the Monitor, in consultation with NYCHA, to establish reasonable protocols to develop pest population estimates, for NYCHA to publish quarterly pest population estimates, and for the Monitor to determine whether the agency met the Agreement’s pest population reduction targets.<sup>282</sup> Because these protocols were not finalized during the previous monitorship term,<sup>283</sup> pest population estimates were not developed or publicly reported, and there has been no determination of whether pest populations decreased by the percentages specified in the Agreement.<sup>284</sup>

NYCHA also has not been able to comply with other pest and waste obligations. For instance, although NYCHA has formally adopted improved pest management practices, the quality of

extermination work remains inconsistent.<sup>285</sup> Some employees perform high-quality, conscientious work, while others perform substandard work and are resistant to improving their techniques. Further, citing bureaucratic complexities and other challenges, NYCHA has missed deadlines to complete capital projects related to waste management and has not utilized all available funding committed to these projects. For example, the HUD Agreement required NYCHA to install 50 rat slabs, which are intended to prevent rats from entering buildings through dirt crawl spaces, by 2020.<sup>286</sup> To date, the agency has installed only 37.

**Pest Infested**

**Apartment:** NYCHA and the First Monitor defined a “pest infested apartment” as one that has more than two verified infestations of two different types of pests (e.g., cockroaches and bedbugs) in a 12-month period.

**Integrated Pest Management (“IPM”):**

An environmentally friendly, commonsense approach to pest control. Unlike traditional pest management, which involves the routine application of pesticide, IPM focuses on the prevention of pests and uses pesticide only as needed. It involves multiple forms of pest controls, and has a four-tier approach: (1) identify pests and monitor progress; (2) set action thresholds; (3) prevent pests; and (4) control pests. An example of IPM technique is filling cracks in an apartment to keep rats from entering.

The Monitors will support and track NYCHA’s efforts to build on its improvements—namely, the agency’s organizational and operational enhancements to pest and waste management—and will regularly report on this progress.

To that end, the Monitors will prioritize finalizing reasonable protocols by which NYCHA can report on pest population estimates and the Monitors can assess NYCHA’s progress in meeting the HUD Agreement’s pest reduction targets. The Monitors will also continue to collaborate with NYCHA on the agency’s training and educational offerings, so NYCHA consistently applies best-practice pest management techniques agencywide. In addition, the Monitors will also examine the efforts of Asset and Capital Management, the NYCHA division that oversees capital projects, to help assure that NYCHA is in the best position possible to scope, budget, and timely complete capital projects.

**A. Initial Targeted Relief for Infestations**

To address existing pest infestations, the HUD Agreement required NYCHA to provide targeted relief to all **pest infested apartments** within the first six months of the monitorship. Specifically, the Agreement required NYCHA to engage an **Integrated Pest Management** (“IPM”) professional to evaluate each infested apartment and the immediately adjacent apartments and common areas, and within 30 days identify the issues that contributed to the infestation.<sup>287</sup> Then, NYCHA was required to address the root cause issues of the infestation within the following 30 days and to complete all work within the first six months of the monitorship.<sup>288</sup>

To satisfy this obligation, NYCHA first determined the total number of impacted apartments. NYCHA then evaluated and treated

(as necessary) the apartments and the adjacent apartments and common areas, prioritizing apartments with open pest work orders.<sup>289</sup> Although NYCHA did not complete this work within six months, the First Monitor concluded that NYCHA satisfied this obligation.<sup>290</sup>

## **B. Pest Management Equipment and Staff**

The HUD Agreement requires NYCHA to install door sweeps and rat slabs to prevent rodents from entering buildings and causing infestations, to hire exterminators to focus on reducing rat populations in areas with high levels of rat activity, and to better store waste.<sup>291</sup> As described below, NYCHA has satisfied three of the four obligations.

- **Installation of Door Sweeps.** Door sweeps are devices that seal the gap between the bottom of the door and the floor to prevent rodents from entering the building by squeezing through the gap. NYCHA was required to install 8,000 door sweeps on basement doors with gaps by March 31, 2020.<sup>292</sup> The First Monitor determined that NYCHA satisfied this obligation in February 2022.<sup>293</sup> The Monitors will confirm that the agency is adequately maintaining the door sweeps and promptly addressing any that do not operate effectively.
- **Installation of Rat Slabs.** Rat slabs are thin layers of concrete poured over areas at the basement level, usually crawl spaces, that are composed of exposed soil and are intended to prevent rodents from accessing buildings. NYCHA was required to install 50 rat slabs by December 31, 2020.<sup>294</sup> As of July 2024, NYCHA has installed 37 rat slabs. Completing all rat slabs by 2024 is one of NYCHA's priorities for this year. NYCHA now estimates, however, that it will not install the remaining rat slabs until October 2025—nearly five years after the HUD Agreement requires.
- **Hiring of Exterminator Staff.** NYCHA was required to dedicate 20 full-time exterminator staff members to conduct preventive maintenance treatments in public spaces of developments within designated areas of New York City with high levels of rat activity.<sup>295</sup> The First

Monitor concluded that NYCHA satisfied this obligation by hiring 21 exterminators to conduct this work by November 2020.<sup>296</sup> Building upon this effort, NYCHA also created a specialized rat team in September 2023. The rat team is comprised of exterminators with advanced training on rat control and is intended to reduce rat populations at NYCHA.<sup>297</sup>

- **Installation of Exterior Bulk Crushers.** Bulk crushers are devices that break down and compress waste. This, in turn, allows for more waste to be securely stored at developments before it is transported to waste management facilities.<sup>298</sup> NYCHA was required to install exterior bulk crushers or retrofit exterior compactors with auger bulk crushers at ten developments by December 31, 2022.<sup>299</sup> According to NYCHA, it satisfied this obligation by the deadline.

### C. Responding to Pest Complaints

At the outset of the monitorship, NYCHA residents reported living with pests “as a part of their daily life” because NYCHA was slow and ineffective at responding to resident pest complaints.<sup>300</sup> To address this problem, the HUD Agreement requires NYCHA to timely respond to resident pest complaints and to apply effective pest management techniques to reduce pest populations.<sup>301</sup>

#### 1. Resident Pest Complaints

**Respond:** The time it takes for NYCHA to respond to a pest complaint is measured from when NYCHA receives a pest complaint to when a NYCHA employee arrives at the apartment to perform the inspection and initial treatment.

Under the HUD Agreement, NYCHA must **respond** to resident pest complaints by certain deadlines depending on the type of pest.<sup>302</sup> For example, NYCHA must now respond to resident cockroach complaints within seven days at least 90% of the time.<sup>303</sup> A threshold question raised by the Monitors is whether these obligations cover complaints about pests in common areas, such as lobbies and playgrounds, in addition to complaints about pests in apartments. NYCHA, SDNY, and HUD agree that the response time obligations apply only to resident pest complaints concerning apartments.

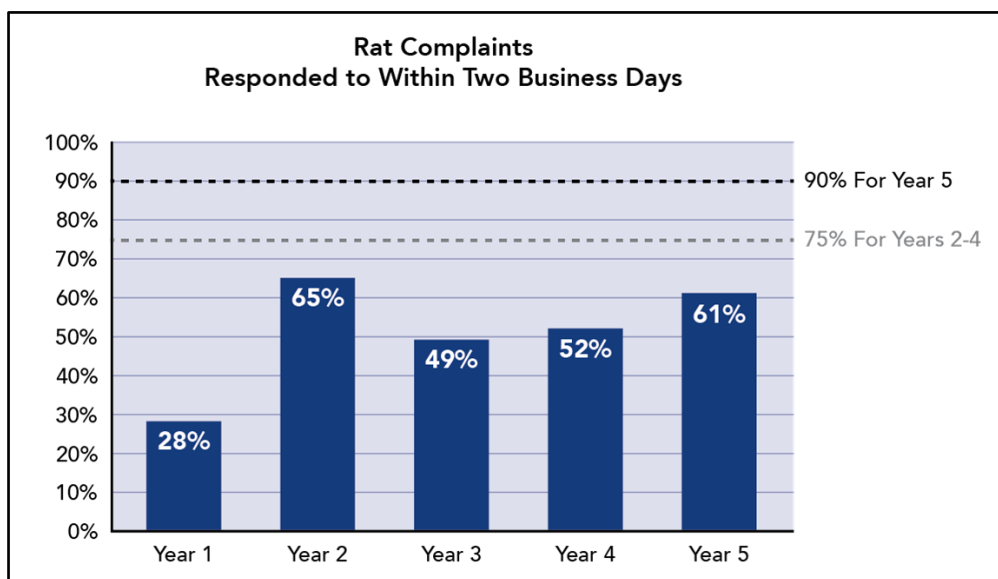
Accordingly, the Monitors will interpret these obligations to cover complaints about pests in residents’ apartments. Because prior to the clarification sought by the Monitors, NYCHA reported on pest

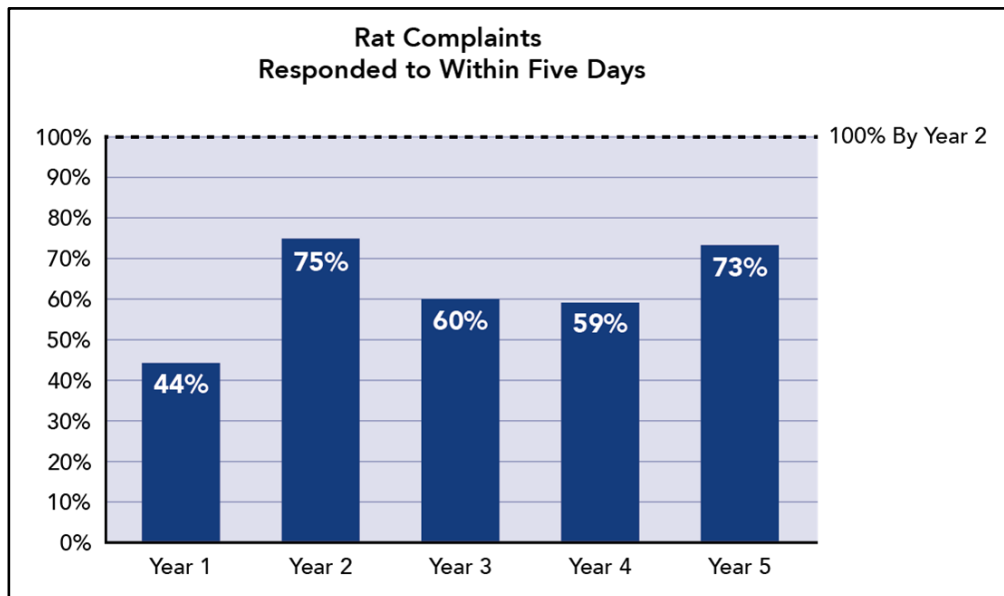


response obligations in both apartments and common areas, in this report, the Monitors requested that NYCHA provide preliminary data on its response times to pest complaints in apartments only during Years 1 through 5 of the monitorship. Moving forward, the Monitors will independently assess and verify NYCHA's data regarding the agency's response times to apartment-based pest complaints.

#### a. Responses to Rat Complaints

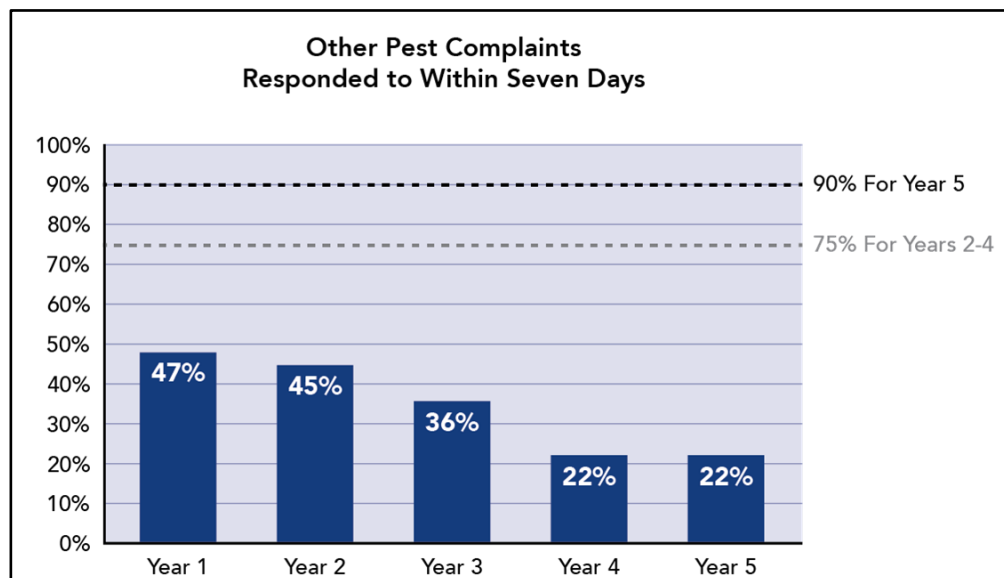
By the end of Year 5 of the monitorship, NYCHA was required to respond to 90% of all rat complaints within two business days, and to 100% of rat complaints within five calendar days.<sup>304</sup> As shown below, NYCHA did not meet these deadlines. But as discussed above, since the conclusion of Year 5, NYCHA reports that it has significantly reduced its response time to apartment rat complaints, an improvement the agency attributes to the creation of a specialized rat response team in September 2023. For example, NYCHA reports that in June 2024, it responded to 98% of apartment rat complaints within two business days. This is a significant jump from the 61% rate achieved in Year 5, and if sustained through the year, would result in NYCHA achieving compliance with this obligation.

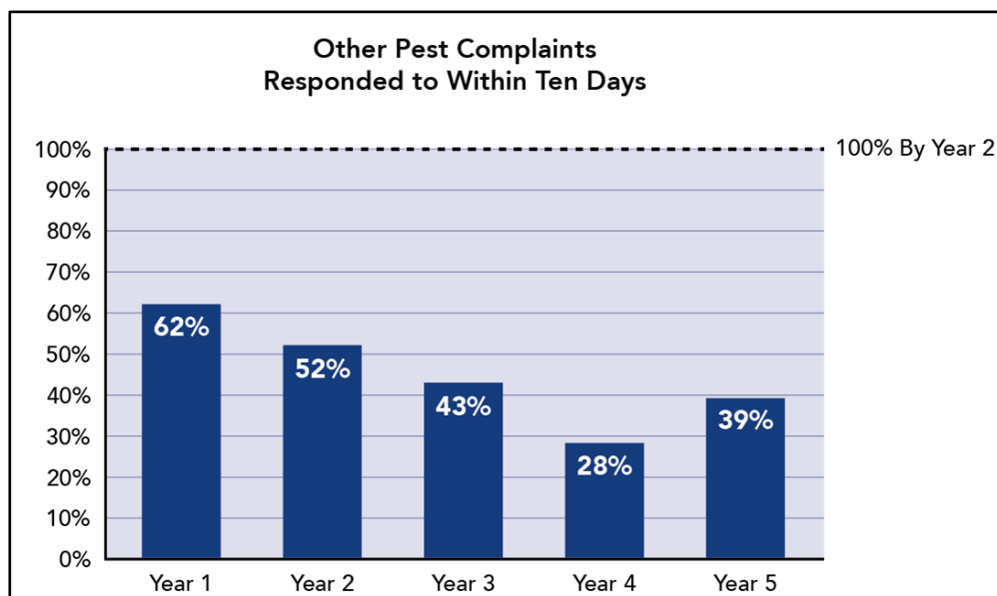




**b. Responses to Other Pest Complaints**

For other pest complaints—mice, cockroaches, and bedbugs—by the end of Year 5 NYCHA was required to respond to 90% of complaints within seven calendar days, and to 100% of complaints within ten calendar days.<sup>305</sup> As shown below, focusing on apartment data, NYCHA does not comply with these deadlines.<sup>306</sup>





According to NYCHA, it has been unable to meet these obligations for two primary reasons. First, at the outset of the monitorship, NYCHA focused on training staff and improving the quality of pest management work. As part of this effort, NYCHA reduced the number of work orders that exterminators were expected to complete per day so that the exterminators could focus on learning and applying proper pest management techniques. NYCHA reports that this led to a backlog of work orders and a corresponding delay in response times. Second, NYCHA attributes its noncompliance with these obligations to staffing shortages. According to NYCHA, there were 50 exterminator vacancies in January 2023. As of July 2024, NYCHA has reduced this number to 18. NYCHA anticipates that by continuing to improve the quality of pest management techniques and by reducing staffing shortages, it will further reduce these response times.

Going forward, the Monitors will finalize a methodology for validating apartment-only data and will track and support NYCHA's efforts to reduce response times to other pest complaints in apartments.

## 2. Complaints from Residents with Health Conditions

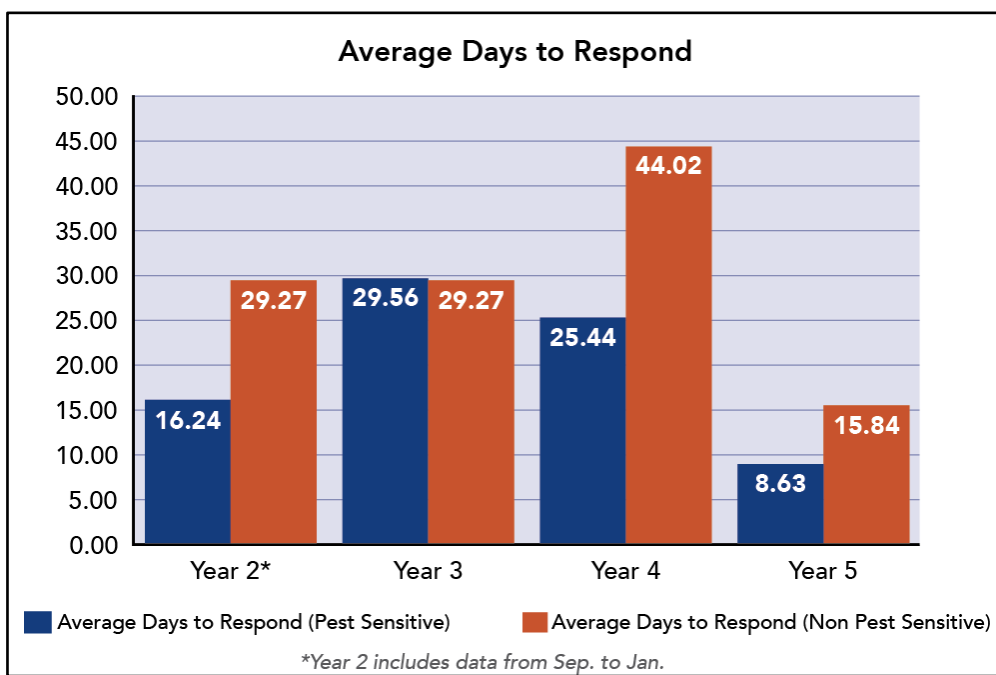
NYCHA must provide an expedited response and **application** of pest control methods to a pest complaint where the agency is aware that a resident with a health condition that may be worsened by pests, like asthma, lives in the apartment.<sup>307</sup> Although the HUD

**Application:** As agreed to by the First Monitor and NYCHA, application time is calculated from the time when a NYCHA employee confirms that there is a pest presence to the time a NYCHA employee applies the initial pest control treatment. Typically, the same NYCHA employee who performs the pest inspection applies the initial pest control treatment in one visit. Application of pest control methods should take, on average, forty-five minutes.

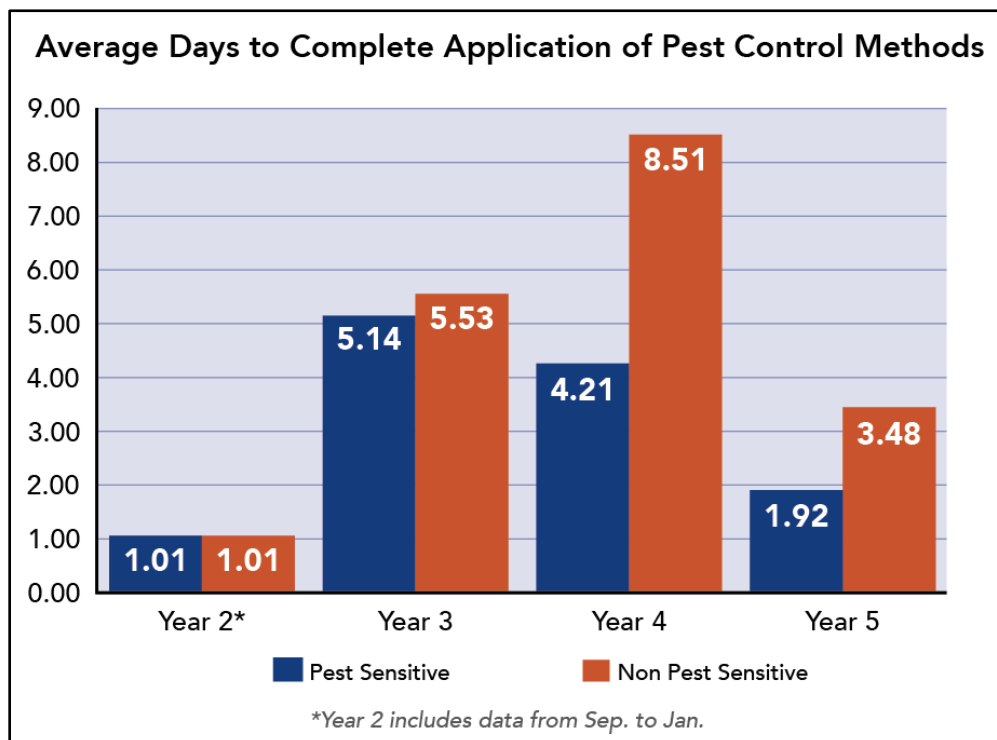
Agreement does not specify how to measure an “expedited” response, the First Monitor and NYCHA agreed that this Agreement provision requires NYCHA to address pest complaints more quickly in apartments where residents with health conditions live relative to pest complaints in other apartments. Relatedly, the provision required NYCHA to develop and publish a plan to inform residents about how they can report applicable health conditions to NYCHA in an action plan.<sup>308</sup>

The First Monitor reported that NYCHA satisfied the latter part of the obligation in January 2021 by developing a process for residents to report relevant health conditions.<sup>309</sup> NYCHA also added a feature to its IT system so that when a resident who has advised NYCHA that they have a health condition submits a pest complaint concerning their apartment, NYCHA knows to provide expedited service to that apartment, which is classified as a “pest sensitive apartment.”<sup>310</sup> NYCHA completed this upgrade in August 2020.<sup>311</sup>

The First Monitor also concluded that NYCHA met the first part of the obligation.<sup>312</sup> As the chart below shows, NYCHA reports that it currently responds to pest complaints in pest sensitive apartments in an expedited manner, except in Year 3.<sup>313</sup>



As shown by the chart below, NYCHA also reports that it consistently applies pest control methods in pest sensitive apartments in an expedited manner.



The First Monitor concluded that because NYCHA completes application of pest control methods more quickly to pest sensitive apartments than to other apartments, NYCHA also met this expedited service obligation. That said, NYCHA must continue to improve response and application times to pest sensitive apartments.

Accordingly, the Monitors will continue to track NYCHA's response and application times to pest complaints from pest sensitive apartments.

#### **D. Integrated Pest Management**

Before entering into the HUD Agreement, the Complaint alleged that NYCHA "fail[ed] to apply IPM in a meaningful way."<sup>314</sup> IPM is a modern pest management technique that is proven to reduce pests.<sup>315</sup> To address this failure, the Agreement requires NYCHA to (1) respond to common area pest complaints in a timely manner; (2) incorporate IPM practices into building operations at all developments and send staff who are appropriately trained on IPM to

respond to all pest complaints; and (3) apply effective pest control methods within seven days of all verified pest complaints.<sup>316</sup>

### **1. Responding to Common Area Pest Complaints**

An animating principle of IPM is that pest management requires removing the things pests need—food, water, and places to hide.<sup>317</sup> Therefore, to effectively implement IPM practices across development operations, NYCHA must thoroughly inspect and monitor *all* areas of its developments for pest activity.<sup>318</sup> According to the Monitors' consulting urban entomologists, this requires NYCHA to develop a protocol for inspecting and monitoring common areas for pest activity and to respond to common area pest complaints in a timely manner.

As discussed above, the parties agree that the response time obligations in the HUD Agreement do not include common area complaints. They also agree that for NYCHA to comply with the Agreement's IPM obligations, the agency must appropriately treat common areas and respond to common area pest complaints in a timely fashion.

The Monitors' consulting urban entomologists proposed, and the parties agree, that to assess whether NYCHA is appropriately addressing common area pest activity, the Monitors will confirm that NYCHA is consistently following its common area treatment protocol and will track whether NYCHA responds to common area pest complaints within certain timeframes established with the consulting urban entomologists.

For interior common area complaints about pests other than rats, NYCHA shall respond within ten business days. For rat complaints concerning interior common areas, like hallways and stairwells, NYCHA shall respond to 90% of complaints within two business days and to 100% of complaints within five calendar days. For complaints concerning rats in exterior common areas, excluding playgrounds and other high traffic areas, NYCHA shall respond within ten calendar days. The consulting urban entomologists determined that NYCHA should respond to rat complaints in high traffic exterior areas, such as playgrounds, in an expedited manner.

To track whether NYCHA appropriately treats common areas for pest complaints, the Monitors will observe Pest Management staff

on their common area routes and analyze common area response time data. To support NYCHA in timely responding to common area pest complaints, the Monitors will assist NYCHA in developing policies and procedures to respond to such complaints within the timeframes determined by the Monitors' consulting urban entomologists.

## **2. Implementing Integrated Pest Management Techniques**

NYCHA has committed to implementing IPM techniques agencywide and has made progress in achieving this goal. NYCHA has yet to achieve universal compliance across all staff and developments, however. To do so, NYCHA employees, including exterminators, exterminator helpers, and supervisors of exterminators, need more and better training. NYCHA recognizes this, and the agency is actively improving and expanding its training portfolio with some success.

On the one hand, NYCHA has increased high-quality education for Pest Management staff.<sup>319</sup> For example, one of the Monitors' consulting urban entomologists, Dr. Richard Cooper, a recognized expert on IPM training and techniques, has given advanced trainings on cockroaches and bedbugs. Dr. Cooper also performs field visits during which he instructs exterminator teams on proper pest management techniques. In addition, NYCHA has leveraged its relationships with vendors to increase and improve training. For instance, NYCHA recently partnered with a pest control manufacturer to train agency exterminators to use a city-focused pest control method to control burrowing rodents, such as rats. To date, the manufacturer has provided 55 NYCHA exterminators with three days of classroom and field training.<sup>320</sup>

On the other hand, NYCHA has not fully incorporated IPM practices into its day-to-day work.<sup>321</sup> As the First Monitor noted, although NYCHA has implemented improved policies and procedures and developed a training program for all employees, there is a lack of consistency in the quality of NYCHA's pest management because not all relevant employees have internalized or received sufficient, high-quality training.<sup>322</sup> The current Monitors' observations have confirmed these concerns. While some employees are performing well, others must improve.

NYCHA residents have said the same. One resident leader characterized NYCHA's compliance with the IPM requirement as not fulfilled and stated that NYCHA tends not to follow up when exterminators do not apply proper IPM techniques. They also noted that NYCHA failed to close holes near electrical outlets in response to a "mouse parade" at one development.

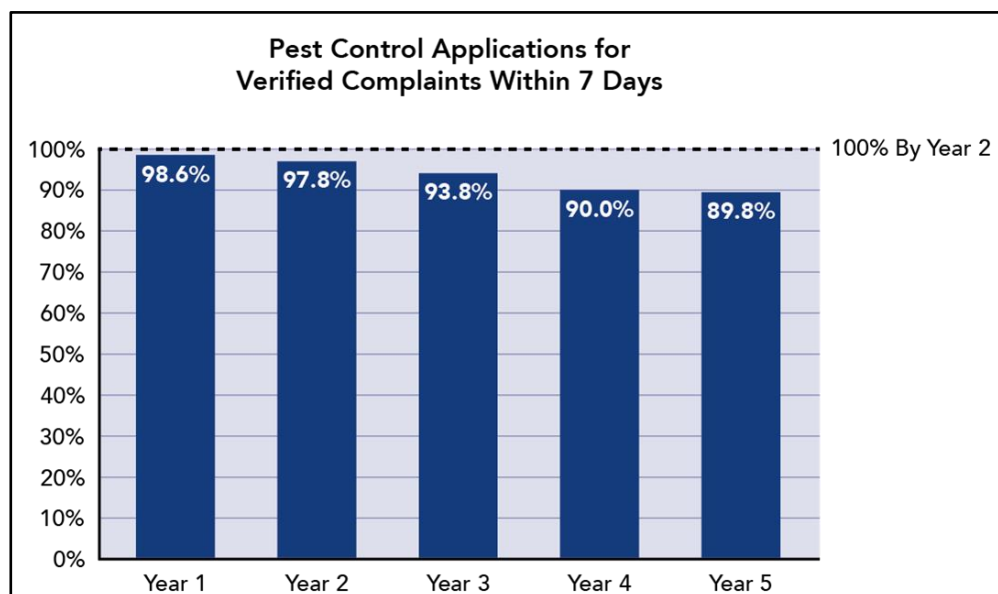
To assist NYCHA in incorporating IPM techniques more consistently, the Monitors will continue to provide training assistance and support. For instance, Dr. Cooper will continue to give hands-on feedback to Pest Management staff and to make system-wide recommendations to Pest Management's leadership based on his field observations and expertise. The Monitors will also track NYCHA's implementation of other training that the agency develops. Moreover, so that NYCHA can effectively address exterminators who fail to implement IPM practices, the Monitors will support NYCHA's effort to implement the Transformation Plan's employee performance and accountability initiatives.

### **3. Application of Integrated Pest Management Techniques**

The HUD Agreement requires NYCHA to apply effective pest control methods within seven days of NYCHA verifying that there is a pest presence in that location.<sup>323</sup> NYCHA reports that it has substantially complied with this obligation since Year 1 of the monitorship.

As the chart below demonstrates, however, NYCHA has never achieved 100% compliance, as is required by the HUD Agreement. Moreover, from Year 1 to Year 5 of the monitorship, NYCHA's compliance has decreased by nearly 9%. According to NYCHA, this is because of past reporting errors and a backlog of pest work orders that resulted from work restrictions during the COVID-19 pandemic.





Moreover, the quality of the pest control methods applied is important, and NYCHA must ensure that the pest control methods applied are *effective*.

One challenge to the application of effective pest control methods is poor communication between NYCHA and residents. The Monitors intend to prioritize this issue. NYCHA struggles to communicate with residents about how to prepare for exterminator visits, the importance of follow-up treatment visits, and visit scheduling and coordination.<sup>324</sup> This leads to ineffective service, delays in service, and missed visits, which in turn leads to residents living with pest issues for longer than necessary.<sup>325</sup>

For example, to effectively treat a kitchen for cockroaches, an exterminator must have unconstrained access to the kitchen cabinets so the exterminator can thoroughly apply bait. If the resident is not informed that they should remove all material from the cabinets in advance, the resident likely will not know to do so. As a result, the exterminator might struggle to fully access the cabinets to correctly set bait. Or, if the exterminator waits for the resident to remove items from the cabinet, the exterminator might be delayed, which could lead to the exterminator missing scheduled appointments.<sup>326</sup>

Likewise, if a resident is unaware of the date and time of the visit, they might not be home when the exterminator arrives. As a result, the exterminator would be unable to enter the resident's

apartment to treat the pest problem. This would lead to the resident needing to reschedule the visit and having to live with a pest problem longer than necessary. Dr. Cooper's recent field visit illustrates the issue of residents not being home to meet the exterminators. On that visit, Dr. Cooper shadowed an exterminator who was only able to access only one of the six apartments scheduled that day for treatment.

In February 2022, NYCHA piloted the Resident Ambassador Program. Under the program, NYCHA employees confirm residents' availability for pest management visits and assist the residents in preparing their homes. Although the pilot led to improved rates of access and preparedness, it has not been significantly expanded, and operational issues persist. At bottom, there are not enough Resident Ambassadors to reach out to all residents with pest management appointments, and the First Monitor reported that the quality of their work varied.<sup>327</sup>

Looking forward, the Monitors will continue to track NYCHA's application times, support NYCHA in planning for more and better training, and assist NYCHA in improving and expanding resident outreach and communication programs.

### **E. Pest Population Reporting and Reduction Targets**

To determine whether NYCHA is reducing pest populations, the HUD Agreement requires NYCHA to regularly determine reasonable estimates of those populations.<sup>328</sup>

To do this, the Monitor, in consultation with NYCHA, was required to establish reasonable protocols by which IPM professionals could develop and provide reliable estimates of the pest populations quarterly within six months.<sup>329</sup> NYCHA was required to "promptly" publish these pest population estimates, by pest type and development, on its website.<sup>330</sup> Further, the HUD Agreement required NYCHA to reduce the pest populations, as determined by the reliable estimates, by certain percentages within three years<sup>331</sup> and five years.<sup>332</sup>

Although the First Monitor proposed such protocols,<sup>333</sup> they were not finalized.<sup>334</sup> As a result, pest population estimates were not produced or published. Nor was it determined whether NYCHA achieved the HUD Agreement's pest population reduction targets.

Developing reasonable protocols and reliable pest population estimates is critical. As discussed above, NYCHA's compliance with multiple HUD Agreement obligations depends on finalizing these protocols. More importantly, determining the approximate size of NYCHA's pest populations provides a key data point in understanding the effectiveness of NYCHA's pest management initiatives and resident living conditions.

To that end, the Monitors have prioritized developing protocols to establish pest populations estimates.<sup>335</sup> Pursuant to the HUD Agreement, the Monitors will finalize the protocols, consult with NYCHA, and issue the protocols. NYCHA has assured the Monitors that it supports the finalization of these protocols, and that the agency will work with the Monitors to comply with the related reporting requirements. The Monitors anticipate finalizing the protocols on the related Agreement obligations by their next report.

## **F. NYCHA's Efforts to Improve Waste Management**

Poor waste management is a root cause of pest problems and contributed to NYCHA's pest issues.<sup>336</sup> To improve NYCHA's waste management practices, the HUD Agreement requires NYCHA to inspect the grounds and common areas at every development and to correct negative conditions at least once a day.<sup>337</sup> Relatedly, NYCHA must collect and remove all trash from the premises or securely store the trash at least once a day so pests cannot access it.<sup>338</sup> To comply with this obligation, NYCHA has developed multiple initiatives to track and improve cleanliness. NYCHA has also committed to completing various capital projects intended to improve NYCHA's waste and pest management.

### **1. Waste Management Department**

NYCHA developed a new waste management infrastructure and initiated several projects designed to enhance cleanliness at NYCHA's developments. As a first step, the agency created the Waste Management Department, which consolidated waste and sanitation functions within one NYCHA department.<sup>339</sup>

Waste Management has developed several innovative waste management programs that NYCHA reports enhance its overall sanitation. For example, Waste Management piloted a curbside trash collection program intended to prevent noncontainerized trash from

remaining on the curb for several days. Waste Management purchased two six-yard trucks and one 25-yard rear-loading compactor truck to collect trash at pilot sites to augment the Department of Sanitation's two or three days per week curbside collection schedule. Because the pilot led to trash spending less time on the curb, the test sites were materially cleaner. NYCHA is now expanding this program. NYCHA has purchased and received 12 more six-yard trucks, which it anticipates operationalizing within the coming weeks. Altogether, this will expand the curbside pickup program to a total of 15 trucks.

NYCHA reports that it currently complies with the HUD Agreement's obligation to daily inspect the grounds and common areas of all buildings for cleaning and maintenance needs and to correct such conditions. NYCHA also notes, however, that it is still refining its method to track compliance with this obligation and that its current process involves a temporary measure that the agency needs to upgrade.

At the conclusion of his term, the First Monitor encouraged NYCHA to adopt the First Monitor's **Waste Management Measurement App ("WAMMA")**—an application the First Monitor developed to assess waste management compliance—to NYCHA, so that the agency could independently inspect and grade development cleanliness.<sup>340</sup> NYCHA is still in the process of operationalizing its version of the tool, now called Scorecard 2.0. When completed, Scorecard 2.0 will feed into Maximo, NYCHA's asset management tool, and enable Scorecard inspectors to automatically generate work orders related to their observations. The IT upgrade to Scorecard 2.0 is scheduled to be completed in the first half of 2025. This is too much time to operationalize this important IT upgrade. As described in **Section III.C.6.c**, a focus of the Monitors is assessing how NYCHA's IT function can better support property management goals, and the Monitors will include the work on Scorecard 2.0 in that assessment.

In the meantime, NYCHA relies on interim measures. NYCHA is currently piloting Scorecard 1.5, a modified application without the Maximo integration capabilities, by which a Waste Management inspection team assesses and assigns grades to developments for cleanliness. But this project is only intended to be a temporary solution. NYCHA has also implemented the Clean Compounds Program, a program which relies on **consolidations** to report on their

**Waste Management Measurement App ("WAMMA"):**

The First Monitor's inspectors used WAMMA to record observations about the cleanliness of a development and rate the development's cleanliness on a scale of one to five based on fourteen criteria. The inspectors would focus on specific developments and perform inspections at those developments at different times and on different days for four months. The First Monitor would share the inspectors' findings with NYCHA, and the agency worked with developments to improve their cleanliness and sanitation practices.

**Consolidation:** A group of developments managed by the same property management office.

cleanliness consistently and accurately. Specifically, consolidations must submit daily photographs of certain areas and attestations from development supervisors as to the cleanliness of the consolidations to Waste Management.

At present, neither the Monitors nor NYCHA can precisely assess NYCHA's compliance with the HUD Agreement's waste management obligation. In the short term, the Monitors will support NYCHA IT's efforts to expedite the upgrades. The Monitors will also perform their own targeted waste inspections to assess the overall cleanliness of NYCHA's developments.

## **2. Waste Management Capital Projects**

NYCHA's Assets and Capital Management Department has also been upgrading waste management equipment and infrastructure to improve cleanliness. According to NYCHA, the agency has installed ten bulk crushers at ten developments. The bulk crushers allow for more waste to be safely stored at developments before it is transported to waste management facilities.<sup>341</sup>

Moreover, NYCHA committed to completing additional capital projects intended to improve waste management this year. Among other things, NYCHA plans to complete construction of a pneumatic waste collection system—a system in which trash is transported to a central waste collection station through underground pipes—at Polo Grounds Towers and seven new waste yards.

Because NYCHA has had challenges completing waste-related capital projects in a timely manner and utilizing all available funds, the Monitors will closely track NYCHA's progress on these capital projects. As discussed above, NYCHA has also not installed all 50 rat slabs that the HUD Agreement required the agency to install by December 31, 2020.<sup>342</sup> Nor has NYCHA completed the pneumatic waste collection system, which the agency committed to completing in 2023.<sup>343</sup>

NYCHA has also been slow to spend the funds that the City agreed to provide to NYCHA for capital expenses pursuant to the HUD Agreement. For instance, approximately \$400 million were committed to the construction of new waste yard facilities.<sup>344</sup> To date, NYCHA has begun construction on eight waste yard projects,<sup>345</sup> despite preliminarily identifying many other potential development

sites.<sup>346</sup> And relatedly, NYCHA has expended approximately \$26 million of these funds.

To improve timely completion of capital projects and utilization of all allocated funds, the Monitors will independently track deadlines and expenditures and share industry-specific project management expertise.

### **Overview of Pests and Waste Obligations**

The following table summarizes the status of NYCHA's compliance with the requirements of the HUD Agreement as of the end of Year 5 (January 2024) unless otherwise noted, and categorizes each requirement as a one-time requirement (blue); occurrence obligation (yellow); response obligation (orange); or policy and practice obligation (green):

<b>Req. No.</b>	<b>Description</b>	<b>Status</b>	<b>Compliance Details</b>
<b>One-Time Requirement</b>			
P1 (Ex. B ¶ 46(a))	By March 31, 2020, NYCHA must install 8,000 door sweeps on basement doors with gaps.	Complete	NYCHA has completed this requirement.
P2 (Ex. B ¶ 46(b))	By December 31, 2020, NYCHA must install 50 rat slabs.	Incomplete	NYCHA has installed 37 of 50 rat slabs as of July 2024. As a result of, among other things, contract budget overruns and other contracting issues, NYCHA's revised completion date is October 2025.
P3 (Ex. B ¶ 46(c))	NYCHA must dedicate 20 full-time exterminator staff to conduct ongoing comprehensive preventive maintenance treatments in public spaces for developments within designated areas of New York City with high	Complete	NYCHA has completed this requirement.

Req. No.	Description	Status	Compliance Details
	levels of rat activity.		
P4 (Ex. B ¶ 46(d))	By December 31, 2022, NYCHA must install exterior bulk crushers or retrofit exterior compactors with auger bulk crushers at ten developments.	Complete	NYCHA has completed this requirement.
P5 (Ex. B ¶ 38 (d))	By January 31, 2021, NYCHA must develop an action plan that, among other things, establishes a procedure for informing residents of a process through which residents may notify NYCHA if anyone residing in an apartment has an applicable health condition.	Complete	The First Monitor concluded that NYCHA completed this obligation by developing an IT enhancement to flag apartments of residents with relevant health conditions and by memorializing the process in an action plan.
P6 (Ex. B ¶ 41)	By July 31, 2019, for any apartment that has more than one pest infestation complaint within 12 months, NYCHA shall have a professional using IPM	Complete	This requirement applied only to apartments with pest infestations at the outset of the HUD Agreement. Although NYCHA did not complete this work within six months, as required under the Agreement, the First Monitor concluded that



Req. No.	Description	Status	Compliance Details
	techniques evaluate the apartment, the immediately adjacent apartments, and the immediately adjacent common areas within 30 days to identify issues specific to the apartment that contributed to the recurrence. Within the following 30 days, NYCHA must address the issues using IPM techniques.		NYCHA satisfied this requirement.
P7 (Ex. B ¶ 35)	The Monitor shall establish reasonable protocols by which IPM professionals can develop and provide reliable estimates, at least quarterly, of the pest populations at each of NYCHA's developments by July 31, 2019.	Incomplete	The Monitors are developing protocols to estimate pest populations and will report on these protocols in their next report.

Req. No.	Description	Status	Compliance Details
<b>Occurrence Obligation</b>			
P8 (Ex. B ¶ 35)	NYCHA shall publish reliable estimates of the pest populations at each of NYCHA's developments on its website quarterly starting by July 31, 2019.	Not in compliance	Because no protocols were finalized, IPM professionals did not develop or provide reliable pest population estimates and NYCHA did not report on them. IPM professionals will develop and provide reliable pest population estimates.
P9 (Ex. B ¶ 36)	By January 31, 2022, NYCHA shall achieve (i) a 50% reduction in its rat population; (ii) a 40% reduction in its mice and cockroach populations; and (iii) a percentage reduction in its bedbug population determined by the Monitor.	TBD	Because no protocols were established, IPM professionals did not develop or provide reliable pest population estimates from which percentage reductions could be determined. The Monitors will (i) determine whether NYCHA satisfied the 50% rat reduction rate; (ii) determine whether NYCHA satisfied the mice and cockroach reduction rate; and (iii) determine the bedbug reduction rate and whether NYCHA satisfied the rate.
P10 (Ex. B ¶ 37)	By January 31, 2024, NYCHA shall achieve a further 50% reduction of all pest populations.	TBD	Because no protocols were established, IPM professionals did not develop or provide reliable pest population estimates from which percentage reductions could be determined. The Monitors will determine whether NYCHA satisfied the 50% reduction rate.

Req. No.	Description	Status	Compliance Details
P11 (Ex. B ¶ 45)	By July 31, 2019, NYCHA shall inspect the grounds and common areas of each building for cleaning and maintenance needs at least every 24 hours. In particular, NYCHA shall ensure that trash on the grounds or common areas of each NYCHA building is collected and either removed from the premises or stored in a manner that prevents access by pests.	In compliance	The First Monitor concluded and NYCHA maintains that the agency complies with this obligation. As NYCHA continues finalizing its approach to measuring compliance with this obligation, the Monitors will send their own inspectors to assess overall cleanliness at NYCHA's developments and support NYCHA's efforts to operationalize Scorecard 2.0.
<b>Response Obligation</b>			
P12 (Ex. B ¶ 38 (a))	By January 31, 2021, NYCHA shall respond to (i) 75% of rat complaints within two business days and (ii) 100% of rat complaints within five days.	Not met; no longer operative;  (i): 65%  (ii): 75%	NYCHA did not meet these initial response time requirements.  By Year 2, NYCHA responded to (i) 65% of all rat complaints regarding apartments within two business days and (ii) 75% of all rat complaints regarding apartments within five days.  Pursuant to the HUD Agreement and as noted below, stricter response

Req. No.	Description	Status	Compliance Details
			time obligations are now in force.
P13 (Ex. B ¶ 38 (b))	By January 31, 2021, NYCHA shall respond to (i) 75% of all other pest complaints within seven days and (ii) 100% of other pest complaints within ten days.	Not met; no longer operative;  (i): 45%  (ii): 52%	<p>NYCHA did not meet these initial response time requirements.</p> <p>By Year 2, NYCHA responded to (i) 45% of other pest complaints regarding apartments within seven days and (ii) 52% of all other pest complaints regarding apartments within ten days.</p> <p>Pursuant to the HUD Agreement and as noted below, stricter response obligations are now in force.</p>
P14 (Ex. B ¶ 39 (a))	By January 31, 2024, NYCHA shall respond to (i) 90% of all rat complaints within two business days and (ii) 100% of rat complaints within five days.	Not in compliance;  (i): 61%  (ii): 73%	<p>Though NYCHA has improved its response time to rat complaints regarding apartments, in Year 5 the agency did not satisfy the response time obligations.<sup>347</sup></p> <p>NYCHA, HUD, and SDNY agree that this report and all reports moving forward will include apartment data only.</p> <p>To assess whether NYCHA has successfully incorporated IPM practices across all its developments, the Monitors will report separately on NYCHA's response times to common</p>

Req. No.	Description	Status	Compliance Details
			area pest complaints in future reports.
P15 (Ex. B ¶ 39 (b))	By January 31, 2024, NYCHA shall respond to 90% of all other pest complaints within seven days, and to 100% of other pest complaints within ten days.	Not in compliance;  (i): 22%  (ii): 39%	<p>Though NYCHA has improved its response time to other pest complaints regarding apartments, the agency did not satisfy the response time obligations in Year 5.<sup>348</sup></p> <p>NYCHA, HUD, and SDNY agree that this report and all reports moving forward will include apartment data only.</p> <p>To assess whether NYCHA has successfully incorporated IPM practices across all its developments, the Monitors will report separately on NYCHA's response time to common area pest complaints in future reports.</p>
P16 (Ex. B ¶ 38 (c))	By January 31, 2021, NYCHA shall apply effective pest control methods to address 100% of complaints within seven days.	Not in compliance	<p>With regard to the timing component of the metric, NYCHA applies pest control methods within seven days approximately 90% of the time.</p> <p>With regard to the effectiveness component of the metric, the Monitors' sample testing identified instances where the pest control methods were not applied effectively.<sup>349</sup></p> <p>The Monitors will assess NYCHA's practices and</p>

Req. No.	Description	Status	Compliance Details
			methods and will support NYCHA's efforts to improve the rate of effective and timely application of pest control methods.
P17 (Ex. B ¶ 38 (d))	By January 31, 2021, NYCHA shall provide expedited response and application of pest control methods in cases where NYCHA is aware that a resident of the apartment has a condition generally recognized as being caused or exacerbated by exposure to pest infestations.	In compliance	The First Monitor concluded that NYCHA achieved this obligation.
<b>Policy and Practice Obligation</b>			
P18 (Ex. B ¶ 43)	By January 31, 2020, NYCHA shall incorporate industry standard IPM practices into building operations in all developments.	Partial compliance	NYCHA is in partial compliance with this obligation. The First Monitor concluded that NYCHA incorporated IPM practices into its building operations policies and procedures, by among other things, redesigning the Pest Standard SP and work order system to incorporate IPM and continues to upgrade its practices. NYCHA does not, however, consistently and/or effectively

Req. No.	Description	Status	Compliance Details
			incorporate IPM practices into NYCHA's day-to-day building operations in all developments, but continues to improve.
P19 (Ex. B ¶ 44)	By January 31, 2020, NYCHA shall send staff who are appropriately trained on IPM to respond to any pest complaint.	Partial compliance	NYCHA is in partial compliance with this obligation. The First Monitor concluded that NYCHA developed a training program that trains staff on IPM techniques. In practice, however, NYCHA does not consistently send staff appropriately trained on IPM to respond to all pest complaints. But NYCHA continues to improve and increase training and education for staff.

## II.4 Mold & Leaks

**Mold:** Under the HUD Agreement, mold means all species of microscopic fungi that grow in the form of filaments composed of many cells and are large enough to be visible to the unaided eye.

**Mold** causes serious risk to human health by releasing toxins and allergens that aggravate or worsen respiratory diseases, including asthma.<sup>350</sup> The primary cause of mold is the sustained presence of moisture, which may occur as a result of leaking pipes, flooding, or inadequate ventilation.<sup>351</sup> Because a significant number of NYCHA residents have asthma,<sup>352</sup> and aging NYCHA developments can have leaking pipes or inadequate ventilation, mold is a significant concern at NYCHA.

Prior to the monitorship, NYCHA could not control mold growth in its developments.<sup>353</sup> As alleged in the complaint, this was in part due to NYCHA's inability to timely or effectively address residents' mold and leak complaints<sup>354</sup> or sustained moisture caused by "leaks, flooding, and poor ventilation," which were "endemic at NYCHA."<sup>355</sup>

To prevent the growth and reoccurrence of mold in NYCHA's developments, the HUD Agreement requires NYCHA to (1) reduce and prevent mold growth and recurrence; (2) fix mold and leaks in a timely manner; and (3) prevent NYCHA workers from improperly closing mold and leak work orders.<sup>356</sup> The Agreement also requires NYCHA to comply with a separate set of obligations established by court orders in a federal class action lawsuit, **Baez v. NYCHA, No. 13 Civ. 8915 ("Baez")**, brought by NYCHA residents to address mold and leaks in NYCHA's developments.<sup>357</sup>

**Baez v. NYCHA, No. 13 Civ. 8915 ("Baez")** is a federal class action lawsuit brought by NYCHA residents suffering from asthma and living in apartments with mold and excessive moisture. NYCHA settled *Baez* in 2014. The resulting consent decrees impose various requirements on NYCHA that are similar but not identical to the HUD Agreement obligations and aim to help NYCHA effectively remediate mold and moisture in a timely manner.



Though NYCHA does not materially comply with most of the mold and leak obligations in the HUD Agreement—in Year 5, for instance, NYCHA addressed complex mold issues in under 15 days only 4% of the time—and faces systemic obstacles, including aging infrastructure, a shortage of skilled trades workers to perform repairs, and significant COVID-19 related setbacks, the agency has still made some important progress in improving its performance in certain areas.<sup>358</sup> For example, according to NYCHA, there has been a 74% decline in the weekly number of **parent work orders** related to mold from November 2019 to June 2024. NYCHA also reports that it has seen an 18% decline in mold recurrence from October 2019 to April 2024.

**Parent Work Order:** In the mold and leak context, a record of a resident's mold or leak complaint that is automatically generated when a resident makes such a complaint. Once the work order is created, a property management employee, typically the superintendent, visits the apartment and assesses the mold or leak and tries to determine the root cause. If the visit concerned mold, the employee creates a written remediation plan. Another NYCHA employee, known as a borough scheduler, works with the resident to schedule the work contemplated by the plan. All additional work is noted in separate but related work orders called child work orders.

To close the parent work order and, for the purposes of the HUD Agreement, to complete a mold or leak repair, all child work orders must also be closed.

**Office of Mold Assessment and Remediation ("OMAR")**

NYCHA department that monitors the implementation of the mold standard procedure, works with Operations to improve NYCHA's operational response to mold and leaks, manages mold and leak and ventilation contracts, and monitors compliance with the mold aspects of the HUD Agreement and *Baez* court orders.

Additionally, NYCHA has developed several programs intended to reduce the root causes of mold, the most common of which are excessive and sustained moisture and poor ventilation.<sup>359</sup> One such initiative is the roof fan replacement project. To improve ventilation, NYCHA upgraded ventilation systems across its portfolio. As part of this project, NYCHA's **Office of Mold Assessment and Remediation ("OMAR")** led an effort to inspect over 8,400 roof fans, which resulted in NYCHA replacing 6,188 inadequate roof fans.<sup>360</sup> Another effort to reduce root causes of mold, is the Building Line Initiative ("BLI"). BLI is intended to reduce leaks and moisture by identifying the plumbing lines in buildings that have a significant number of leaks and upgrading them.<sup>361</sup> In 2022, NYCHA completed its first BLI project at Red Hook East Houses.<sup>362</sup> There, NYCHA performed a line-by-line plumbing upgrade and, in the process, fully renovated the kitchens and bathrooms in affected apartments.<sup>363</sup>

Despite the important work NYCHA has done, it is still not meeting most of the HUD Agreement's mold and leak obligations, nor has it adequately addressed its vast backlog of repairs. In particular, NYCHA has to improve its efforts to remediate new and existing mold and leaks, as the Agreement requires. NYCHA has also long struggled to remediate mold and leaks in a timely manner, and this was compounded by the COVID-19 pandemic and various related challenges.<sup>364</sup> Together, these factors contributed to a backlog of over 73,000 open mold and leak repair or remediation work orders, many of which are months, if not years, old. The age of these unclosed work orders and the size of the backlog illustrate what NYCHA residents have long been saying—that they are waiting too long for NYCHA to fix mold and leaks in their homes.

Looking forward, the Monitors will assess and report on NYCHA's efforts to prevent mold and leaks by targeting root causes and on NYCHA's efforts to respond and fix the mold and leak issues that residents are experiencing now.

**A. NYCHA's Efforts to Reduce and Prevent Mold and Leaks**

NYCHA has made key improvements in preventing mold from growing or returning. This is due in large part to its efforts to address the root causes of mold—namely, the sustained presence of moisture—through various initiatives. Though the HUD Agreement does not expressly require NYCHA to implement such programs, addressing the root causes of mold is critical to reducing mold growth and

recurrence and improving response times to mold and leak complaints, as the Agreement requires. This subsection highlights various NYCHA initiatives aimed at addressing the root causes of mold and outlines next steps.

### **1. Policies and Procedures Improvement Projects**

A critical component of NYCHA's effort to control mold was the development of a mold standard procedure ("Mold SP").<sup>365</sup> In 2019, NYCHA created the Mold SP, commonly referred to as "Mold Busters," to comply with an order issued by the court in *Baez*.<sup>366</sup> The Mold SP describes how staff should perform mold inspections, remediation work, repairs, and quality assurance activities in a manner that protects the health of NYCHA residents and staff.<sup>367</sup> It focuses on eliminating the root causes of mold (in addition to eliminating the mold itself).<sup>368</sup> As demonstrated by the reduction in the reoccurrence of mold described below, the Mold SP has enabled NYCHA to more effectively address mold, remediate its root causes, and thereby prevent the mold from reoccurring.<sup>369</sup> In June 2024, NYCHA revised the Mold SP.<sup>370</sup>

So that the Mold SP remains up to date, and that its expectations and instructions are effectively communicated to and implemented by NYCHA employees, the Monitors are assessing the revisions to the Mold SP. The Monitors will continue to attend Mold Busters trainings and accompany NYCHA employees on mold inspections to make sure that the positive momentum continues.

### **2. Ventilation Improvement Projects**

Proper building ventilation prevents the development of mold growth on surfaces that are subject to high levels of moisture, which occurs most commonly in bathrooms and kitchens.<sup>371</sup> In addition to natural ventilation from open windows, NYCHA buildings have mechanical ventilation systems that use roof fans to pull air through a building.<sup>372</sup> One of the major root causes of mold in bathrooms is that these systems do not provide adequate ventilation (and many NYCHA apartment bathrooms rely solely on mechanical ventilation because they do not have windows).<sup>373</sup> To address this problem, NYCHA has initiated several ventilation improvement projects.<sup>374</sup> As noted above, OMAR completed a massive effort to inspect and replace poorly functioning roof fans,<sup>375</sup> installing over 6,188 roof fans as of May 2022.<sup>376</sup> This in turn has decreased sustained moisture, a

root cause of mold and mold recurrence.<sup>377</sup> NYCHA also completed the Clean Vent Initiative (“CVI”) in June 2023. As part of CVI, NYCHA hired NYCHA residents and others to clean 72,500 vents in apartment walls to improve air circulation and air quality in apartments with mechanical ventilation.<sup>378</sup>

Building on the success of these programs, NYCHA is in the process of further improving ventilation by replacing volume and fire dampers across its portfolio.<sup>379</sup> Volume dampers are intended to control the flow of air so that all apartments receive adequate airflow. They do so by controlling the amount of air that passes through a ventilation system. Properly functioning volume dampers allow air flow to be distributed equally across apartments, whereas old and damaged volume dampers may provide insufficient airflow, which leads to sustained moisture and, ultimately, mold growth. Fire dampers serve a different purpose. They are designed to prevent the spread of fire and smoke through ventilation systems. Fire dampers are installed in ducts and should automatically close when heat is detected. If a fire damper malfunctions and closes in the absence of heat, the resulting lack of airflow can produce excessive moisture within a building. To improve airflow, NYCHA initiated the damper project with the goal of replacing approximately 95,000 in-apartment and common area volume and fire dampers.

NYCHA has made some progress in achieving this goal. As of April 30, 2024, 11,366 dampers have been installed. NYCHA has advised, however, that it needs additional funding to complete this project.

### **3. Plumbing Infrastructure Improvement Projects**

In addition to poor airflow, another root cause of mold is plumbing issues that are the product of NYCHA’s aging plumbing infrastructure.<sup>380</sup> Aging and damaged pipes lead to leaks and condensation buildup, which lead to moisture and then mold.<sup>381</sup> These plumbing issues are only going to worsen as more pipes reach the end of their useful lives.<sup>382</sup>

To combat aging infrastructure, NYCHA has initiated the comprehensive modernization (“Comp Mod”) program. Comp Mod involves undertaking large-scale, long-term, and integrated renovations at a single development, and is supported by the capital project funding provided by the City pursuant to the HUD

Agreement. Among other things, Comp Mod, which is very capital intensive and requires relocation of the residents given the extent of the renovations performed, is intended to address pervasive mold that is unlikely to be remediated via smaller-scale improvement projects. For example, NYCHA will perform roof and façade work to decrease air and moisture infiltration and replace piping in vertical walls that contain pipes and plumbing systems to decrease leaks and condensation buildup. The Monitors will assess NYCHA's progress at the Comp Mod sites and report on the agency's progress in a future report.

To improve NYCHA's poorly functioning plumbing, the agency launched the Building Line Initiative ("BLI").<sup>383</sup> BLI is intended to upgrade plumbing systems through line-by-line renovations of the most poorly performing plumbing lines.<sup>384</sup> In other words, NYCHA first identifies an entire line of apartments (such as all of the "A" apartments (2A, 3A, 4A, etc.)) in a building that is suffering from leaking pipes and other issues and then replaces the entire line of pipes.

The program is expensive because it requires NYCHA to relocate residents while the work is being completed but it is an effective way to address one of the root causes of mold—leaks from poorly functioning pipes. Replacing poorly performing plumbing lines is also more cost effective than replacing a development's entire plumbing system. The program therefore enables NYCHA to direct limited funding to the most impactful repairs. In 2022, NYCHA completed work at Red Hook East Houses, the first site selected to participate in BLI.<sup>385</sup> There, NYCHA upgraded a poorly functioning plumbing line and fully renovated the kitchens and bathrooms in apartments serviced by the renovated line.<sup>386</sup> According to NYCHA, the project resulted in quality-of-life improvements for residents in affected apartments, as NYCHA performed comprehensive renovations, including mold remediation, bathroom and kitchen fixture replacement, repair or replacement of mold or leak damaged surfaces, and application of mold-resistant paint.<sup>387</sup> The Monitors plan to confirm with Red Hook East Houses residents their experience with BLI.

As one of its priorities for this year, NYCHA intends to expand on the success of the BLI. NYCHA has begun a second BLI project at Tompkins Houses and has recently selected an additional site for implementation. NYCHA also proposed further expanding its

plumbing line replacement work by redistributing approximately \$50 million from the capital project funding provided by the City pursuant to the HUD Agreement.

The Monitors will track and report on NYCHA's progress in its various plumbing line replacement projects.

## **B. Response to Reported Mold and Leaks**

According to the Complaint, NYCHA historically handled resident complaints about mold with "an attitude of indifference."<sup>388</sup> Residents reported that NYCHA often closed mold and leak work orders without fixing the underlying problems.<sup>389</sup> Residents further reported that when NYCHA did try to repair mold and leak issues, NYCHA would fail to address the root causes, and the mold and leaks would return.<sup>390</sup>

To ensure prompt and effective responses to mold and leak complaints, the HUD Agreement required NYCHA to respond to and address mold and leak complaints within specific timeframes at least 95% of the time by January 31, 2021.<sup>391</sup> Broadly, NYCHA must: (1) provide residents with workplans that explain how NYCHA will address mold issues; (2) clean mold or remediate mold and its root cause(s); and (3) abate the root cause(s) of sustained moisture and remove all resulting standing water.<sup>392</sup>

NYCHA does not fully comply with these obligations,<sup>393</sup> and has identified developing a plan to address material noncompliance with these obligations as one of its priorities for this year.

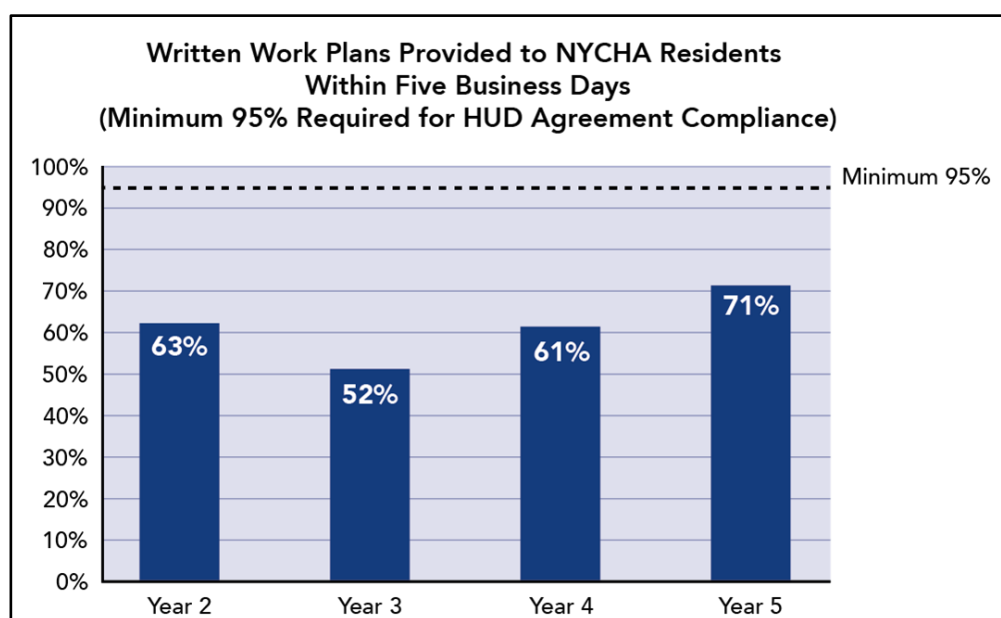
The Monitors will support NYCHA's efforts to develop such a plan and will report on NYCHA's progress in later reports. In this initial report, the Monitors set out their initial focus: helping NYCHA reduce the large backlog of unaddressed mold and leak work orders, which is a key compliance obstacle.

### **1. Submission of a Written Work Plan<sup>394</sup>**

**First,** NYCHA must prepare and send, by mail or email, a written work plan to a resident within five business days of NYCHA verifying a mold complaint or identifying mold in the resident's apartment.<sup>395</sup> A work plan is a document that a mold inspector generates after they perform a mold inspection. The plan contains: (1)

a description of the initial inspection and probable root cause findings; (2) next steps to address the mold, the underlying issues, or the root cause(s); and (3) instructions on how to prevent mold and its root cause(s).<sup>396</sup>

As shown in the chart below, although NYCHA's performance has improved, NYCHA is not yet in compliance with the HUD Agreement requirement that it prepare and send residents written work plans within five business days at least 95% of the time.

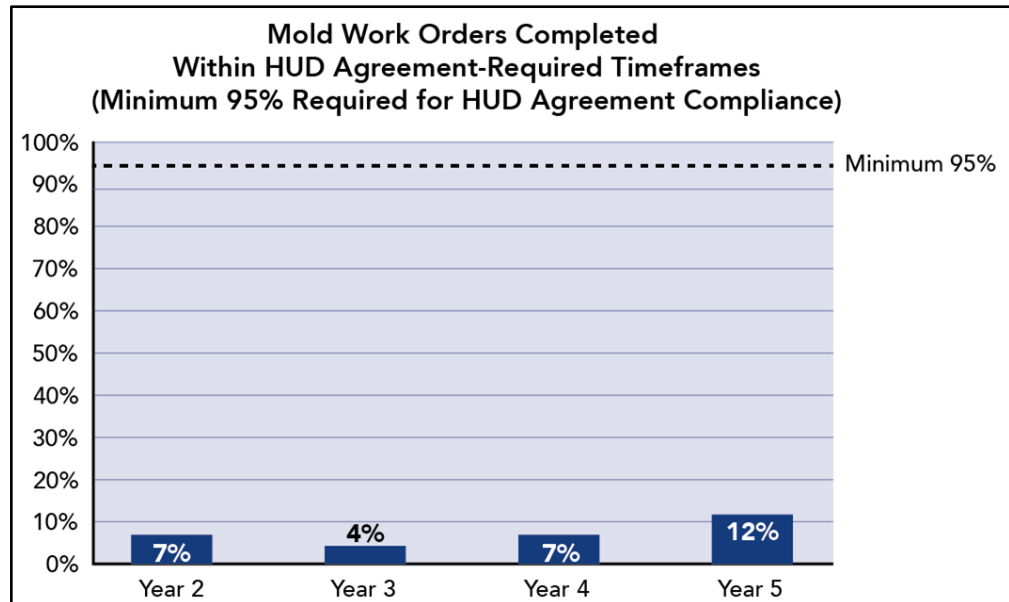


## 2. Mold Removal or Remediation

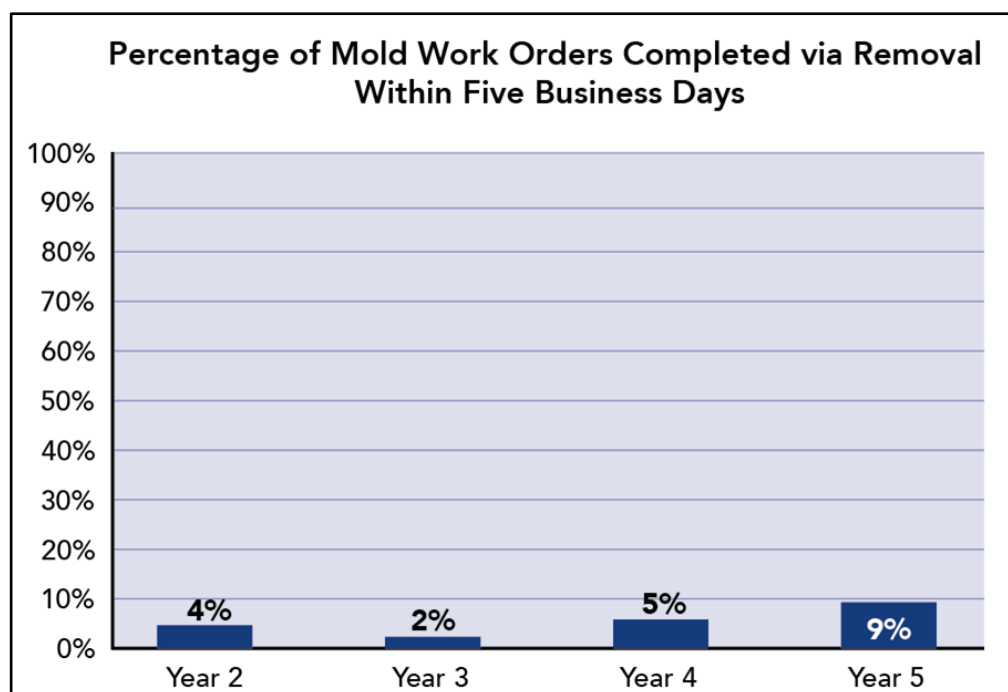
**Second**, after NYCHA develops a mold work plan, it must remove or remediate mold within certain time periods depending on how complicated the work is.<sup>397</sup> Under the HUD Agreement, **removing** mold means cleaning all visible mold and/or removing the underlying building materials with mold,<sup>398</sup> whereas **remediating** mold means identifying and addressing mold and mold's root cause(s) such as repairing a section of leaky pipe and replacing the mold-covered wall containing the pipe.<sup>399</sup>

The HUD Agreement requires NYCHA to remove or remediate mold within certain timeframes specified in the Agreement in 95% of cases.<sup>400</sup> The applicable deadlines for removal and remediation are

discussed below. As shown in the chart below, NYCHA does not meet its overall obligation to timely remove or remediate mold.



If NYCHA elects to remove mold, the HUD Agreement provides that the agency must do so within five business days of verifying a resident's complaint or identifying mold in an apartment.<sup>401</sup> As shown in the chart below, when NYCHA elects to remove mold, it is typically unable to do so within the five-business day deadline, although the agency has made some incremental progress.



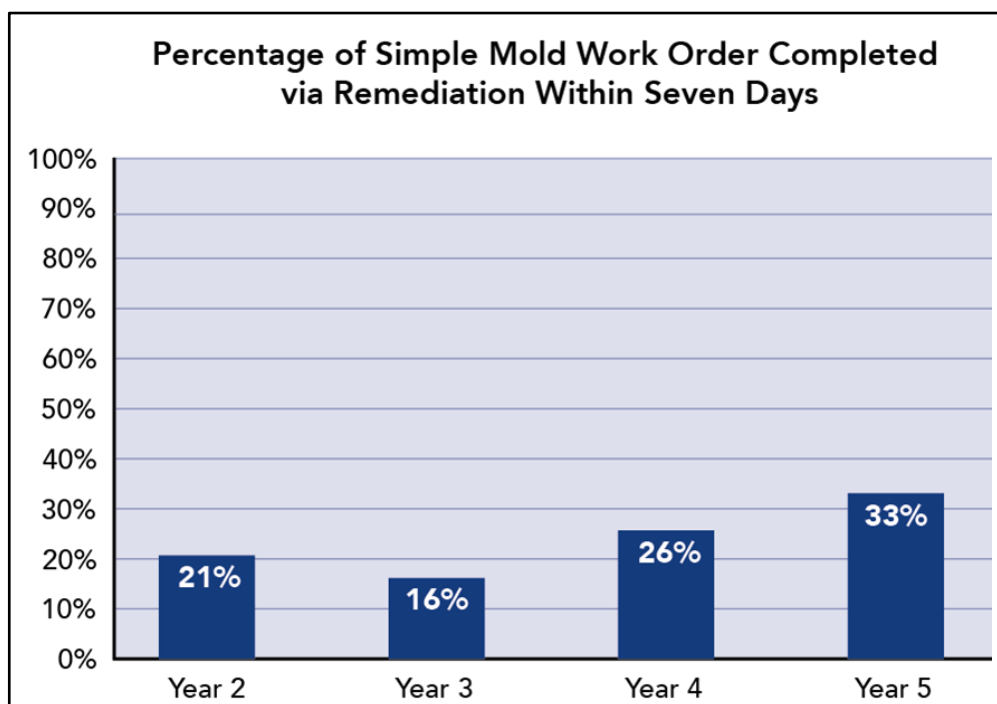


In response to a draft of this report, NYCHA noted that the average time to remove mold has decreased. Moving forward, the Monitors will verify NYCHA's data and will report on the agency's progress.

Under the HUD Agreement, if NYCHA elects to remediate mold, it must do so within specified timeframes dependent on the complexity of the necessary repairs.<sup>402</sup>

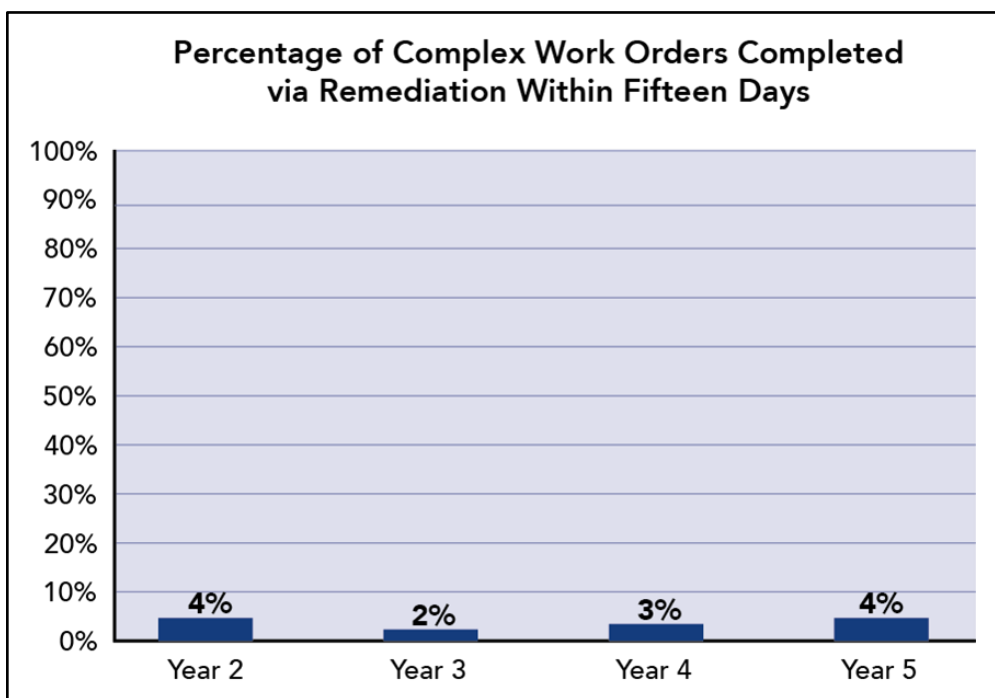
For simple mold repairs, NYCHA must remediate the mold and its root cause(s) within seven calendar days.<sup>403</sup> Simple mold repairs are repairs that a maintenance worker or caretaker can perform.<sup>404</sup> For example, if a NYCHA employee identifies a mold growth measuring four square feet on a bathroom wall that is caused by improper ventilation due to an inoperable bathroom window, the repair would likely be a simple one. A caretaker would likely remove the mold and a maintenance worker would repair the window.

As shown in the chart below, although NYCHA's performance has steadily improved over the last two years, in two-thirds of cases NYCHA does not remediate simple mold jobs within seven calendar days.



For complex mold repairs, the HUD Agreement requires NYCHA to remediate the mold and its root causes within 15 calendar days.<sup>405</sup> Complex repairs are those that involve significant or severe mold or water damage,<sup>406</sup> take one day or longer to complete, and require a skilled trades worker or other specialized staff to perform the repairs.<sup>407</sup> A complex repair could involve a maintenance worker performing a wall break so a plumber can replace a section of nonfunctioning piping that affects multiple rooms in a resident's apartment.<sup>408</sup>

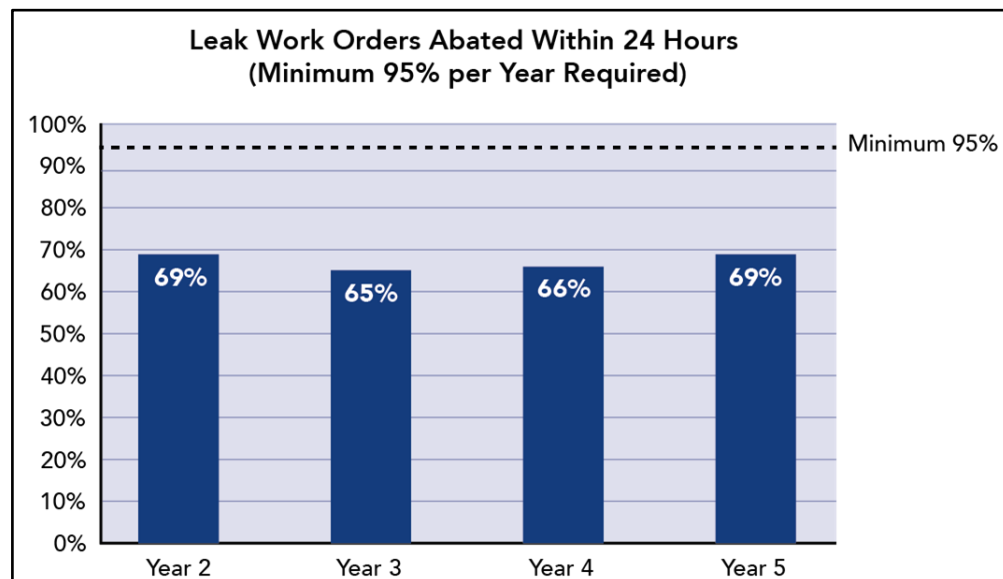
As shown in the chart below, when NYCHA performs a complex repair, it rarely does so within 15 calendar days.



### 3. Sustained and Recurrent Moisture

**Third**, the HUD Agreement requires NYCHA to address floods, leaks, and other conditions that cause sustained or recurrent moisture that flows into an apartment or its walls in an expedited manner.<sup>409</sup> Specifically, NYCHA must abate these conditions within 24 hours of learning of the situation<sup>410</sup> and remove all standing water within 48 hours.<sup>411</sup>

As shown in the chart below, according to NYCHA, it abated these conditions within 24 hours 69% of the time in Year 5.



The Monitors cannot report on whether NYCHA satisfied the second part of this requirement—that NYCHA remove all standing water within 48 hours—because NYCHA does not measure it. NYCHA has advised the Monitors that it will be unable to do so until it finalizes a standard procedure to address leaks (“Leak SP”), as it did for mold. The importance of the Leak SP and the proposed steps to finalize it are discussed in greater detail below.

#### **4. Addressing the Mold and Leak Backlog**

As the above charts make clear, NYCHA is making incremental progress in improving its response times to mold and sustained or recurrent moisture. For all the obligations that NYCHA tracks, it has improved or kept constant its response times. But NYCHA is not close to satisfying most of the other HUD Agreement obligations in the near term.

NYCHA acknowledges that compliance with these obligations is “one of its most outstanding challenges,”<sup>412</sup> and identifies addressing “material noncompliance” as a priority for this year. Accordingly, the Monitors will assess and report on NYCHA’s efforts to improve compliance in these important areas. As a first step, the Monitors will support NYCHA’s efforts to reduce the backlog of mold

and leak repair and remediation work orders, which, NYCHA agrees, is a critical step to improving compliance.

Currently, there are over 73,000 mold and leak repair and remediation work orders that have not been closed—a number that NYCHA acknowledges is too high. The result of the backlog is that NYCHA residents are living with mold and/or leak issues that have not yet been addressed or are incompletely repaired.<sup>413</sup>

This, in turn, has had a real and meaningful impact on NYCHA residents. In a recent discussion about unaddressed leaks, a resident explained that their NYCHA development experiences near constant leaks and NYCHA fails to address the leaks timely or effectively. As a result, they explained, they and their neighbors live with leaks and the resulting ill-effects as part of their day-to-day reality.

The backlog is the result of NYCHA's historical struggle to timely remediate mold or leak complaints. In response to a draft of this report, NYCHA identified several challenges that have impeded the elimination of the backlog. First, NYCHA said that the mold remediation process is, in and of itself, a complex and time-consuming process. NYCHA notes that it does not allow for work orders to be closed until all work is completed and that mold remediation involves the sequencing of multiple skilled trades to make various repairs. Second, NYCHA states that the effects of the COVID-19 pandemic—including work order restrictions, supply chain issues, staff absences, and increased unwillingness of residents to allow NYCHA entry to their apartments—doubled the backlog of mold remediation work orders. Third, NYCHA maintains that the backlog can be attributed to the need for additional capital funds to address aging infrastructure. Fourth, NYCHA identifies staffing shortages as a challenge to eliminating the backlog.

Addressing the backlog is one of NYCHA's priorities for this year. Correspondingly, NYCHA developed a plan to reduce the backlog using an all-hands approach that targets aged plumbing and tub enclosure work orders and aged mold cleaning and mold resistant paint work orders.

To supplement NYCHA's efforts, the Monitors will assist NYCHA in determining the impact of these challenges and in developing strategies to overcome them. The Monitors will also support NYCHA as it builds out other programs that reduce the backlog.

For example, the Monitors will support NYCHA as it builds on the success of the Enhanced Oversight Program (“EOP”). Established in 2022, the EOP is a three to six-month improvement program in which NYCHA and its *Baez* partners, including air quality and mold assessment experts and data analytics specialists, identify poorly performing consolidations and provide individualized assistance to them.<sup>414</sup> NYCHA, its *Baez* partners, and the property management office develop performance milestones and address site-specific challenges (like staffing shortages, lack of managerial oversight, access issues, scheduling disruptions, procurements delays, material shortages, or the need for training).<sup>415</sup>

Between 2022 and 2023, NYCHA implemented and completed the EOP at 19 consolidations with positive results—participating sites report improved response times to mold complaints and a reduction in open mold cleaning work orders.

Because of the program’s success, NYCHA has committed to implementing the EOP at nine additional consolidations as a priority for this year. According to NYCHA, it has completed the EOP at three sites, and the program is in progress at three more. In addition to assessing NYCHA’s implementation progress, the Monitors will evaluate whether the improvements that the participating developments experience continue over the long term.

In response to a draft of this report, NYCHA said that the work of the independent **Ombudsperson Call Center (“OCC”)**, in collaboration with the agency’s **Mold Response Unit (“MRU”)**, has also helped resolve complicated mold complaints that contribute to the backlog of open mold work orders. The OCC monitors NYCHA’s response to escalated complaints and the MRU manages the agency’s efforts to resolve such complaints. The MRU also performs outreach to residents. The unit informs residents about the existence of the OCC and provides them with information about how to identify and prevent mold and leaks and how to contact NYCHA for assistance. NYCHA points to the 23% increase in the number of OCC cases resolved within 30 days from March 2022 to April 2024 and the decline in the OCC’s caseload by approximately 1,500 cases from April 2022 to April 2024 to support the OCC and the MRU’s effectiveness. The Monitors are in the process of validating this information and will report on the OCC, MRU, and related initiatives further in a future report.

**Ombudsperson Call Center (“OCC”):**

Independent call center established under a *Baez* court order to resolve mold and leak work orders that residents state have not been appropriately resolved.

**Mold Response Unit (“MRU”):**

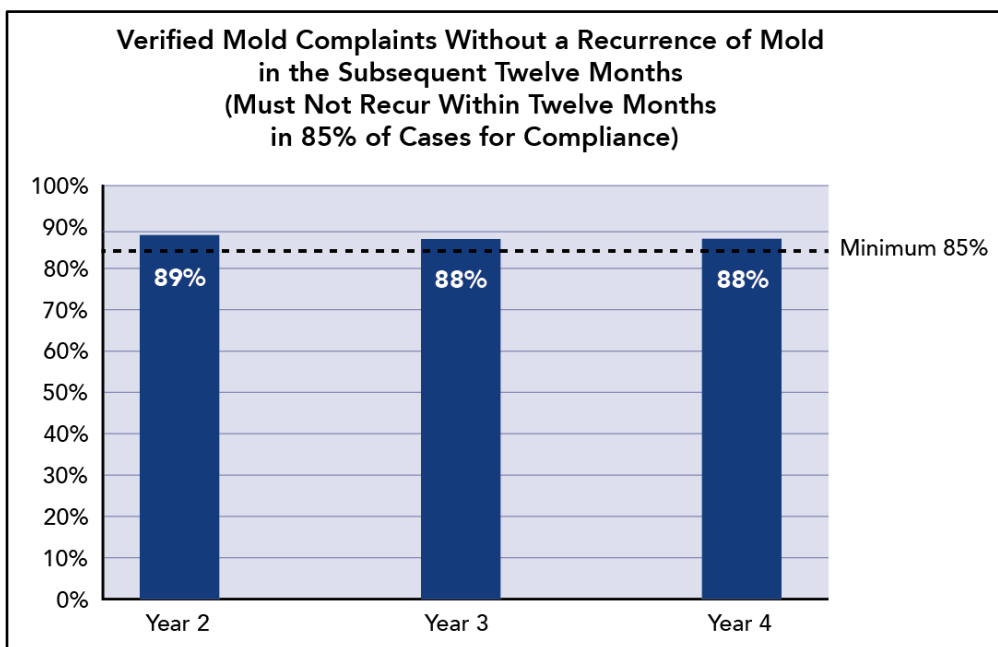
Composed of NYCHA staff who provide case management support to the OCC by liaising between the OCC, residents, developments, and skilled trades to resolve escalated work orders.

### C. Mold Incidence and Recurrence

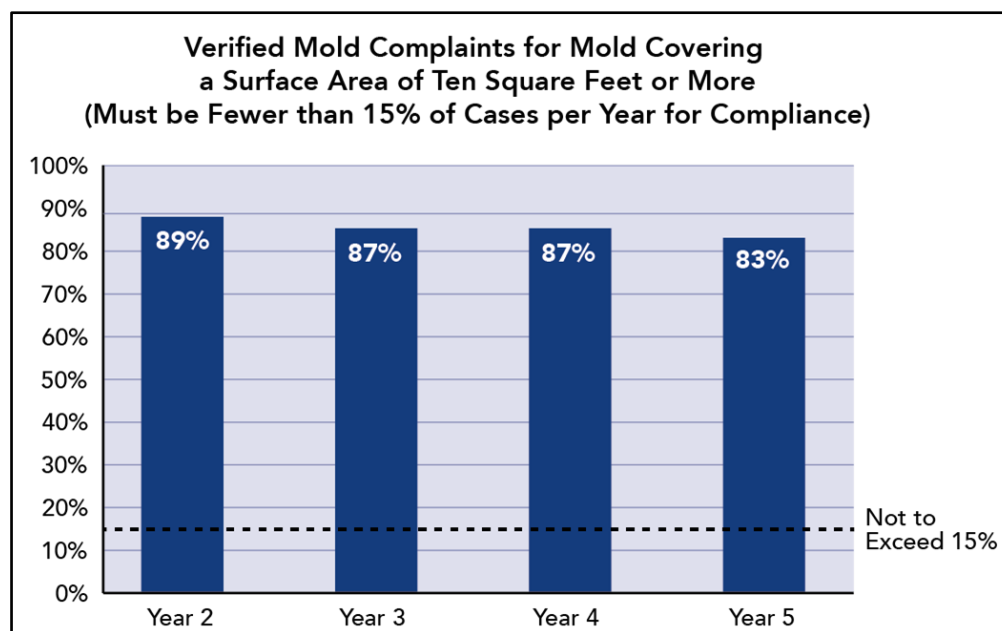
In the five years leading up to the Complaint, NYCHA struggled to stop mold from growing or recurring, especially when the mold was spread over a large surface area.<sup>416</sup> Mold returned nearly 40% of the time when NYCHA attempted to address it.<sup>417</sup> To reduce the growth and recurrence of mold, the HUD Agreement contains three recurrence obligations, which NYCHA was required to meet by January 31, 2024.<sup>418</sup>

**First,** for 85% of verified mold complaints—i.e., mold complaints verified by a NYCHA employee<sup>419</sup>—there must not be a second verified mold complaint in the same apartment or common area room or hallway within a 12-month period.<sup>420</sup>

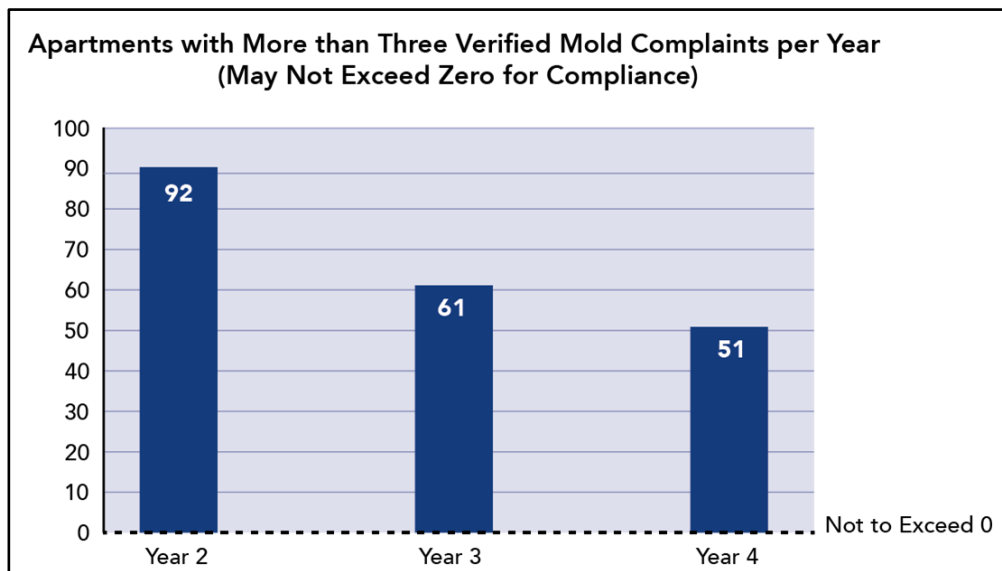
As shown in the chart below, NYCHA has satisfied this obligation for the past four years. The Monitors report on NYCHA's compliance through Year 4 (February 1, 2022 - January 31, 2023) because this obligation measures recurrence over a 12-month period. The Year 5 reporting period is incomplete and ends on January 31, 2025. Preliminary Year 5 data shows that there has been a small downward trend in the percentage of verified mold complaints where mold does not recur. According to NYCHA this is in part due to an increasing backlog of skilled trades workers to effectively remediate mold and its root causes.<sup>421</sup> Improving how NYCHA schedules work to be completed by skilled trades is an important area of focus for NYCHA and the Monitors. It is discussed in more detail in **Section III.C.3.**



**Second,** under the HUD Agreement, no more than 15% of verified mold complaints can be for mold that covers ten or more square feet (“large mold growths”) in an apartment or common area and is visible from within the apartment or common area.<sup>422</sup> As shown in the chart below, NYCHA is far from meeting this obligation.



**Third,** mold cannot appear in a single apartment more than three times per year.<sup>423</sup> As shown in the chart below, from Year 2 to Year 4, NYCHA has made progress towards meeting this obligation. The Monitors report on NYCHA’s compliance for this obligation through Year 4 (February 1, 2022 – January 31, 2023) because the obligation measures recurrence over a 12-month period. The Year 5 reporting period is incomplete and ends on January 31, 2025.



The Monitors recognize that there are serious structural challenges preventing the reduction of mold incidences and recurrence. But these challenges cannot excuse progress. Accordingly, the Monitors will, as described above, support NYCHA's efforts to address the root causes of mold and NYCHA's effort to reduce incidences of mold growth and recurrence.

As a first step, the Monitors will help NYCHA develop a supplemental action plan, which, among other things, will detail NYCHA's plan to reduce mold growth and recurrence as required by the HUD Agreement. Once NYCHA finalizes a draft, the Monitors will review the draft and provide comments with the goal of helping NYCHA develop short-term strategies, such as addressing the backlog and expanding the EOP, and long-term strategies, including expansion of the BLI and other modernization projects to address underlying root causes of mold growth.

#### **D. Mold and Leak Work Orders**

The HUD Agreement prohibits NYCHA from closing mold, flood, or leak from above work orders using a "Resident Not Home" code.<sup>424</sup> This is because NYCHA employees previously would close work orders without addressing the underlying issues by claiming that the resident was not home and entering the corresponding closing code.<sup>425</sup> In November 2019, the First Monitor reported that NYCHA met this obligation by implementing changes to the work order system to prevent staff from closing mold work orders using the "Resident Not Home" code.<sup>426</sup>



Although NYCHA has implemented a technological fix for mold work orders, it acknowledges that maintenance workers continue to prematurely close leak work orders without completing the necessary work, especially in situations where a resident is not home for a maintenance worker's visit.<sup>427</sup>

The Monitors' discussions with residents confirm NYCHA's assessment that it must make improvements so that the agency addresses leak complaints consistently and appropriately. As one NYCHA resident explained, the agency's failure to effectively respond to leak complaints has "a domino effect." The resident leader pointed to NYCHA's recent failure to fix a leak in their building, which led to water supply issues, which in turn led to electrical outages and discolored water.

In response to a draft of this report, NYCHA stated that it believes that finalizing the Leak SP will help NYCHA respond to and remediate leaks and their root causes quicker and more effectively.<sup>428</sup> Currently, NYCHA does not have a standardized approach to addressing leaks.<sup>429</sup> According to NYCHA, the Leak SP will establish processes to trace leaks, document leaks' root causes, and generate repair work orders based on site-specific information collected by inspectors.<sup>430</sup> This, in turn, will allow for consistent, higher quality inspection and repair work.<sup>431</sup> NYCHA also contends that finalizing a Leak SP will enable NYCHA to record and connect leaks to their root causes in Maximo, the agency's data management system, and measure whether NYCHA removes standing water in residents' apartments within the timeframe established by the HUD Agreement.<sup>432</sup>

NYCHA anticipates beginning the rollout of the Leak SP in the first quarter of 2025. To help NYCHA finalize the Leak SP in a timely manner, the Monitors will assist NYCHA in developing realistic milestones and deadlines.

## **E. Compliance with *Baez v. NYCHA***

Under the HUD Agreement, NYCHA must adhere not only to the Agreement's mold and leak requirement, but also with the terms of court orders entered in *Baez*,<sup>433</sup> a federal class action lawsuit brought by NYCHA residents suffering from asthma and living in apartments with mold and excessive moisture.<sup>434</sup>

**Independent Mold**

**Analyst ("IMA"):** Entity appointed under *Baez* Consent Decree to perform quality assurance by inspecting a certain number of randomly selected apartments on a quarterly basis. The IMA also reports on its findings and makes recommendations for improved compliance.

**Independent Data**

**Analysis ("IDA"):** Entity appointed under *Baez* Consent Decree to help the parties and Special Master develop a reporting system to track NYCHA's compliance with its obligations under *Baez*. The IDA is also tasked with reviewing and confirming the accuracy of the reporting and recommending improvements.

NYCHA settled *Baez* in 2014.<sup>435</sup> The resulting consent decrees impose various requirements that are similar but not identical to the HUD Agreement obligations and are intended to help NYCHA effectively remediate mold and moisture in a timely manner.<sup>436</sup> Among other things, NYCHA was required to produce quarterly reporting and to appoint entities with relevant expertise—a special master, an **Independent Mold Analyst ("IMA")** and **Independent Data Analyst ("IDA")**—to facilitate the agency's compliance with the terms of the court orders.<sup>437</sup>

NYCHA acknowledges that it does not fully comply with the terms of the court orders entered in *Baez*. NYCHA notes that the agency struggles to repair mold and leaks within the required timeframes.<sup>438</sup> NYCHA attributes its slow repair times to, among other things, aging infrastructure, staffing constraints, the work order backlog, and the absence of a Leak SP.<sup>439</sup>

Because the purposes and requirements of the terms of the *Baez* consent decrees and the HUD Agreement obligations overlap, the Monitors will continue to collaborate with the IMA, IDA, and the *Baez* plaintiffs to develop an integrated and complementary approach to mold and leak issues that prioritizes reducing the work order backlog and finalizing the Leak SP.

### **Overview of Mold and Leaks Obligations**

The following table summarizes the status of NYCHA's compliance with the requirements of the HUD Agreement as of the end of Year 5 (January 2024) unless otherwise noted, and categorizes each requirement as a one-time requirement (blue); occurrence obligation (yellow); response obligation (orange); or policy and practice obligation (green):

<b>Req. No.</b>	<b>Description</b>	<b>Status</b>	<b>Compliance Details</b>
<b>One-Time Requirement</b>			
M1 (Ex. B ¶ 19)	NYCHA will not close any mold, flood, or "leak from above" work orders as "Resident Not Home."	Complete / in compliance	NYCHA has disabled inspectors' ability to close work orders using the "Resident Not Home" code for mold work orders. The Monitors will confirm that this effectively prevents inspectors from improperly closing mold and moisture work orders. The Monitors will also assist NYCHA in finalizing a Leak SP, which will help prevent the improper closing of leak work orders, by developing realistic milestones and deadlines for rollout and finalization.
<b>Occurrence Obligation</b>			
M2 (Ex. B ¶ 15(a))	By January 31, 2024, for 85% of verified mold complaints, there shall not be a second mold complaint within a 12-month period.	In compliance, 88% <sup>440</sup>	For Year 4, NYCHA complied with this obligation. In Year 4, for 88% of mold complaints there was not a second mold complaint within a 12-month period.

Req. No.	Description	Status	Compliance Details
M3 (Ex. B ¶15(b))	By January 31, 2024, no more than 15% of verified mold complaints shall be for large mold growths (i.e., mold covering 10 or more square feet).	Not in compliance, 83%	NYCHA is not in compliance with this obligation. In Year 5, 83% of verified mold complaints concerned large mold.
M4 (Ex. B. ¶15(c))	By January 31, 2024, mold should not appear more than three times a year in a single apartment.	Not in compliance, 51 apartments	NYCHA is not in compliance with this obligation. In Year 4, mold appeared more than three times per year in 51 apartments.
<b>Response Obligation</b>			
M5 (Ex. B. ¶17(a))	By January 31, 2021, for 95% of resident based or NYCHA identified verified mold complaints, NYCHA shall prepare and provide a written plan addressing the root cause(s) of the mold to the resident within five business days.	Not in compliance, 71%	NYCHA is not in compliance with this obligation. In Year 5, NYCHA provided residents with a written work plan within five business days 71% of the time.
M6 (Ex. B. ¶17(b))	By January 31, 2021, for 95% of resident-based or NYCHA-identified verified mold complaints, NYCHA shall (i)	Not in compliance, 12%	NYCHA is not in compliance with this obligation. Overall, in Year 5, NYCHA addressed verified mold complaints within the timeframes specified by the HUD

Req. No.	Description	Status	Compliance Details
	remove visible mold within five business days or (ii) remediate the mold and its underlying root cause within seven days for simple repairs <sup>441</sup> or (iii) remediate the mold and its underlying root causes within 15 days for complex repairs. <sup>442</sup>		Agreement 12% of the time.
M7 (Ex. B. ¶ 17(c))	By January 31, 2021, NYCHA shall (1) abate all reports of floods, leaks from above, and other conditions that cause sustained or recurrent moisture to flow into a resident's apartment or apartment walls, within 24 hours and (2) remove any standing water within 48 hours 95% of the time.	(i) Not in compliance, 69%  (ii) Not currently measured	NYCHA is not in compliance with the first obligation. In Year 5, NYCHA: (1) abated all reported floods, leaks from above, and other conditions that cause sustained or recurrent moisture to flow into a resident's apartment or apartment walls within 24 hours 69% of the time; and (2) because NYCHA has not developed a Leak SP, it does not currently measure whether the agency removes any standing water within 48 hours.

Req. No.	Description	Status	Compliance Details
Policy and Practice Obligation			
M8 (Ex. B ¶ 20)	NYCHA must comply with the terms of the orders in <i>Baez v. NYCHA</i> as they may be entered or revised by the Court.	Not in compliance	NYCHA reports, and the IDA and IMA confirm, that as of April 2024, the agency does not meet the terms of the Court orders in <i>Baez</i> .

## II.5 Lead

Lead is toxic. Exposure to lead is linked to many health problems, including heart, kidney, brain, and blood diseases, as well as cancer. The effects of lead exposure are particularly severe for children—due to their still-developing brains and nervous systems—and include numerous learning, behavioral, neurological, and other health problems. There is no “medical cure” for most lead exposure, which means that preventing exposure in the first instance is the best way to protect against its effects, especially for children under age six.<sup>443</sup>

Where lead-based paint has deteriorated or has been disturbed, creating flakes or tiny (often invisible) settled dust particles, it becomes a dangerous **lead-based-paint hazard**. Lead-based paint hazards can include paint chips or surfaces that children chew on. Lead-based paint hazards can also be created when maintenance workers disturb lead paint and must be minimized pursuant to federally mandated lead-safe work practices. Because children can ingest dust particles created by disturbed lead paint, controlling dust during lead-paint work is crucial.<sup>444</sup>

Before the late 1970s, lead-based paint was used in millions of U.S. homes and residential properties, including in New York City. Due to its devastating effects, New York City banned lead for residential use in 1960.<sup>445</sup> Congress subsequently banned it in 1971,<sup>446</sup> and the Consumer Product Safety Commission implemented a rule in 1978 making Congress’s ban enforceable.<sup>447</sup> However, because lead-based paint was so commonly used prior to the federal ban, about 34.6 million homes<sup>448</sup> across the country, including NYCHA’s developments, still contain lead-based paint.<sup>449</sup>

To address the negative effects posed by the lead that remains in residential buildings, federal government agencies have provided funding and imposed regulations to facilitate the reduction of lead-based paint hazards.<sup>450</sup> These regulations require the elimination of lead-based paint hazards and other sources of lead exposure in public housing, as well as adherence to certain practices and protocols that minimize the risk of harm posed to residents by lead-based paint.<sup>451</sup> The primary federal regulations governing lead safety in public housing are outlined below:

**Lead-Based-Paint Hazards:** Dangerous condition created by deteriorated or disturbed lead-based-paint, such as: (a) lead dust, including dust created when doors and windows stick or rub together; (b) peeling or damaged paint; and (c) painted surfaces, such as windowsills, that have been chewed on by children.

- HUD/EPA's **Lead-Based Paint Disclosure Rule** requires sellers or landlords to disclose any knowledge and documents related to lead-based paint or lead-based paint hazards before the sale or lease of most homes built before 1978.<sup>452</sup>
- HUD's **Lead-Safe Housing Rule** applies to all target housing that is federally owned and/or receiving federal assistance and covers the notification, inspection, risk assessment, and elimination of lead-based paint hazards and use of safe work practices.<sup>453</sup>
- EPA's **Renovation, Repair, and Painting Rule** requires contractors to use lead-safe work practices while performing renovation, repair, and painting projects that disturb lead-based paint in homes, childcare facilities, and certain schools built before 1978. The rule requires contractors to follow specific work practices meant to prevent lead contamination, including containing the work area, minimizing dust, and cleaning up thoroughly.
- EPA has adopted **training, licensing, notification, and work-practice requirements**, and mandates that only licensed, properly trained workers perform lead abatement projects and that they do so safely.<sup>454</sup>

As outlined in the Complaint, NYCHA failed to comply with the above core federal lead regulations for at least nine years<sup>455</sup> and lacked a meaningful compliance regimen or program with respect to lead safety prior to entering into the Agreement in 2019. Moreover, as NYCHA has acknowledged, prior to the start of the monitorship, senior NYCHA officials knew NYCHA was not complying with federal lead regulations, but nonetheless falsely reported to both HUD and the public that it was.<sup>456</sup> NYCHA's noncompliance with lead regulations before 2019 resulted in needless and avoidable lead exposures for NYCHA residents and employees.<sup>457</sup>

The Agreement includes numerous requirements designed to improve NYCHA's adherence to federal rules and regulations governing lead safety. The obligations imposed by the Agreement, as well as by the applicable federal lead regulations, fall broadly into three categories: (1) *immediate* action items imposed at the outset of



the Agreement to jumpstart NYCHA's ability to build a lead compliance program; (2) *ongoing* short-term measures to control existing lead-based paint hazards known as **interim controls**; and (3) *permanent* removal of lead-based paint across all of NYCHA's developments through a process known as **abatement**. Interim controls mitigate the risks posed by existing lead-based paint and require on-going evaluation to ensure they remain effective. Abatement by removal of lead paint, on the other hand, could take more than a decade to implement across NYCHA's entire portfolio but, once completed, will not require further action because the lead-based paint will have been permanently addressed.

At the start of the monitorship, NYCHA began building a lead compliance program almost entirely from scratch. This commendable effort has allowed NYCHA to make substantial progress towards compliance with the obligations outlined in the Agreement and relevant federal regulations. For example, NYCHA has improved its ability to accurately identify apartments where children under age six live or spend time, which has in turn allowed it to prioritize work on such apartments, including by implementing interim controls to reduce risks and by testing and abating these apartments for a long-term solution. This progress is impressive, particularly considering that prior to the start of the monitorship, NYCHA could not reliably identify—let alone properly remediate—apartments containing lead where children under age six lived or spent time.

NYCHA also developed a substantial short-term plan for reducing the risk of lead exposure to young children (the "Initial Lead Action Plan"), which is carried out in part by a newly created Team for Enhanced Management Planning and Outreach ("TEMPO"). TEMPO is, among other things, responsible for performing expedited visual assessments in and abatement of the approximately 10,391 apartments identified in 2020 as apartments where children under age six live and spend significant time with presumed or positive lead-based paint components.

**Interim Controls:** Short-term measures designed to reduce temporarily human exposure or likely exposure to lead-based-paint hazards. Measures include repairs, painting, temporary containment, specialized cleaning, clearance, ongoing lead-based-paint maintenance activities, and the establishment and operation of management and resident-education programs.

**Abatement:** Process by which existing lead-based paint hazards are permanently eliminated.

**Visual Assessments:**

Visual Assessments look for (1) deteriorated paint; (2) visible surface dust, debris, and residue as part of a risk assessment or clearance examination; or (3) the completion or failure of a hazard reduction measure.

NYCHA has made strides with respect to interim control obligations as well. For example, NYCHA has improved compliance with its obligation to conduct **visual assessments** of areas known or presumed to contain lead-based paint to make sure that it is not deteriorating and therefore more likely to generate dust or paint chips that could be ingested. Additionally, NYCHA complies with many of the Agreement's lead-safe work practices requirements, which include training, safety measures, provision of supplies, and other requirements to address lead-based paint hazards when maintenance work is performed.<sup>458</sup> Again, given that NYCHA lacked virtually any lead compliance program at the start of the monitorship, this progress is commendable. Still, NYCHA has more work to do to fulfill its interim control obligations, including remediating paint deficiencies more quickly in response to visual assessments.

With respect to a permanent solution, NYCHA has made important progress towards the Agreement's long-term abatement requirements. In particular, NYCHA has significantly increased the rate at which it abates apartments, prioritizing apartments where children under age six live and spend time. NYCHA now abates an average of about 400 apartments per month,<sup>459</sup> a significant improvement over only 709 abated apartments throughout 2019. In achieving this accomplishment, NYCHA has prioritized abatement in individual apartments over common areas, where exposure risks are generally lower. But because NYCHA is also required under the Agreement to abate common areas, NYCHA must develop a specific plan for executing this obligation. Looking forward, the Monitors will track and support NYCHA's efforts to develop this plan, as well as NYCHA's efforts to improve its compliance with its obligation to correct deteriorated lead-based paint identified during visual assessments in a timely manner.

**A. Immediate Action Items Designed to Jumpstart NYCHA's Lead Compliance Program**

The Agreement ultimately requires total abatement of lead-based paint across all of NYCHA's developments.<sup>460</sup> NYCHA is also required to engage in ongoing interim controls to quickly mitigate the risks posed by lead-based paint hazards before abatement is completed. However, at the outset of the monitorship, due to

NYCHA's historical noncompliance with federal regulations,<sup>461</sup> NYCHA lacked the infrastructure to fulfill those obligations.

To facilitate NYCHA's ability to comply with federal regulations, the Agreement imposed certain immediate obligations that NYCHA could implement even without its compliance infrastructure fully in place. This subsection describes these requirements and NYCHA's progress in meeting them. Overall, as discussed in greater detail below, NYCHA has complied with these obligations.

### **1. Priority Action Items**

NYCHA's historical failure to comply with core lead-paint safety regulations compromised the reliability of its reporting on certain data points that are critical to mitigating the risk of lead exposure, including (1) the location of lead in each of its developments,<sup>462</sup> (2) the number and locations of children under age six who reside or spend time in NYCHA housing,<sup>463</sup> and (3) reports of children with elevated blood lead levels (discussed further in **Subsection B.4**).<sup>464</sup>

Because lead exposure is most harmful to children under age six, the Agreement required urgent action with respect to that population. To most quickly address NYCHA's history of noncompliance, the Agreement required NYCHA to immediately develop and report on an "Immediate Action List" consisting of apartments with known or suspected lead-based paint where children under age six spend significant time.<sup>465</sup> The Agreement then required NYCHA to take several steps with respect to areas on that list. Specifically, NYCHA was required to:

1. Submit a report to SDNY and HUD providing an estimate of the total number of NYCHA developments and apartments that presumptively contain lead-based paint;<sup>466</sup>
2. Submit a report to SDNY and HUD listing the subset of those apartments in which NYCHA believed children under age six live or spend time;<sup>467</sup>
3. Complete visual assessments of those apartments to find deteriorated known or presumed lead paint;<sup>468</sup>
4. Eliminate any lead-based paint hazards therein through interim controls and/or abatement;<sup>469</sup> and

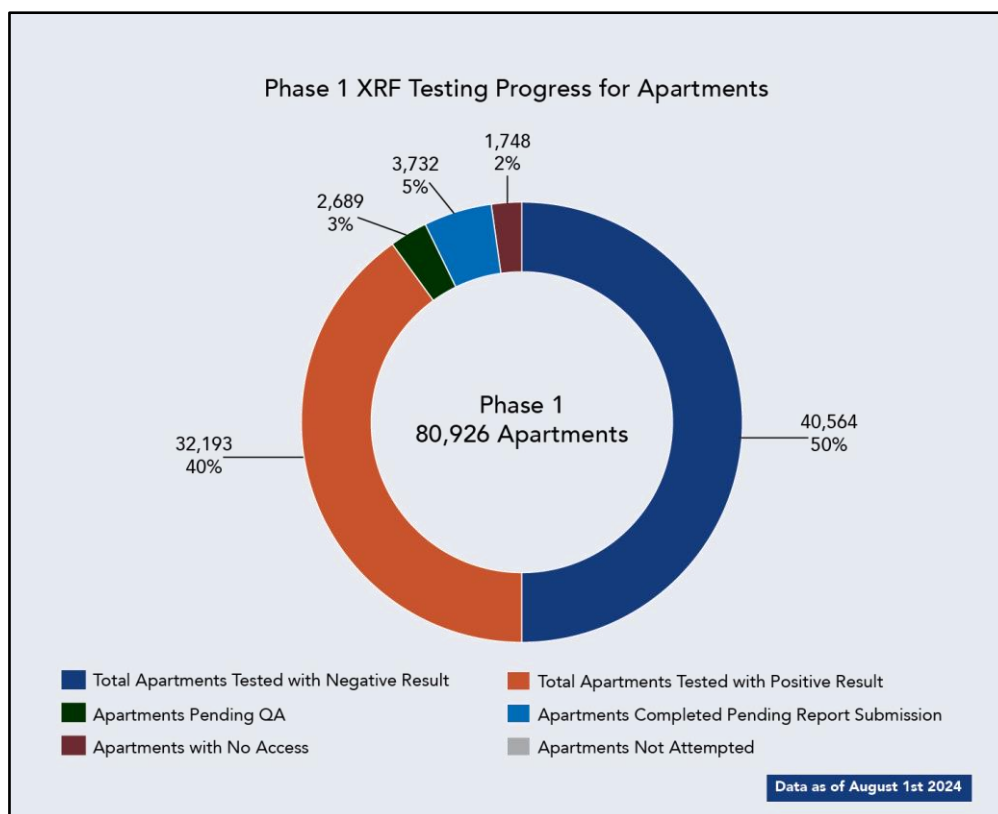
5. Provide documentary evidence to the government sufficient to demonstrate that certain developments should be excluded from the list of presumptively lead-based paint positive developments because: (1) they tested negative based on a random sample of apartments and common areas; (2) they were constructed after 1978; (3) they were reserved exclusively for the elderly and children were not allowed to reside there; or (4) for any other exclusions specifically identified in the HUD Lead-Safe Housing Rule.<sup>470</sup>

NYCHA prepared the required list of apartments that should be excluded from the list of presumptively lead-based paint positive developments and submitted it to SDNY and HUD on May 1, 2019. NYCHA has engaged in several laudable efforts to ensure that it has properly identified both the apartments that may contain lead-based paint and the residents most at risk of lead exposure.

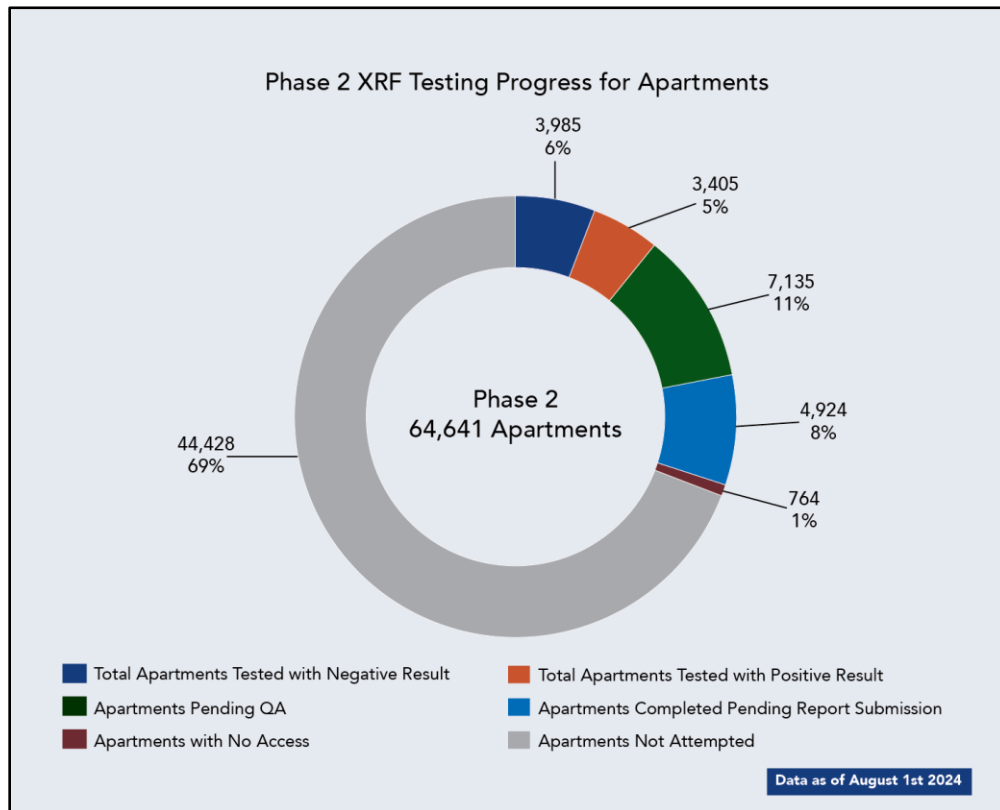
First, NYCHA prioritized identifying the apartments in which children under age six reside or routinely visit. It used updated annual survey forms from the New York City Department of Health and Mental Hygiene ("DOHMH") to ask residents about where children under age six spend time in addition to where they live.<sup>471</sup> NYCHA then began a door-knocking initiative to reach residents who did not respond to the survey as well as a communication campaign to preemptively encourage residents to respond to the survey. Based on these improvements, the First Monitor reported that he no longer believed that NYCHA's estimate of children under age six was an underestimate, which previously was one of his "primary concern[s]."<sup>472</sup>

Second, while applicable regulations only require that NYCHA conduct X-ray Fluorescence ("XRF") testing in a sample of apartments, NYCHA has committed to undertaking XRF testing across its portfolio to better identify the complete universe of apartments containing lead-based paint. When NYCHA began this initiative, the New York City threshold for lead paint was a concentration of no more than 1.0 mg/cm<sup>2</sup>. After a new standard of 0.5 mg/cm<sup>2</sup> was adopted in New York City in 2021, NYCHA committed to retest those apartments at the new standard. As a result, the current XRF testing initiative has two phases: Phase One involves testing approximately 80,926 apartments where children under age six live and spend time, apartments that have not previously undergone XRF testing at the 1.0

threshold, and apartments that previously tested positive for lead paint at 1.0 mg/cm<sup>2</sup> or higher.<sup>473</sup> Phase Two involves testing the remaining approximately 64,641 non-exempt operational apartments built before 1978 using the updated New York City lead paint definition of 0.5 mg/cm<sup>2</sup>. NYCHA reported that it completed Phase One testing as of August 1, 2024, with 50% of apartments in that universe returning a negative result, meaning they did not test positive for lead.



NYCHA has completed approximately 30% of Phase Two testing. The Monitors will report on additional Phase Two progress in future reports.



With regard to the required visual assessments, the First Monitor reported that NYCHA completed 99% of the visual assessments for the apartments on the “Immediate Action List,” but was not able to complete interim controls in apartments that it was not able to access, reportedly due to resident unavailability or refusal to permit access.<sup>474</sup> NYCHA has explained that any outstanding work with respect to the remaining 1% of apartments on the Immediate Action List has been rolled into NYCHA’s broader visual assessment and abatement efforts with respect to apartments that are lead positive or presumed lead positive and where children under age six spend time. The Monitors will review NYCHA’s efforts to address any outstanding items for these apartments.

## 2. Operational Requirements

The Agreement also imposed several initial operational requirements to facilitate compliance with the EPA’s Renovation, Repair, and Painting Rule (“RRP Rule”).<sup>475</sup> As described above, the RRP Rule is an EPA regulation stating that all renovation or maintenance work for hire in target housing that may disturb lead-based paint must be performed by RRP trained contractors using lead-safe work

practices.<sup>476</sup> For example, the RRP Rule requires contractors to minimize and control exposure to dust that may contain lead by taking measures such as specialized cleaning or containing dust in the work area.<sup>477</sup> The HUD Lead-Safe Housing Rule is more stringent in that it requires clearance dust testing, while the EPA rule does not.

As illustrated in the table below, the First Monitor reported that NYCHA completed all of the RRP initial obligations and continues to provide property-management staff with RRP training on an ongoing basis. The Monitors intend to periodically assess whether NYCHA provides ongoing training, supplies, and visual assessments and whether NYCHA properly identifies maintenance work orders that will require compliance with lead-safe work practices.

Obligation	First Monitor's Reporting <sup>478</sup>
<b>Sample Kit.</b> Display a sample kit of the supplies needed to complete an RRP work order in all 139 storerooms by January 31, 2019.	Complete
<b>RRP Supplies.</b> Issue a minimum of one kit of RRP supplies to RRP-certified staff daily by February 28, 2019.	Complete
<b>IT Upgrades.</b> Enhance work order system to automatically create a "dust wipe" work order if a RRP work order is generated by February 28, 2019.	Complete
<b>Dust Control Training.</b> Select a vendor to supplement the EPA's RRP training with practical training on dust control measures to simulate a range of working conditions by March 31, 2019, and train substantially all RRP-certified staff by December 31, 2019.	Complete
<b>Ongoing Training.</b> Provide all resident building superintendents, assistant resident building superintendents, and property managers with training in RRP practices on an ongoing basis.	In compliance
<b>Visual Assessment Training.</b> Train all maintenance workers to perform lead-	Complete

based-paint visual assessments by September 30, 2019.	
<b>Painting Contracts.</b> Secure additional, dedicated painting contracts for the Healthy Homes Department to exclusively focus on remediation by December 31, 2019.	Complete

### 3. Certification Requirements

Prior to the monitorship, NYCHA repeatedly made false statements to HUD and the public about its compliance with federal lead-based paint regulations.<sup>479</sup> To address NYCHA's historical reporting failures, the Agreement required NYCHA to certify that it completed the Priority Action Items (described above in **Subsection A.1**),<sup>480</sup> as well as to certify on an ongoing basis its progress towards meeting the Agreement's abatement obligations, its compliance with federal abatement regulations, and its compliance with federal lead-safe work-practices regulations.<sup>481</sup>

NYCHA complies with these obligations by releasing certification reports every January and July.<sup>482</sup> Because many lead-related obligations are technical in nature, the Monitors intend to work with NYCHA in the coming months to build a more accessible, centralized dashboard summary page that tracks NYCHA's progress towards the Agreement requirements that could help non-experts better understand the data released by NYCHA as it works towards addressing lead-based paint hazards in its developments.

#### B. Interim Controls and Additional Ongoing Obligations Imposed by the Agreement and Federal Regulations

In addition to the immediate action items described above, the Agreement and federal regulations impose ongoing obligations on NYCHA while permanent abatement work is in progress. These include adopting interim controls and complying with key federal lead regulations, as well as completing additional continuing action items to help NYCHA more accurately and efficiently identify and address lead-based-paint hazards in its developments. The following subsections describe those obligations.



## **1. Disclosure of Lead-Based-Paint Hazards to Tenants**

The federal Lead Disclosure Rule requires landlords like NYCHA to inform residents of known lead-based paint and/or lead-based-paint hazards in their apartments when residents sign new leases (or, in some cases, lease renewals) in most housing built before 1978, and to provide residents documents and information related to lead-based paint and lead-based-paint hazards. The rule also requires landlords to provide a HUD/EPA/CPSC pamphlet on lead designed to educate residents on how to protect themselves and their children from lead exposure.<sup>483</sup> Prior to the monitorship, NYCHA did not consistently or completely disclose required information to residents.<sup>484</sup>

To address this shortcoming, the Agreement requires NYCHA to (1) disclose to existing and prospective residents all information required by the Lead Disclosure Rule (including any known locations of lead-based paint and/or lead-based-paint hazards in their apartment or building),<sup>485</sup> (2) make copies of all disclosure materials available for inspection at NYCHA's developments,<sup>486</sup> and (3) provide residents access to electronic copies of all disclosure materials.<sup>487</sup>

As of January 2020, the First Monitor reported that NYCHA had substantially complied with these disclosure obligations.<sup>488</sup> However, NYCHA's own recent reporting indicates that it may have fallen out of compliance because certain of its developments did not store all required lead-disclosure documents. The Monitors, in coordination with NYCHA, plan to perform field inspections to assess compliance with the disclosure requirements and will report on their findings in a future report.

## **2. Ongoing Visual Assessments for Deteriorated Paint**

The Agreement reiterates NYCHA's obligation under federal regulations to assess apartments and common areas that it knows or presumes contain lead-based paint for paint deterioration through performing visual assessments "for deteriorated paint, bare soil, and the failure of any hazard reduction measures . . . at unit turnover and every twelve months."<sup>489</sup> Under federal regulations, trained personnel must assess known or suspected lead-based paint for signs of deterioration, including chipping, peeling, or damage, because such deterioration can cause residents to inadvertently ingest lead.<sup>490</sup> Federal regulations further require that when NYCHA observes such deterioration, it must implement hazard reduction controls within 90

days for apartments where children under age six live or spend time, and within 12 months for all other apartments.<sup>491</sup> These controls may include stabilization of deteriorated lead-based paint with paint that is compatible with the existing paint.<sup>492</sup>

Currently, NYCHA reports that it substantially complies with its visual assessment requirements and successfully completes most of the visual assessments it attempts. However, NYCHA struggles to comply with the corrective response times required by the Agreement and federal regulations and has accumulated a backlog of uncorrected deficiencies dating back to 2019. NYCHA believes this may be due to a number of factors, including primarily that it has lacked both the number of painters required as well as clear guidelines for prioritizing remediations for timely completion. NYCHA has also cited fatigue and frustration from residents as contributing to the backlog. This results from residents that perceive the frequency of home visits by NYCHA workers or contractors for a variety of purposes to be excessive, and who express frustration when NYCHA workers do not show up for scheduled appointments, and, in response, may deny access to their apartments or are not home to allow access for a scheduled repair. NYCHA is actively developing new approaches to improve visual assessment and corrective action protocols, including possibly piloting an automated resident reminder program to improve communication with residents. Improving NYCHA's communication with residents is an important area of focus for NYCHA and the Monitors, and it is discussed in more detail in **Section III**.

NYCHA has prioritized addressing the corrections backlog. Specifically, NYCHA's priorities this year include: (1) completing or attempting to complete remediation of deficiencies identified during the first round of 2023 visual assessments of apartments where children under age six live or spend time; (2) beginning remediation of deficiencies identified during the second round of 2023 visual assessments of apartments where children under age six live or spend time; and (3) completing or attempting to complete remediation of paint deficiencies identified in all apartments during visual assessments completed in 2022 and 2023.

To achieve compliance within the required corrective-action response times, NYCHA has recently reassigned painters and localized responsibility for performing remediations to improve efficiency. It is also building a more collaborative relationship

between the paint-remediation team and NYCHA's Healthy Homes Department, including through weekly progress reports, to more efficiently and effectively identify and prioritize work orders by borough and neighborhood.

### 3. Risk Assessment Reevaluations

In addition to performing routine visual assessments, federal regulations require NYCHA to perform **risk-assessment reevaluations** every two years in apartments that have not yet been abated, so that it may monitor presumed or known locations of lead-based paint and lead-based paint hazards.<sup>493</sup> A risk-assessment reevaluation involves on-site investigations performed by certified third-party risk assessors of all of NYCHA's developments known or suspected to have lead-based paint.<sup>494</sup> While the visual assessments described in **Subsection B.2** are limited to visual observation of known or suspected lead-based paint hazards, risk-assessment reevaluations involve testing deteriorated paint, dust, and soil for lead.<sup>495</sup>

Prior to the monitorship, NYCHA failed to perform any risk assessment reevaluations for nearly a decade.<sup>496</sup> To address this failure, the Agreement required NYCHA to perform a risk-assessment reevaluation of a random sampling of all developments known or suspected to have lead-based paint by January 31, 2021.<sup>497</sup> In 2020, NYCHA engaged certified third-party firms to conduct these risk-assessment reevaluations across 238 of NYCHA's developments, and NYCHA completed development-specific operations and maintenance ("O&M") plans based on the results of these risk-assessment reevaluations. However, NYCHA ultimately discarded the O&M plans because they were difficult to track across its portfolio. NYCHA does not intend to develop new O&M plans because it believes any such plans would be unnecessary in light of its pre-existing general operations and its maintenance, abatement, and testing plans. NYCHA continues to conduct biennial risk assessment reevaluations as required by federal regulations, and is currently in the process of completing the 2024 assessment.

The Monitors will continue to assess whether NYCHA performs biennial risk assessment reevaluations consistently and correctly. The Monitors will also evaluate whether NYCHA is properly leveraging the results of the risk-assessment reevaluations and their impact on

**Risk Assessment:** An on-site investigation of lead-based-paint hazards (including in paint, dust, and soil). Only a certified risk assessor can perform this type of investigation. The purpose is to determine the existence, severity, and location of lead-based-paint hazards. As part of the investigation, the certified risk assessor must submit a report explaining the results and providing options for reducing the lead-based-paint hazards.

NYCHA's approach to developing and executing maintenance, abatement, and testing plans.

#### 4. EBLL-Related Obligations

To address lead exposure in children under age six, federal regulations and the Agreement require NYCHA to take certain steps when it learns that a child living in a NYCHA development has an **elevated blood lead level ("EBLL")**,<sup>498</sup> which indicates that the child has been exposed to lead. In these instances, federal regulations require NYCHA to

- Report the case to the HUD;<sup>499</sup>
- Take immediate steps to determine whether lead-based-paint hazards exist in the child's home or building;<sup>500</sup> and
- Implement interim controls or eliminate any lead hazard identified in the home or building.<sup>501</sup>

Given the devastating effects of lead on children, the Agreement imposed certain obligations on NYCHA to immediately address EBLLs in NYCHA's developments.<sup>502</sup> Within 30 days of the appointment of the First Monitor, NYCHA was required to

- Submit a list of all apartments, common areas servicing those apartments, and buildings in which neither an **environmental investigation** nor a risk assessment was performed after a case of a child with an EBLL living in a NYCHA apartment was reported to NYCHA ("EBLL/EBLL-Triggered Risk Assessment List");<sup>503</sup>
- Confirm that DOHMH performed environmental investigations of all apartments and common areas servicing the apartments identified in the EBLL/EBLL-Triggered Risk Assessment List (or perform its own investigation if DOHMH failed to promptly do so);<sup>504</sup> and
- Abate all lead-based-paint hazards and perform risk assessments for all other apartments in the building in which a child under age six lived or spent time and on common areas servicing those apartments.<sup>505</sup>

##### **Elevated Blood Lead**

**Level ("EBLL"):** A confirmed concentration of lead in the blood of a child under age six equal to or greater than five micrograms per deciliter or higher. To put this into perspective, the concentration of lead in blood considered an elevated blood level is roughly equivalent in proportion to a half cup of water out of an Olympic-sized swimming pool.

##### **Environmental Investigation:**

Process of determining the source of lead exposure for a child under age 6 with an elevated blood lead level, consisting of administration of a questionnaire, comprehensive environmental sampling, case management, and other measures, in accordance with chapter 16 of the HUD Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing.

The Agreement also requires NYCHA to improve its ongoing reporting of EBLs. Specifically, NYCHA is required to:

- Enter into an agreement with DOHMH that allows both agencies to share information related to children with EBLs living in NYCHA's developments;<sup>506</sup>
- Report each confirmed case of a child with an EBL to HUD within five business days of NYCHA being notified;<sup>507</sup> and
- Report to the Monitor and HUD any work order "tickets" to abate lead paint within five days of receiving the order.<sup>508</sup>

The First Monitor and NYCHA each reported that NYCHA is in compliance with its EBL obligations.<sup>509</sup> To achieve compliance, NYCHA, among other things, implemented an automated system to alert HUD and the First Monitor to new EBL cases, changes in the EBL statuses of children, and the work-order status of apartments where children with EBLs live.<sup>510</sup> The improved reporting process minimizes further exposure and risk to children with EBLs by informing stakeholders about EBLs and holding NYCHA accountable to abating or reducing the relevant lead-based-paint hazards quickly. NYCHA additionally reported, and the First Monitor confirmed, that it is properly abating lead in EBL apartments.<sup>511</sup>

NYCHA reported in its May 2024 report that 24 EBL cases were identified as originating between October 28, 2023, and January 19, 2024. Out of those 24 cases, 21 involved children under age six. Four of the 21 were rescinded, meaning that the health department closed the case after further testing, likely because it determined that the source of exposure was not a NYCHA apartment. NYCHA has fully abated the 17 remaining apartments in which children with EBLs live, though it was not always able to complete abatement within the five calendar days required under federal regulations because of difficulties with scheduling temporary relocation of residents while the work was completed.

Finally, NYCHA currently provides the Monitors with real-time updates regarding EBL issues, which the Monitors review. The Monitors are independently confirming that NYCHA still complies

with its EBLR reporting obligations and will report on its compliance in a future report.

## 5. Lead-Safe Work Practices

To avoid creating additional lead-based hazards, federal regulations require NYCHA to take certain precautions when the agency or a vendor performs maintenance, repair, or renovation work that may disturb lead-based paint.<sup>512</sup> These precautions are known as lead-safe work practices. Among other things, lead-safe work practices require NYCHA to ensure that workers have access to the supplies necessary to perform work in a lead-safe manner, to isolate work areas so that no dust or debris leaves the area,<sup>513</sup> to clean up work areas to ensure no visible dust or debris remains after work is complete,<sup>514</sup> and to conduct **clearance examinations** after work is concluded.<sup>515</sup>

### Clearance Examinations:

Examinations conducted following lead-based-paint hazard-reduction activities to determine that the hazard reduction activities are complete and that no soil-lead hazards or settled-dust-lead hazards, as defined in HUD regulations, exist in the apartment or worksite. The clearance process includes a visual assessment and collection and analysis of environmental samples.

As a threshold matter, to employ lead-safe work practices, a worker must know that contemplated work may disturb lead-based paint. NYCHA has improved its IT infrastructure so that it can more effectively identify maintenance work that will require lead-safe work practices. Once it is known that work may disturb lead-based paint, lead-safe work practice requirements must be observed. Before the monitorship, NYCHA did not consistently comply with lead-safe work-practice requirements.<sup>516</sup> Among other issues, NYCHA failed to train its employees on how to adhere to lead-safe work practices, failed to inform staff and vendors when their work might disturb lead-based paint, and failed to properly clean worksites.<sup>517</sup>

To improve NYCHA's compliance with applicable regulations, the Agreement requires NYCHA to comply with lead-safe work-practice regulations generally as well as to comply with cited federal regulations specifically.<sup>518</sup>

The First Monitor reported that NYCHA was in substantial compliance with most relevant lead-safe work regulations.<sup>519</sup> However, NYCHA's reporting demonstrates that it is still working towards compliance with regulations meant to ensure that only properly trained and certified workers perform work that requires lead-safe work practices.<sup>520</sup> Currently, NYCHA's systems do not identify the vendor or vendor staff assigned to perform RRP work at developments containing lead-based paint. Instead, NYCHA relies on development staff or paint supervisors to manually check the qualifications of the vendor and vendor staff at the development. The

Monitors will confer with NYCHA regarding how to improve this process, for example by determining whether it is feasible to implement automated controls to ensure compliance with the relevant regulations.

As a general matter, NYCHA reports that its compliance with cleanup and safety measures has substantially improved, and the percentage of apartments in which workers use proper cleaning techniques and pass clearance examinations, including dust wipes, is substantial, hovering between 85 and 98%. However, in certain situations, federal regulations require NYCHA to temporarily relocate residents at the agency's expense during work that may disturb lead-based paint,<sup>521</sup> but NYCHA does not adhere to this requirement in many cases and maintains that it cannot do so because it would be cost prohibitive, and because many residents will not agree to be relocated for routine maintenance work.

One of NYCHA's priorities this year is to develop a workable path towards compliance with the relocation requirement mentioned above. To that end, NYCHA has conducted a pilot study of a protocol involving red rosin paper, a type of heavy-duty paper often used during construction or remodeling work that is permitted by New York City local law to be used for work involving lead-based paint. In the recently conducted pilot program, NYCHA used red rosin paper while conducting maintenance work that required lead-safe work practices by using the red rosin paper as a temporary barrier between a surface where clearance testing results had not yet been received from the laboratory. Once the results were received, the rosin paper was removed if clearance was achieved, or NYCHA repeated cleaning if not.<sup>522</sup> NYCHA has completed the pilot and submitted a report of its findings to the Monitors. The Monitors' consulting lead expert examined those findings and concluded that NYCHA's data and its rosin paper protocol demonstrated protection of occupants in the specific context of maintenance work that disturbs known or presumed lead-based paint in New York City, where red rosin paper is permitted under local regulations. Importantly, NYCHA does not propose, and the consulting lead expert would not support, the use of rosin paper for lead abatement work, during which residents are and should be temporarily relocated, as distinct from more limited maintenance work. If the use of rosin paper is approved and then adopted for maintenance work, following consultation with HUD and SDNY, the Monitors' consulting lead expert believes that certain metrics should be tracked going forward to verify that the rosin paper is being implemented across NYCHA's portfolio successfully. These



would include: (1) appropriate training for workers; (2) verification that rosin paper is being employed in appropriate circumstances; (3) proper installation of the paper by workers; and (4) successful clearance after the rosin paper is removed. It would also include educating residents on how rosin paper is used and the safety measures necessary to ensure the paper is not compromised before final clearance results are received. NYCHA's pilot report and the expert's memorandum have been provided to HUD and SDNY for review.

### **C. Abatement Obligations**

As discussed, the Agreement requires NYCHA to permanently abate all lead-based paint.<sup>523</sup> In the context of the Agreement, this generally means the removal of lead-based paint from NYCHA housing.<sup>524</sup> Prior to the monitorship, NYCHA lacked a cohesive strategy to abate lead-based paint and failed to adhere to the federal lead regulations governing abatement activities.<sup>525</sup> To address these shortcomings, the Agreement imposes abatement milestones and deadlines on NYCHA. As discussed below, NYCHA has made important progress in many areas but must do more in others.

#### **1. Prioritization of Apartments Where Children Under Age Six Reside or Spend Time**

NYCHA has taken significant steps to improve the required identification and abatement of lead-based paint where children under age six are most likely to live and spend time.<sup>526</sup> To coordinate and effectuate its focus on these apartments, NYCHA created the TEMPO team to oversee outreach, including NYCHA's door-knocking initiative discussed above in **Subsection A.1**. When such apartments contain (or are presumed to contain) lead-based paint, TEMPO is responsible for their inspection, implementation of ongoing controls, and abatement of any lead-based paint within them. As a part of these efforts, TEMPO was tasked with performing twice annual visual assessments in apartments with children under age six in them that have not yet been abated—one more than is required under federal regulations.

Overall, the TEMPO program has been an important part of NYCHA's efforts to reduce lead exposure to children under age six. The Monitors will continue to review NYCHA's progress on this front and will report on these efforts in a future report.



## **2. Abatement Targets for Apartments and Interior Common Areas**

The Agreement gives NYCHA twenty years, until 2039, to abate all lead-based paint in apartments and interior common areas.<sup>527</sup> More specifically, the Agreement requires NYCHA to abate 50% of apartments and interior common areas containing lead-based paint by January 31, 2029, 75% of apartments and interior common areas containing lead-based paint by January 31, 2034, and 100% of apartments and interior common areas containing lead-based paint by January 31, 2039.<sup>528</sup> NYCHA has substantially improved the rate at which it abates apartments containing lead-based paint. For example, as of August 1, 2024, NYCHA had abated approximately 8,882 apartments and is currently abating at a rate of about 380 to 420 apartments a month.<sup>529</sup> This is a significant improvement from the 709 total apartments it abated in 2019.<sup>530</sup>

The First Monitor reported in August 2023 that, if NYCHA is able to sustain its current rate of abatement, it may be able to abate lead in approximately 30,000 apartments by 2029.<sup>531</sup> If true, this encompasses a substantial portion of the approximately 35,598<sup>532</sup> apartments that have tested positive as of August 2024. The Monitors will continue to assess NYCHA's progress towards abating apartments, and will work to understand the scope of the total universe of apartments in need of abatement as NYCHA continues its testing of apartments.

While NYCHA is well ahead of schedule in abating apartments, it is difficult for the Monitors to assess whether NYCHA will meet the overall abatement deadlines outlined in the Agreement because NYCHA has not yet made meaningful progress towards operationalizing a plan to test and abate common areas. NYCHA has explained that it is difficult to determine the proper number of interior common areas needing abatement. For example, current renovations may result in the creation of new common areas by making previously inaccessible building areas accessible to residents. Additionally, NYCHA, SDNY, HUD, and the Monitors have not yet determined how they will count common areas, including, for example, whether they will count an entire stairwell as one common area, or instead count the landings on each floor as their own separate common areas. This has hindered NYCHA's efforts to accurately track its abatement progress. However, NYCHA maintains that it will abate all apartments and interior common areas by the 2039 deadline in the Agreement because, based on its experience to-date abating common areas

(including in PACT developments, discussed in **Subsection C.5 below**), NYCHA reported that it found that abatements in common areas are relatively simple to execute and can be completed much more quickly than apartment abatements. To ensure that it meets its longer-term abatement goals, the Monitors will support NYCHA in establishing a workable definition of interior common areas and developing a plan to facilitate its compliance with the abatement deadlines set by the Agreement.

### **3. Abatement of Exterior Common Areas**

The Agreement also requires NYCHA to abate exterior common areas, such as playgrounds, that contain lead-based paint.<sup>533</sup> Although the Agreement does not set a deadline for doing so, it requires NYCHA to develop an action plan that outlines the agency's timeline and approach to abatement, which must involve prioritizing exterior common areas that pose a higher risk of lead exposure to children.<sup>534</sup>

NYCHA has not yet developed a plan for or an approach towards abating exterior common areas. The Monitors and their consulting lead expert will support NYCHA in determining a reasonable timeline for abatement as well as to develop a prioritization strategy that ensures NYCHA is adequately addressing risks posed to its residents, particularly to children under age six who use jungle gyms and playgrounds in need of abatement.

### **4. Abatement of Developments Known to Have High Levels of Lead Paint**

The Agreement imposed a January 31, 2024 deadline by which NYCHA was required to fully abate Harlem River Houses and Williamsburg Houses, two developments the federal Complaint identified as containing lead-based paint and largely failing to comply with federal lead regulations.<sup>535</sup> NYCHA ultimately converted these developments into PACT housing prior to the January 2024 deadline and is addressing these obligations through PACT.

NYCHA did not meet this obligation due to closing delays associated with converting the developments to PACT. Additionally, in 2021, New York City changed the definition of lead-based paint from 1.0mg/cm<sup>2</sup> to 0.5 mg/cm<sup>2</sup>. This required NYCHA to retest apartments for lead under the new, more stringent definition, causing further delays.<sup>536</sup> NYCHA asserts that the Harlem River Houses, which

is 78% complete, will be abated by December 2024, and the Williamsburg Houses, which is 88% complete, will be abated by April 2025.

## **5. Abatement of Converted Developments**

To the extent that NYCHA converts public housing developments to something other than public housing and stops managing that housing—as is the case with PACT housing—many requirements of the Agreement no longer apply to the converted housing.<sup>537</sup> However, the Agreement does require NYCHA to ensure that lead-based-paint hazards are eliminated at these developments. Moreover, NYCHA has gone a step further and required abatement of all lead-based paint, not just lead-based-paint hazards, at converted PACT sites. This choice will ensure that a PACT transaction does not deprive affected residents of the benefits of abatement that are provided to residents of other developments under the Agreement.<sup>538</sup>

NYCHA outsources abatement of PACT sites to its PACT partners. This means that PACT partners must, where applicable, test and abate developments for lead-based paint in accordance with federal regulations.<sup>539</sup> To assess the accuracy of its PACT partners' self-reported data, NYCHA employs a third-party environmental firm to perform quality assurance work across a sample of apartments and common areas. Additionally, NYCHA's Compliance Department Monitoring Unit chooses a sample of completed abatements every six months as part of the certification process and reviews documentation to ensure conformance with the Agreement. A sample is taken across the PACT developments, based on the number of apartments completed in the covered period.

The Monitors will examine the PACT partners' abatement progress to ensure the partners meet the projected deadlines and that their abatement work complies with applicable regulations. Because this process is relatively new, the Monitors will closely review the data that NYCHA receives from the PACT partners and third-party consultants regarding the timing and quality of PACT partners' abatement work and will determine next steps to ensure that NYCHA is in compliance with these provisions.

## **6. Compliance with the Environmental Protection Agency's Abatement Rule**

Finally, the Agreement requires NYCHA to comply with the Environmental Protection Agency's Abatement Rule, a federal regulation requiring individuals performing abatement work to observe certain safety precautions, complete training, and other matters specifically designed for abatement activities (as opposed to routine maintenance work).<sup>540</sup> In the last reporting period, NYCHA characterized its level of compliance with the EPA Abatement Rule as "high."<sup>541</sup> Currently, the Monitors are independently verifying NYCHA's reporting and will provide an update in a future report. NYCHA plans to update the Monitors on the processes that NYCHA is undertaking to address any partially abated or missed components from the early stage of the abatement program.

### **Overview of Lead-Based Paint Obligations**

The following chart summarizes the status of NYCHA's compliance with the requirements of the HUD Agreement as of June 2024 unless otherwise noted, and categorizes each requirement as a one-time requirement (blue); occurrence obligation (yellow); response obligation (orange); or policy and practice obligation (green).

Req. No.	Description	Status	Compliance Details
<b>One-Time Requirement</b>			
L1 (Ex. A ¶ 4(a))	<b>Report Identifying Lead-Paint Developments and Apartments.</b> NYCHA shall provide the SDNY and HUD with a report identifying all developments that were built prior to January 1, 1978 and are not exempt pursuant to 24 C.F.R. § 35.115, as a result of an inspection, an abatement, or otherwise, as well as any apartments in those developments that are not exempt ("lead-paint units").	Complete	This requirement is complete.
L2 (Ex. A ¶ 4(b))	<b>Report Identifying Lead-Paint Apartments with Children:</b> NYCHA	Complete	This requirement is complete.

Req. No.	Description	Status	Compliance Details
	shall provide a report (the "Immediate Action List") identifying lead-paint apartments that NYCHA "had reason to believe are occupied or routinely visited by a child under the age of 6."		
L3 (Ex. A ¶ 5(a))	<b>Immediate Visual Assessments:</b> NYCHA shall perform at least one visual assessment in accordance with 24 C.F.R. § 35.1355 of each apartment on the Immediate Action List, except insofar as the apartment received a compliant visual assessment within the preceding months.	Partially complete	NYCHA has not visually assessed 100% of apartments on the Immediate Action List, but has completed 99% of required visual assessments. The Monitors will support NYCHA to finalize these assessments, including NYCHA's efforts to obtain access to residents' apartments.
L4 (Ex. A ¶ 5(b))	<b>Elimination of Lead-Based Paint Hazards:</b> NYCHA shall eliminate any lead-based-paint hazards in	Partially complete	NYCHA does not always comply with certain interim controls required in the regulations, specifically those relating to remediating paint deficiencies within the time

Req. No.	Description	Status	Compliance Details
	apartments identified on the Immediate Action List using interim controls in accordance with 24 C.F.R. § 35.1330, or through abatement in accordance with 24 C.F.R. § 35.1325.		periods listed in the regulations. The Monitors will support NYCHA in developing a plan to comply with these obligations
L5 (Ex. A ¶ 6)	<b>Exemption Documentation:</b> NYCHA shall provide SDNY and HUD with documents sufficient to show NYCHA's basis for claiming that particular developments are exempt.	Complete	This requirement is complete.
L6 (Ex. A ¶ 8)	<b>Development-Specific Abatement:</b> NYCHA shall abate all lead-based paint at the Harlem River Houses and Williamsburg Houses by January 31, 2024.	Incomplete	These developments were transferred to third-party management through the PACT program. Due to closing delays as well as the change in New York City's lead threshold, NYCHA's PACT partners did not abate all lead-based paint by the target deadline. NYCHA estimates that the PACT partners will abate all lead-based paint at both developments by April 2025.

Req. No.	Description	Status	Compliance Details
L7 (Ex. A ¶ 19)	<b>EBLL Risk Assessment:</b> Within 30 days of appointment of the Monitor, NYCHA shall provide the Prior Monitor a list (the "EBLL/EBLL-Triggered Risk Assessment List") of "all units, common areas servicing such units, and developments in which neither an environmental investigation nor a risk assessment was performed since the date of" the reporting to NYCHA (if on or after July 13, 2017) of a case of a child under age 6 with an EBLL, or the reporting to NYCHA (if before July 13, 2017) of a case of a child with an EBLL living in such apartment and development.	Complete	This requirement is complete.
L8 (Ex. A ¶ 20)	<b>Environmental Investigations:</b> After providing the Monitor the EBLL/EBLL-	Complete	This requirement is complete.



Req. No.	Description	Status	Compliance Details
	<p>Triggered Risk Assessment List, within a timeframe acceptable to the Monitor, NYCHA shall confirm that the New York City Department of Health and Mental Hygiene performed an environmental investigation in any apartment and common areas servicing that apartment identified in the EIBLL/EBLL-Triggered Risk Assessment List.</p> <p>To the extent the Department of Health and Mental Hygiene has not done so, NYCHA was required to perform such environmental investigation within a timeframe acceptable to the Monitors.</p>		
L9 (Ex. A ¶ 21)	<p><b>Abatement of EBLL Apartments:</b></p> <p>After issuing or receiving the</p>	Complete	This requirement is complete.

Req. No.	Description	Status	Compliance Details
	report of the environmental investigation, within a timeframe acceptable to the Monitor, NYCHA shall complete the abatement of identified lead-based-paint hazards in accordance with 24 C.F.R. § 35.1130(c) and 35.1325.		
L10 (Ex. A ¶ 22)	<b>Risk Assessment of EBLL Buildings:</b> NYCHA shall perform risk assessments for all other apartments in the building in which a child under age six resides or is expected to reside on the date lead-based-paint hazard reduction is complete, and common areas servicing those apartments in the developments identified in the EIBLL/EBLL-Triggered Risk Assessment List, within a	Complete	This requirement is complete.

Req. No.	Description	Status	Compliance Details
	timeframe acceptable to the Monitors.		
L11 (Ex. A ¶ 24)	<b>Information Sharing:</b> No later than 60 days after the execution of the Agreement, NYCHA shall enter into a written agreement with the NYC Department of Health and Mental Hygiene resolving any barriers to the sharing of information relating to resident children's blood lead levels necessary for NYCHA to make disclosures to HUD.	Complete	This requirement is complete.
L12 (Ex. A ¶ 30(a))	<b>One-time Certification:</b> NYCHA shall submit to SDNY and HUD a statement describing compliance with priority action obligations within 120 days of the Effective Date.	Complete	This requirement is complete.

Req. No.	Description	Status	Compliance Details
L13 (Ex. A ¶ 33(a))	<b>Sample Kit:</b> NYCHA shall display a sample kit of the supplies needed to complete an RRP work order in all 139 storerooms by January 31, 2019.	Complete	This requirement is complete.
L14 (Ex. A ¶ 33(b))	<b>RRP Supplies:</b> NYCHA shall issue a minimum of one kit of RRP supplies to RRP-certified staff daily by February 28, 2019.	Complete	This requirement is complete.
L15 (Ex. A ¶ 33(c))	<b>IT Upgrades:</b> NYCHA shall enhance its work order system to automatically create a "dust wipe" work order if an RRP work order is generated by February 28, 2019.	Complete	This requirement is complete
L16 (Ex. A ¶ 33(d))	<b>Dust-Control Training:</b> NYCHA shall select a vendor to supplement the EPA's RRP training with practical training on dust-control measures to	Complete	This requirement is complete.

Req. No.	Description	Status	Compliance Details
	simulate a range of working conditions by March 31, 2019, and train substantially all RRP-certified staff by December 31, 2019.		
L17 (Ex. A ¶ 33(f))	<b>Visual Assessment Training:</b> NYCHA shall train all maintenance workers to perform lead-based paint visual assessments by September 30, 2019.	Complete	This requirement is complete.
L18 (Ex. A ¶ 33(g))	<b>Painting Contracts:</b> NYCHA shall secure additional, dedicated painting contracts for the Healthy Homes Department to exclusively focus on remediation by December 31, 2019.	Complete	This requirement is complete.
L19 (Ex. A ¶ 12)	<b>Exterior Common Areas:</b> NYCHA must develop an Action Plan that sets forth a timeline for the	Incomplete	NYCHA has not yet developed an Action Plan related to exterior common areas.

Req. No.	Description	Status	Compliance Details
	abatement of exterior common areas that contain lead-based paint and prioritizes common areas posing a higher risk of exposure to children.		
<b>Occurrence Obligation</b>			
L20 (Ex. A ¶ 9)	<b>50% Abatement:</b> NYCHA shall abate all lead-based paint in 50% of apartments that contain lead-based paint and interior common areas that contain lead-based paint in the same building as those apartments by January 31, 2029.	Not due; may be on track for compliance	NYCHA is abating apartments with lead-based paint at a rate of approximately 400 apartments per month. If NYCHA maintains its current rate of abatement, the agency may meet the target deadline. However, NYCHA has not developed a plan to abate common areas, which could affect its target date of completion.
L21 (Ex. A ¶ 10)	<b>75% Abatement:</b> NYCHA shall abate all lead-based paint in 75% of apartments that contain lead-based paint and interior common areas that contain lead-based paint in the same building as those	Not due; may be on track for compliance	NYCHA is abating apartments with lead-based paint at a rate of approximately 400 apartments per month. If NYCHA maintains its current rate of abatement, the agency may meet the target deadline. However, NYCHA has not developed a plan to abate common areas, which could affect its target date of completion.

Req. No.	Description	Status	Compliance Details
	apartments by January 31, 2034.		
L22 (Ex. A ¶ 11)	<b>100% Abatement:</b> NYCHA shall abate all lead-based paint in 100% of apartments that contain lead-based paint and interior common areas that contain lead-based paint in the same building as those apartments by January 31, 2039.	Not due; may be on track for compliance	NYCHA is abating apartments with lead-based paint at a rate of approximately 400 apartments per month. If NYCHA maintains its current rate of abatement, the agency may meet the target deadline. However, NYCHA has not developed a plan to abate common areas, which could affect its target date of completion.
<b>Response Obligation</b>			
L23 (Ex. A ¶ 23)	<b>EBLL Reporting:</b> NYCHA must report to HUD each confirmed case of a child with an EBLL within five business days of being notified, in accordance with 24 C.F.R. § 35.1130.	In compliance	NYCHA is in compliance with this requirement.
L24 (Ex. A ¶ 25)	<b>EBLL Abatement Orders:</b> NYCHA must report to the Monitor to and HUD any NYC Department of Health and Mental Hygiene	In compliance	NYCHA is in compliance with this requirement.

Req. No.	Description	Status	Compliance Details
	Commissioner order to abate lead-based paint within five days of receiving such order.		
L25 (Ex. A ¶ 26)	<b>Environmental Investigations:</b> To the extent the NYC Department of Health and Mental Hygiene Commissioner has not performed an environmental investigation of any apartment in which a child with an EBLL has been reported within 15 days of identifying such apartment, NYCHA shall perform an environmental investigation of that apartment and common areas servicing that apartment and perform abatement of any lead-based-paint hazards within 30 days.	In compliance	NYCHA is in compliance with this requirement.



Req. No.	Description	Status	Compliance Details
<b>Policy and Practice Obligation</b>			
L26 (Ex. A ¶ 14)	When performing any abatement, NYCHA shall comply with specified EPA regulations.	Partial compliance	NYCHA reports that it has made progress but cannot certify 100% compliance with this obligation because it needs more IT support to eliminate the need to manually develop notices of hazard reduction for all abatements.
L27 (Ex. A ¶ 15)	<b>Lead-safe work practices.</b> NYCHA shall comply with lead-safe work-practice requirements when directing or performing renovation or maintenance work in lead-paint developments. These requirements are set forth in the Lead-Safe Housing Rule, 24 C.F.R. part 35, subparts B-R, and the Renovation, Repair, and Painting Rule, 40 C.F.R. part 745, subpart E.	Partial compliance	NYCHA may not be in compliance with subparts requiring adherence to RRP protocols in work orders, vendor documentation, and clearance examinations.
L28 Ex. A ¶ 16)	<b>Visual assessments:</b> NYCHA shall perform visual assessments in developments	In compliance	NYCHA is in compliance with this requirement.

Req. No.	Description	Status	Compliance Details
	that contain lead-based paint in compliance with federal regulations.		
L29 (Ex. A ¶ 17)	<b>Lead-based paint deficiencies identified during visual assessments:</b> NYCHA shall control deteriorated lead-based paint identified by visual assessments in compliance with federal regulations.	Not in compliance	NYCHA does not currently correct deficiencies identified during visual assessments within the timeframes specified by federal regulations. NYCHA also has a backlog of uncorrected lead-based paint deficiencies identified during visual assessments.
L30 (Ex. A ¶ 18)	<b>Risk-Assessment Reevaluations:</b> NYCHA shall conduct risk-assessment reevaluations of all NYCHA housing that contains lead-based paint in accordance with 24 C.F.R. § 35.1355, which governs ongoing lead-based-paint maintenance and reevaluation activities.	In compliance	NYCHA is in compliance with this requirement.

Req. No.	Description	Status	Compliance Details
L31 (Ex. A ¶ 27)	<b>Lead Disclosures to New Residents:</b> NYCHA shall provide residents signing new leases (or, where required by regulations, renewal leases) with information about the presence of lead-based paint and lead-based-paint hazards in their apartments and developments.	In compliance	NYCHA is in compliance with this requirement.
L32 (Ex. A ¶ 28)	<b>Physical Copies of Disclosures:</b> NYCHA shall ensure that physical copies of all disclosure materials are present, available for inspection, and permanently maintained at the management office for each development.	Partial compliance	The First Monitor reported that inspectors found NYCHA was compliant with these requirements in 95% of buildings. However, NYCHA's recent reporting suggests certain of its developments are not in compliance with these requirements. The Monitors will conduct field inspections to assess the rate of NYCHA's compliance with this obligation.
L33 (Ex. A ¶ 29)	<b>Electronic Copies of Disclosures:</b> NYCHA shall ensure that electronic copies of all disclosure materials are available to	Partial compliance	The First Monitor reported that inspectors found NYCHA was compliant with these requirements in 95% of buildings.

Req. No.	Description	Status	Compliance Details
	residents through an internet-based portal.		
L34 (Ex. A ¶ 30(b))	<b>Biannual Certification:</b> NYCHA shall provide SDNY and the Monitor a certification describing compliance with abatement and lead-safe work practices obligations by July 2024 and every six months thereafter.	In compliance	NYCHA is in compliance with this requirement.
L35 (Ex. A ¶ 33(e))	<b>Ongoing Training:</b> NYCHA shall provide all resident building superintendents, assistant resident building superintendents, and property managers with training in RRP practices on an ongoing basis.	In compliance	NYCHA is in compliance with this requirement.

## II.6 Inspections

NYCHA is required to maintain physical conditions at its developments that are “functionally adequate, operable, and free of health and safety hazards.”<sup>542</sup> HUD regularly inspects NYCHA’s developments to confirm whether NYCHA is complying with these requirements and requires NYCHA to conduct self-inspections to confirm the same. If the inspections reveal deficiencies in the physical conditions of NYCHA’s developments, NYCHA is required to conduct needed repairs within certain timelines to bring its developments into compliance.<sup>543</sup> As NYCHA conceded in 2018, the physical conditions at many of NYCHA’s developments did not meet HUD’s physical condition standards.<sup>544</sup> Moreover, NYCHA improperly suspended its annual self-inspection process and then misled HUD about its efforts to reduce a backlog of repairs needed to bring its units into compliance.<sup>545</sup> Furthermore, NYCHA admitted to engaging in deceptive practices to hide deficient physical conditions at some developments from HUD’s inspectors.<sup>546</sup>

For these reasons, the HUD Agreement requires NYCHA, among other things, to: (1) ensure compliance with HUD’s inspection program, (2) complete annual self-inspections, (3) make physical repairs in accordance with HUD’s guidance and in a manner consistent with industry standards and workmanship, and (4) prevent deceptive practices in connection with HUD’s inspections.<sup>547</sup> The Monitors discuss NYCHA’s compliance with these requirements below. In addition, the Monitors describe the work of their own inspections team, which will assist in assessing NYCHA’s compliance with these requirements.

As discussed in more detail below, NYCHA has made important improvements to its process for conducting inspections. Specifically, NYCHA has made substantial efforts to train its staff, update its internal processes and procedures to comply with new HUD inspection standards, and better inform residents about inspections and solicit their feedback on deficiencies. Further, as reported by the First Monitor, NYCHA has reduced the recurrence of the illegal activities related to HUD’s inspections that ultimately led to the HUD Agreement.

NYCHA is also inspecting more apartments. Due to a change in HUD’s requirements, NYCHA is on track to inspect 100% of its apartment units in 2024, an important milestone. Prior to the change

in requirements this year, NYCHA had committed to inspecting 50% of its units in accordance with its prior agreement with the First Monitor, HUD and SDNY.<sup>548</sup> As of June 2024, NYCHA reported that it had already completed inspections of 59% of its units, and if it maintains its current pace, it is on track to complete 100% of inspections by the end of the year.

By both improving the inspection process and by inspecting more apartments, NYCHA has laid a promising groundwork for improving its compliance with HUD's physical condition standards and ensuring that inspections accurately reflect the extent of its compliance with the HUD Agreement and HUD's regulations. The results of those inspections so far this year appear to indicate that NYCHA made improvements in the overall management of the inspection process and made progress towards improving the physical conditions at a number of its developments. However, the inspections also show that substantial work will be needed to repair the physical conditions documented at many of NYCHA's developments. Although the precise number of developments that failed completed inspections by HUD as of June 2024 is pending appeals by NYCHA, as many as two-thirds of inspected developments that received official physical inspection results failed the evaluation. Although these scores indicate the need for significant improvement, if they are confirmed—and if they are representative of the scores NYCHA will receive once all inspections are complete—they would still show progress from where NYCHA has been. During NYCHA's previous round of inspections, albeit under a different inspection regime, more than 90% of inspected developments received a failing score. That is not to say that such a high failure rate is acceptable. It is not. But it is important to report on the progress that a drop from a 90% failure rate to an approximately 67% failure rate represents.

Moreover, as described in more detail below, the HUD inspection scores so far this year may be artificially lower because the new inspection process requires further work to take into account documentation of recent lead-based paint evaluations or evidence that a unit should be exempt from lead paint testing, prior to the inspection, potentially resulting in score deductions for lead paint that are not warranted. As the inspection process continues to be revised and improved, the Monitors will examine and track how it may be impacting NYCHA's scores and report further.

With regard to inspections by NYCHA, the Monitors' inspections team will review their quality and report on their findings in a future report. The Monitors also are reviewing steps NYCHA is taking to improve its performance in reducing or addressing physical conditions defects found during the inspections, including preventive maintenance and quality assurance measures to bring observed defects into compliance year-round. The Monitors are committed to tracking and helping support NYCHA's efforts to bring its developments into compliance with the requirements of HUD's inspection program.<sup>549</sup>

## A. HUD Inspections

Under HUD's **Public Housing Assessment System ("PHAS")**,<sup>550</sup> HUD conducts regular inspections to determine whether NYCHA is meeting its obligation to provide housing that is "functionally adequate, operable, and free of health and safety hazards."<sup>551</sup> HUD makes this determination by observing physical conditions during inspections and comparing its findings to over 200 standards on how all the functional elements of a development—from signage and doors in common areas to bathroom plumbing and kitchen appliances to trash chutes—should be maintained. The overarching goal of the HUD Agreement's provisions concerning both HUD's inspections and NYCHA's inspections is to ensure that NYCHA improves its compliance with HUD's physical condition standards across its developments.

**PHAS Inspections Action Plan.** Under the HUD Agreement, NYCHA's Chief Compliance Officer is responsible for ensuring NYCHA's compliance with HUD's inspection-related regulations and guidelines, including, among other things, educating NYCHA's staff on those requirements.<sup>552</sup> In October 2019, the First Monitor, in consultation with HUD and SDNY, approved NYCHA's PHAS Inspections Action Plan reflecting the steps NYCHA planned to take to comply with HUD's inspection program.<sup>553</sup> Under that plan, NYCHA committed to take the following actions, designed to better educate its staff about the standards NYCHA must follow when maintaining the physical condition of its developments:

1. **Standard Procedure.** NYCHA agreed to update its standard procedure to clarify the applicable standards for maintenance and repair work. NYCHA maintains a standard procedure to provide its staff with instructions

**Public Housing Assessment System ("PHAS"):** System used by HUD to assess the performance of public housing agencies. PHAS evaluates public housing agencies based on four main indicators: (1) physical condition; (2) financial condition; (3) management operations; and (4) capital fund management. The physical condition portion of the assessment comprises 40 points of the 100-point PHAS score.

on how to comply with the HUD inspection program and physical condition standards in the regular course of performing their duties at developments.<sup>554</sup> HUD's physical condition standards are ongoing obligations. Therefore, any defect identified at any time, whether in response to a resident complaint, during a formal inspection, or otherwise, must be corrected within certain timeframes and pursuant to quality standards defined by HUD regulations, discussed in more detail below.<sup>555</sup> In December 2019, NYCHA revised the standard procedure to reflect the HUD Agreement's requirements, including compliance with HUD's then-operative physical condition standards, known as the Uniform Physical Condition Standards ("UPCS").<sup>556</sup> NYCHA required staff, including those in the Operations, Quality Assurance, and Compliance Departments, to review these standard procedures.<sup>557</sup>

- 2. Training.** NYCHA committed to training its staff on the applicable repair standards and the requirements of the HUD inspection program. In October 2019, with input from the First Monitor, NYCHA instituted a new training program related to HUD's inspections and physical condition standards for relevant NYCHA employees.<sup>558</sup> With the help of an outside vendor, NYCHA created a classroom training program that, among other things, covered the HUD inspection process and the standards of workmanship evaluated in HUD's inspections.<sup>559</sup> For example, instructors trained Property Managers, Maintenance Workers, and Caretakers<sup>560</sup> on HUD's physical condition standards, which include over 200 potential defects, and how Property Management staff must conduct themselves during a HUD inspection, including not hiding conditions that require repair from HUD's inspectors. By the end of the First Monitor's term, NYCHA had delivered its classroom training on these topics to more than 4,100 staff members.<sup>561</sup>
- 3. Staff Communication Plan.** NYCHA agreed to develop a comprehensive communication plan to routinely reinforce NYCHA's obligations with regard to inspections to staff responsible for maintaining



compliance.<sup>562</sup> The centerpiece of this plan is an array of mandatory routine meetings involving staff at various levels—from the Chief Compliance Officer to Maintenance Workers—to discuss HUD’s physical condition standards, relevant NYCHA policies, and the importance of avoiding deceptive practices. For example, as part of this plan, in September 2019 NYCHA began to require its Property Managers and Property Maintenance Supervisors to meet quarterly with their staff, who are directly responsible for maintenance and repairs, to educate them on the standard procedures and related best practices, including any recent relevant Compliance Advisory Alerts from the Compliance Department.<sup>563</sup> The communication plan also requires certain email reminders and various other written communications. For instance, in October 2019, NYCHA began to publish quarterly newsletters to all staff, which included updates for the maintenance staff on HUD’s inspections program and common deficiencies of which they should be aware.<sup>564</sup>

**Transition to New Standards.** In June 2023, HUD finalized new physical condition and inspection standards called the National Standards for the Inspection of Real Estate (“NSPIRE”).<sup>565</sup> NSPIRE replaced the UPCS, which HUD believed placed too much emphasis on repairing otherwise safe and functional items while paying inadequate attention to remediating dangerous or unhealthy conditions.<sup>566</sup> NSPIRE prioritizes identifying and correcting threats to health and safety such as carbon monoxide, fire hazards, pest infestations, lead-based paint, mold, structural defects, and water-safety concerns.<sup>567</sup>

The transition to NSPIRE was a significant regulatory change, requiring considerable planning and preparation on NYCHA’s part, and NYCHA has made “NSPIRE Readiness” a priority throughout the monitorship.<sup>568</sup> In February 2024, NYCHA revised its standard procedure for HUD’s inspection program to be consistent with NSPIRE,<sup>569</sup> including changes to the instructions on timing, scheduling, preparation, corrective action, integrity, and appeals of HUD’s inspections.<sup>570</sup> In addition, NYCHA updated its staff communications to include NSPIRE-related content. For instance,

over the last year, NYCHA has issued four newsletters covering NSPIRE, and the Compliance Department has issued seven Compliance Advisory Alerts on the NSPIRE standards,<sup>571</sup> including on mold-related defects in November 2023 and electrical safety in June 2024.<sup>572</sup>

NYCHA reports that it considers training its Operations staff on the new NSPIRE standards to be one of the most important steps for it to take to be in compliance with HUD's inspection program, as reflected in the new training program it introduced in October 2023.<sup>573</sup> This consisted of a two-day classroom course on the NSPIRE standards and a half-day site-based training<sup>574</sup> that includes a mock inspection.<sup>575</sup> NYCHA now requires certain staff that encounter maintenance issues—Property Managers, Superintendents, Assistant Superintendents, Supervisors of Caretakers, Supervisors of Grounds, and Maintenance Workers—to take both the class-based training and the site-based training. Other staff are required only to take the class-based training.

In the first phase of this training, NYCHA set a target population of 1,950 Property Management and Operations Support Services staff to complete the program.<sup>576</sup> NYCHA reports that as of June 2024, 1,494 of these individuals have taken the new classroom training, and 639 individuals have taken the site-based training. For the classroom training, which takes place at NYCHA's Training Center in Long Island City, staff are required to take an examination evaluating their understanding of the new rules. Through June 2024, NYCHA reported that 97.8% of trainees passed the examination, with an average score of 88.6%. Staff who do not pass after three attempts are required to attend two semi-annual technical assistance training sessions provided by the Compliance Department.<sup>577</sup> In November 2024, NYCHA anticipates launching an online refresher training that reflects the NSPIRE standards.<sup>578</sup>

The Monitors are continuing to vet the efficacy of NYCHA's training program. In June 2024, a senior member of the Monitors' inspections team attended NYCHA's 3-day NSPIRE training, and overall found the content covered in both the classroom and site-based training to be valuable and the instructors to be knowledgeable. Following that session, the Monitors' inspection team provided feedback on potential improvements to the classroom materials, format of the site-based training, and comprehensiveness of the final examination to further improve the training. The Monitors

will continue to assess this program, including the upcoming November 2024 training, and provide further comment in future reports. The Monitors are also currently tracking and helping support NYCHA's efforts to update the PHAS Inspections Action Plan to further reflect and implement the NSPIRE standards.

**NSPIRE Inspections and Results.** NSPIRE generally requires NYCHA to maintain housing that is "functionally adequate, operable, and free of health and safety hazards."<sup>579</sup> On an annual to triennial basis, HUD evaluates the inspectable areas of every development to confirm this requirement is met.<sup>580</sup> These inspectable areas fall into three categories that generally encompass the units where residents live, inside areas where residents can enter, and outside areas where components or systems that could impact resident safety and health are located:<sup>581</sup>

- **Units.** A unit (or "dwelling unit") of HUD housing refers to the interior components of an individual apartment. Examples of components in the interior of a unit that is evaluated under NSPIRE may include the balcony, bathroom fixtures, call-for-aid (if applicable), carbon monoxide devices, ceiling, doors, electrical systems, an enclosed patio, floors, HVAC (where individual units are provided), kitchen appliances, lighting, outlets, plumbing, smoke detectors, stairs, switches, walls, water heater, and windows.
- **Inside.** Inside areas are the common areas and building systems that can be generally found within a building but not inside a unit. Examples of inside common areas may include basements, interior garages, restrooms, closets, utility rooms, mechanical rooms, community rooms, day care rooms, halls, corridors, stairs, shared kitchens, laundry rooms, offices, and trash-collection areas. Examples of building systems include water supply pipes, electrical lines, elevators, emergency power supplies, fire-protection systems, HVAC equipment, and sanitation services.
- **Outside.** Outside areas include the building site, exterior components, and any building systems located outside of a building within a development. Examples of outside components may include fencing, retaining

walls, grounds, lighting, mailboxes, project signs, parking lots, detached garages, driveways, play areas and equipment, refuse disposal, roads, storm drainage, non-dwelling buildings, and walkways. Components found on the exterior of the building are also considered outside areas, and examples may include doors, attached porches, attached patios, balconies, car ports, fire escapes, foundations, lighting, roofs, walls, and windows.

HUD's inspectors apply the NSPIRE standards to evaluate whether the inspectable area is functionally adequate, operable, and free of health and safety defects.<sup>582</sup> Regarding unit inspections, inspectors working for HUD<sup>583</sup> inspect a random, statistically significant sample of all units in the development.<sup>584</sup> HUD categorizes health and safety defects observed during an inspection based on the inspectable area in which it is found and the defect's potential impact: "life-threatening," "severe," "moderate," or "low."<sup>585</sup> Conditions classified as life-threatening or severe<sup>586</sup> are weighted more heavily than those classified as moderate or low-risk when evaluating the conditions at a development.<sup>587</sup> During the inspection, NYCHA's staff cannot interfere with the inspector, block inspectable areas, or dispute the validity of defects, although NYCHA may later appeal findings of defects after the inspector's report is issued.<sup>588</sup>

After HUD completes its inspections, it notifies NYCHA of any deficiencies observed, which NYCHA is then required to repair within a specified time that depends on whether the deficiency poses any threat to health or safety. In addition, each development receives inspection results from HUD that is scored on a 100-point scale.<sup>589</sup> Development-level scores of less than 60 points are deemed failing, reflecting HUD's assessment that the development is not maintained in accordance with NSPIRE.<sup>590</sup> Additionally, where a high proportion of point deductions are due to defects within units (as opposed to common areas or outdoors), the development may be assigned a failing score of 59 points even if the other inspectable areas of the development scored over 60 points.<sup>591</sup>

From January to June 2024, HUD issued official inspection scores to 51 of NYCHA's developments.<sup>592</sup> As of June 2024, 17 of these inspected developments (or one third) passed HUD's evaluation.<sup>593</sup> That is an improvement from the recent past: by comparison, less than 10% of the 122 inspected developments

passed in the 2022-2023 round of inspections performed using the prior UPCS standards.<sup>594</sup> NSPIRE rules allow NYCHA to appeal the results of its inspections through HUD's technical review process if the score is close to an administratively significant threshold. As of June 2024, NYCHA has appealed more than 20% of failed inspection scores close to the threshold of 60 points.

One of the primary areas of appeal has been positive results for lead paint, which result in lower and potentially failing scores. NSPIRE rules allow NYCHA to submit documentation of a recent lead-based paint evaluation or evidence of exemption prior to an NSPIRE inspection, but this has not yet been incorporated into the inspection process.<sup>595</sup> During the inspection process, there were score reductions for lead paint in some units for which such documentation exists, and having been unable to submit that documentation in advance of the inspection NYCHA then submitted the results of lead-based-paint inspections or paint that tested negative as part of its appeal of those scores.<sup>596</sup> HUD approved some but rejected many of NYCHA's appeals. NYCHA submitted the paint testing results pursuant to the NSPIRE regulations, and HUD and NYCHA continue to discuss the issue.

In addition to communicating issues with the roll-out of the NSPIRE program to HUD, NYCHA is taking substantive measures to improve its scores, including conducting year-round preventive maintenance via its annual inspections and educating its staff on HUD's inspection process and requirements.

The Monitors are in the process of assessing NYCHA's compliance with the NSPIRE standards and evaluating NYCHA's most recent inspection results, including the pending results of appeals. As more inspections are completed and as challenges with the roll out of HUD's new inspection process are addressed,<sup>597</sup> the Monitors will assess whether the final inspection results are consistent with these early results, and whether and how those challenges may be affecting performance results.

The Monitors have established an independent inspections team that will visit developments to gather the data that the Monitors will need. Among other things, the team will accompany NYCHA's maintenance and quality assurance inspectors during their annual in-unit inspections (discussed below), conduct their own inspections of NYCHA's developments, and engage directly with NYCHA's Property

Management staff on problem areas and best practices. The Monitor will address these efforts in future reports.

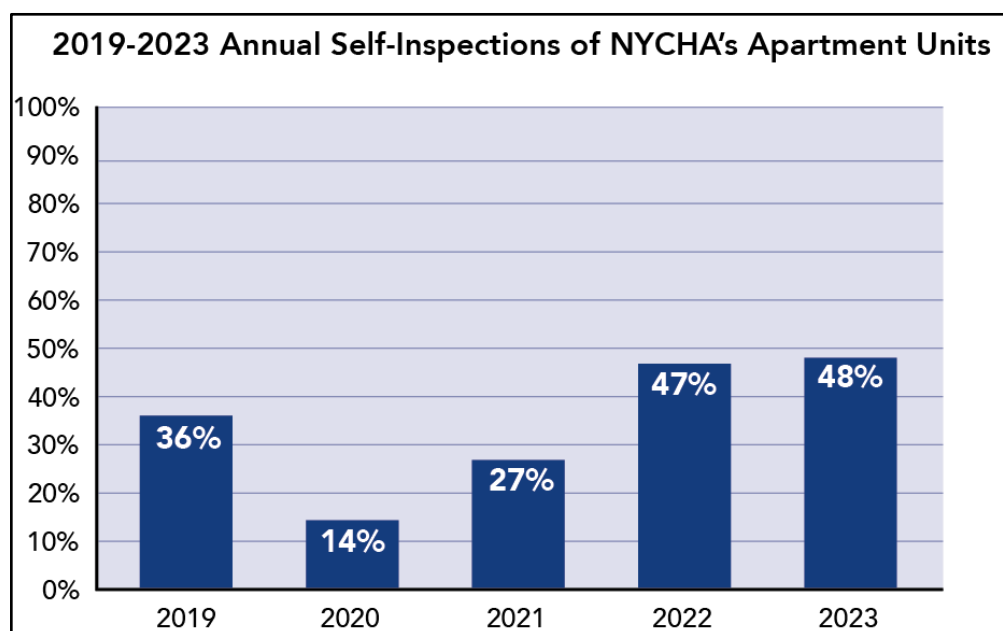
## **B. Annual Self-Inspections**

In addition to the inspections conducted by HUD's inspectors, the HUD Agreement requires NYCHA to self-inspect its apartment units every year to identify and repair deficiencies. Annual apartment inspections, by design, generate new work orders for repairs that the inspectors identify as necessary.<sup>598</sup> These inspections are meant to encourage regular preventive maintenance rather than "just-in-time" repairs ahead of HUD's inspections of NYCHA's developments.<sup>599</sup> HUD maintains this requirement because HUD has observed Maintenance Workers at public housing agencies complete minimal, low-quality repairs just before a HUD inspection to improve inspection scores, which present an unrealistic picture of the developments' physical conditions in the ordinary course of operations.<sup>600</sup>

Annual inspections are conducted by a NYCHA Maintenance Worker<sup>601</sup> or a vendor NYCHA recently retained for this purpose. During the inspection, the inspectors evaluate a checklist of 40 items such as the unit's electricity, hot water, windows, and doors.<sup>602</sup> This checklist is not the same checklist that HUD's inspectors use during its inspections to evaluate whether the units comply with HUD's physical condition standards, and, unlike HUD, NYCHA does not assign a numerical score or a passing or failing grade to its units or developments during its annual self-inspections. The inspectors use a smartphone to record inspection results for every item on the checklist, recording whether each item is in satisfactory or unsatisfactory condition and whether the inspector took corrective action on the spot to repair each defect, or if the inspectable item is not applicable to the unit.<sup>603</sup> A defect that cannot be repaired during the inspection will generate a separate work order reflecting the priority of the repair and timeframe for completing the work.<sup>604</sup>

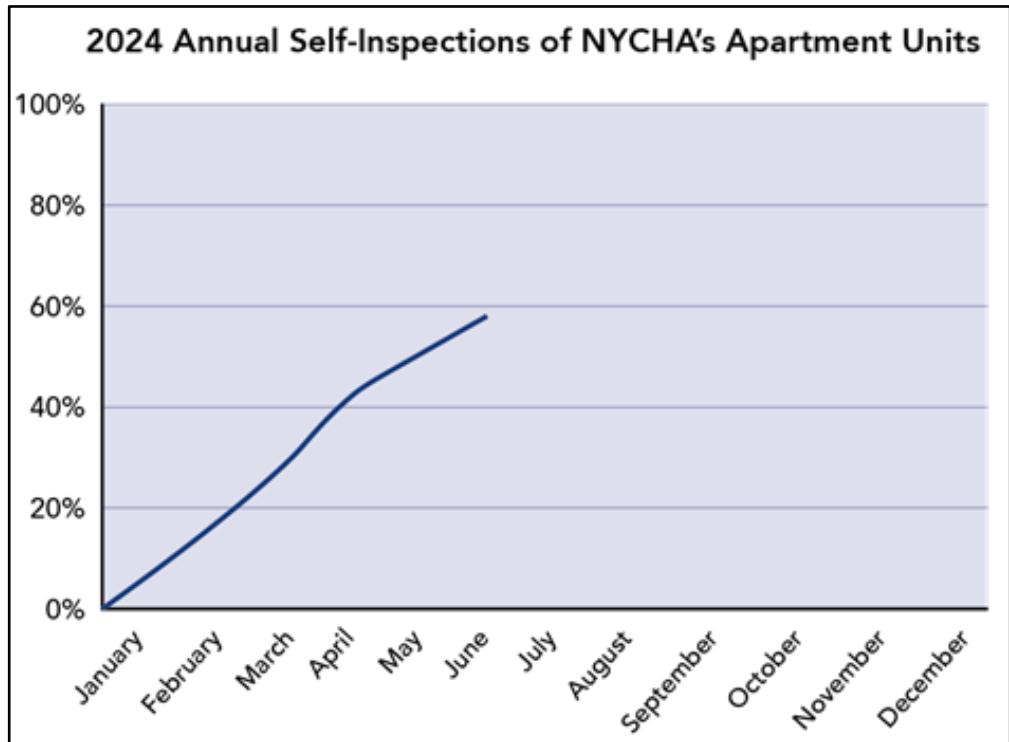
With respect to the number of units NYCHA must inspect each year, prior to the change in HUD's regulations that now require inspection of every occupied unit, the HUD Agreement allowed NYCHA to inspect a "representative sample" of units in each of its developments, as defined by then-operative guidance issued by HUD in 2012.<sup>605</sup>

In 2020, after discussions between the First Monitor, NYCHA, and HUD, the First Monitor approved NYCHA's plan to inspect 50% of units annually.<sup>606</sup> As the chart below shows, for the first five years of the monitorship, NYCHA did not meet that 50% target, although NYCHA did come close to inspecting 50% of apartment units in the last two years. Following HUD's pandemic guidance recommending that housing agencies suspend inspections from March 2020 through portions of 2021,<sup>607</sup> NYCHA inspected less than 20% of its units in 2020 and less than 30% in 2021.



The new NSPIRE standard now requires public housing agencies, including NYCHA, to annually inspect *all* apartment units.<sup>608</sup> NYCHA hired an outside vendor<sup>609</sup> to increase its capacity to perform inspections and meet this goal.<sup>610</sup>

According to NYCHA, it is currently on track to complete inspections in 100% of apartment units in 2024. As of June 2024, NYCHA reported that it had completed inspections of 59% of its units.



Through its 2024 annual self-inspections, NYCHA has determined that the deficiencies most frequently requiring repair in its apartment units concern:

- Combination alarms (smoke and carbon monoxide);
- Paint;
- Electrical outlets;
- Walls with plaster and paint-related issues;
- Damaged, missing, or loose floor tiles;
- Ceilings with damage or paint-related issues;
- Need for exterminations, in particular for roaches;
- Damaged, missing, or loose kitchen cabinets;
- Damaged bathtubs/showers; and
- Broken or hard to open window glass.



The Monitors have reviewed NYCHA's inspection work order data and these top ten overall categories represent just over 82% of all work orders generated as a result of NYCHA's annual inspections. Two of the top three work order types, representing about one in four of all work orders coming out of NYCHA's annual inspections—(1) installing or repairing combination smoke and carbon monoxide alarms and (2) repairing electrical ground-fault-circuit-interrupter (GFCI) outlets<sup>611</sup>—are categorized as severe or life threatening under HUD's NSPIRE standards.<sup>612</sup> The work order data indicates that the second most common defect is paint—in the substantial majority of cases, categorized as a moderate rather than severe defect. As of June 2024, NYCHA's residents on average wait over a year to have paint requests fulfilled.<sup>613</sup> As described further in **Section III**, the Monitors are tracking NYCHA's efforts to reduce a backlog of skilled trade work orders that includes these painting requests. The Monitors will report further on the NYCHA's annual inspections results in future reports.

NYCHA is also taking steps to address the practical challenges inherent in inspecting over 155,000 apartment units each year. Success requires gaining the trust of residents to allow NYCHA into their homes and revisiting apartment units where residents did not initially permit entrance or were not home. To that end, and to better communicate with residents about the inspection process, NYCHA designed a Resident Information Plan, which includes notices to residents 21 days prior, 7 days prior, and 1 day prior to the inspection;<sup>614</sup> and offers residents avenues to make complaints about issues in their developments. As part of this Plan, NYCHA also designed an informational video on the inspection process, which has garnered only limited engagement from residents thus far.<sup>615</sup> NYCHA plans to update that video this year, and the Monitors will discuss with NYCHA how to help it reach as many residents as possible.

As part of its annual inspection obligation, the HUD Agreement requires that NYCHA (a) complete needed minor repairs to a unit at the time of the inspection;<sup>616</sup> and (b) develop procedures for completing such minor repairs at the time of inspection and scheduling more significant repairs.<sup>617</sup>

To that end, under NYCHA's Phase I Annual Inspection Action Plan, approved by the First Monitor, NYCHA created an Annual Inspections Dashboard that NYCHA uses to track the status of repairs

completed during or subsequent to an inspection.<sup>618</sup> The Action Plan lists the 15 main categories of items that should be repaired during the annual inspection: smoke and carbon monoxide detectors, entrance doors, closets, kitchen cabinets, electrical outlets, light switches, leaky sinks and stoppages, leaky faucets, window balances and latches, window guards, refrigerator repairs, handles and stove repairs, toilet repairs, bathtub and shower repairs, and reset breakers.<sup>619</sup>

Because inspectors are not able to repair every defect identified during the inspection, NYCHA must also schedule repairs to be completed after the annual inspection. For these repairs, NYCHA schedules the requests by craft and priority level.<sup>620</sup> Work scheduled by craft includes additional work for the Maintenance Workers involved in the annual inspection or skilled trade work, such as plumbing or painting. Work scheduled by priority level indicates the urgency and deadline for completing the repair. NYCHA's Dashboard tracks the status of subsequent repair requests to be completed by both NYCHA's maintenance and skilled trade workers.<sup>621</sup>

Subsequent Repairs to be Completed by Maintenance Workers			
Calendar Year	Requested Repairs	Repairs Completed the Same Day of the Annual Inspection	Total Repairs Completed
2019	14,263	7,436	14,013
2020	5,409	3,749	5,369
2021	40,268	31,421	40,023
2022	50,270	37,205	49,898
2023	39,531	25,376	39,343
2024 (as of August 5, 2024)	104,963	83,791	103,481

<b>Subsequent Repairs to be Completed by Skilled Trade Workers</b>		
Calendar Year	Requested Repairs	Total Repairs Completed
2019	60,496	56,771
2020	22,842	21,116
2021	70,681	59,826
2022	119,419	97,269
2023	94,928	66,744
2024 (as of August 5, 2024)	120,391	47,997

NYCHA also tracks the status of certain “high-priority” subsequent repair requests, which include but are not limited to, work to address flooding or leaks, high severity pest infestations, inadequate heat, and other emergency conditions—each of which are required to be repaired within 24 hours under NYCHA’s standard procedure.<sup>622</sup> For a subpart of these high priority repairs, NYCHA maintains an even higher standard. For instance, when a resident gets stuck inside a malfunctioning elevator, NYCHA requires that workers respond to the issue within one hour. NYCHA also maintains protocols for high-priority repairs that must be fixed within 10 hours. As reflected below, NYCHA has a track record of ultimately fulfilling nearly all of these high-priority requests. However, when asked to provide data showing which of the below-listed high priority subsequent repair requests were completed within 24 hours, NYCHA indicated that pulling this information would require new queries within NYCHA’s IT systems that NYCHA does not maintain in the ordinary course. The Monitors will work to verify and test the data and report out in a future report.

High Priority Subsequent Repairs		
Calendar Year	Requested Repairs	Total Repairs Completed
2019	8,087	8,087
2020	4,021	4,020
2021	13,937	13,926
2022	17,081	17,049
2023	12,946	12,878
2024 (as of August 5, 2024)	67,433	66,556

The Monitors will track and help support NYCHA's efforts to address its repair process in its Phase II Annual Inspection Action Plan, scheduled to be completed this year. That Plan will also address updates to NYCHA's annual inspections standard procedures, including revisions made to the checklist used during NYCHA's annual self-inspections to reflect the NSPIRE standards; a protocol for oversight of the third-party vendor; a procedure to further define the responsibilities of NYCHA's operational staff; and improvements to its notifications to residents in advance of annual inspections.<sup>623</sup>

### C. Physical Condition Repairs

The HUD Agreement requires NYCHA to make physical repairs to its buildings and units to meet HUD's NSPIRE standards,<sup>624</sup> conform to established industry standards of workmanship,<sup>625</sup> and maintain functionally adequate, operable housing free of health and safety defects at all times.<sup>626</sup> These overlapping obligations require NYCHA to make repairs on the timeframes and consistent with the quality standards discussed below.<sup>627</sup>

**Timing.** Under NSPIRE, NYCHA must complete repairs within certain timeframes, depending on the potential health and safety impact of the issue. For any life-threatening and severe defects, NYCHA is required to address the issue within 24 hours and submit evidence to HUD that it has done so within 72 hours of a HUD

inspection. NYCHA is required to repair moderate- and low-risk defects within 30 days and 60 days, respectively. The timing requirements apply to defects observed during HUD inspections or NYCHA's self-inspections.<sup>628</sup>

As discussed in **Section III** of this report, NYCHA has a large backlog of existing work orders that it is taking steps to address through a "Work Order Reform" project. The large backlog of work orders has contributed to long wait times for repairs—more than a year in some cases<sup>629</sup>—and the success of that project will be key to NYCHA's ability to comply with the aforementioned timing requirements. As discussed in more detail in **Section III** of this report, NYCHA has indicated to the Monitors that additional funding will be needed to fully implement its work order reform plans. The Monitors have identified work order reform as a priority project and will report on NYCHA's progress in future reports, including on efforts that can be achieved with and without additional funding.

**Quality Standards.** The HUD Agreement further requires NYCHA to make repairs that meet certain quality standards, including by making repairs in a manner that meets "established industry standards and workmanship."<sup>630</sup> NYCHA has various internal processes in place to assess compliance with these quality standards, including through the work of the Operations, Quality Assurance, Environmental Health and Safety, and Compliance Departments.<sup>631</sup> For example:

- **Quality Assurance Unit.** NYCHA's Quality Assurance Unit ("QAU"), within its Quality & Cost Control ("QCC") Department, is responsible for determining whether repairs meet industry standards.<sup>632</sup> QAU reviews closed work orders and conducts visual assessments in a random sample of apartment units, with a goal of performing QAU inspections at 50% of NYCHA's developments each year.<sup>633</sup> After conducting an inspection, QAU flags substandard work for correction<sup>634</sup> by the appropriate Property Management staff.<sup>635</sup> Every four months, QAU issues a report summarizing its findings for the calendar year to date on this process.<sup>636</sup>
- **Compliance Department Monitoring Unit.** NYCHA's Chief Compliance Officer is responsible for identifying

improper work in connection with HUD inspections and collaborating with the QAU to see that such work is performed to applicable standards. The Monitoring Unit also inspects a sample of work done to remediate deficiencies identified in HUD inspections to determine whether the work satisfies NSPIRE standards.<sup>637</sup>

- **Supervisory Inspections.** NYCHA's Operations Department requires supervisory staff to periodically perform quality assurance inspections of closed work orders to evaluate the quality of the work performed by NYCHA employees and skilled trades workers.<sup>638</sup>

The Monitors are in the process of reviewing the reports and findings of these various quality control functions, evaluating the effectiveness of their procedures, and identifying potential areas for improvement. As one example, the Monitors and HUD are currently helping to support the Quality Assurance Unit to assess its sampling methodology and data collection processes, with the goal of developing a risk-based approach to evaluate the repairs most likely to have an impact on the health and safety of NYCHA's residents.<sup>639</sup> The Monitors will address this and other efforts to vet NYCHA's quality control processes in future reporting.

#### **Emergency and Non-Emergency Work:**

In order to ensure that PHAS inspections capture a representative sample of physical conditions in NYCHA's developments, the Agreement expressly prohibits NYCHA from performing maintenance or repairs "other than for emergency health and safety issues" in units scheduled for PHAS inspections. Conditions that could threaten the health or safety of residents, visitors, NYCHA staff, or the general public are exempted and should be corrected without delay according to the HUD guidance.

#### **D. Deceptive Practices**

The HUD Agreement prohibits NYCHA from using deceptive practices in connection with PHAS inspections, including by (1) covering up existing conditions, (2) performing substandard repairs, (3) performing non-emergency work in common areas after an inspection begins, and (4) performing **non-emergency work** in units after they are identified for inspection but before the inspection has occurred.<sup>640</sup> It further requires NYCHA to implement internal controls to prevent deceptive practices from recurring,<sup>641</sup> and specifically commands the Chief Compliance Officer to (1) ensure that NYCHA staff are trained not to engage in deceptive practices, (2) routinely advise employees to report deceptive practices, (3) investigate such reports and share them with relevant authorities, (4) attempt to identify improper work in connection with HUD inspections, and (5) recommend discipline for any employees who engage in deceptive practices.<sup>642</sup>

To date, NYCHA has taken a number of steps to prevent deceptive practices, pursuant to the PHAS Inspections Action Plan. These include:

- **Standard Procedures.** NYCHA's standard procedure outlines various kinds of deceptive practices, makes clear that they are prohibited under all circumstances and that employees may refuse to follow directions they believe would amount to deceptive practices, and tells employees how they can anonymously report deceptive practices.<sup>643</sup>
- **Training.** NYCHA's training program discussed above covers NYCHA's policy regarding deceptive practices. The First Monitor reported that since late 2019, the Compliance Department's Monitoring Unit has surveyed Maintenance Workers, Caretakers, and Supervisors during unannounced visits to developments slated for PHAS inspections and found that over time they were increasingly familiar with the prohibition on deceptive practices as well as with the avenues for reporting such practices.<sup>644</sup>
- **Tone from the Top Communications.** NYCHA has developed a communications plan intended to routinely reinforce its policies regarding deceptive practices to relevant staff, particularly at developments where PHAS inspections are scheduled.<sup>645</sup> Additionally, NYCHA's Chief Compliance Officer meets with each development that is being inspected within 28 days after receipt of notice from HUD and reviews inspections protocols and what is considered deceptive.
- **Reporting Complaints.** NYCHA's Compliance, Communications, and IT departments established a phone line staffed by Compliance personnel and a page on NYCHA's website where residents, employees, contractors, and the general public can anonymously report compliance issues, including those related to HUD inspections. The Compliance Department is required to investigate these complaints and report them to HUD, SDNY, and the Monitors each quarter.

- **Identifying Deceptive Practices.** As discussed above, NYCHA performs various quality control inspections to identify improper or substandard work in connection with HUD's inspections (collectively, "on-site monitoring"). The Compliance Department also analyzes work order and other data to identify any patterns that may indicate deceptive practices. For example, in May 2022, NYCHA finished the initial development of a dashboard that draws on Maximo data to enable tracking of work orders created or completed before and during HUD's inspections as well as statistical analysis of historical work-order data to identify periods with abnormally high volumes of work orders opened or closed.<sup>646</sup>
- **Investigations.** The Monitoring Unit hired staff in June 2019 to investigate complaints and instances of apparent deceptive practices identified through on-site monitoring, data analysis, or otherwise.<sup>647</sup> The Chief Compliance Officer must determine whether a prohibited deceptive practice has occurred. The Compliance Department is required to report complaints of deceptive practices, investigative findings, and resolutions to NYCHA's leadership, HUD, SDNY, and the Monitors on a quarterly basis.

The First Monitor's reports indicate that NYCHA has already made significant progress in changing its culture and creating mechanisms to ensure that deceptive practices with respect to HUD's inspections do not recur. In his final report, the First Monitor concluded that during his term "there ha[d] not been a discernable recurrence of the illegal activities concerning PHAS which ultimately led to the Monitorship."<sup>648</sup> This conclusion is encouraging and is a credit to the significant effort that many at NYCHA have expended to meet the agency's obligations with respect to HUD inspections. However, the First Monitor noted the persistence of some "improprieties requiring corrective action."<sup>649</sup> The current Monitors will continue to assess any indication that NYCHA's mechanisms for preventing or identifying deceptive practices are inadequate, including through the work of the Monitors' inspection team.



### **Overview of Inspection Obligations**

The following table summarizes the status of NYCHA's compliance with the requirements of the HUD Agreement as of the end of June 30, 2024, unless otherwise noted and categorizes each requirement as a one-time requirement (blue); response obligation (orange); or policy and practice obligation (green):

Req. No.	Description	Status	Compliance Details
<b>One-Time Requirement</b>			
I1 (Ex. B ¶ 49)	<b>Annual Inspection Action Plan:</b> By one hundred and twenty (120) days after the appointment of the Monitor, NYCHA will submit an Action Plan to the Monitor for complying with the requirement to conduct annual inspections and perform minor repairs during such inspections. The Action Plan shall include procedures for (i) on-site completion of minor repairs during inspections, and (ii) the scheduling of other inspection-identified maintenance deficiencies for subsequent repair.	Incomplete	NYCHA submitted a Phase I Annual Inspection Action Plan in December 2020, which was intended to cover NYCHA's annual inspection process through 2021. As of June 2024, NYCHA is drafting a Phase II Annual Inspection Action Plan.

Req. No.	Description	Status	Compliance Details
12 (¶ 62(h))	<b>PHAS Inspections Action Plan:</b> By ninety (90) days after the appointment of the Monitor, NYCHA will submit an Action Plan to the Monitor for meeting the requirements discussed in this section ("PHAS Inspections"). This Action Plan will be subject to the procedures of paragraphs 36-42.	Complete	NYCHA submitted a PHAS Inspections Action Plan, which was approved by the First Monitor in October 2019. The Monitors are currently tracking and helping support NYCHA's efforts to update the PHAS Inspections Action Plan to further reflect and implement the NSPIRE standards.
<b>Response Obligation</b>			
13 (Ex. B ¶ 47)	<b>Annual Inspections:</b> NYCHA will conduct annual inspections of developments. To complete annual inspections, NYCHA shall either: (a) inspect each occupied unit each year, or (b) inspect its units pursuant to such other program of annual inspection that is consistent with HUD Public Housing Management E-Newsletter, Vol. 3,	Not due; on track to complete 2024 annual inspection obligation	As of June 2024, NYCHA has completed 59% of the required inspections for 2024.

Req. No.	Description	Status	Compliance Details
	Issue (January 2012).		
14 (Ex. B ¶ 48)	<b>Minor Repairs:</b> By and after ninety (90) days after the Effective Date of this Agreement, annual inspections shall include having the person conducting the inspection perform any minor repairs during the inspection.	TBD	As of June 2024, NYCHA requires Maintenance Workers to perform minor repairs during annual inspections. The Monitors are working to vet the extent of compliance with this obligation.
<b>Policy and Practice Obligation</b>			
15 (¶ 60)	<b>HUD's Guidance:</b> NYCHA will make all improvements in accordance with PIH Notice No. 2016-03, Uniform Physical Condition Standard (UPCS) Deficiencies and Industry Standard Repairs, July 11, 2016 or any subsequent superseding guidance.	TBD	NYCHA's compliance with this obligation is ongoing and overlaps with NYCHA's efforts to comply with other inspection obligations of the HUD Agreement, including Ex. B ¶ 47 and other clauses of ¶ 60.
16 (¶ 60)	<b>Industry Standards:</b> NYCHA will ensure that all maintenance repairs are performed to established	TBD	As of June 2024, NYCHA's Quality Assurance Unit reported that Maintenance Workers completed repairs up to industry standards in over 90% of sampled repairs. The Monitors will address in a future report the steps NYCHA is taking

Req. No.	Description	Status	Compliance Details
	industry standards and workmanship.		to sample, validate, and review the quality of repair work.
17 (¶ 60)	<b>Decent, Safe, Sanitary Standards:</b> NYCHA will ensure that properties meet HUD's decent, safe, sanitary and in good repair standards at all times.	TBD	NYCHA's compliance with this obligation is ongoing and overlaps with NYCHA's efforts to comply with other inspection obligations of the HUD Agreement, including Ex. B ¶ 47 and other clauses of ¶ 60.
18 (¶ 60)	<b>Deceptive Practices:</b> NYCHA will not use deceptive practices with respect to PHAS inspections.	TBD	The Monitors are not yet in a position to opine whether NYCHA has substantially ceased using deceptive practices with respect to PHAS inspections.
19 (¶ 61)	<b>Internal Controls:</b> NYCHA shall design internal controls to prevent deceptive practices, including: (a) covering up / hiding conditions; (b) performing substandard repairs; (c) performing work in common areas after an inspection begins, other than for emergency health and safety issues; (d) performing work in selected or	TBD	The detailed requirements of ¶ 62 and the corresponding items set forth in the PHAS Inspections Action Plan appear, in principle, to satisfy ¶ 61's general requirement of internal controls to prevent deceptive practices; however, the Monitors are still assessing both NYCHA's implementation of those items and their adequacy to prevent deceptive practices.

Req. No.	Description	Status	Compliance Details
	alternate units after such units have been identified, other than for emergency health and safety issues.		
110 (¶ 62(a)-(f))	<b>Chief Compliance Officer Obligations:</b> NYCHA's Chief Compliance Officer will be responsible for preventing deceptive practices with respect to PHAS inspections and ensuring compliance with HUD regulations and guidelines with respect to PHAS inspections. Various concrete responsibilities are enumerated in the Agreement.	TBD	The Monitors are still assessing NYCHA's compliance with the detailed requirements of ¶ 62 and the corresponding items set forth in the PHAS Action Plan.



## **SECTION III: ORGANIZATIONAL CHANGE**





The federal Complaint alleged that NYCHA's failures to provide decent, safe, and sanitary housing were tied to "management dysfunction and organizational failure" and a culture where "accountability often does not exist."<sup>650</sup> As a result, the HUD Agreement requires NYCHA to improve itself as an organization, with the expectation that an improved NYCHA will deliver better services to residents. Improving NYCHA as an organization is thus one of the most important areas of focus for the Monitors—as important, if not more so, as the specific areas described in **Section II**—because it is critical to achieving all of the requirements of the Agreement, including NYCHA's responsiveness and delivery of services to residents. The Monitors refer to these requirements to improve NYCHA's management and organization as "organizational change."

This section describes the organizational change required by the HUD Agreement. It discusses the departments created by provisions in the Agreement and NYCHA's adoption of a transformation plan comprising more than 40 initiatives. The section describes the status of NYCHA's progress in enacting those changes and highlights key areas where additional progress is needed.

In summarizing the status of this work, the Monitors recognize that organizational change is not an end in itself; instead, it is intended to benefit residents. Over time, the Monitors plan to work with NYCHA to measure and report on whether and how NYCHA's efforts to reform itself are resulting in improvements to resident housing and the delivery of better services to residents.

#### **A. New and Revamped NYCHA Departments**

Under the HUD Agreement, NYCHA agreed to make specific changes to the way it is organized, including the creation of three departments: the Compliance Department, the Environmental Health and Safety ("EH&S") Department, and the Quality Assurance ("QA") Unit. In 2019, NYCHA established those departments. Over time, their specific organization and functions have evolved, including in response to feedback from the First Monitor.<sup>651</sup>

As set forth in the HUD Agreement, the intended responsibilities of each department are as follows:

- The Compliance Department is charged with, among other things, overseeing regulatory compliance;

ensuring the accuracy of external reporting and statements; ensuring that staff receive appropriate compliance training; making a forum available for complaints by employees, residents, and contractors; and ensuring the integrity of inspections of NYCHA's developments.

- The EH&S Department is charged with monitoring and improving all aspects of NYCHA's developments that affect residents' health or safety (including the specific issues enumerated in the Agreement); reporting and making recommendations to senior management and **NYCHA's Board of Directors** on environmental health and safety issues; maintaining a forum for complaints about these issues; and ensuring that lead paint is properly dealt with in the short term and ultimately abated.
- The QA Unit is responsible for identifying problems in NYCHA's maintenance work, including analysis of work order data, resident and employee interviews, and site visits; reviewing performance on individual work orders in advance of inspections to determine whether it was industry-standard quality; verifying NYCHA's compliance with all Agreement obligations involving maintenance work; and maintaining a forum for complaints about maintenance issues.

**NYCHA's Board of Directors:** NYCHA's Board of Directors comprises seven members, including three resident members. Currently the Board members are: Jamie Rubin (Chair), Victor A. González (Vice Chair), Greg Belinfanti, Paula Gavin, James McKoy, Raymond Miller, and First Deputy Mayor Sheena Wright.

As of June 2024, the Chief Compliance Officer and Vice President of EH&S report directly to NYCHA's Chief Executive Officer. The Quality Assurance Officer reports to the Senior Vice President for Quality Assurance, Safety, and Technical Programs, who reports to the Chief Operating Officer, who in turn reports to the Chief Executive Officer.

The First Monitor reported that as of February 2024, the three departments had "made significant progress toward becoming vital and integral entities and have continued to adapt as necessary under continually changing circumstances."<sup>652</sup> But the First Monitor also reported that the departments have limited resources (for example, QA has only 12 full-time inspectors), and those limited resources have been dedicated to tasks that should be handled by NYCHA's Operations Department, including "driving change regarding proper staffing, training, oversight, and necessary supervision."<sup>653</sup>

The Monitors are in the process of evaluating the functioning and effectiveness of these departments and whether they are fulfilling the responsibilities set forth in the HUD Agreement.

## **B. NYCHA's Adoption of an Organizational Plan**

In addition to establishing these departments, the HUD Agreement required NYCHA to adopt an "Organizational Plan" that sets out "changes to NYCHA's management, organizational, and workforce structure," and new "overarching policies" that will ensure NYCHA's sustained compliance with the Agreement's other requirements.<sup>654</sup>

To develop that plan, the HUD Agreement required the City of New York to hire an outside consultant, selected jointly by the City and the Monitor, to make recommendations to NYCHA. In June 2019, the City hired KPMG LLP ("KPMG") as the consultant for NYCHA.<sup>655</sup> KPMG worked from May through December 2019 and released three reports detailing its assessment of NYCHA's organization and practices, including more than 250 recommendations for change.<sup>656</sup> This work is described in the First Monitor's reports.<sup>657</sup>

The HUD Agreement then required NYCHA to address the consultant's recommendations and explain any disagreements in developing its Organizational Plan. NYCHA did not adopt KPMG's recommendations in whole, disagreeing with some and stating that it would meet the goals of other recommendations by different means. On March 2, 2021, in collaboration with the First Monitor,<sup>658</sup> and with the concurrence of HUD and SDNY,<sup>659</sup> NYCHA issued a plan titled "NYCHA's Blueprint for Change: Transformation Plan" (hereinafter, the "Transformation Plan").<sup>660</sup> Thereafter, NYCHA issued two follow-up plans, in February 2022<sup>661</sup> and February 2023,<sup>662</sup> that described the specific steps NYCHA planned to take to implement the Transformation Plan.<sup>663</sup> For ease of reference, this report generally refers to all three documents collectively as the "Transformation Plan."

NYCHA's Transformation Plan identifies five guiding principles for transforming NYCHA:

- (1) "[C]hang[ing] the way [NYCHA] does business by implementing new policies and procedures across the portfolio,"

- (2) Being “nimble enough to respond quickly to conditions at the property,”
- (3) “[M]onitor[ing] itself to ensure quality at the point of service,”
- (4) “[C]reat[ing] and deliver[ing] large-scale projects on time,” and
- (5) “[E]stablish[ing] clear management structures so individuals can be measured against clearly defined goals.”<sup>664</sup>

The Transformation Plan also identifies six core values based on NYCHA’s discussions with stakeholders:

- (1) “Creating a culture of service,”
- (2) “Breaking down silos,”
- (3) “Empowering [NYCHA] employees,”
- (4) “Strengthening NYCHA’s partnership with [its] residents,”
- (5) “Using data to drive decision making,” and
- (6) “Becoming a better partner to [its] business and government stakeholders.”<sup>665</sup>

To carry out the change needed to implement these guiding principles and core values at NYCHA, the Transformation Plan proposes more than 40 different initiatives to improve the agency’s processes and performance. These initiatives vary in their scope and content—some, for example, are more discrete internal changes, such as how NYCHA’s IT processes operate; some of them propose to offer new resident-facing services, such as the addition of a group of NYCHA employees to help residents when scheduling apartment repairs; and a few of the changes require an agency-wide overhaul to how NYCHA is structured, such as reorganizing the agency into “neighborhoods” throughout New York City to better deliver services at a local level. Together, they touch departments throughout the agency.

Tracking the implementation and success of these initiatives requires enormous effort and coordination across NYCHA. As a result, NYCHA created the **Transformation Plan Project Management Office ("PMO")** to manage, track, and report on the progress of the Transformation Plan projects. The Transformation Plan PMO is a unit within NYCHA's **Office of Strategy and Innovation ("S&I")**, an office that was also newly created at the outset of the monitorship. NYCHA also sends regular reports about its transformation efforts to the Monitors, HUD, and SDNY, as required by the HUD Agreement.

**Transformation Plan Project Management Office ("PMO"):** The PMO meets regularly with the various NYCHA departments responsible for the Transformation Plan initiatives and reports to the Monitors on the progress or completion of all of the initiatives.

During his term, the First Monitor tracked and reported on NYCHA's progress in implementing the Transformation Plan. As of February 27, 2024, the First Monitor reported that NYCHA (through the PMO) is tracking a total of 337 "milestone activities" necessary to implementing the Transformation Plan, and that NYCHA reported at the time that 74% of these activities are completed.<sup>666</sup> However, the First Monitor reported that there "has been disagreement as to the definition of 'completed' and to what extent there has been accomplishment of the strategies."<sup>667</sup> The Monitors will revisit these issues and will track and provide detailed reporting on NYCHA's implementation of the Transformation Plan. Specifically, the Monitors' future reporting will focus on the details of how those plans are being implemented with an eye towards how they are impacting residents. NYCHA has stated to the Monitors that it supports a shift to more outcome-based reporting regarding the Transformation Plan initiatives. The Monitors will work with NYCHA to evaluate which metrics would be most helpful in evaluating the impact of the Transformation Plan initiatives.

**Office of Strategy and Innovation ("S&I"):** S&I was created within NYCHA in 2019 to coordinate all work with the Monitor and to develop and oversee the plan that would later become the Transformation Plan. S&I currently oversees and manages the various initiatives that are intended to accomplish NYCHA's transformation, and oversees the Performance Management and Analysis Department, which includes the Performance Tracking

### C. Overview of the Transformation Plan

This report provides an overview of the key elements of the Transformation Plan as a starting point for further work and reporting. As noted above, the key elements of the Transformation Plan span NYCHA's entire structure, and they can be grouped into the following six areas: (1) changes to NYCHA's **Corporate Governance**; (2) the **Neighborhood Model**, a recent organizational operating model for NYCHA; (3) **Work Order Reform**, designed to improve the manner in which NYCHA handles its many repair work orders; (4) efforts to improve **Performance and Accountability** for NYCHA personnel across the agency; (5) assessment and improvement initiatives for how NYCHA conducts **Training** for all personnel; and (6) efforts to

improve four key **Central Office Corporate Functions** within NYCHA—Procurement, Finance, IT Systems, and Human Resources.

### **1. Corporate Governance**

As part of its Transformation Plan, NYCHA committed to making several changes to its corporate governance structure, in other words, the systems of rules, practices, and processes by which NYCHA ensures accountability and transparency in its relationship with its stakeholders.

Chief among these proposals, the Transformation Plan proposed to separate the roles of Board Chair and Chief Executive Officer,<sup>668</sup> which at the time of the HUD Agreement were both held by the same person—with authority over policy and governance for the agency as well as its day-to-day operations.<sup>669</sup> NYCHA has implemented that proposal. The NYCHA Board Chair is now a part-time, unpaid position<sup>670</sup> with a focus on NYCHA governance and oversight, while the Chief Executive Officer is a separate, full-time role that oversees the operations of the agency and reports directly to the Board.<sup>671</sup> The Chair is selected by the City from a list of candidates agreed to by the City, HUD, and SDNY. Under the new structure, the Chief Executive Officer hires and manages NYCHA’s senior leadership team, while implementing the Board’s desired policy direction.

Furthermore, under the Transformation Plan, NYCHA created a new position: the Chief Asset and Capital Management Officer, responsible for overseeing the Real Estate Development Department and the Capital Projects Department.<sup>672</sup> Finally, the position of a Chief Operating Officer was established to replace the former General Manager role. Per the Transformation Plan, the Chief Operating Officer primarily oversees all operations, including Property Management & Maintenance, Community Engagement & Partnerships, and Public Safety.

In its Transformation Plan, NYCHA proposed a new committee structure designed to “enhance the role of the Board of Directors.”<sup>673</sup> To implement that new committee structure, in 2022, the Board of Directors established four committees with newly implemented charters: a combined Audit & Finance Committee, an Operations Compliance & Capital Committee, a Resident & Community Affairs Committee, and a Governance Committee.<sup>674</sup> Of these four

committees, NYCHA reports that only the Audit & Finance Committee is actively holding meetings. NYCHA's position is that the statutory constraints that limit the size and composition of the Board to seven members also constrain the Board's ability to accommodate more expansive Board committee structures and mandates. The Monitors plan to work with NYCHA to enhance the Board with respect to its size and composition, and to identify potential solutions to these challenges so that this aspect of the Transformation Plan can be implemented.

NYCHA also committed to additional training for its Board members and delivered that training in March 2024. A representative from the Monitors' team attended the training and found it to be substantive, providing a high-level overview of public housing authority governance standards and expectations, with a focus on transparency, integrity, and oversight. For example, the training provided important information about the function of public housing authorities and the federal, state, and local regulatory frameworks applicable to NYCHA, along with an overview of the general duties of the Board members. The Monitors plan to work with NYCHA and the Board to continuously improve the quality and content of trainings provided to Board members to best enable them to fulfill their oversight role.

Additional corporate governance work remains to be completed. The First Monitor noted that the proposed changes under the Transformation Plan "addressed several but not all the recommendations endorsed by the Monitor."<sup>675</sup> For instance, the First Monitor noted that the proposed revisions failed to "consider that special knowledge should be required for membership on the governance and finance and audit committees."<sup>676</sup> In addition, the First Monitor believed that combining the audit and finance committees represented a conflict of interest.<sup>677</sup> The Monitors will continue to evaluate the Board committee structure, composition, and mandates, and the implementation of corporate governance reform, and will provide that evaluation in a future report.

## **2. The Neighborhood Model**

One of the key organizational changes announced in the Transformation Plan was for NYCHA to adopt a new operating structure called the Neighborhood Model.<sup>678</sup> Prior to the Transformation Plan, NYCHA decision-making had become



centralized, which, according to NYCHA, was due in part to budget cuts and consolidation in the early- to mid-2010's. NYCHA's central office functions (such as Finance, Procurement, HR, and IT) and support service functions (such as Heating, Elevators, Pest Management, and Waste Management) often operated in a top-down manner, rather than being located near, and thus more directly supportive of, local Property Managers at individual developments.<sup>679</sup>

The central goal of the new Neighborhood Model structure is to make operational decision-making less dependent on NYCHA officers sitting at a centralized NYCHA headquarters and bring it closer to the developments themselves. The Neighborhood Model is also intended to align NYCHA with the requirements of HUD's Asset Management Rule, which requires public housing authorities to institute development-level funding, budgeting, accounting, management, and oversight. Once fully implemented, the Neighborhood Model is intended to give Property Managers greater control of the budget for their own developments and thus the freedom to respond to their developments' needs, including managing repairs, improvements, and other day-to-day operations, without additional layers of central office approval.

In order to implement the Neighborhood Model, NYCHA immediately adopted certain structural changes:

- **First**, whereas NYCHA's developments were previously organized by regions that included some non-adjacent developments, the Neighborhood Model proposed the creation of 29 "neighborhoods" consisting of 4,000 to 8,000 apartments each,<sup>680</sup> all located in the same geographical area.<sup>681</sup> The neighborhoods were then organized within four borough-level organizations: Manhattan, the Bronx, Brooklyn, and Queens/Staten Island.<sup>682</sup> Each borough is led by a Borough Vice President, complete with other borough administration staff. The neighborhood and borough structure was created at the same time that the first Transformation Plan was issued, in 2021.
- **Second**, the Neighborhood Model created a new position, the **Neighborhood Administrator**, to oversee each neighborhood and work closely with Property Managers within their neighborhood to provide a

#### Neighborhood Administrator:

Each of the 29 NYCHA Neighborhoods are led by a Neighborhood Administrator ("NA"). The NA provides comprehensive oversight and management of NYCHA's developments within that neighborhood, including building and ground maintenance, administrative functions, and day-to-day operations. The NA should meet regularly with Property Managers and with members of the Tenant Association to determine community needs and address concerns.



connection with the various NYCHA centralized departments and manage their developments. NYCHA established those positions and currently employs 29 Neighborhood Administrators—one in each neighborhood. NYCHA has reported to HUD and the Monitors that the Neighborhood Administrators are visiting their development sites on a weekly basis, and generally hosting regular meetings with Property Managers and Maintenance Superintendents.

After establishing this initial structure, NYCHA then committed in the Transformation Plan to move resources and decision-making authority to the neighborhood and development level, and to realign NYCHA central office and support service functions to fit this model.<sup>683</sup> Full implementation of the Neighborhood Model would ideally result in the **Property Manager** being the key decision-maker for a particular development, with direct support from the **Property Superintendent** and immediate oversight from the Neighborhood Administrator. Those three actors are likely to be more familiar with the unique qualities and challenges of that particular development than someone in the central office, and should be empowered to act freely and operate the development as needed. This, in turn, should lead to quicker and more efficient responses to residents' needs in that particular development.<sup>684</sup>

**Property Manager:**

A Property Manager is the lead NYCHA employee responsible for a particular development, responsible for managing the development to an acceptable level of overall quality, occupancy, and costs, and ensuring that the development is responsive to residents' needs. The Property Manager oversees the development's staff, including the Property Superintendent and Assistant Housing Managers.

**Property Superintendent:**

The Superintendent operates directly under the Property Manager, and oversees all maintenance and janitorial staff for the development. The Superintendent is responsible for maintaining the physical conditions of the development, including overseeing the timely and accurate completion of work order requests. In the absence of the Property Manager, the Superintendent is responsible for the development.

**Property Based Budgeting:**

Property Based Budgeting is a key component of the Neighborhood Model that NYCHA committed to in the Transformation Plan. It was designed to empower Property Managers to be able to control much of the budget for their individual developments without additional layers of centralized control, consistent with HUD's Asset Management requirements. The program is also intended to increase Property Managers' control over skilled trades labor at the neighborhood level.

In addition to committing generally to this agency-wide realignment, NYCHA announced specific initiatives in the Transformation Plan to further these goals. These include training Property Managers on **Property Based Budgeting**, which is intended to empower Property Managers to have more control over their development's budget, and developing individual Service Level Agreements between the developments and the support services (like heating and elevators), which are written agreements providing the responsibilities of those support services to the developments in order to set mutual expectations and increase accountability. These initiatives have not been fully implemented; for example, Property Managers do not yet control the full budget for their developments.

The First Monitor's final report noted that many of the goals of the Neighborhood Model had not yet been realized, because NYCHA had "yet to conclude this process and clearly announce the division of responsibilities among boroughs, neighborhoods, and developments."<sup>685</sup> The report noted efforts by some NYCHA departments to make changes that were consistent with the Neighborhood Model, including physically locating services closer to the neighborhoods, but the First Monitor stressed that those changes had been adopted in a piecemeal and inconsistent manner, without consulting across departments in order to work towards common goals. Based on the current Monitors' observations thus far, it is accurate that several key initiatives have not been fully implemented, including Property Based Budgeting, the development of Service Level Agreements, and the movement of resources to the neighborhood or development level more broadly.

With these concerns in mind, the current Monitors are continuing work that was recently initiated by the First Monitor to implement the Neighborhood Model. For example, in biweekly Neighborhood Model "Steering Committee" meetings (comprising representatives from the Monitors' staff, NYCHA, and HUD), and weekly Neighborhood Model "Working Group" meetings (comprising a smaller group of the Monitors' staff and NYCHA representatives), the Monitors are assisting NYCHA with tracking improvements across the agency that relate to the Neighborhood Model and helping to ensure they are carried out in a consistent manner. In addition to continuing to work with NYCHA's S&I Office on planning these initiatives, the Monitors have invited new members to join these meetings from other NYCHA departments whose

participation is necessary for successful implementation, such as individuals who work on planning initiatives from within NYCHA's Operations Department. Ideally, this way, the theories and planning being discussed at the meetings will more closely align with NYCHA's on-the-ground practices.

One such initiative involves a comprehensive agency-wide assessment of how centralized NYCHA departments are delivering services to NYCHA's developments. The lack of clarity around which NYCHA departments and personnel are responsible for various functions at NYCHA was a barrier to implementing Neighborhood Model improvements. From mid-2023 to early 2024, consultants to the First Monitor held workshops and interviews with NYCHA personnel to gather a significant amount of information regarding the capabilities of all NYCHA departments, with a focus on where those departments interact at the borough, neighborhood, and development levels.<sup>686</sup> The Monitors worked with NYCHA to compile that information in a large, internal spreadsheet tool, referred to as the "Capability Model." The model contains searchable information on what each department does, where each department works, who each department interfaces with, what is working well, and what are the major challenges.

With the greater clarity provided by these efforts, the Monitors intend to rely on this tool—and to encourage NYCHA to fully adopt and integrate it—to implement additional initiatives and reforms that accomplish the goals of the Neighborhood Model by driving more resources to the local level and promoting greater ties between the developments and NYCHA's central office functions. This will enable NYCHA leaders and planners to search among dozens of different NYCHA functions and services—heating, elevators, apartment move-outs, playground equipment, pest control, and so on—and find out which NYCHA departments are involved, what kinds of services they are providing, and whether those services come from NYCHA's central offices or from a level closer to the neighborhood or development. NYCHA reports that it has begun exploring how to use the tool regularly, and the Monitors will track and help support NYCHA's efforts in this regard.

One way to use this enhanced clarity to improve resident services is the development of an improved communication tool for Property Managers, which will be aimed at providing each of NYCHA's developments with a clear and easy-to-use guide

connecting them with contacts from each central office and support service function. During interviews with Property Managers, the First Monitor repeatedly heard that they often did not know who to call at which headquarters office when certain issues arose with their developments. As a result, the Property Managers do not get the support and service that they need to respond to issues that impact residents' quality of life.<sup>687</sup> The communication tool project seeks to fix this by having an easy-to-use electronic guide that can link every task with the right person or department who can provide assistance. This project—and others being considered by NYCHA in consultation with the Monitors—is intended to close the gap between NYCHA's central office and the neighborhoods NYCHA serves, consistent with the goals of the Neighborhood Model. NYCHA reports that its Executive Team has been briefed on this project and is excited about the project's impending execution and implementation.

The Monitors will continue to evaluate and oversee NYCHA's progress in implementing the Neighborhood Model, including following up on stalled initiatives, working to implement and oversee additional improvement initiatives, and working with various NYCHA departments to ensure they are moving consistently to align with the Neighborhood Model.

#### Work Order

**Sequencing:** When a resident contacts NYCHA about a repair needed in their apartment, a "work order" is created to schedule a visit by a maintenance worker. However, many repairs require specialized skillsets, and so after the maintenance worker visits the resident's apartment, more work orders must be scheduled for different "skilled trades" to come to the apartment—such as plumbers, carpenters, electricians, painters, and others. Work Order Reform seeks to sequence these different work orders in a more

### 3. Work Order Reform

Another key initiative under NYCHA's Transformation Plan is improving the way NYCHA schedules work to be completed by skilled trades.<sup>688</sup> For example, addressing a mold complaint may require a maintenance worker (to assess the issue), a plumber (to fix the leak), a bricklayer (to remove and rebuild an affected portion of an exterior wall), a plasterer and painter (to replaster and repaint the wall), and a carpenter (to fix any cabinets). Each skilled trades worker responsible for these steps must be properly scheduled or "**sequenced**." The process of improving the way this sequencing occurs is known as "Work Order Reform."

Work Order Reform is intended to quicken the pace of repairs and provide more transparency for residents into the repair process, by making clear from the beginning the full scale of work required.<sup>689</sup> It seeks to replace the prior system, in which a NYCHA resident needing repairs faced delays and an uncertain sequence of work orders. In part, this was because an initial work order would be created resolving only an initial step of the required work (e.g.,

removing a portion of a wall), and then work orders would subsequently be created for the next steps (e.g., plaster, painting, etc.) only after the preceding task was completed, leading to long delays, a disconnect between the skilled trades workers who were working on the same repair, and a significant and growing backlog of unfinished work orders.<sup>690</sup> A lack of transparency and failures in communications also led to residents staying home to wait for repairs to be done, only for workers not to show up, with residents having been inconvenienced and potentially missing a day's worth of work. This, in turn, decreased residents' trust in NYCHA and willingness to schedule times for workers to enter their apartments subsequently.

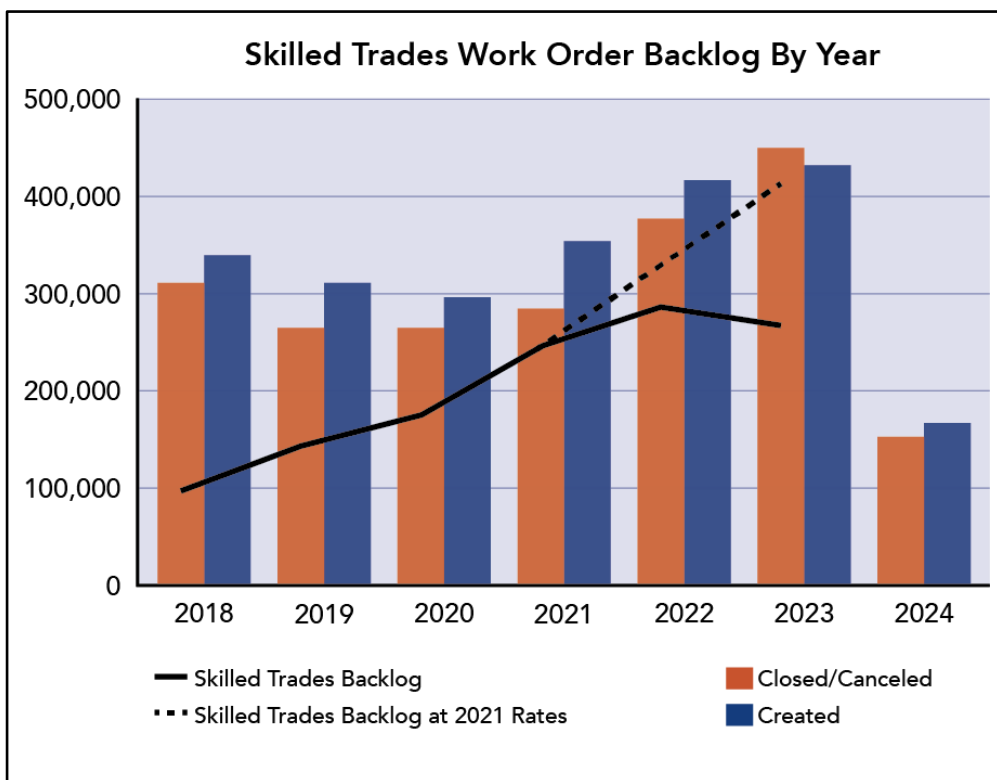
NYCHA began implementing Work Order Reform in November 2021, and it is still in process. The plan involves three primary steps and, according to NYCHA, the first two have been taken, but the third requires more work:

- **New Skilled Trades Personnel.** The Transformation Plan requires NYCHA to add a significant number of new skilled trades personnel so that work can be done more quickly. NYCHA hired 450 skilled trades personnel in 2021.
- **Work Order Sequence Reform.** The Transformation Plan requires that all necessary work orders for a resident's request be made simultaneously on-site during the first maintenance visit. NYCHA made this a requirement of its work order system in 2021.
- **Neighborhood Personnel.** The Transformation Plan requires that the highest demand trades, such as painters, carpenters, and plasterers, should be housed within individual developments, so that they are closer to the work they are **scheduled** to do.<sup>691</sup> Other staff, such as electricians and plumbers, are supposed to be moved to the neighborhood level and shared by two to four developments.<sup>692</sup> On this aspect of Work Order Reform, NYCHA has had mixed success. As of July 2023, NYCHA reported to the First Monitor that certain trades were performing only around half of their total work in their geographically assigned areas, but going outside those areas for the other half.

**Neighborhood Planner:**

To support these steps, NYCHA created a "Neighborhood Planner" role to help with scheduling the required skilled trades work.

According to NYCHA, Work Order Reform has led to positive changes and improved work order completion. For example, NYCHA reports that the number of work orders completed by skilled trades workers on a monthly basis has increased 59% from the time the Work Order Reform rollout began in November 2021. Moreover, since that time, NYCHA says that it has been able to keep pace with the ongoing work order demand, and that the existing backlog did not grow from late 2021 through the end of 2023.



The Monitors are in the process of verifying these representations.

However, the skilled trades backlog has once again begun to grow during 2024. NYCHA's explanation for this regression is that it is the result of doubling the number of apartment inspections in 2024. As the inspections identify the need for more work, the increase in inspections has led to a surge of work orders for skilled trades, and NYCHA has been unable to keep pace with these additional repairs.

Even accepting NYCHA's reporting that Work Order Reform has prevented or reduced increases to its backlog, there must be further improvement. As shown in the chart above, NYCHA reports

that it still has a backlog of over 600,000 work orders, including approximately 300,000 for skilled trades workers. Furthermore, skilled trades workers, such as carpenters, plumbers, and painters, are scheduled out through at least the end of the year. With those delays, residents are facing wait times of many months for even straightforward repairs to their homes that require skilled trades workers. Requiring residents to wait several months for basic repairs to their homes is unacceptable.

Furthermore, even once those repairs are scheduled, there remain significant issues with NYCHA's communications with residents regarding those appointments. In too many cases, maintenance or skilled trades workers still do not show up for the appointments, despite the resident having stayed home from work to wait for the appointment. As noted above, this may result in a resident losing a day of pay, and it may lead to decreased willingness to schedule another time in which a NYCHA worker can come to a resident's apartment. NYCHA's S&I Office, which has a unit dedicated to Work Order Reform, reports that it is developing several initiatives to improve the resident communication process, including implementing a better electronic system of communication, and sending out notices more promptly.<sup>693</sup> The Monitors view this area as a high priority and will work closely with NYCHA to track and assess its progress.

NYCHA has committed to other continuous improvements in Work Order Reform, including improving overall productivity of maintenance and skilled trade workers in completing repairs, improving the rate of repairs that are completed within their scheduled appointment times, and improving both maintenance and skilled trades workers' adoption and use of smartphones equipped with the NYCHA work order system, which will improve NYCHA's overall data regarding resident work orders.<sup>694</sup> The Monitors will be working closely with NYCHA to assess its progress on these priorities as well.

Work Order Reform is a crucial element of NYCHA's Transformation Plan, as it has a significant impact on residents' living experience, including long waits for repairs, the numerous visits to their homes required, and issues with communications concerning those visits. Overseeing additional improvements to this process will be a high priority for the Monitors.



In response to a draft of this report shared with NYCHA, NYCHA stated that while it concurs with the facts and statements in this section, its position is that a significant amount of additional personnel (such as skilled trades workers) is needed to achieve further reductions in NYCHA's backlog of roughly 600,000 work orders and to ensure that each neighborhood has a dedicated set of skilled trades workers. NYCHA reports that it achieved reductions with the addition of 450 new skilled trades workers in 2021, but that more are needed. HUD's position is that NYCHA can still make significant immediate improvements within its current level of resources, including by improving the productivity of its frontline workers, especially its skilled trades workers, and eliminating other inefficiencies. The Monitors will continue to evaluate and support NYCHA's efforts to measure and improve its workers' productivity and to implement other improvements that will reduce the work order backlog.

#### **4. Performance and Accountability**

One of the guiding principles of the Transformation Plan is that NYCHA must establish "clear management structures so individuals can be measured against clearly defined goals."<sup>695</sup> In order to be more responsive and effective at resolving tenant concerns, the Transformation Plan includes initiatives to promote more accountability for its workers:<sup>696</sup>

- **Key Performance Indicators.** In the Transformation Plan, NYCHA committed to developing key performance indicators ("KPIs") to track the performance of individual developments, such as revenue, vacancies, inspections, and metrics related to the HUD Agreement such as heating and elevator performance.<sup>697</sup> Over the course of 2022, NYCHA engaged with personnel across the agency, as well as with residents, to analyze how to best employ KPIs and performance metrics across all departments. While NYCHA reports that it has established and is reporting on KPIs at its regularly scheduled internal meetings monitoring performance across the agency, it is still developing a "NYCHA Consolidation Report Card," which will aim to give each borough and individual development a score to track all performance on one page.



- **Performance Reviews.** NYCHA also committed to implementing managerial performance reviews to provide feedback to NYCHA staff about how well they are performing their critical job functions.<sup>698</sup> As of 2023, NYCHA did not have annual performance reviews of any kind in place for any NYCHA employees. In 2024, NYCHA reports that it has implemented annual performance reviews, but only for managerial positions (to take place in January 2025, covering performance for 2024). This leaves the vast majority of positions—about 95% of NYCHA’s total workforce, including those that interact with tenants the most—without any performance reviews or accountability structure.<sup>699</sup> The Monitors will assess NYCHA’s plans for managerial performance reviews (which have not yet been released to the Monitors) and support NYCHA in developing and implementing a plan for non-managerial performance reviews, which may, among other things, incorporate lessons from the managerial performance-review process.
- **Quality Assurance Dashboards.** As noted above, NYCHA’s Quality Assurance Unit reviews maintenance and skilled trades work to ensure that it has been completed in conformance with applicable standards. The First Monitor worked with NYCHA’s QA Unit to create and implement improved data dashboards—screens that QA employees can easily call up that reveal helpful, well-organized data such as the frequency of “unsatisfactory” repairs in specific developments (in-unit repairs not completed in conformance with applicable standards), and details surrounding those repairs.<sup>700</sup> The current Monitors have completed an initial model of that QA dashboard and have met with the QA Unit to solicit feedback on the model. The Monitors will use that feedback to improve the QA dashboard, and then oversee the QA Unit’s adoption of the dashboard and use of it to drive additional improvements.
- **Caretaker Muster Overhaul.** Since early in NYCHA’s history, caretakers and groundskeepers (the on-site staff with primary responsibility for upkeep of developments)

have reported twice daily to musters, or short meetings with their supervisors. The First Monitor proposed an overhaul of these daily musters so they can be used in part to deliver needed training and to relay policies and expectations to this essential on-the-ground workforce. The muster overhaul also promotes consistent, continuous, and timely messaging to workers at developments from their supervisors, thus furthering the Neighborhood Model's goal of empowering Property Managers with consistent standards. Muster trainings may be on topics such as how to thoroughly mop the development floors, how to clean the elevator cabs, and checklists on maintaining supplies. The First Monitor developed 12 weeks' worth of programming for a pilot of the program, which was deemed successful enough to continue year-round throughout all of NYCHA's developments beginning in April 2024.

The current Monitors are working with NYCHA on the implementation of the program and on developing 52 weeks of content centered around safety, administration, and in-the-field training modules, which are taught to caretakers by their supervisors. NYCHA has also committed to a similar muster overhaul pilot for NYCHA maintenance workers, once the Caretaker Muster Overhaul is in place. The Monitors would similarly assist with development and training for a Maintenance Worker Muster Overhaul.

The Monitors are continuing to assess and oversee NYCHA's progress in each of these areas. Raising the bar for the performance of NYCHA personnel agency-wide, and ensuring accountability for that performance, is critically important. NYCHA's progress in implementing these accountability reforms, particularly in developing initiatives for holding NYCHA's on-the-ground workforce, such as maintenance workers and caretakers, accountable for poor performance, has been inadequate to date. Although NYCHA has highlighted certain obstacles in negotiating for performance review and greater discipline of its workforce, including labor and civil service restrictions, these accountability measures are essential, and NYCHA must, for example, work with labor to negotiate for their

implementation. The Monitors will track and help support NYCHA's efforts to overcome these obstacles.

## **5. Training**

The Transformation Plan calls for enhanced training for certain NYCHA personnel, and enhanced tracking and oversight of training throughout the agency. As part of implementing this initiative, NYCHA has made changes to its Learning & Development Department ("L&D") to assess all the different trainings that are taking place throughout the agency and to standardize and improve trainings across the board.<sup>701</sup>

Another key change has been moving NYCHA's L&D Department from the HR Department to the Support Services Department, which is within Operations and covers areas such as heating, elevators, and pest and waste management.<sup>702</sup> This move was piloted in the Heating Management Services Department ("HMSD"), which is responsible for, among other things, providing preventive maintenance to ensure that heating assets such as boilers are in working condition, as well as making the necessary repairs in the event of heat outages in the developments. Whereas previously the HMSD workers did not have as much input into the trainings of their own personnel, NYCHA reported that moving the heat-related training responsibility to HMSD improved the trainings significantly because HMSD was able to give more input into the curriculum, and allowed for the heating supervisors to be more directly involved with the trainings. This both provided for better, more relevant training sessions, and also allowed for the heating supervisors to evaluate students and be able to either hold back or fail students who may have otherwise graduated the program when it was housed in HR.<sup>703</sup> Moreover, HMSD has incorporated feedback it has received on deficiencies in its work—such as from QA inspections on work order completion—into training the heating workers who need it most. On February 8, 2024, after seeing the success of this initiative, NYCHA moved all of L&D to the Support Services Department. NYCHA reports that with this move, L&D now interacts more directly with and receives more input in developing trainings from the relevant operational departments, including pests and waste management, heating, and Property Management.<sup>704</sup> As part of Support Services, L&D will retain ownership over all agency-wide trainings, including New Employee Orientation, while HR will maintain control over other aspects of routine onboarding. NYCHA is working with the Monitors

to document where the full set of NYCHA agency-wide trainings and onboardings will reside, as well as continuing to work with the Monitors to improve these functions.

NYCHA has committed to several key priorities in this area, including the completion of a new **Heat Training Lab**, developing a specific training program for all NYCHA supervisors, and developing a more comprehensive training program for caretakers and maintenance workers. The Monitors are working with NYCHA's L&D Department to assess and oversee the development of these critical training processes.

## 6. NYCHA Central Office Functions

The Transformation Plan specifies four NYCHA central office departments that are critical to NYCHA's organizational change: (1) Procurement, (2) Finance, (3) IT, and (4) HR. The Plan calls for those departments to realign structurally with the broader core reforms of the Transformation Plan, including the Neighborhood Model and Work Order Reform. As discussed below, the Monitors will consult with each department in order to track their progress.

After reviewing a draft of this report, NYCHA has concurred with the statements in this section but comments that significant funding is needed to scale up its central office functions so that they may achieve stronger coordination at the neighborhood level. By contrast, in HUD's view, citing the need for funding reflects a mindset that undervalues the immediate need for better neighborhood-level coordination that must occur regardless of NYCHA's stated need for more funding. For example, HUD has cited that NYCHA has not yet carried out plans sufficiently for re-assigning central office functions to align with the neighborhood level, which can be accomplished notwithstanding the current financial constraints. The Monitors will track and help support NYCHA's efforts to improve central office support of the Transformation Plan and to move forward on its reassignment of central office functions within its current financial constraints.

### a. Procurement

The Transformation Plan describes NYCHA as a "notoriously difficult organization to work with as a business partner."<sup>705</sup> It states that NYCHA's vendors "experience a complicated and opaque

#### Heat Training Lab:

Building on NYCHA's Elevator Training Lab, the Heat Training Lab will be a new facility designed with various mock-ups of heating equipment, including actual heating and hot water equipment currently in place at NYCHA's developments, in order to train all newly assigned HMSD employees with hands-on experience, and provide continuous and refresher trainings for current staff.

process” that can lead to vendor onboarding processes that take over a year and difficulties in payment.<sup>706</sup> As a result, NYCHA faces increased costs and difficulties in engaging vendors, as well as a lower number of available vendors, both of which make it harder to deliver resident-facing services. The Transformation Plan announced several changes to NYCHA’s procurement processes. These include:

- **Chief Procurement Officer.** Whereas previously the Procurement Department had no executive leadership position, NYCHA created the position of Chief Procurement Officer, an executive-level position tasked with improving processes and procedures to help NYCHA attract better vendors.<sup>707</sup> In November 2020, NYCHA hired as its Chief Procurement Officer an individual with significant procurement leadership experience, including as Chief Procurement Officer for the State of New York.
- **Procurement Strategy.** In January 2023, the Chief Procurement Officer issued a Procurement Strategic Plan with a variety of initiatives, which the Plan states are aimed at restructuring the Procurement Department, improving its procurement processes from the earliest stage (requisition) to the end stage (contract awards), developing and implementing comprehensive trainings for its staff, broadening and improving NYCHA’s vendor pool, and improving the Procurement Department’s variety of systems and technologies so that they are better integrated with other NYCHA systems.
- **New Departments and Positions.** NYCHA created new departments and positions to support its procurement function, including a Purchasing, Logistics & Inventory (“PLI”) Department to oversee materials purchasing at the borough level.<sup>708</sup> More recently, in 2024, NYCHA began rolling out a new position titled Neighborhood Contract Manager at each of the 29 neighborhoods, with responsibilities for assisting Property Managers at developments with managing certain contracts with vendors.

The Procurement Department is also responsible in part for addressing the findings from the recent investigations by SDNY and

the New York City Department of Investigation (“DOI”) into corrupt micro-purchasing practices by NYCHA personnel and vendors, resulting in the arrest of 55 NYCHA employees. In connection with that investigation, DOI published a set of 14 recommendations to NYCHA for improvement of its micro-purchase program for services at developments.<sup>709</sup> Because these recommendations all touch on NYCHA’s practices and procedures for dealing with micro-purchase vendors, the Procurement Department is either central to or at least implicated by all of them.

In May 2024, the Compliance Department issued its first semi-annual report on micro-purchases, consistent with DOI’s recommendation that Compliance and QA conduct semi-annual audits into micro-purchasing. The report stated that 8 of the 14 recommendations have been implemented and completed, reported on the progress on others, and reported data on the total number of purchases, the total purchase amount, and the average purchase order cost for the top 15 developments and top 15 vendors that had the most micro-purchasing activity. Procurement—among other departments—is reportedly working on all six of the remaining DOI recommendations, including implementing processes that move responsibility for micro-purchases from staff within developments to more centralized individuals with greater expertise; implementing processes that allow for faster selection of vendors with less possibility of abuse, such as by developing pre-qualified lists of vendors; and producing training programs for vendors and then verifying that the vendors complete those programs.

Because some of the above-mentioned recommendations require more centralized control of micro-purchases, it will be important for NYCHA’s newly announced role of Neighborhood Contract Manager to work with Property Managers to manage and evaluate vendor relationships and to strengthen the relationship between the developments and the Procurement Department. The Monitors understand that this role has just recently been rolled out and staffed, and that the Neighborhood Contract Managers hired so far are undergoing orientation and training.

The Monitors will meet regularly with the Procurement Department to track and assess its progress in each of these areas, consistent with the Transformation Plan.

## **b. Finance**

NYCHA's Finance Department is responsible for the agency's fiscal policy, "including annual five-year operating and capital plans, the investment portfolio, and the issuance of annual financial statements for NYCHA and its subsidiaries."<sup>710</sup> NYCHA adopts a Five-Year Operating and Capital plan every year to comply with HUD requirements, which serves as a budgeting tool and a statement of priorities, and in 2021, the organization prioritized compliance with the HUD Agreement, implementation of the Transformation Plan, and resident health and safety.<sup>711</sup>

A key initiative identified in the Transformation Plan as supported by Finance is Property Based Budgeting. Consistent with the goals of the Neighborhood Model, Property Based Budgeting is intended to empower Property Managers to have more control over and understanding of their individual site budgets. Although NYCHA has completed several identified milestones towards this goal, including training Property Managers on the budgetary process, it has been slow to move this authority to the development level. NYCHA has identified concerns over the Property Managers' capability to control the sites' budgets, and most aspects of the process remain centrally managed.<sup>712</sup>

The Monitors will meet regularly with the Finance Department to track and assess its progress in each of these areas, and to push forward with the remaining key initiatives that pertain to Finance as set forth in the Transformation Plan.

## **c. IT Systems**

The Transformation Plan identified several significant challenges with NYCHA's IT Department, including: (1) inconsistent ways of accepting and managing demands for IT services; (2) a siloed culture disconnected from NYCHA Operations, which was mostly reactive and engaged with the business on an as-needed basis; (3) lack of a management framework that caters to the needs and experience of its customers—in this case, either NYCHA Operations or residents; and (4) concerns regarding cybersecurity programs.<sup>713</sup>

In addition to these issues, key reforms like the Neighborhood Model and Work Order Reform require support from IT and realignment of the department. Accordingly, NYCHA IT worked with



multiple consultants to develop a large-scale organizational redesign. NYCHA reports that it realigned the IT Department's work units into six divisions, organized according to the broader organizational functions they would support: (1) IT Strategy & Performance, (2) Enterprise Solutions Management, (3) Infrastructure & Operations, (4) Cybersecurity & Risk Management, (5) IT Service Management, and (6) IT Administration.

Beyond this organizational realignment, the IT Department has significant practical challenges to address, which are affecting how NYCHA can deliver services to residents agency wide. According to NYCHA, its residents, program participants, landlords, and staff use approximately 15 different major systems and databases to perform their work and rely on data or use information from about 40 different system interfaces. Within this already complex set of systems, there appear to be significant inefficiencies in how the IT Department responds to and resolves new requests and initiatives. Many important projects have been placed on a list of "backlog" projects with no clear date for completion. NYCHA reports that it responds to significant IT service requests by having its Request Review Board review and determine whether a project is sufficiently critical so as to be prioritized in the list of pending projects. NYCHA reports that this is how it ensures that its limited resources are applied to the most critical needs.

NYCHA also reports that it is evaluating how its assets can be better integrated into its existing systems given these challenges and limitations. NYCHA has announced a new team of personnel, located within Operations, who will focus on improvements to NYCHA's "Maximo" system, which is used for work orders. NYCHA IT is working on a crucial new Resident Case Management System, which is intended to combine over a dozen systems currently used by NYCHA residents into one easier-to-use system.<sup>714</sup> NYCHA IT is also working on an upgrade to its Human Capital Management System, the system used by the NYCHA HR Department to manage HR issues, and an upgrade to its ServiceNow system, which is used for internal service requests. But there does not appear to be a clear plan for broader improvement of the issues affecting the IT Department, including regular delays and projects being placed on a long backlog. This is a critical area affecting all facets of NYCHA's operations, including, among other things, how it creates, tracks, and uses data underlying its core obligations under the HUD Agreement—such as data



pertaining to heating, elevators, waste, repairs, and other areas affecting residents' daily lives. NYCHA reports that it has plans to streamline its processes in order to expedite turnaround on requests and to improve delivery timelines. The Monitors will meet with NYCHA IT to gather more information regarding those plans and work with the Department on those plans.

#### **d. Human Resources**

Finally, the Transformation Plan targets NYCHA's HR Department for significant improvements and, as with other central office functions, it must align with other key initiatives, including the Neighborhood Model.<sup>715</sup>

One Transformation Plan initiative that aligns with the Neighborhood Model is the Borough Administration Teams initiative, through which NYCHA made structural changes to its HR Department by providing a liaison for each borough in order to better coordinate with the boroughs on HR functions such as hiring.<sup>716</sup> NYCHA reports that these HR liaisons report to Property Management staff within each borough, and also work closely with the HR Department in order to closely track job vacancies in the borough's developments, monitor the hiring process for those job vacancies, and follow up with Property Managers if job vacancies remain open. The change is thus intended to improve the coordination between the HR central office functions and the developments, so that key job vacancies are filled more quickly and residents have more staff available to deliver services. NYCHA reports that the HR borough liaisons have been successful in supporting the Property Management Operations teams, and the Monitors have received some anecdotal evidence confirming this, based on Property Managers and Neighborhood Administrators reporting improved relations with the HR central office. The Monitors will continue to assess this initiative more broadly.

HR is also a key partner for several initiatives like performance reviews for managerial employees (which, as discussed above, NYCHA reports as being in the midst of implementing but has not yet shared its plans with the Monitors) and performance reviews for the much larger number of non-managerial employees (which it has not yet adopted). Other current priorities for HR include (1) establishing clear roles and responsibilities for individuals who are involved with the process for onboarding new employees, so that individuals begin

their new roles with clearer expectations and receive training that fits those expectations; (2) adopting job descriptions for property management staff, which in turn can be used within performance reviews or other accountability measures; and (3) working towards more performance tracking strategies for NYCHA employees.<sup>717</sup>

The important initiatives described in this section are a central component of the Transformation Plan and bear directly on its core value of instilling greater accountability in NYCHA personnel. Much more work is needed. Greater involvement and cooperation with these reforms is essential for achieving the important goals of Performance and Accountability as outlined in the Transformation Plan. The Monitors thus view the HR Department as an integral partner to achieving these goals within the Monitors' term, and will be working with HR to track and assess its progress in these areas.





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## ENDNOTES FOR EXECUTIVE SUMMARY

<sup>1</sup> NYCHA, *About NYCHA*, <https://www.nyc.gov/site/nycha/about/about-nycha.page> (last visited Aug. 20, 2024)

## ENDNOTES FOR SECTION I: BACKGROUND

<sup>2</sup> Complaint ¶ 1, *United States of America v. New York City Housing Authority*, No. 18-cv-5213 (S.D.N.Y. Jun. 11, 2018) (hereinafter the “Complaint”).

<sup>3</sup> *Id.* ¶¶ 14-15.

<sup>4</sup> Consent Decree, *U.S. v. NYCHA*, 1:18-cv-05213-WHP, ECF No. 5-1 (S.D.N.Y. Jun. 11, 2018) (hereinafter the “Consent Decree”). The Consent Decree between NYCHA and DOJ included factual admissions by NYCHA; provisions to select a monitor, including the monitor’s powers and responsibilities; provisions for funding; and provisions for NYCHA’s compliance with federal laws related to lead, mold, heat, pests, elevators and inspections. The Consent Decree also would have required NYCHA to design operational, organizational and institutional plans to reform its internal functions.

<sup>5</sup> Opinion and Order, *U.S. v. NYCHA*, 1:18-cv-05213-WHP, ECF No. 64 (S.D.N.Y. Nov. 14, 2018).

<sup>6</sup> Agreement between the U.S. Department of Housing and Urban Development (“HUD”), the New York City Housing Authority (“NYCHA”), and New York City (“the City”) ¶ 119, Jan. 31, 2019 (hereinafter the “HUD Agreement” or “Agreement”) (“The June 11, 2018 Consent Decree is null and void, except with respect to the admissions contained in paragraph 7 of the Consent Decree, which NYCHA ratifies and reaffirms.”).

<sup>7</sup> Complaint ¶¶ 82- 83.

<sup>8</sup> In 1992, Congress enacted the Residential Lead-Based Paint Hazard Reduction Act to, among other things, reduce the threat of childhood lead poisoning in housing assisted by the federal government. 42 U.S.C. § 4851(a)(6). Pursuant to this statute, HUD in turn promulgated the Lead-Safe Housing Rule. 24 C.F.R. part 35, subparts B-R (Lead-Safe Housing Rule). The Lead-Safe Housing Rule establishes procedures to eliminate as far as practicable lead-based paint hazards in federally funded housing, including public housing such as NYCHA. 24 C.F.R. § 35.1100. In 2008, pursuant to the Toxic Substances Control Act, 15 U.S.C. § 2616(a)(1), the United States EPA promulgated the Renovation, Repair, and Painting Rule (the “RRP Rule”) to reduce the risk of lead exposure in the course of certain renovations. 40 C.F.R. part 745, subpart E. EPA has also promulgated regulations regarding Lead-Based Paint Activities including the abatement of lead paint (the “Abatement Rule”). See 40 C.F.R. part 745, subpart L. Additionally, HUD and EPA also promulgated substantively identical versions of a Lead Disclosure Rule, which requires landlords like NYCHA to inform most tenants in housing built prior to 1978 of known lead paint and lead paint hazards, and to disclose related reports and information. 24 C.F.R. part 35, subpart A (HUD’s Lead Disclosure Rule); 40 C.F.R. part 745, subpart F (EPA’s Lead Disclosure Rule).

<sup>9</sup> Consent Decree ¶ 7(d).

<sup>10</sup> Complaint ¶ 76.

<sup>11</sup> *Id.* ¶ 83.

<sup>12</sup> Consent Decree ¶ 7(h).

<sup>13</sup> Complaint ¶ 62.

<sup>14</sup> Consent Decree ¶ 7(f).

<sup>15</sup> *Id.* ¶ 7(f).

<sup>16</sup> *Id.* ¶ 7(e).

<sup>17</sup> Complaint ¶ 60.

<sup>18</sup> Consent Decree ¶ 7(g).

<sup>19</sup> Complaint ¶ 69.

<sup>20</sup> *Id.* ¶ 70.

<sup>21</sup> *Id.* ¶ 71.

<sup>22</sup> Consent Decree ¶ 7(g).

<sup>23</sup> Complaint ¶ 30.

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<sup>24</sup> Consent Decree ¶¶ 7(a-c); Complaint ¶ 30.

<sup>25</sup> Complaint ¶ 163.

<sup>26</sup> *Id.* ¶ 164.

<sup>27</sup> *Id.*

<sup>28</sup> *Id.* ¶ 166.

<sup>29</sup> *Id.*

<sup>30</sup> *Id.* ¶ 175.

<sup>31</sup> *Id.* ¶ 166.

<sup>32</sup> *Id.* ¶ 168.

<sup>33</sup> *Id.*

<sup>34</sup> *Id.*

<sup>35</sup> Consent Decree ¶ 7(k).

<sup>36</sup> Stipulation and Order of Settlement, *Baez v. NYCHA*, No. 13-Civ.-8916-WHP, ECF No. 22 (S.D.N.Y. Apr. 17, 2014).

<sup>37</sup> *Id.*

<sup>38</sup> Complaint ¶ 173.

<sup>39</sup> *Id.* ¶ 175.

<sup>40</sup> *Id.* ¶ 180.

<sup>41</sup> *Id.* ¶ 179.

<sup>42</sup> *Id.* ¶ 181.

<sup>43</sup> *Id.* ¶ 182.

<sup>44</sup> *Id.*

<sup>45</sup> Consent Decree ¶ 7(m); Complaint ¶ 183.

<sup>46</sup> Complaint ¶ 183.

<sup>47</sup> *Id.* ¶ 188.

<sup>48</sup> *Id.* ¶ 189.

<sup>49</sup> *Id.* ¶ 190.

<sup>50</sup> Consent Decree ¶ 7(n).

<sup>51</sup> Complaint ¶ 191.

<sup>52</sup> *Id.*

<sup>53</sup> Consent Decree ¶ 7(o).

<sup>54</sup> Complaint ¶ 197.

<sup>55</sup> *Id.*

<sup>56</sup> *Id.* ¶ 200.

<sup>57</sup> *Id.* ¶ 201.

<sup>58</sup> *Id.* ¶ 202.

<sup>59</sup> *Id.* ¶ 204.

<sup>60</sup> *Id.* ¶ 207.

<sup>61</sup> *Id.* ¶¶ 121-132.

<sup>62</sup> *Id.* ¶ 132.

<sup>63</sup> Consent Decree ¶¶ 7(r), (u).

<sup>64</sup> Complaint ¶ 142.

<sup>65</sup> *Id.* ¶ 138.

<sup>66</sup> *Id.*

<sup>67</sup> *Id.* ¶ 145.

<sup>68</sup> *Id.*

<sup>69</sup> *Id.* ¶ 154.

<sup>70</sup> *Id.* ¶ 155.

<sup>71</sup> Consent Decree ¶ 7(u).

<sup>72</sup> *Id.* ¶ 7(t).

<sup>73</sup> Complaint ¶ 151.

<sup>74</sup> *Id.*

<sup>75</sup> *Id.* ¶ 147.

<sup>76</sup> *Id.*

<sup>77</sup> *Id.* ¶ 217.

<sup>78</sup> *Id.* ¶ 220.

<sup>79</sup> *Id.* ¶¶ 222-223.

<sup>80</sup> *Id.* ¶ 222.

<sup>81</sup> *Id.* ¶ 227.

<sup>82</sup> *Id.* ¶¶ 233-234.

<sup>83</sup> *Id.* ¶ 233.

<sup>84</sup> Agreement, ¶¶ 6-12.

<sup>85</sup> U.S. DEPT. OF HOUS. AND URB. DEV., NOTICE PIH: 2023-16/H 2023-07 (JUNE 2023), available at <https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-16pihn.pdf>.

<sup>86</sup> Agreement, Ex. A. (The activities include (1) abatement, (2) lead-safe work practices, (3) visual assessments, (4) elevated blood lead levels, and (5) disclosures and certifications.)

<sup>87</sup> Agreement Ex. B ¶¶ 15-20.

<sup>88</sup> *Id.* ¶¶ 35-46.

<sup>89</sup> *Id.* ¶¶ 1-14.

<sup>90</sup> *Id.* ¶¶ 21-34.

<sup>91</sup> *Id.* ¶¶ 47-49.

<sup>92</sup> Agreement ¶¶ 63-73.

<sup>93</sup> *Id.*

<sup>94</sup> NYCHA, City Capital Action Plan ("CCAP") Quarterly Report (July 16, 2024), at 4.

<sup>95</sup> The Agreement provides for \$1.4 billion through 2024 and an additional \$200 million per year through 2028, totaling \$2.2 billion. The Agreement further provides that, for the duration of the Agreement past 2028, the City must commit \$200 million per year for capital expenses.

<sup>96</sup> NYCHA, Capital Plan Calendar Years 2023-2027, Dec. 22, 2022, available at <https://www.nyc.gov/assets/nycha/downloads/pdf/capital-plan-2327.pdf>.

<sup>97</sup> Complaint ¶ 10.

<sup>98</sup> Agreement ¶¶ 46-47. The HUD Agreement defines this plan as the Organizational Plan, but this report defines it as the Transformation Plan, as discussed in **Section III.B**.

<sup>99</sup> Agreement ¶ 57.

<sup>100</sup> *Id.* ¶ 53.

<sup>101</sup> *Id.* ¶ 55.

<sup>102</sup> *Id.* ¶ 46.

<sup>103</sup> *Id.*

<sup>104</sup> *Id.* ¶ 49.

<sup>105</sup> *Id.* ¶¶ 16-19, 21-31.

<sup>106</sup> In this section, when referring generically to the rights and responsibilities of the appointed federal monitor under the HUD Agreement, the term "monitor" or "federal monitor" is used. As defined in this section, the term "First Monitor" refers to Bart Schwartz, Chairman of Guidepost Solutions LLC, who served as the first NYCHA monitor; and the term "the Monitors" refers to Neil Barofsky and Matthew Cipolla.

<sup>107</sup> Agreement ¶ 22.

<sup>108</sup> *Id.* ¶ 21.

<sup>109</sup> *Id.* ¶ 34.

<sup>110</sup> *Id.* ¶ 18.

<sup>111</sup> *Id.* ¶ 23. The Monitor is also required to coordinate with court-appointed officers addressing matters covered by this Agreement, including the Special Master appointed in *Baez v. NYCHA*, No. 13 Civ. 8916 (S.D.N.Y.). *Id.* ¶ 32.



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<sup>112</sup> *Id.* ¶¶ 35-37. The Agreement provides mechanisms for revising the Action Plans if they are rejected by the Monitor; for replacing and modifying the Action Plans as needed; and for reporting to the government on compliance with the Plans.

<sup>113</sup> *Id.* ¶ 90-92. The Monitor can also work with NYCHA to obtain relief from state or federal government entities as needed to meet the Agreement's requirements. *Id.* ¶ 74.

<sup>114</sup> *Id.* ¶ 27.

<sup>115</sup> *Id.*

<sup>116</sup> *Id.* ¶ 30.

<sup>117</sup> *Id.* ¶ 25.

<sup>118</sup> *Id.* ¶ 16.

<sup>119</sup> Guidepost, Monitor's Letter and Final Report, Feb. 27, 2024, Letter at 2.

<sup>120</sup> *Id.*

<sup>121</sup> *Id.* at 19.

<sup>122</sup> *Id.* at 6-7.

<sup>123</sup> Guidepost, Monitor's Thirteenth Quarterly Report, Mar. 8, 2023, at 21.

<sup>124</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 43.

<sup>125</sup> *Id.* at 48-50.

<sup>126</sup> *Id.* at 3.

<sup>127</sup> Guidepost, Monitor's Thirteenth Report at 22; Guidepost, Monitor's Pest Control and Waste Management Report at 5.

<sup>128</sup> Guidepost, First NYCHA Federal Monitor, available at [www.guidepostmonitor.com](http://www.guidepostmonitor.com).

<sup>129</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 3.

<sup>130</sup> Quadel is a nationally recognized leader in affordable housing management, consulting, and Turner & Townsend is a leading global program and construction management consultancy. Both are trained and certified in HUD inspection standards, with knowledge of the local building codes, rental regulations, and HUD's standards for resident living conditions.

<sup>131</sup> See *Baez v. NYCHA*, No. 13 Civ. 8916 (WHP) (S.D.N.Y.).

## ENDNOTES FOR SECTION II: PROPERTY MANAGEMENT

<sup>132</sup> N.Y.C. Admin. Code § 27-2029(a); Agreement, Ex. B ¶ 1.

<sup>133</sup> Complaint ¶¶ 179-80.

<sup>134</sup> *Id.* ¶ 183.

<sup>135</sup> *Id.*

<sup>136</sup> *Id.* ¶ 185.

<sup>137</sup> Guidepost, Monitor's Heat Report Assessment, Nov. 1, 2023, at 4.

<sup>138</sup> *Id.* at 3-4.

<sup>139</sup> Agreement, Ex. B ¶ 14(c).

<sup>140</sup> *Id.*

<sup>141</sup> *Id.*

<sup>142</sup> *Id.*

<sup>143</sup> Guidepost, Monitor's Heat Assessment Report, Nov. 1, 2023, at 2.

<sup>144</sup> The annual overhaul process starts in February with the domestic hot water systems and then with boilers in early April. NYCHA, Standard Procedure Manual, SP 060:63:1, Heating and Domestic Hot Water, Sept. 30, 2022, at Section VII(K). See also Guidepost, Monitor's Heat Assessment Report, Nov. 1, 2023, at 2, 9-10.

<sup>145</sup> See Guidepost, Monitor's Heat Assessment Report, Nov. 1, 2023, at 2, 9-10.

<sup>146</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 24.

<sup>147</sup> Agreement, Ex. B ¶ 8; NYCHA, Heating Action Plan, Dec. 4, 2019.

<sup>148</sup> Agreement, Ex. B ¶ 14(a).

<sup>149</sup> Guidepost, Monitor's Third Quarterly Report, Feb. 4, 2020, at 44.

<sup>150</sup> NYCHA, Heating Action Plan, Dec. 4, 2019, at 6-19.

<sup>151</sup> *Id.* at 17-18.

<sup>152</sup> NYCHA, Standard Procedure Manual, SP 060:63:1, Heating and Domestic Hot Water, Sept. 30, 2022, at 36-37.

<sup>153</sup> NYCHA, Standard Procedure Manual, SP 060:63:1, Heating and Domestic Hot Water, Sept. 30, 2022, at 36-37, 55; NYCHA, *Heating Season (Oct 1 - May 31)*, <https://www.nyc.gov/site/nycha/residents/heating.page>.

<sup>154</sup> NYCHA, Standard Procedure Manual, SP 060:63:1, Heating and Domestic Hot Water, Sept. 30, 2022, at 55-61.

<sup>155</sup> NYCHA, Heating Action Plan, Dec. 4, 2019, at 11; NYCHA, Standard Procedure Manual, SP 060:63:1, Heating and Domestic Hot Water, Sept. 30, 2022, at 174.

<sup>156</sup> Agreement, Ex. B ¶¶ 9(a), 9(b), 10(a).

<sup>157</sup> *Id.* ¶¶ 9(c), 10(b), 13(a), 13(b).

<sup>158</sup> *Id.* ¶ 9(a).

<sup>159</sup> *E.g., id.* ¶ 9(b).

<sup>160</sup> *E.g., id.* ¶ 8.

<sup>161</sup> *Id.* ¶¶ 1-2, 8.

<sup>162</sup> See, e.g., Guidepost, Monitor's Sixth Quarterly Report, Nov. 18, 2020, at 5-6; Guidepost, Monitor's Heat Assessment Report, Nov. 1, 2023, at 5.

<sup>163</sup> Guidepost, Monitor's Sixth Quarterly Report, Nov. 18, 2020, at 5-6; NYCHA, Standard Procedure Manual, SP 060:63:1, Heating and Domestic Hot Water, Sept. 30, 2022, at 55-61.

<sup>164</sup> Agreement, Ex. B ¶ 9(a).

<sup>165</sup> *Id.*

<sup>166</sup> *Id.* ¶ 9(b).

<sup>167</sup> *Id.* ¶ 10(a). NYCHA's proposal, noted above, addresses how this obligation would apply to restoring heat to individual apartments.

<sup>168</sup> Agreement, Ex. B ¶¶ 9(c), 10(b).

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<sup>169</sup> Guidepost, Monitor's Fourth Quarterly Report, May 18, 2020, at 41.

<sup>170</sup> Agreement, Ex. B ¶ 9(c).

<sup>171</sup> *Id.*

<sup>172</sup> See, e.g., NYCHA Environmental Health and Safety Department, 2022 Heating Root Cause Failure Analysis Close-Out Report, Sept. 12, 2022, at 2 (discussing investigation into 84 heating outages).

<sup>173</sup> NYCHA Environmental Health and Safety Department, 2021 Heating Root Cause Failure Analysis Close-Out Report, Aug. 6, 2021, at 2. Starting in October 2024, the Agreement requires that NYCHA's Quality Assurance Unit begin conducting these investigations. NYCHA has indicated, however, that it would be more efficient for EH&S to continue conducting these investigations. The Monitors are assessing NYCHA's proposal that EH&S continue performing this role.

<sup>174</sup> NYCHA Environmental Health and Safety Department, 2021 Heating Root Cause Failure Analysis Close-Out Report, Aug. 6, 2021, at 3.

<sup>175</sup> *Id.*

<sup>176</sup> NYCHA, Standard Procedure Manual, SP 060:63:1, Heating and Domestic Hot Water, Sept. 30, 2022, at 60.

<sup>177</sup> Guidepost, Monitor's Fourth Quarterly Report, May 18, 2020, at 42; Guidepost, Monitor's Third Quarterly Report, Feb. 4, 2020, at 48.

<sup>178</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 24 (referring to unplanned outages as "unanticipated" heating breakdowns).

<sup>179</sup> NYCHA, *NYCHA Heat Team Plans Preventative Maintenance Outages in 8 Developments*, Jan. 10, 2020, <https://www.nyc.gov/site/nycha/about/press/pr-2020/pr-20200110.page>.

<sup>180</sup> Agreement, Ex. B ¶ 13.

<sup>181</sup> *Id.* The Agreement uses both "heating outage" and "heating shortfall" to describe NYCHA's obligation to provide the specified notices in the event of a heating failure. The Monitors understand that the notice obligations only apply to heating outages because, among other things, it would not be necessary for the Agreement to specify that NYCHA provide notice by robocall to residents of a single apartment experiencing a heating failure, as the most likely way that NYCHA would learn of such a heating failure would be through a complaint by the affected resident.

<sup>182</sup> NYCHA, Standard Procedure Manual, SP 060:63:1, Heating and Domestic Hot Water, Sept. 30, 2022, at 53.

<sup>183</sup> Agreement, Ex. B ¶¶ 1, 3-7.

<sup>184</sup> NYCHA, Standard Procedure Manual, SP 060:63:1, Heating and Domestic Hot Water, Sept. 30, 2022, at 45.

<sup>185</sup> Agreement, Ex. B ¶ 2.

<sup>186</sup> *Id.* ¶ 14(b).

<sup>187</sup> *Id.* ¶ 7.

<sup>188</sup> *Id.*

<sup>189</sup> NYCHA, Heating Action Plan, Dec. 4, 2019, at 33.

<sup>190</sup> Agreement, Ex. B ¶ 3.

<sup>191</sup> *Id.* ¶¶ 4-5.

<sup>192</sup> *Id.* ¶ 6.

<sup>193</sup> The Monitors will investigate why real-time temperature information is not available for the remaining developments.

<sup>194</sup> NYCHA, Heating Action Plan, Dec. 4, 2019, at 22.

<sup>195</sup> Agreement, Ex. B ¶ 2.

<sup>196</sup> *Id.* ¶ 2(a).

<sup>197</sup> *Id.*

<sup>198</sup> *Id.* ¶ 2(b).

<sup>199</sup> *Id.*

<sup>200</sup> Guidepost, Monitor's First Quarterly Report, July 22, 2019, at 51.

<sup>201</sup> Guidepost, Monitor's Elevator Service Report, May 18, 2023, at 1, 3.

<sup>202</sup> Complaint ¶ 189.

<sup>203</sup> *Id.* ¶¶ 189-90.

<sup>204</sup> *Id.* ¶¶ 193-197.

<sup>205</sup> The HUD Agreement's requirements regarding elevators were modified by the parties to the Agreement in July 2022 at NYCHA's request. The modifications made two changes to the Agreement: one modification reduced the hours during which NYCHA can cause a no-service condition through a planned outage (as discussed further below), and one modification clarified the language used to refer to elevator car outages that do not result in a no-service condition.

<sup>206</sup> In some cases, a no-service condition occurs when one elevator is broken and the other elevators in the elevator bank are out of service for maintenance or repair.

<sup>207</sup> Guidepost, Monitor's Elevator Service Report, May 18, 2023, at 7-9.

<sup>208</sup> NYCHA, Elevator Action Plan, Jan. 31, 2020, at 25-26; Guidepost, Monitor's Third Quarterly Report, Feb. 4, 2020, at 53.

<sup>209</sup> Agreement, Ex. B ¶ 34(b).

<sup>210</sup> *Id.*

<sup>211</sup> *Id.* ¶ 24(a).

<sup>212</sup> Guidepost, Monitor's Elevator Service Report, May 18, 2023, at 1.

<sup>213</sup> Agreement, Ex. B ¶ 34(b).

<sup>214</sup> *Id.*

<sup>215</sup> *Id.*

<sup>216</sup> *Id.*

<sup>217</sup> *Id.* ¶ 34(a).

<sup>218</sup> NYCHA, Elevator Action Plan, at 43.

<sup>219</sup> NYCHA, Transformation Plan, Mar. 2, 2021, at 38-42.

<sup>220</sup> Guidepost, Monitor's Elevator Service Report, May 18, 2023, at 7.

<sup>221</sup> NYCHA, Elevator Action Plan, Jan. 30, 2020, at 23.

<sup>222</sup> Guidepost, Monitor's Elevator Service Report, May 18, 2023, at 1, 3.

<sup>223</sup> *Id.* at 7.

<sup>224</sup> *Id.*

<sup>225</sup> *Id.*

<sup>226</sup> *Id.* at 7-8.

<sup>227</sup> *Id.* at 7.

<sup>228</sup> *Id.*

<sup>229</sup> *Id.* at 8.

<sup>230</sup> *Id.*

<sup>231</sup> *Id.*

<sup>232</sup> There was a reduction in outages by 26% at Bushwick, 24% at Lafayette, and 15% at Tilden.

<sup>233</sup> Agreement, Ex. B ¶ 21; NYCHA, Elevator Action Plan, Jan. 31, 2020, at 15-30.

<sup>234</sup> *Id.* at 1.

<sup>235</sup> *Id.* at 8, 16-17.

<sup>236</sup> *Id.* at 25-27.

<sup>237</sup> Agreement, Ex. B ¶ 23(a).

<sup>238</sup> NYCHA did not develop a system for tracking no-service conditions until the middle of Year 1, so it does not have complete data for Year 1.

<sup>239</sup> Agreement, Ex. B ¶¶ 23(a), 24(a).

<sup>240</sup> NYCHA, Elevators Action Plan, Jan. 31, 2020, at 8.

<sup>241</sup> Agreement, Ex. B ¶ 28.

<sup>242</sup> Although there is some data regarding no-service conditions in NYCHA's Maximo system from before August 2019, that data is not complete. Accordingly, it is not possible to properly analyze no-service conditions for Year 1.

<sup>243</sup> Agreement, Ex. B ¶¶ 28, 29(a)(i).

<sup>244</sup> *Id.* ¶¶ 29(a)(i), 29(a)(ii).

<sup>245</sup> *Id.* ¶ 29(a)(ii).

<sup>246</sup> The HUD Agreement originally prohibited NYCHA from scheduling planned outages that would result in a no-service condition during a longer period of time: between 6 a.m. and 10 a.m. or between 3 p.m. and 8 p.m. Agreement, Ex. B ¶ 27. The parties later modified the Agreement to only prohibit planned outages that would result in a no-service condition between 6 a.m. and 9 a.m. and between 4 p.m. and 8 p.m.

<sup>247</sup> Agreement, Ex. B ¶ 27.

<sup>248</sup> NYCHA's work-order data showed noncompliance with this HUD Agreement term in Year 5. However, this data on planned outages improperly excluded outages due to preventive maintenance, which are not excused under the Agreement. NYCHA's data, as currently recorded, does not allow the Monitors to isolate preventive maintenance outages that result in a no-service condition during the prohibited times. Therefore, the Monitors are unable to accurately report on the extent of non-compliance with this requirement.

<sup>249</sup> Agreement, Ex. B ¶¶ 23(b), 24(b).

<sup>250</sup> *Id.* ¶ 23(b).

<sup>251</sup> *Id.* ¶ 24(b).

<sup>252</sup> The Monitors are also working to analyze whether elevators that have been repaired or replaced are experiencing outages.

<sup>253</sup> Agreement, Ex. B ¶ 28.

<sup>254</sup> *Id.* The HUD Agreement uses the term "response rate" when discussing this obligation, but NYCHA tracks the duration of service outages for this Agreement requirement.

<sup>255</sup> Agreement, Ex. B ¶ 29(b)(iii) (as later modified by the parties).

<sup>256</sup> *Id.* ¶ 29(b)(iv).

<sup>257</sup> *Id.*

<sup>258</sup> In response to a draft of this Report, NYCHA stated that it may not be possible to meet this requirement 100% of the time, citing, among other things, the age of the elevators, that elevator vendors may not be able to conduct the repairs in time, and that major repairs can take more than 24 hours. However, if NYCHA tracked the industry standard repair time for such major repairs, it might be able to exclude those repairs from the obligations. The Monitors will support NYCHA's efforts to assess whether it is feasible to include information about industry standard repair time in its data.

<sup>259</sup> Agreement, Ex. B ¶ 22.

<sup>260</sup> *Id.* ¶ 30.

<sup>261</sup> Guidepost, Monitor's Third Quarterly Report, Feb. 4, 2020, at 53.

<sup>262</sup> Agreement, Ex. B ¶¶ 32, 33.

<sup>263</sup> *Id.* ¶ 32.

<sup>264</sup> *Id.*

<sup>265</sup> Guidepost, Monitor's Third Quarterly Report, Feb. 4, 2020, at 53. NYCHA does not have a system for notifying the Monitors within two hours of outages that occur at night. The Monitors will work with NYCHA to help it fully comply with this requirement. Additionally, as discussed in Section III of this report, the Monitors will assess the quality of NYCHA's contact lists with residents as part of their broader review of work order reform.

<sup>266</sup> Agreement, Ex. B ¶ 31.

<sup>267</sup> Complaint ¶¶ 199-211.

<sup>268</sup> *Id.* ¶ 207. The Pest Management Department was previously known as Pest Control. Guidepost, Monitor's Pest Control and Waste Management Report, June 28, 2023, at 4.

<sup>269</sup> Complaint ¶¶ 201, 208.

<sup>270</sup> *Id.* ¶¶ 207, 210.

<sup>271</sup> *Id.* ¶ 204.

<sup>272</sup> *Id.* ¶ 201.

<sup>273</sup> Agreement, Ex. B, n.3.

<sup>274</sup> *Id.* ¶ 41.

<sup>275</sup> *Id.* ¶¶ 38-39.

<sup>276</sup> *Id.* ¶ 38(c).

<sup>277</sup> *Id.* ¶¶ 35-37.

<sup>278</sup> *Id.* ¶ 45.

<sup>279</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 48-49.

<sup>280</sup> *Id.* at 48.

<sup>281</sup> *Id.* at 14.

<sup>282</sup> Agreement, Ex. B ¶ 35.

<sup>283</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 47, 49.

<sup>284</sup> Agreement, Ex. B ¶¶ 36-37.

<sup>285</sup> Guidepost, Monitor's Pest Control and Waste Management Report, June 28, 2023, at 6, 8.

<sup>286</sup> Agreement, Ex. B ¶ 46(b).

<sup>287</sup> *Id.* ¶ 41.

<sup>288</sup> *Id.*

<sup>289</sup> Guidepost, Monitor's Fourth Quarterly Report, May 18, 2020, at 55.

<sup>290</sup> *Id.*; Guidepost, Monitor Report Measuring NYCHA's Compliance with the HUD Agreement, Nov. 2022, at 33.

<sup>291</sup> Agreement, Ex. B ¶ 46.

<sup>292</sup> *Id.* ¶ 46(a).

<sup>293</sup> Guidepost, Monitor Report Measuring NYCHA's Compliance with the HUD Agreement, Nov. 2022, at 33.

<sup>294</sup> Agreement, Ex. B ¶ 46(b).

<sup>295</sup> *Id.* ¶ 46(c).

<sup>296</sup> Guidepost, Monitor Report Measuring NYCHA's Compliance with the HUD Agreement, Nov. 2022, at 33.

<sup>297</sup> Guidepost, Monitor's Pest Control and Waste Management Report, June 28, 2023, at 12.

<sup>298</sup> *Id.* at 21.

<sup>299</sup> Agreement, Ex. B ¶ 46(d).

<sup>300</sup> Complaint ¶ 213.

<sup>301</sup> Agreement, Ex. B ¶¶ 38-39.

<sup>302</sup> *Id.*

<sup>303</sup> *Id.* ¶ 39(b).

<sup>304</sup> *Id.* ¶ 39(a).

<sup>305</sup> *Id.* ¶ 39(b).

<sup>306</sup> NYCHA reports that in June 2024 it responded to other pest complaints within seven business days 78% of the time and within ten business days for all other pest complaints in apartments. Because the HUD Agreement uses calendar days to measure response time, not business days, these numbers are not comparable to the data reported in the charts above. See *id.*

<sup>307</sup> *Id.* ¶ 38(d).

<sup>308</sup> *Id.*

<sup>309</sup> NYCHA, Pest and Waste Management Action Plan, Jan. 26, 2021, at 3, 17. The Pest Sensitivity Communications Plan was put into effect on May 31, 2021. Guidepost, Monitor Report Measuring NYCHA's Compliance with the HUD Agreement, Nov. 2022, at 33.

<sup>310</sup> Guidepost, Monitor Report Measuring NYCHA's Compliance with the HUD Agreement, Nov. 2022, at 33-34.

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- <sup>311</sup> *Id.* at 33.
- <sup>312</sup> Guidepost, Monitor Pest and Waste HUD Agreement Tracker, Dec. 2023, at 1.
- <sup>313</sup> *Id.*; see also Guidepost, Monitor's Final Report, Feb. 27, 2024, at 48.
- <sup>314</sup> Complaint ¶ 205.
- <sup>315</sup> *Id.*; Agreement, Ex. B ¶ 42.
- <sup>316</sup> Agreement, Ex. B ¶ 38(c), 42-44.
- <sup>317</sup> Stop Pests in Housing, *Integrated Pest Management: A Guide for Affordable Housing* (Feb. 2014), at 1.
- <sup>318</sup> *Id.*
- <sup>319</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 48-49.
- <sup>320</sup> Susan Wirth, *New York City Housing Authority Adopts IGI CO<sub>2</sub> Technology for Rodent Abatement Effort*, NEWSWIRE (June 20, 2024), [https://www.einnews.com/pr\\_news/721360705/new-york-city-housing-authority-adopts-igi-co-technology-for-rodent-abatement-effort](https://www.einnews.com/pr_news/721360705/new-york-city-housing-authority-adopts-igi-co-technology-for-rodent-abatement-effort).
- <sup>321</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 48-50.
- <sup>322</sup> *Id.* The First Monitor noted that there is a lack of operational consistency in exterminations on an apartment-by-apartment basis. Guidepost, Monitor's Pest Control and Waste Management Report, June 28, 2023, at 6, 8.
- <sup>323</sup> Agreement, Ex. B ¶ 38(c).
- <sup>324</sup> Guidepost, Monitor's Pest Control and Waste Management Report, June 28, 2023, at 2.
- <sup>325</sup> *Id.*
- <sup>326</sup> Guidepost, Monitor Report Measuring NYCHA's Compliance with the HUD Agreement, Nov. 2022, at 36-38.
- <sup>327</sup> Guidepost, Monitor's Pest Control and Waste Management Report, June 28, 2023, at 2-3.
- <sup>328</sup> Agreement, Ex. B ¶ 35.
- <sup>329</sup> *Id.*
- <sup>330</sup> *Id.*
- <sup>331</sup> *Id.* ¶ 36. The Agreement requires that NYCHA achieve a 50% reduction of the rat population, a 40% reduction of the mice and cockroach populations, and a percent reduction of the bedbug population to be determined by the Monitor within three years. *Id.* Because the First Monitor and NYCHA could not agree on protocols to estimate the pest populations, the First Monitor did not set a bedbug reduction target. See Guidepost, Monitor's Fourth Quarterly Report, May 18, 2020, at 50; Guidepost, Monitor's Final Report, Feb. 27, 2024, at 47.
- <sup>332</sup> Agreement, Ex. B ¶ 37. The Agreement requires that NYCHA achieve an additional 50% reduction of all pest populations within five years. *Id.*
- <sup>333</sup> Guidepost, Monitor's Fourth Quarterly Report, May 18, 2020, at 50.
- <sup>334</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 49 (noting lack of established protocols).
- <sup>335</sup> Establishing pest population estimate protocols (and memorializing those protocols in a supplemental action plan) is one of NYCHA's current year priorities.
- <sup>336</sup> Agreement, Ex. B ¶ 45; see also Complaint ¶ 204.
- <sup>337</sup> Agreement, Ex. B ¶ 45.
- <sup>338</sup> *Id.*
- <sup>339</sup> See NYCHA, Pest and Waste Management Action Plan, Jan. 26, 2021, at 21.
- <sup>340</sup> Guidepost, Monitor's Pest Control and Waste Management Report, June 28, 2023, at 15-16.
- <sup>341</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 46.
- <sup>342</sup> Agreement, Ex. B ¶ 46(b).
- <sup>343</sup> NYCHA, City Capital Action Plan, May 7, 2021, at 21.
- <sup>344</sup> The scope of the new waste yard facilities project is broad. The project includes the construction of new waste yards, the installation of new compactors, and the development of a pneumatic waste system. *Id.* at 21-29.
- <sup>345</sup> NYCHA, Pest and Waste Management Action Plan, Jan. 26, 2021, at 29.

<sup>346</sup> NYCHA, City Capital Action Plan, May 7, 2021, Ex. B, at 21-30. NYCHA is also moving into the construction phase for an additional 14 waste yards, and an additional 104 waste yards are in the planning or design stage. NYCHA has also completed 376 interior compactor rooms with new interior compactor machines, 227 interior compactors are in the procurement, and 611 are in the planning stage.

<sup>347</sup> NYCHA has made progress since the end of Year 5. According to NYCHA, the agency responded to rat complaints in apartments and common areas within two business days 85% of the time from January to June 2024. NYCHA also reports that in June 2024 the average response time for rat complaints in apartments was 1.36 days and 5.4 days for common area rat complaints.

<sup>348</sup> NYCHA has made progress since the end of Year 5. According to NYCHA, the agency responded to other pest complaints in apartments and common areas within seven days 51% of the time and within ten day 75% of the time from January to June 2024.

<sup>349</sup> NYCHA reports that it has improved application times this year. From January to June 2024, on average, NYCHA applies effective pest control methods to address complaints 92% of the time. The agency also notes that NYCHA, and indeed all large organizations, are unlikely to achieve 100% compliance with this obligation. Moreover, NYCHA interprets this obligation to be quantitative, *i.e.*, it measures only application time. By contrast, the Monitors view this obligation as having a quantitative component and a qualitative component, *i.e.*, the obligation measures effective application time.

<sup>350</sup> Complaint ¶¶ 159, 165.

<sup>351</sup> *Id.* ¶ 166.

<sup>352</sup> *Id.* ¶ 165.

<sup>353</sup> *Id.* ¶ 176.

<sup>354</sup> *Id.* ¶¶ 167-68.

<sup>355</sup> *Id.* ¶ 166.

<sup>356</sup> Agreement, Ex. B, ¶¶ 15-19.

<sup>357</sup> *Id.* ¶ 20.

<sup>358</sup> Much of this progress is summarized in the “2023 Report on NYCHA’s Mold and Leak Response Efforts” published in May 2023. See *generally* NYCHA’s OMAR, 2023 Report on NYCHA’s Mold and Leak Response Efforts: Progress, Challenges and Next Steps.

<sup>359</sup> Guidepost, Monitor’s Final Report, Feb. 27, 2024, at 38.

<sup>360</sup> NYCHA’s OMAR, 2023 Report on NYCHA’s Mold and Leak Response Efforts: Progress, Challenges and Next Steps, at 12.

<sup>361</sup> *Id.* at 18, 63.

<sup>362</sup> *Id.* at 18.

<sup>363</sup> *Id.* at 18, 63; Guidepost, Monitor’s Final Report, Feb. 27, 2024, at 43.

<sup>364</sup> The COVID-19 pandemic exacerbated the mold and leak backlog. The pandemic amplified existing challenges hindering NYCHA’s timely response to mold and leak complaints. In March 2020, NYCHA restricted non-essential work, which limited the mold and leak work NYCHA could perform in apartments. In addition, the COVID-19 pandemic resulted in staff absences due to illness, and delays in obtaining necessary supplies. See NYCHA’s OMAR, 2023 Report on NYCHA’s Mold and Leak Response Efforts: Progress, Challenges, and Next Steps, at 4.

<sup>365</sup> NYCHA’s OMAR, 2023 Report on NYCHA’s Mold and Leak Response Efforts: Progress, Challenges, and Next Steps, at 2.

<sup>366</sup> Guidepost, Monitor’s Final Report, Feb. 27, 2024, at 41.

<sup>367</sup> NYCHA’s OMAR, 2023 Report on NYCHA’s Mold and Leak Response Efforts: Progress, Challenges, and Next Steps, at 56.

<sup>368</sup> *Id.*

<sup>369</sup> NYCHA, Mold and Leaks Action Plan, Mar. 9, 2020, at 6-7.



<sup>370</sup> See generally NYCHA, SP 040:14:1, Mold/Mildew Control in NYCHA Residential Buildings, rev. June 11, 2024.

<sup>371</sup> NYCHA's OMAR, 2023 Report on NYCHA's Mold and Leak Response Efforts: Progress, Challenges, and Next Steps, at 12-13.

<sup>372</sup> *Id.* at 12, 65.

<sup>373</sup> *Id.* at 12.

<sup>374</sup> *Id.* at 12-15.

<sup>375</sup> *Id.* at 12.

<sup>376</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 39.

<sup>377</sup> NYCHA's OMAR, 2023 Report on NYCHA's Mold and Leak Response Efforts: Progress, Challenges, and Next Steps, at 2, 12.

<sup>378</sup> *Id.* at 13.

<sup>379</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 40.

<sup>380</sup> NYCHA's OMAR, 2023 Report on NYCHA's Mold and Leak Response Efforts: Progress, Challenges, and Next Steps, at 3, 36.

<sup>381</sup> *Id.* at 18, 36.

<sup>382</sup> *Id.* at 36.

<sup>383</sup> *Id.* at 18.

<sup>384</sup> *Id.*

<sup>385</sup> *Id.* at 18, 44.

<sup>386</sup> *Id.* at 18.

<sup>387</sup> Guidepost, Monitor's Mold and Lead Report, Aug. 8, 2023, at 16.

<sup>388</sup> Complaint ¶ 175.

<sup>389</sup> *Id.*

<sup>390</sup> *Id.* ¶¶ 175-76.

<sup>391</sup> Agreement, Ex. B ¶ 17.

<sup>392</sup> *Id.*

<sup>393</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 43.

<sup>394</sup> For all HUD Agreement mold and leak metrics (*i.e.*, Ex. B ¶¶ 15(a-c), 17(a-c)), the Monitors report from Year 2 onwards. NYCHA lacked standardized procedures for mold inspections and remediation work in Year 1, and therefore the data for Year 1 is generally less reliable. See NYCHA's OMAR, 2023 Report on NYCHA's Mold and Leak Response Efforts: Progress, Challenges and Next Steps, at 21, 33-34.

<sup>395</sup> Agreement, Ex. B ¶ 17(a).

<sup>396</sup> See generally NYCHA, SP 040:14:1, Mold/Mildew Control in NYCHA Residential Buildings, rev. June 11, 2024.

<sup>397</sup> Agreement, Ex. B ¶ 17(b).

<sup>398</sup> *Id.*

<sup>399</sup> NYCHA, Mold and Leaks Action Plan, Mar. 9, 2020, at 6.

<sup>400</sup> Agreement, Ex. B ¶ 17(b).

<sup>401</sup> *Id.*

<sup>402</sup> *Id.*

<sup>403</sup> *Id.*

<sup>404</sup> *Id.*

<sup>405</sup> *Id.*

<sup>406</sup> NYCHA, Mold and Leaks Action Plan, Mar. 9, 2020, at 13.

<sup>407</sup> Agreement, Ex. B, ¶ 17(b).

<sup>408</sup> NYCHA, Mold and Leaks Action Plan, Mar. 9, 2020, at 13.

<sup>409</sup> Agreement, Ex. B, ¶ 17(c).

<sup>410</sup> *Id.*

<sup>411</sup> *Id.*

<sup>412</sup> See NYCHA's OMAR, 2023 Report on NYCHA's Mold and Leak Response Efforts: Progress, Challenges, and Next Steps, at 39.

<sup>413</sup> NYCHA has implemented several initiatives that assess whether open work orders should be closed because the work has been completed or otherwise resolved. Among other things, OMAR has been prioritizing the resolution of work orders over 400 days old. OMAR is also conducting a work order verification program that involves contacting residents to determine if certain open work orders can be closed. NYCHA reports that for the work orders that these efforts have addressed, work had been completed for approximately 30% of the open work orders, such that the corresponding work orders should have been closed. The Monitors are in the process of validating NYCHA's reporting.

<sup>414</sup> NYCHA's OMAR, 2023 Report on NYCHA's Mold and Leak Response Efforts: Progress, Challenges, and Next Steps, at 28.

<sup>415</sup> *Id.*

<sup>416</sup> Complaint ¶¶ 171, 176.

<sup>417</sup> NYCHA's OMAR, 2023 Report on NYCHA's Mold and Leak Response Efforts: Progress, Challenges, and Next Steps, at 2.

<sup>418</sup> Agreement, Ex. B ¶ 15.

<sup>419</sup> *Id.* ¶ 15(a).

<sup>420</sup> *Id.*

<sup>422</sup> *Id.* ¶ 15(b).

<sup>423</sup> Agreement, Ex. B ¶ 15(c).

<sup>424</sup> Agreement, Ex. B ¶ 19.

<sup>425</sup> Complaint ¶¶ 233-35.

<sup>426</sup> Guidepost, Monitor's Second Quarterly Report, Nov. 21, 2019, at 32.

<sup>427</sup> NYCHA's OMAR, 2023 Report on NYCHA's Mold and Leak Response Efforts: Progress, Challenges, and Next Steps, at 21.

<sup>428</sup> *Id.*

<sup>429</sup> *Id.* at 58.

<sup>430</sup> *Id.* at 6, 58.

<sup>431</sup> *Id.* at 58.

<sup>432</sup> *Id.*

<sup>433</sup> Agreement, Ex. B ¶ 20.

<sup>434</sup> See, generally, 2014 Settlement Agreement, *Baez v. NYCHA* (No. 13-cv-8915).

<sup>435</sup> 2014 Settlement Agreement, *Baez v. NYCHA* (No. 13-cv-8915).

<sup>436</sup> 2018 Consent Decree at 2, *Baez v. NYCHA* (No. 13-cv-8915); 2014 Settlement Agreement, ¶¶ 3-7, *Baez v. NYCHA* (No. 13-cv-8915).

<sup>437</sup> 2018 Consent Decree, *Baez v. NYCHA* (No. 13-cv-8915).

<sup>438</sup> Mold and leak response times are measured differently (though similarly) under *Baez*.

<sup>439</sup> NYCHA notes that the introduction of the Leak SP could initially increase repair times, as it will introduce more complex processes for leak inspections. But NYCHA also acknowledges that it must finalize a Leak SP to achieve compliance with the terms of court orders in *Baez* and to ensure that all leak repairs are completed in all impacted units before the parent leak work order is closed and work documented as completed, NYCHA's OMAR, 2023 Report on NYCHA's Mold and Leak Response Efforts: Progress, Challenges, and Next Steps, at 59.

<sup>440</sup> The Monitors report on NYCHA's compliance through Year 4 (February 1, 2022 – January 31, 2023). This is because the obligation measures recurrence over a 12-month period. The Year 5 reporting period is not yet complete.

<sup>441</sup> A simple repair is one can be performed by a Maintenance Worker or Caretaker. See NYCHA, SP 040:14:1, Mold/Mildew Control in NYCHA Residential Buildings, rev. June 11, 2024 at 6.

<sup>442</sup> A complex repair is one that must be performed by skilled trade workers or other specialized staff. See NYCHA, SP 040:14:1, *Mold/Mildew Control in NYCHA Residential Buildings*, rev. June 11, 2024 at 5.

<sup>443</sup> U.S. Dep't of Housing and Urban Dev., *About Lead-Based Paint*, [https://www.hud.gov/program\\_offices/healthy\\_homes/healthyhomes/lead](https://www.hud.gov/program_offices/healthy_homes/healthyhomes/lead) (last visited Aug. 17, 2024).

<sup>444</sup> U.S. Dep't of Housing and Urban Dev., *About Lead-Based Paint*, [https://www.hud.gov/program\\_offices/healthy\\_homes/healthyhomes/lead](https://www.hud.gov/program_offices/healthy_homes/healthyhomes/lead) (last visited Aug. 17, 2024).

<sup>445</sup> New York City Council, *Lead in NYC Homes*, <https://council.nyc.gov/data/lead-in-nyc-homes/> (last visited Aug. 17, 2024).

<sup>446</sup> See 42 U.S.C. § 4831.

<sup>447</sup> U.S. Consumer Prod. Safety Comm'n, *CPSC Announces Final Ban on Lead-Containing Paint*, <https://www.cpsc.gov/Recalls/1977/cpsc-announces-final-ban-on-lead-containing-paint> (last visited Aug. 17, 2024).

<sup>448</sup> U.S. Dep't of Housing and Urban Dev., *American Healthy Homes Survey II*, Oct. 29, 2019, at iii, [https://www.hud.gov/sites/dfiles/HH/documents/AHHS%20II Lead Findings Report Final 29 oct21.pdf](https://www.hud.gov/sites/dfiles/HH/documents/AHHS%20II%20Lead%20Findings%20Report%20Final%20Oct21.pdf) (last visited Aug. 17, 2024).

<sup>449</sup> Complaint ¶ 55.

<sup>450</sup> *Id.* ¶¶ 35-39.

<sup>451</sup> *Id.* ¶ 37; see also 40 C.F.R. part 745 subparts E, F, L; 24 C.F.R. part 35, subparts A, B, L, R.

<sup>452</sup> 24 C.F.R. part 35, subpart A; 40 C.F.R. part 745, subpart F.

<sup>453</sup> 24 C.F.R. part 35.

<sup>454</sup> 40 C.F.R. part 745, subpart L.

<sup>455</sup> Consent Decree ¶¶ 7(e)-(h); Complaint ¶ 30.

<sup>456</sup> Consent Decree ¶¶ 7(a)-(c); Complaint ¶ 9.

<sup>457</sup> Complaint ¶¶ 82-90.

<sup>458</sup> NYCHA is currently working towards complying with the lead-safe work-practice requirement that it relocate residents while performing work that may disturb lead-based paint.

<sup>459</sup> NYCHA, 11th Assessment of Compliance with Requirements of Paragraphs 8, 14, and 16 of the Agreement, Ex. A, at 9.

<sup>460</sup> *Id.* ¶ 11.

<sup>461</sup> Consent Decree ¶¶ 7(a), (c).

<sup>462</sup> Complaint ¶¶ 54-56.

<sup>463</sup> *Id.* ¶¶ 76-77.

<sup>464</sup> *Id.*

<sup>465</sup> Agreement, Ex. A ¶ 4(a).

<sup>466</sup> *Id.*

<sup>467</sup> *Id.* ¶ 4(b).

<sup>468</sup> *Id.* ¶¶ 5(a), 16-27.

<sup>469</sup> *Id.* ¶ 5(b).

<sup>470</sup> *Id.* ¶ 6.

<sup>471</sup> Guidepost, *Monitor's Fourth Quarterly Report*, May 18, 2020, at 3.

<sup>472</sup> *Id.* at 21; Guidepost, *Monitor's First Quarterly Report*, July 22, 2019, at 35.

<sup>473</sup> In 2021, the New York City Department of Housing Preservation and Development ("HPD") issued a regulation changing the definition of lead-based paint from paint with lead content measured at 1.0 mg/cm<sup>2</sup> to paint with lead content measured at 0.5 mg/cm<sup>2</sup> for purposes of New York City's Local Law 1, meaning that apartments with lower levels of lead would be considered lead-positive. As a result, many more apartments could be considered lead-positive than under the federal standard. The federal definition remains 1.0 mg/cm<sup>2</sup>. According to

federal lead regulations, if a state, tribal, or local law, ordinance, code, or regulation defines lead-based paint differently than the federal definition, the more protective definition (*i.e.*, the lower lead threshold) shall be followed in that jurisdiction. 24 C.F.R. § 35.150.

<sup>474</sup> Guidepost, Monitor's Fourth Quarterly Report, Mar. 2020, at 21-22. See also 24 C.F.R. § 35.1330.

<sup>475</sup> Agreement, Ex. A ¶ 15(a)-(j).

<sup>476</sup> 40 C.F.R. part 745, subpart E.

<sup>477</sup> 40 C.F.R. § 745.85(a)(2),(5).

<sup>478</sup> Guidepost, Monitor's Fourth Quarterly Report, May 18, 2020, at 26-28.

<sup>479</sup> Complaint ¶ 91.

<sup>480</sup> Agreement, Ex. A ¶¶ 30(a).

<sup>481</sup> *Id.* ¶ 30(b).

<sup>482</sup> The Agreement further provides that, in the event that compliance with a particular provision is not yet required as of the date of the certifications described above, NYCHA must describe its progress towards and detail its plans for achieving compliance by the required deadline. NYCHA does so in its biannual certification reporting. NYCHA publishes the Compliance and Environmental Health & Safety department reports that underly these certification reports. See NYCHA, Transparency & Reports, <https://www.nyc.gov/site/nycha/about/reports.page> (last visited Aug. 19, 2024).

<sup>483</sup> 24 C.F.R. part 35, subpart A (HUD's Lead Disclosure Rule); 40 C.F.R. part 745, subpart F (EPA's Lead Disclosure Rule).

<sup>484</sup> Complaint ¶¶ 81, 102.

<sup>485</sup> Agreement, Ex. A ¶ 27.

<sup>486</sup> *Id.* ¶ 28.

<sup>487</sup> *Id.* ¶ 29.

<sup>488</sup> Guidepost, Monitor's Fourth Quarterly Report, May 18, 2020, at 25-26. The First Monitor wrote that "NYCHA acknowledged [in 2019] it was not fully complying with this requirement but has instituted measures that should improve compliance. NYCHA completed IT enhancements in January 2020. Field inspections by NYCHA's EHS Department in December 2019 found a 95% compliance rate."

<sup>489</sup> Agreement, Ex. A ¶¶ 16-17; 24 C.F.R. § 35.1355(a)(2).

<sup>490</sup> 24 C.F.R. § 35.110.

<sup>491</sup> 24 C.F.R. § 35.1120(b).

<sup>492</sup> 24 C.F.R. § 35.1330(b).

<sup>493</sup> 24 C.F.R. § 35.1355(b).

<sup>494</sup> *Id.*

<sup>495</sup> *Id.*

<sup>496</sup> Consent Decree ¶ 7(e).

<sup>497</sup> Agreement, Ex. A ¶ 18.

<sup>498</sup> 24 C.F.R. § 35.1130.

<sup>499</sup> 24 C.F.R. § 35.1130(e)(2).

<sup>500</sup> 24 C.F.R. § 35.1130(a).

<sup>501</sup> 24 C.F.R. §§ 35.1130(c), (f).

<sup>502</sup> Agreement, Ex. A ¶¶ 19-26.

<sup>503</sup> *Id.* ¶ 19.

<sup>504</sup> *Id.* ¶ 20.

<sup>505</sup> *Id.* ¶¶ 21-22.

<sup>506</sup> *v.* ¶ 24.

<sup>507</sup> *Id.* ¶ 23.

<sup>508</sup> *Id.* ¶ 25.

<sup>509</sup> Guidepost, Fourth Quarterly Report, Mar. 2020, at 23-25, App'x 1 at 3-5.

- <sup>510</sup> Initial Lead Action Plan at 10.
- <sup>511</sup> Guidepost, Fourth Quarterly Report, Mar. 2020, at 24.
- <sup>512</sup> 24 C.F.R. part 35, subparts B-R; 40 C.F.R. part 745, subpart E; see also Agreement, Ex. A ¶ 15.
- <sup>513</sup> 24 C.F.R. § 35.1345; 40 C.F.R. § 745.85(a).
- <sup>514</sup> 24 C.F.R. §§ 35.1345, 35.1335; 40 C.F.R. §§ 745.85(a), (b).
- <sup>515</sup> 24 C.F.R. § 35.1340.
- <sup>516</sup> Complaint ¶¶ 69-75; Consent Decree ¶ 7(g).
- <sup>517</sup> Guidepost, Monitor's First Quarterly Report, July 22, 2019, at App'x 5.
- <sup>518</sup> Agreement, Ex. A ¶ 15.
- <sup>519</sup> Guidepost, Monitor's Ninth Quarterly Report, Oct. 12, 2021, at 15-16.
- <sup>520</sup> 24 C.F.R. § 35.1330; 40 C.F.R. §§ 745.85, 745.90.
- <sup>521</sup> 24 C.F.R. § 35.1345(a).
- <sup>522</sup> Guidepost, First Monitor's Second Quarterly Report, Sept. 2019, at 28; Guidepost, Monitor's Third Quarterly Report, Dec. 2019, at 30.
- <sup>523</sup> Agreement, Ex. A ¶¶ 8-12; see also 24 C.F.R. § 35.1120(a).
- <sup>524</sup> Under certain circumstances, with agreement of the Monitors, NYCHA may use other methods of abatement that leave lead-based paint in place, such as "enclosure" (covering the surface with a dust-tight barrier like drywall) or "encapsulation" (covering the surface with a paint-like sealing material). Agreement Ex. A ¶ 13. NYCHA has not, however, sought or received approval to use those methods for abatements.
- <sup>525</sup> Guidepost, Monitor's First Quarterly Report, July 22, 2019, at 3; Complaint ¶ 80.
- <sup>526</sup> Guidepost, Monitor's Letter and Final Quarterly Report, Mar. 20, 2024, at 11, 35.
- <sup>527</sup> Agreement, Ex. A ¶¶ 8-12.
- <sup>528</sup> *Id.* ¶¶ 9-11.
- <sup>529</sup> Guidepost, Monitor Letter and Final Quarterly Report, Mar. 20, 2024, at 33-34.
- <sup>530</sup> *Id.* at 34.
- <sup>531</sup> Guidepost, Mold & Lead Report, Aug. 8, 2023, at 3.
- <sup>532</sup> This is the number of apartments that have tested positive for lead at the 0.5 mg/cm<sup>2</sup> level.
- <sup>533</sup> Agreement, Ex. A ¶ 12.
- <sup>534</sup> *Id.*
- <sup>535</sup> *Id.* ¶ 8; Complaint ¶¶ 72-74.
- <sup>536</sup> NYCHA, 10th Assessment of Compliance with Requirements of Paragraphs 8, 14, and 16 of the Agreement, Ex. A at 38-39.
- <sup>537</sup> Agreement ¶ 15.
- <sup>538</sup> Unlike PACT developments, developments transferred to NYCHA's Housing Preservation Trust will remain subject to the Agreement in all respects, including as to abatement of lead-based paint. See Lisa Bova-Hiatt, Letter to Dominique Blum et al. re Effect of Conversion of NYCHA Public Housing Units to Housing Preservation Trust, Oct. 7, 2022, <https://www.nyc.gov/assets/nycha/downloads/pdf/NYCHA-Letter-20221007-Effect-of-Conversion-of-NYCHA-Public-Housing-Units-to-Housing-Preservation-Trust.pdf> (last accessed Aug. 18, 2024).
- <sup>539</sup> The PACT partners may have access to funding to maintain, repair, and replace public housing that NYCHA does not. See NYCHA, *Permanent Affordability Commitment Together (PACT)*, <https://www.nyc.gov/site/nycha/about/pact.page> (last visited Aug. 5, 2024).
- <sup>540</sup> See 40 C.F.R. part 745, subpart L; Agreement, Ex. A ¶ 30(a).
- <sup>541</sup> 11th Assessment of Compliance with Requirements of Paragraphs 8, 14, and 16 of the Agreement, Ex. A, at 4.
- <sup>542</sup> 24 C.F.R. § 5.703; see also 42 U.S.C. § 1437d(f)(3).
- <sup>543</sup> U.S. DEPT. OF HOUS. AND URB. DEV., NOTICE PIH: 2023-16/H 2023-07 (2023), available at <https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-16pihn.pdf>.

<sup>544</sup> Consent Decree ¶ 7(d-q), *United States of America v. New York City Housing Authority*, No. 18-cv-5213 (S.D.N.Y. Jun. 11, 2018) (hereinafter the “Consent Decree”).

<sup>545</sup> Consent Decree ¶ 7(r).

<sup>546</sup> Consent Decree ¶ 7(t).

<sup>547</sup> Agreement ¶¶ 60-62, Ex. B ¶ 47-49.

<sup>548</sup> Guidepost, Annual Inspection Action Plan, Dec. 9, 2020, at 1-3.

<sup>549</sup> 42 U.S.C. § 1437d(f)(3); see also 24 C.F.R. § 5.703.

<sup>550</sup> Complaint ¶¶ 125-128, *United States of America v. New York City Housing Authority*, No. 18-cv-5213 (S.D.N.Y. Jun. 11, 2018) (hereinafter the “Complaint”).

<sup>551</sup> 24 C.F.R. § 5.703.

<sup>552</sup> Agreement ¶ 62.

<sup>553</sup> Under the First Monitor, NYCHA created the (i) PHAS Action Plan and (ii) Phase I Annual Inspections Action Plan, which are discussed throughout this report as part of the Monitor’s ongoing evaluation of NYCHA’s compliance with its inspection obligations. The Monitors are working with NYCHA to amend these Action Plans to reflect changes to HUD’s regulations and guidance on its inspection program.

<sup>554</sup> NYCHA, Standard Procedure Manual SP 040:18:1, Repair Standards and NSPIRE REAC Inspections, rev’d, Feb. 15, 2024.

<sup>555</sup> *Id.* at 7-9.

<sup>556</sup> NYCHA, Action Plan – PHAS Inspections, Oct. 29, 2019, at 28.

<sup>557</sup> NYCHA, 9th Semi Annual PHAS Action Plan Evaluation Report (July 2023-December 2023), at 2.

<sup>558</sup> NYCHA, Action Plan – PHAS Inspections, Oct. 29, 2019, at 28.

<sup>559</sup> NYCHA, 9th Semi-Annual PHAS Action Plan Evaluation Report (July 2023-December 2023), at 1.

<sup>560</sup> NYCHA, 2nd Semi-Annual PHAS Action Plan Evaluation Report (January 2020-June 2020), at 1.

<sup>561</sup> NYCHA, 9th Semi-Annual PHAS Action Plan Evaluation Report (July 2023-December 2023), at 1. The training was implemented in four phases: *First*, beginning in October 2019, NYCHA implemented a training targeting approximately 1,700 NYCHA Maintenance Workers, Property Managers, Regional Asset Managers, and relevant supervisors, as well as employees from the Compliance Department, the Environmental Health & Safety Department, the Quality Assurance Unit Human Resources, and the Performance Tracking and Analytics Department. By the end of December 2020, NYCHA had educated 98% of this group. *Second*, beginning in February 2021, NYCHA implemented a training targeting 3,100 caretakers, providing caretakers with a modified two-day course. By April 2023, NYCHA had educated 85% of its caretaker headcount. *Third*, beginning in January 2022, NYCHA provided a three-hour online refresher course annually for staff members who initially took either of the two aforementioned trainings. By April 2023, NYCHA had provided this training to less than a third of its target population. *Fourth*, also beginning in January 2022, NYCHA implemented a training targeting additional property management and central office staff members. By April 2023, NYCHA had educated 2,459 of these staff members.

<sup>562</sup> NYCHA, Action Plan – PHAS Inspections, Oct. 29, 2019, at 10-16.

<sup>563</sup> NYCHA Compliance Advisory Alert #64, Common Life-Threatening and Severe Electrical Issues Cited During NSPIRE Inspections, June 25, 2024, at 7.

<sup>564</sup> NYCHA, Action Plan – PHAS Inspections, Oct. 29, 2019, at 30. NYCHA’s efforts taken under the PHAS Action Plan with respect to deceptive practices is discussed in a separate subsection of this report.

<sup>565</sup> U.S. DEPT. OF HOUS. AND URB. DEV., NOTICE PIH: 2023-16/H 2023-07 (2023), available at <https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-16pihn.pdf>. NSPIRE replaced

HUD's preceding physical-condition standards, known UPCS, defined above. UPCS was in force between 1998 and 2023, when NSPIRE became effective.

<sup>566</sup> U.S. DEPT. OF HOUS. AND URB. DEV., National Standards for the Physical Inspection of Real Estate and Associated Protocols, Scoring Notice, 88 Fed. Reg. 43371 (July 7, 2023) available at <https://www.govinfo.gov/content/pkg/FR-2023-07-07/pdf/2023-14362.pdf>.

<sup>567</sup> U.S. DEPT. OF HOUS. AND URB. DEV., Scoring Standards: PIH Fundamentals, June 30, 2023, available at <https://www.hud.gov/sites/dfiles/PIH/documents/Draft-Scoring-Model-Deck-041023-508.pdf>.

<sup>568</sup> NYCHA, Areas of Focus – Agreement Year 6 Priorities, Jan. 26, 2024, at 12.

<sup>569</sup> NYCHA, NSPIRE Action Plan, May 13, 2024, at 1-2 (draft) (HUD Agreement Obligations ¶¶ 53(e), 57(d), 60-62).

<sup>570</sup> NYCHA, NSPIRE Action Plan (draft), May 13, 2024, at 1.

<sup>571</sup> NYCHA, Compliance Advisory Alert #48, Introduction to the National Standards for the Physical Inspection of Real Estate (NSPIRE), Sept. 26, 2023; NYCHA, Compliance Advisory Alert #50, NSPIRE and NSPIRE scoring, Oct. 13, 2023; NYCHA, Compliance Advisory Alert #51, NSPIRE Inspectable Areas, Oct. 24, 2023; NYCHA, Compliance Advisory Alert #52, NSPIRE Inspection Administration, Nov. 2, 2023; NYCHA, Compliance Advisory Alert #53, NSPIRE Standards, Nov. 28, 2023; NYCHA Compliance Advisory Alert #64, Common Life-Threatening and Severe Electrical Issues Cited During NSPIRE Inspections, June 25, 2024.

<sup>572</sup> NYCHA, 9th Semi-Annual PHAS Action Plan Evaluation Report (July 2023-December 2023), at 2.

<sup>573</sup> NYCHA, Semi-Annual PHAS Action Plan Evaluation Report, Jan. 6, 2020, at 5; NYCHA, 9th Semi-Annual PHAS Action Plan Evaluation Report (July 2023-December 2023), at 1.

<sup>574</sup> NYCHA, 10th Semi-Annual PHAS- NSPIRE Action Plan Evaluation Report (Jan 2024 - June 2024), at 1.

<sup>575</sup> NYCHA, NSPIRE Action Plan, May 13, 2024 at 2 (draft).

<sup>576</sup> Combined, the Property Management and Operations Departments employ 9,018 people as of May 2024.

<sup>577</sup> NYCHA, Action Plan – PHAS Inspections, Oct. 29, 2019, at 9.

<sup>578</sup> NYCHA, 10th Semi-Annual PHAS- NSPIRE Action Plan Evaluation Report (Jan 2024 - June 2024), at 1.

<sup>579</sup> U.S. DEPT. OF HOUS. AND URB. DEV., NOTICE PIH: 2023-16/H 2023-07 (2023), available at <https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-16pihn.pdf>.

<sup>580</sup> *Id.*

<sup>581</sup> *Id.* at 5.

<sup>582</sup> *Id.* at 9-10

<sup>583</sup> Inspectors working for HUD may include independent contractors working under a contract with HUD to perform inspections.

<sup>584</sup> The regulations contemplate that HUD may also inspect up to five additional units submitted electronically by the development's resident association for the inspector's consideration, although HUD has not yet implemented the technology for resident associations to do so. U.S. DEPT. OF HOUS. AND URB. DEV., NOTICE PIH: 2023-16/H 2023-07 8-9 (2023), available at <https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-16pihn.pdf>.

<sup>585</sup> *Id.*

<sup>586</sup> U.S. DEPT. OF HOUS. AND URB. DEV., National Standards for the Physical Inspection of Real Estate and Associated Protocols, Scoring Notice, 88 Fed. Reg. 43371, 43374 (July 7, 2023) available at <https://www.govinfo.gov/content/pkg/FR-2023-07-07/pdf/2023-14362.pdf>. Life-threatening deficiencies result in score deductions that are more than four times greater than severe deficiencies.

<sup>587</sup> *Id.* at 43371.

<sup>588</sup> U.S. DEPT. OF HOUS. AND URB. DEV., NOTICE PIH: 2023-16/H 2023-07 10 (2023), available at <https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-16pihn.pdf>.

<sup>589</sup> U.S. DEPT. OF HOUS. AND URB. DEV., National Standards for the Physical Inspection of Real Estate and Associated Protocols, Scoring Notice, 88 Fed. Reg. 43371, 43374 (July 7, 2023) available at <https://www.govinfo.gov/content/pkg/FR-2023-07-07/pdf/2023-14362.pdf>.

<sup>590</sup> If HUD's inspectors identify excessive defects, especially observed health and safety issues, NYCHA may be subject to more frequent inspections or the appointment of a receiver.

<sup>591</sup> National Standards for the Physical Inspection of Real Estate and Associated Protocols, Scoring Notice, 88 Fed. Reg. 43371 (July 7, 2023) available at <https://www.govinfo.gov/content/pkg/FR-2023-07-07/pdf/2023-14362.pdf>.

<sup>592</sup> In the first half of 2024, HUD rejected twenty-two scores from NYCHA properties because of technology and sample size issues experienced at these developments. Additional scores may be subject to rejection after the cut-off date for this report. HUD is working to review its inspection review process to make sure it is capturing the appropriate flags and indicators and is in communication with NYCHA and the Monitor about these challenges.

<sup>593</sup> NYCHA, NSPIRE Inspection Report, as of June 21, 2024.

<sup>594</sup> *Id.*

<sup>595</sup> Among the exemptions from HUD's Lead Safe Housing Rule at 24 CFR 35.115 are exemptions for zero-bedroom units, housing for the elderly, or a property designated exclusively for persons with disabilities, provided there are no children under age 6 years currently residing or expected to be residing in the residence. Supporting evidence for this exemption must include either a lease that includes the residency restriction or other residency agreements or marketing information that includes the restriction. In addition, the supporting evidence must provide confirmation that the occupancy information is accurate and there are no children under age 6 in residence. HUD has informed NYCHA that it will take additional time to roll-out this functionality because of federal record collection requirements. U.S. DEPT. OF HOUS. AND URB. DEV., NOTICE PIH: 2023-16/H 2023-07 10 (2023), available at <https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-16pihn.pdf>.

<sup>596</sup> 24 CFR 35.1320(a).

<sup>597</sup> NYCHA has also reported additional administrative and technical challenges that have impacted how NYCHA prepares for inspections, interacts with HUD's inspectors, and reviews information to determine whether it may appeal any of HUD's determinations. These issues include delays in receiving NSPIRE reports and scores, scheduling problems with HUD's inspectors and in some instances, canceled inspections as a result of HUD's software system. HUD has noted its commitment to resolving the issues.

<sup>598</sup> Complaint ¶ 221.

<sup>599</sup> U.S. DEPT. OF HOUS. AND URB. DEV., NSPIRE INSPECTION TYPES, available at <https://www.hud.gov/sites/dfiles/PIH/documents/NSPIRE-Factsheet-InspectionTypes.pdf>.

<sup>600</sup> Consent Decree ¶ 7 (s-u).

<sup>601</sup> NYCHA, Standard Procedure Manual SP 040:09:3, Periodic Apartment Inspections, *rev'd*, Feb. 23, 2021, at 15.

<sup>602</sup> *Id.* at 24-26.

<sup>603</sup> *Id.* at 5-6.

<sup>604</sup> *Id.* at 6.

<sup>605</sup> Agreement Ex. B ¶ 47; U.S. DEPT. OF HOUS. AND URB. DEV., PUBLIC HOUSING MANAGEMENT E-NEWSLETTER 2 (Jan. 2012).

<sup>606</sup> Guidepost, Annual Inspection Action Plan, Dec. 9, 2020, at 2 (wherein the First Monitor approved an Annual Inspections Action Plan).

<sup>607</sup> U.S. DEPT. OF HOUS. AND URB. DEV., NOTICE PIH 2020-13 (HA), REV-1 (2020). In 2020, HUD waived the requirement that NYCHA perform annual inspections in light of the COVID-19 Pandemic until 2021.



<sup>608</sup> 24 C.F.R. § 5.707.

<sup>609</sup> To increase its capacity to conduct inspections, NYCHA selected a third-party vendor who will also complete minor repairs at the time of inspections. In April 2024, that vendor began performing inspections and minor repairs, including at two developments in Brooklyn and one in Manhattan. Thus far, the vendor has completed limited number of inspections and repairs after NYCHA experienced IT and staffing issues. The Monitors will report on the vendor's contributions to NYCHA's annual inspections process, and NYCHA's efforts to oversee the vendor, in future reports.

<sup>610</sup> Guidepost, Annual Inspection Action Plan, Dec. 9, 2020, at 7.

<sup>611</sup> One in four work orders was to install or repair a combination alarm or GFCI outlet. NYCHA's Maintenance Workers are required to test and repair both types of devices during the annual inspection. NYCHA, Standard Procedure Manual SP 040:09:3, Periodic Apartment Inspections, *rev'd*, Feb. 23, 2021, at 28-31. While the GFCI requirement is new to NSPIRE and became effective only as of 2023, U.S. DEPT. OF HOUS. AND URB. DEV., NSPIRE Final Standards Electrical Ground Fault Circuit Interrupter (GFCI) or Arc-Fault Circuit Interrupter (AFCI) Outlet or Breaker (Aug. 11, 2023), NYCHA identified issues with GFCI outlets as one of the five most common defects in NYCHA's recent NSPIRE inspections. NYCHA recently issued a Compliance Advisory concerning this issue and electrical safety more broadly. NYCHA, Compliance Advisory Alert #64, Common Life-Threatening and Severe Electrical Issues Cited During NSPIRE Inspections, June 25, 2024.

<sup>612</sup> NYCHA, 2024 Annual Inspections Excel Spreadsheet (Aug. 4, 2024); Quadel, Email from J. Evans to the Monitor (Aug. 18, 2024).

<sup>613</sup> As of June 2024, NYCHA reported that on average, it will take 572 days to complete painter requests. NYCHA, Housing Metrics, Repairs, available at <https://eapps.nycha.info/NychaMetrics/Charts/PublicHousingChartsTabs> (accessed Aug. 18, 2024); See also CBS News, [Repair wait times at NYCHA properties are on the rise](https://www.cbsnews.com/newyork/news/nycha-repair-wait-time/), May 15, 2024, available at <https://www.cbsnews.com/newyork/news/nycha-repair-wait-time/>.

<sup>614</sup> NYCHA, Annual Inspection Action Plan, Dec. 9, 2020, at 5-6.

<sup>615</sup> NYCHA, 10th Semi-Annual PHAS- NSPIRE Action Plan Evaluation Report (Jan 2024 - June 2024), at 4. A review by the Monitor reflects that the video received less than 1,500 reviews and suggested limited reach with NYCHA's approximately 360,000 residents.

<sup>616</sup> Agreement Ex. B ¶ 48.

<sup>617</sup> *Id.* ¶ 49.

<sup>618</sup> This Dashboard generates a report, which includes information that Maintenance Workers input into NYCHA's technical system during an annual inspection, to NYCHA's Neighborhood Administrators, who review it with Property Managers and Property Management Supervisors and discuss units that require additional follow-up and the time a Maintenance Worker spent making repairs during an inspection. If a Maintenance Worker is found to have failed to conduct minor repairs, the Neighborhood Administrator and Property Manager may conduct a further investigation by visiting the unit. Thereafter, Property Maintenance Supervisors are responsible for correcting any issues with the apartment, and potentially invoking the normal disciplinary process for the Maintenance Worker.

<sup>619</sup> NYCHA, Annual Inspection Action Plan, Dec. 9, 2020, at Appendix 2.

<sup>620</sup> NYCHA, Standard Procedure 04:09:07 Managing Maintenance Work Orders, at 5-6, 62.

<sup>621</sup> NYCHA, Annual Inspection Action Plan, Dec. 9, 2020, at 3-4.

<sup>622</sup> *Id.* at 3; NYCHA, Standard Procedure Manual SP 040:09:3, Periodic Apartment Inspections, *rev'd*, Feb. 23, 2021, at 6; NYCHA, Standard Procedure 04:09:07 Managing Maintenance Work Orders, at 62.

<sup>623</sup> NYCHA, Phase II Annual Inspection Action Plan, May 13, 2024 (draft).

<sup>624</sup> HUD issued a notice on repair and maintenance, describing a growing trend of inferior repairs occurring right before HUD's inspections, and which reflected noncompliance with

HUD's then-current physical condition standards, UPCS. The clause also says to follow HUD's superseding guidance on this subject. The parties agree that the superseding guidance requires NYCHA to comply with NSPIRE standards under this clause of Agreement ¶ 60.

<sup>625</sup> Under Agreement ¶ 60, the parties intend this clause to require NYCHA to avoid inferior or "quick fix" repairs. At the time the Agreement was executed, conforming to established industry standards and workmanship was required by the HUD regulations and guidance then in place; compliance with industry standards is no longer part of the current HUD regime under NSPIRE. Compliance with industry standards continues to be required by the HUD Agreement.

<sup>626</sup> When the parties signed the HUD Agreement in 2019, Paragraph 60 reflected language from HUD's then-operative physical condition standards, requiring NYCHA to ensure that its properties meet HUD's "decent, safe, sanitary, and in good repair" standards. The parties agree that HUD's current HUD physical condition standards require NYCHA to ensure that its properties are "functionally adequate, operable, and free of health or safety defects."

<sup>627</sup> Certain physical conditions issues specifically addressed in the HUD Agreement (e.g., mold, heating) may have additional or more urgent deadlines than those provided by the NSPIRE regulations.

<sup>628</sup> U.S. DEPT. OF HOUS. AND URB. DEV., NOTICE PIH: 2023-16/H 2023-07 10 (2023), available at <https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-16pihn.pdf>.

<sup>629</sup> As of June 2024, NYCHA's data, available to the public, reflected that NYCHA, on average, took 572 days to complete paint jobs.

<sup>630</sup> Agreement ¶ 60.

<sup>631</sup> The Monitors are assessing at least 17 identified internal processes for quality assurance work.

<sup>632</sup> NYCHA, Quality & Cost Control Dep't, Quarterly Report (Q4 2023), at 4.

<sup>633</sup> NYCHA Standard Procedure Manual, SP 059:17:1, Public Housing Quality Assurance Program at 1.

<sup>634</sup> NYCHA, Quality & Cost Control Dep't, Quarterly Report (Q4 2023), at 4.

<sup>635</sup> *Id.* at 7.

<sup>636</sup> NYCHA, Quality & Cost Control Dep't, Quarterly Report (Q1 2024).

<sup>637</sup> NYCHA, 10th Semi-Annual PHAS- NSPIRE Action Plan Evaluation Report (Jan 2024 - June 2024), at 5.

<sup>638</sup> NYCHA, Standard Procedure Manual SP 040:18:1, Repair Standards & NSPIRE REAC Inspections, *rev'd*, Feb. 15, 2024, at 9.

<sup>639</sup> NYCHA, Quality & Cost Control Dep't, Quarterly Report (Q4 2023), at 4.

<sup>640</sup> Agreement ¶¶ 60-61.

<sup>641</sup> *Id.*

<sup>642</sup> *Id.* ¶¶ 62(a)-(f).

<sup>643</sup> NYCHA, Standard Procedure Manual SP 040:18:1, Repair Standards & NSPIRE REAC Inspections, *rev'd*, Feb. 15, 2024, at 10-11.

<sup>644</sup> Guidepost, Monitor's Final Quarterly Report, Feb. 27, 2024, at 57.

<sup>645</sup> PHAS Action Plan at 10-16.

<sup>646</sup> NYCHA, Compliance Dep't, 7th Semi-Annual PHAS Action Plan Evaluation Report, at 9.

<sup>647</sup> NYCHA, Action Plan - PHAS Inspections, Oct. 29, 2019, at 23.

<sup>648</sup> Guidepost, Monitor's Final Quarterly Report, Feb. 27, 2024, at 57.

<sup>649</sup> *Id.*

### ENDNOTES FOR SECTION III: ORGANIZATIONAL CHANGE

<sup>650</sup> Complaint ¶ 10.

<sup>651</sup> See, e.g., Guidepost, Monitor's First Quarterly Report, July 22, 2019, at 17-22.

<sup>652</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 56.

<sup>653</sup> *Id.*

<sup>654</sup> Agreement ¶¶ 45-52.

<sup>655</sup> Guidepost, Monitor's First Quarterly Report, July 22, 2019, at 16-17 for details on the consultant selection process.

<sup>656</sup> Guidepost, Monitor's Second Quarterly Report, Nov. 1, 2019, at 8-9; Guidepost, Monitor's Final Report, Feb. 27, 2024, at 64; KPMG, Change Readiness Report, Oct. 2019; KPMG, Roadmap for NYCHA's Transformation, Dec. 2019; KPMG, Current State Observations and Maturity Assessment Report, Dec. 2019. The Current State Observations and Maturity Assessment Report combined the first two of four reports required under KPMG's scope of work: the Current State Findings Report and the Capability Maturity Assessment Report. KPMG, Task 3: Report, Dec. 6, 2019, at 2.

<sup>657</sup> Guidepost, Monitor's Second Quarterly Report, Nov. 1, 2019, at 8-9; Guidepost, Monitor's Third Quarterly Report, Feb. 4, 2020, at 9-10.

<sup>658</sup> Guidepost, Monitor's Second Quarterly Report, Nov. 1, 2019, at 9; Guidepost, Monitor's Third Quarterly Report, Feb. 4, 2020, at 10; Guidepost, Monitor's Fourth Quarterly Report, May 18, 2020, at 8-9; Guidepost, Monitor's Fifth Quarterly Report, Aug. 13, 2020, at 7-8; Guidepost, Monitor's Sixth Quarterly Report, Nov. 18, 2020, at 4; Guidepost, Monitor's Seventh Quarterly Report, Mar. 17, 2021, at 2-3.

<sup>659</sup> Guidepost, Monitor's Seventh Quarterly Report Letter, Mar. 17, 2021, at 1-2.

<sup>660</sup> NYCHA, NYCHA's Blueprint for Change: Transformation Plan, Mar. 2, 2021; see Agreement ¶ 47. Note that development of the Transformation Plan was delayed due to the COVID-19 pandemic. See, e.g., Guidepost, Monitor's Fourth Quarterly Report, May 18, 2020, at 9.

<sup>661</sup> NYCHA, NYCHA Transformation: Phase 1 Implementation Plan, Feb. 2022.

<sup>662</sup> NYCHA, NYCHA Transformation: Phase 2 Implementation Plan, Feb. 2023.

<sup>663</sup> *Id.* at 2.

<sup>664</sup> NYCHA, NYCHA's Blueprint for Change: Transformation Plan, Mar. 2, 2021, at 7.

<sup>665</sup> *Id.* at 7-8.

<sup>666</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 69.

<sup>667</sup> *Id.*

<sup>668</sup> NYCHA, NYCHA's Blueprint for Change: Transformation Plan, Mar. 2, 2021, at 22-23.

<sup>669</sup> The HUD Agreement provided that NYCHA's Organizational Plan could include "changes to the roles, responsibilities, authorities, and reporting lines of NYCHA's Chair, General Manager, and Board." Agreement ¶ 46.

<sup>670</sup> New York State's Public Housing Law ("PHL") defines the Chair as a full-time, *paid* position. See PHL § 402. According to the PHL, the Chair "shall give his or her whole time to his or her duties and shall not engage in any other occupation, profession, or employment." *Id.* Furthermore, the PHL provides that the Chair "shall receive a salary the amount of which shall be fixed by local law." *Id.* The First Monitor recommended the separation of the Chief Executive Officer and Board Chair positions and, starting with the appointment of the current NYCHA Chief Executive Officer in 2023, they have been two distinct positions. See Guidepost, Monitor's Final Report, Feb. 27, 2024, at 19. However, the First Monitor further recommended that the Chair be a full-time position, consistent with the PHL and that the Board composition should be modified to provide additional expertise. *Id.* at 64. NYCHA, relying on authority granted under the HUD Agreement with respect to the implementation of institutional changes pursuant to the Organizational Plan, did not follow these recommendations. In his final report, the First Monitor

repeated the recommendation that the Chair should be a full-time, salaried position, with bylaws that clearly express the Chair's authority in leading the Board. See *id.* at 95.

<sup>671</sup> This change shifts appointment authority from the City to the Board of Directors and is designed in this way so that the Chair can hold the Chief Executive Officer accountable for organizational management, with additional input and oversight from HUD and SDNY during the monitorship.

<sup>672</sup> NYCHA, NYCHA's Blueprint for Change: Transformation Plan, Mar. 2, 2021 at 24. NYCHA implemented this Transformation Plan proposal in 2021, but the Real Estate Development Department now reports directly to the Chief Executive Officer because of its large workload and prominent programs.

<sup>673</sup> *Id.* at 23.

<sup>674</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 66.

<sup>675</sup> *Id.* at 64.

<sup>676</sup> *Id.* at 66.

<sup>677</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 66.

<sup>678</sup> NYCHA, NYCHA's Blueprint for Change: Transformation Plan, Mar. 2, 2021, at 25.

<sup>679</sup> *Id.* at 35-36, 60.

<sup>680</sup> Originally, NYCHA created 30 neighborhoods, but reduced to 29 after a number of NYCHA's developments were subject to PACT conversions.

<sup>681</sup> NYCHA, NYCHA's Blueprint for Change: Transformation Plan, Mar. 2, 2021, at 26-28.

<sup>682</sup> Prior to the Neighborhood Model, NYCHA had two "functional" boroughs, called Mixed Finance and NGO1, which were phased out following implementation of the Model.

<sup>683</sup> NYCHA, NYCHA's Blueprint for Change: Transformation Plan, Mar. 2, 2021, at 28.

<sup>684</sup> *Id.*

<sup>685</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 74.

<sup>686</sup> *Id.* at 76-77.

<sup>687</sup> *Id.* at 79.

<sup>688</sup> NYCHA, NYCHA's Blueprint for Change: Transformation Plan, Mar. 2, 2021, at 34-37.

<sup>689</sup> *Id.* at 9.

<sup>690</sup> *Id.* at 35.

<sup>691</sup> NYCHA, NYCHA's Blueprint for Change: Transformation Plan, Mar. 2, 2021, at 34-36.

<sup>692</sup> *Id.*

<sup>693</sup> NYCHA, NYCHA Transformation: Phase 1 Implementation Plan, February 2022, at 45.

<sup>694</sup> NYCHA, NYCHA Transformation: Phase 2 Implementation Plan, February 2023, at 55.

<sup>695</sup> *Id.* at 7.

<sup>696</sup> NYCHA, NYCHA Transformation: Phase 2 Implementation Plan, Feb. 2023, at 30.

<sup>697</sup> NYCHA, NYCHA's Blueprint for Change: Transformation Plan, Mar. 2, 2021, at 94-96.

<sup>698</sup> NYCHA, NYCHA Transformation: Phase 2 Implementation Plan, Feb. 2023, at 13.

<sup>699</sup> *Id.*

<sup>700</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 80.

<sup>701</sup> NYCHA, NYCHA's Blueprint for Change: Transformation Plan, Mar. 2, 2021, at 73-76.

<sup>702</sup> More specifically, L&D moved from HR to S&I in 2023 and then to Support Services in 2024.

<sup>703</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 9.

<sup>704</sup> NYCHA's elevators department had owned its own training prior to L&D's transition.

<sup>705</sup> NYCHA, NYCHA's Blueprint for Change: Transformation Plan, Mar. 2, 2021, at 76.

<sup>706</sup> *Id.*

<sup>707</sup> *Id.*

<sup>708</sup> Guidepost, Monitor's Final Report, Feb. 27, 2024, at 71-72.

<sup>709</sup> DOI's Recommendations to NYCHA Regarding Micro-Purchases, Feb. 6, 2024, at <https://www.nyc.gov/assets/doi/press-releases/2024/February/06DOI.PPRs.NYCHA.02.06.2024.pdf>.

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<sup>710</sup> NYCHA, NYCHA's Blueprint for Change: Transformation Plan, Mar. 2, 2021, at 63.

<sup>711</sup> *Id.*

<sup>712</sup> NYCHA, NYCHA Transformation: Phase 2 Implementation Plan, Feb. 2023, at 25-27.

<sup>713</sup> NYCHA, NYCHA's Blueprint for Change: Transformation Plan, Mar. 2, 2021, at 81-84; NYCHA, NYCHA Transformation: Phase 1 Implementation Plan, Feb. 2022, at 137.

<sup>714</sup> NYCHA, NYCHA Transformation: Phase 2 Implementation Plan, Feb. 2023, at 36.

<sup>715</sup> NYCHA, NYCHA Transformation: Phase 1 Implementation Plan, Feb. 2022, at 12.

<sup>716</sup> *Id.* at 160-161.

<sup>717</sup> NYCHA, NYCHA Transformation: Phase 2 Implementation Plan, Feb. 2023, at 11-12.

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## **GLOSSARY**





The list of certain terms used throughout the Monitors' report appear below. Each entry notes the section in which it appears..

**Abatement:** Process by which existing lead-based paint hazards are permanently eliminated. **(Lead)**

**Application:** As agreed to by the First Monitor and NYCHA, application time is calculated from the time when a NYCHA employee confirms that there is a pest presence to the time a NYCHA employee applies the initial pest control treatment. Typically, the same NYCHA employee who performs the pest inspection applies the initial pest control treatment in one visit. Application of pest control methods should take, on average, forty-five minutes. **(Pests & Waste)**

**Baez v. NYCHA, No. 13 Civ. 8915 ("Baez"):** is a federal class action lawsuit brought by NYCHA residents suffering from asthma and living in apartments with mold and excessive moisture. NYCHA settled *Baez* in 2014. The resulting consent decrees impose various requirements on NYCHA that are similar but not identical to the HUD Agreement obligations and aim to help NYCHA effectively remediate mold and moisture in a timely manner. **(Mold & Leaks)**

**Building Management Systems:** Building Management Systems are computerized controls that provide automation, remote monitoring, and remote control for building mechanical systems such as boiler plants. **(Heat)**

**Clearance Examinations:** Examinations conducted following lead-based-paint hazard-reduction activities to determine that the hazard reduction activities are complete and that no soil-lead hazards or settled-dust-lead hazards, as defined in HUD regulations, exist in the apartment or worksite. The clearance process includes a visual assessment and collection and analysis of environmental samples. **(Lead)**

**Consolidation:** A group of developments managed by the same property management office. **(Pests & Waste)**

**Curbside Trash Pickup:** Where garbage is piled on the curb and later collected, typically by the New York City Department of Sanitation. **(Pests & Waste)**

**Elevated Blood Lead Level ("EBLL"):** A confirmed concentration of lead in the blood of a child under age six equal to or greater than five

micrograms per deciliter or higher. To put this into perspective, the concentration of lead in blood considered an elevated blood level is roughly equivalent in proportion to a half cup of water out of an Olympic-sized swimming pool. **(Lead)**

**Emergency and Non-Emergency Work:** In order to ensure that PHAS inspections capture a representative sample of physical conditions in NYCHA developments, the Agreement expressly prohibits NYCHA from performing maintenance or repairs "other than for emergency health and safety issues" in units scheduled for PHAS inspections. Conditions that could threaten the health or safety of residents, visitors, NYCHA staff, or the general public are exempted and should be corrected without delay according to the HUD guidance. **(Inspections)**

**Environmental Investigation:** Process of determining the source of lead exposure for a child under age 6 with an elevated blood lead level, consisting of administration of a questionnaire, comprehensive environmental sampling, case management, and other measures, in accordance with chapter 16 of the HUD Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing. **(Lead)**

**Heating Outage:** A failure of the central heating system that prevents the system from delivering heat to multiple apartments. It does not include instances when heat is not being provided to an individual apartment, such as when a single radiator malfunctions. **(Heat)**

**Heating Season:** October 1 to May 31. This is the period when resident-occupied buildings in New York City are required to be provided with heat from a central heating system. **(Heat)**

**Heat Training Lab:** Building on NYCHA's Elevator Training Lab, the Heat Training Lab will be a new facility designed with various mock-ups of heating equipment, including actual heating and hot water equipment currently in place at NYCHA developments, in order to train all newly assigned HMSD employees with hands-on experience, and provide continuous and refresher trainings for current staff. **(Organizational Change)**

**Independent Data Analysis ("IDA"):** Entity appointed under *Baez* Consent Decree to help the parties and Special Master develop a reporting system to track NYCHA's compliance

with its obligations under *Baez*. The IDA is also tasked with reviewing and confirming the accuracy of the reporting and recommending improvements. **(Mold & Leaks)**

**Independent Mold Analyst (“IMA”):** Entity appointed under *Baez* Consent Decree to perform quality assurance by inspecting a certain number of randomly selected apartments on a quarterly basis. The IMA also reports on its findings and makes recommendations for improved compliance. **(Mold & Leaks)**

**Integrated Pest Management (“IPM”):** An environmentally friendly, commonsense approach to pest control. Unlike traditional pest management, which involves the routine application of pesticide, IPM focuses on the prevention of pests and uses pesticide only as needed. It involves multiple forms of pest controls, and has a four-tier approach: (1) identify pests and monitor progress; (2) set action thresholds; (3) prevent pests; and (4) control pests. An example of IPM technique is filling cracks in an apartment to keep rats from entering. **(Pests & Waste)**

**Interim Controls:** Short-term measures designed to reduce temporarily human exposure or likely exposure to lead-based-paint hazards. Measures include repairs, painting, temporary containment, specialized cleaning, clearance, ongoing lead-based-paint maintenance activities, and the establishment and operation of management and resident-education programs. **(Lead)**

**Lead-Based-Paint Hazards:** Dangerous condition created by deteriorated or disturbed lead-based-paint, such as: (a) lead dust, including dust created when doors and windows stick or rub together; (b) peeling or damaged paint; and (c) painted surfaces, such as windowsills, that have been chewed on by children. **(Lead)**

**Minimum Temperature:** During the day (6AM to 10PM), apartments must be at least 68 degrees when the outside temperature is below 55 degrees, and at least 62 degrees at night (10PM to 6AM) regardless of the outside temperature. **(Heat)**

**Mold:** Under the HUD Agreement, mold means all species of microscopic fungi that grow in the form of filaments composed of many cells and are large enough to be visible to the unaided eye. **(Mold & Leaks)**

**Mold Response Unit (“MRU”):** Composed of NYCHA staff who provide case management support to the OCC by liaising between the OCC, residents, developments, and skilled trades to resolve escalated work orders. **(Mold & Leaks)**

**Neighborhood Administrator:** Each of the 29 NYCHA Neighborhoods are led by a Neighborhood Administrator (“NA”). The NA provides comprehensive oversight and management of NYCHA developments within that neighborhood, including building and ground maintenance, administrative functions, and day-to-day operations. The NA should meet regularly with Property Managers and with members of the Tenant Association to determine community needs and address concerns. **(Organizational Change)**

**Neighborhood Planner:** To support these steps, NYCHA created a “Neighborhood Planner” role to help with scheduling the required skilled trades work. **(Organizational Change)**

**No-Service Condition:** The HUD Agreement defines “no-service conditions” to include only a situation where all elevators are out of service at one *building*. However, NYCHA, HUD, and SDNY have agreed that it is consistent with the purpose of the Agreement for “no-service conditions” to also include a situation where all elevators that serve an apartment are out of service, which generally means all elevators in one *bank* are out of service. For example, a single building may have one bank of elevators that serves the northern half of the building, and a second bank of elevators that serves the southern half of the building. If all of the elevators that serve the northern half of the building stop working, that would be considered a no-service condition because the apartments on the northern half of the building cannot be accessed by elevator, even though other elevators in the building continue to function. **(Elevators)**

**NYCHA’s Board of Directors:** NYCHA’s Board of Directors comprises seven members, including three resident members. Currently the Board members are: Jamie Rubin (Chair), Victor A. González (Vice Chair), Greg Belinfanti, Paula Gavin, James McKoy, Raymond Miller, and First Deputy Mayor Sheena Wright. **(Organizational Change)**

**Office of Strategy and Innovation (“S&I”):** S&I was created within NYCHA in 2019 to coordinate

all work with the Monitor and to develop and oversee the plan that would later become the Transformation Plan. S&I currently oversees and manages the various initiatives that are intended to accomplish NYCHA's transformation, and oversees the Performance Management and Analysis Department, which includes the Performance Tracking and Analytics Department ("PTAD"). **(Organizational Change)**

**Office of Mold Assessment and Remediation ("OMAR"):** NYCHA department that monitors the implementation of the mold standard procedure, works with Operations to improve NYCHA's operational response to mold and leaks, manages mold and leak and ventilation contracts, and monitors compliance with the mold aspects of the HUD Agreement and Baez court orders. **(Mold & Leaks)**

**Ombudsperson Call Center ("OCC"):** Independent call center established under a Baez court order to resolve mold and leak work orders that residents state have not been appropriately resolved. **(Mold & Leaks)**

**Parent Work Order:** In the mold and leak context, a record of a resident's mold or leak complaint that is automatically generated when a resident makes such a complaint. Once the work order is created, a property management employee, typically the superintendent, visits the apartment and assesses the mold or leak and tries to determine the root cause. If the visit concerned mold, the employee creates a written remediation plan. Another NYCHA employee, known as a borough scheduler, works with the resident to schedule the work contemplated by the plan. All additional work is noted in separate but related work orders called child work orders. To close the parent work order and, for the purposes of the HUD Agreement, to complete a mold or leak repair, all child work orders must also be closed. **(Mold & Leaks)**

**Permanent Affordability Commitment Together ("PACT"):** When a NYCHA building enters the PACT program, NYCHA continues to own the building and handle certain administrative tasks, but a third-party developer assumes management responsibilities for the building, including conducting repairs. **(Heat)**

**Pest Infested Apartment:** NYCHA and the First Monitor defined a "pest infested apartment" as one that has more than two verified infestations of two different types of pests (e.g., cockroaches

and bedbugs) in a twelve-month period. **(Pests & Waste)**

**Property Based Budgeting:** Property Based Budgeting is a key component of the Neighborhood Model that NYCHA committed to in the Transformation Plan. It was designed to empower Property Managers to be able to control much of the budget for their individual developments without additional layers of centralized control, consistent with HUD's Asset Management requirements. The program is also intended to increase Property Managers' control over skilled trades labor at the neighborhood level. **(Organizational Change)**

**Property Manager:** A Property Manager is the lead NYCHA employee responsible for a particular development, responsible for managing the development to an acceptable level of overall quality, occupancy, and costs, and ensuring that the development is responsive to residents' needs. The Property Manager oversees the development's staff, including the Property Superintendent and Assistant Housing Managers. **(Organizational Change)**

**Property Superintendent:** The Superintendent operates directly under the Property Manager, and oversees all maintenance and janitorial staff for the development. The Superintendent is responsible for maintaining the physical conditions of the development, including overseeing the timely and accurate completion of work order requests. In the absence of the Property Manager, the Superintendent is responsible for the development. **(Organizational Change)**

**Public Housing Assessment System ("PHAS"):** System used by HUD to assess the performance of public housing agencies. PHAS evaluates public housing agencies based on four main indicators: (1) physical condition; (2) financial condition; (3) management operations; and (4) capital fund management. The physical condition portion of the assessment comprises 40 points of the 100-point PHAS score. **(Inspections)**

**Respond:** The time it takes for NYCHA to respond to a pest complaint is measured from when NYCHA receives a pest complaint to when a NYCHA employee arrives at the apartment to perform the inspection and initial treatment. **(Mold & Leaks)**

**Risk Assessment:** An on-site investigation of lead-based-paint hazards (including in paint, dust, and soil). Only a certified risk assessor can perform this type of investigation. The purpose is to determine the existence, severity, and location of lead-based-paint hazards. As part of the investigation, the certified risk assessor must submit a report explaining the results and providing options for reducing the lead-based-paint hazards. **(Lead)**

**Transformation Plan Project Management Office ("PMO"):** The PMO meets regularly with the various NYCHA departments responsible for the Transformation Plan initiatives and reports to the Monitors on the progress or completion of all of the initiatives. **(Organizational Change)**

**Visual Assessments:** Visual Assessments look for (1) deteriorated paint; (2) visible surface dust, debris, and residue as part of a risk assessment or clearance examination; or (3) the completion or failure of a hazard reduction measure. **(Lead)**

**Waste Management Measurement App ("WAMMA"):** The First Monitor's inspectors used WAMMA to record observations about the cleanliness of a development and rate the development's cleanliness on a scale of one to five based on fourteen criteria. The inspectors would focus on specific developments and perform inspections at those developments at different times and on different days for four months. The First Monitor would share the inspectors' findings with NYCHA, and the agency worked with developments to improve their cleanliness and sanitation practices. **(Pests & Waste)**

**Work Order Sequencing:** When a resident contacts NYCHA about a repair needed in their apartment, a "work order" is created to schedule a visit by a maintenance worker. However, many repairs require specialized skillsets, and so after the maintenance worker visits the resident's apartment, more work orders must be scheduled for different "skilled trades" to come to the apartment—such as plumbers, carpenters, electricians, painters, and others. Work Order Reform seeks to sequence these different work orders in a more transparent and efficient manner for residents. **(Organizational Change)**