



NEW YORK STATE SENATOR

Thomas K. Duane

## Senator Duane Proudly Announces the Passage of Legislation To Federalize NYCHA's City- and State-Owned Developments

THOMAS K. DUANE February 25, 2010

| ISSUE: **HOUSING**

(Albany, NY)-New York State Senator Thomas K. Duane hailed Senate passage of legislation that enables the New York City Housing Authority (NYCHA) to federalize 21 City- and State-owned developments – including Amsterdam Addition, Chelsea Houses and 344 East 28th Street. As a result of the legislation, these developments are now eligible for an immediate infusion of \$400 million in capital funding and the deficit-plagued housing authority will also be able to draw approximately \$75 million in additional federal funds each year to cover operating expenses.

For more than a decade, approximately 20,000 units in 21 NYCHA developments have not received funding from the City and State of New York. As a result, NYCHA has been forced to use federal dollars to subsidize these developments to the detriment of other units – contributing over \$80 million dollars to their operating deficit per year.

This bill authorizes NYCHA to transfer the developments through sale or lease to two nonprofit entities, allowing them to be eligible for a one-time federal cash infusion under the American Recovery and Reinvestment Act (ARRA), and an annual federal subsidy of \$75 million. Under this plan, the housing units will not be privatized; they will remain public housing units with all tenants and developments retaining the current public housing protections. Moreover, all rules and regulations applicable to federal public housing projects

will continue to apply after the sale or lease of the developments.

Senator Thomas K. Duane said, “Federalization of NYCHA’s City- and State-owned developments, such as Amsterdam Addition, Chelsea Houses and 344 East 28th Street in my district, is a dynamic and complex solution to a serious problem. The legislation enacted this week, of which I am a proud sponsor, will eliminate a large portion of NYCHA’s annual budget gap and enable the authority to preserve programs and services that are essential not only for its residents, but for all New Yorkers who wish to ensure affordable public housing for generations to come.”

The legislation, S.6430-A, sponsored by Senator Daniel Squadron, is awaiting the Governor’s signature.

“This bill will allow New York City’s public housing authority to bring in more than \$75 million a year in federal aid — a massive investment to address its operating deficit and dramatically improve housing for more than 400,000 tenants,” said Senator Daniel Squadron (D-Brooklyn/Manhattan). “Every single NYCHA resident will benefit from filling the funding gap left by the State and City, which will help us fix broken elevators, avoid heat outages, and address the basic maintenance problems that public housing tenants contend with every day.”

Senator Duane, who spoke on the floor of the Senate about the impact this legislation will have on his constituents and for New York City, said “All of those who live in NYCHA developments will stand to gain from the federalization of these developments. This bill will help preclude many of the service cuts that NYCHA has included in its Annual Plan for years. This body should be proud to have passed this bill which will positively impact the lives of so many.”

*NYCHA’s 21 City and State Developments Include:*

*Bay View Houses, Boulevard Houses, Bushwick Houses, Independence Towers, Linden Houses, Marlboro Houses, Jonathan Williams Plaza in Brooklyn, Baychester Houses, Castle Hill Houses, Marble Hill*

*Houses, Arthur H. Murphy Houses, Saint Mary's Park Houses in the Bronx, 344 East 28th Street, Amsterdam Addition, Chelsea Houses, Drew-Hamilton Houses, Manhattanville Houses, Rutgers Houses, Frederick E. Samuel Houses, Stephen Wise Towers in Manhattan and Stapleton Houses in Staten Island.*

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