



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
SCOTT M. STRINGER

September 19, 2014

The Honorable Bill de Blasio
City Hall
New York, NY 10007

Dennis Mehiel
Chairman
Battery Park City Authority
200 Liberty Street
New York, NY 10281

Dear Mayor de Blasio and Chairman Mehiel:

In 2010, the Comptroller, the Mayor and the Battery Park City Authority came together to direct \$400 million to desperately needed affordable housing in New York City, continuing the link between the Battery Park City Authority's surplus revenues and the City's affordable housing needs. The \$400 million commitment included \$200 million of excess revenues projected to flow from BPCA. To date, over \$160 million of that funding has been provided.

Excess revenues from BPCA have now surpassed the projections made in 2010, and the \$200 million revenue target for affordable housing will be reached and exceeded in the current City fiscal year 2015, two years ahead of schedule.

Accordingly, I believe we should modify the Settlement Agreement so that excess BPCA revenues beyond this \$200 million can be directed specifically to the preservation of our city's greatest and most underfunded source of affordable housing for low-income New Yorkers: the New York City Housing Authority (NYCHA).

As a recent report from my office underscored, housing conditions at NYCHA developments have become a litany of tenant frustration, from broken windows and peeling paint, to faulty heaters and leaking roofs. Specifically, my office's report, "*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.

As federal disinvestment continues to chip away at NYCHA's already stressed budget, clearly it is incumbent upon the Federal, State and City governments to find new revenue streams for NYCHA, and to use those dollars to help achieve a state of good repair at NYCHA facilities.

Based on historical revenue flows, my office estimates that the BPCA will generate an additional \$400 million in 7(A)(ii) funds over the next 10 years, with the bulk of the new receipts starting in City fiscal year 2016.

I recommend that we agree to dedicate those dollars for major capital repairs at NYCHA facilities, with the understanding that if additional surplus dollars are generated, every effort should be made to direct those dollars to more of NYCHA's capital needs. In the interests of transparency and accountability, the funds should be tracked to ensure that they supplement, not supplant, current revenue sources, and are expended in a manner that is equitable, efficient and responsive to the most pressing needs of NYCHA residents.

I share your commitment to better and more affordable housing for all New Yorkers and I look forward to working with you and our state government colleagues to devote 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.

Sincerely,



Scott M. Stringer
New York City Comptroller