



New York City Comptroller  
**Scott M. Stringer**

**NEWS**

PRESS RELEASE

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## **COMPTROLLER STRINGER: USE SURPLUS DOLLARS FROM BATTERY PARK CITY AUTHORITY TO REPAIR NYCHA BUILDINGS**

*\$400 million over 10 years would provide critical new revenue source to address declining conditions at nation's largest housing authority*

New York, NY – Comptroller Scott M. Stringer called for the projected surpluses from the Battery Park City Authority (BPCA) to be directed specifically toward critically needed repairs at New York City Housing Authority properties, where conditions have deteriorated significantly in recent years.

“The to-do list at NYCHA is long and getting longer, from broken windows and peeling paint, to faulty heaters and leaking roofs,” Stringer said. “As federal disinvestment continues to chip away at NYCHA’s already stressed budget, the Federal, State and City governments must find new revenue streams for public housing, and use those dollars to help achieve a state of good repair at all NYCHA facilities.”

Based on projected revenue flows, the Comptroller’s office estimates that the BPCA will generate some \$400 million in surplus funds over approximately 10 years, with the bulk of the new receipts starting in fiscal year 2016. In the past, these dollars (known as 7(A)(ii) funds) have been dedicated to affordable housing in general, most recently under the Settlement Agreement signed by the Comptroller, the Mayor and the BPCA in 2010.

Stringer’s call for targeting the BPCA funds explicitly at NYCHA’s urgent needs comes on the heels of new data showing that conditions at NYCHA are deteriorating more rapidly than at market-rent or rent-stabilized buildings. Specifically, a recent report from the Comptroller’s Office, “*How New York Lives: An Analysis of the City’s Housing Maintenance Conditions*,” found the following:

- In 2011, 79 percent of NYCHA apartments had at least one deficiency, up from 60 percent in 2002.
- The number of broken or missing windows in NYCHA housing surged by 945 percent from 2005 to 2011. In 2011, broken or missing windows were observed in NYCHA buildings at three times the rate of the overall housing stock.

- Heating system breakdowns in public housing increased by more than 72 percent from 2008 to 2011, with an estimated 43,000 reported breakdowns observed in that final year.

In a letter to the Mayor and Battery Park City Authority, Stringer recommended that the estimated \$400 million in BPCA dollars be dedicated to major capital repairs at NYCHA facilities, with the understanding that if additional surplus funds are generated, every effort should be made to direct those dollars to more of NYCHA's capital needs. The Comptroller recommended the funds be tracked to ensure that they supplement, not supplant, current revenue sources, and that they are expended in a manner that is equitable and efficient to address the most pressing needs of NYCHA residents.

Stringer writes that he looks forward to working with the City and the BPCA and devoting "this significant revenue stream to maintaining NYCHA as the nation's foremost source of public housing, and to using this contribution as an opportunity to leverage additional state and federal funding sources."

Battery Park City is a 92 acre mixed-use development site owned and managed by the Battery Park City Authority, a New York State public benefit corporation. New York City gets two revenue streams from BPCA:

- PILOT payments, or payments in lieu of taxes, which totaled \$112 million in FY 2014; and
- Excess revenues, known as 7(A)(ii) monies, which totaled \$46 million in FY 2014 but are estimated by BPCA to be closer to \$40 million in the current fiscal year. These monies represent any surplus that remains after other operating and debt service costs and other specified needs at BPCA.

BPCA surplus monies have been linked to affordable housing purposes for many years. Most recently, 2006 and 2010 Settlement Agreements have each committed BPCA and/or City funds to this purpose.

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