



NEW YORK CITY COMPTROLLER  
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# Audit Report on the New York City Housing Authority's Eviction Processes

**FK23-095A | December 18, 2024**





THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BRAD LANDER

December 18, 2024

To the Residents of the City of New York,

My office has audited the New York City Housing Authority (NYCHA) to determine whether Permanent Affordability Commitment Together (PACT) Property Managers implemented and complied with eviction policies and procedures, and to assess eviction policies and rates across developments, including both conventional public housing developments and PACT developments. This audit was selected by the Comptroller's NYCHA Resident Audit Committee which steered the Comptroller's "resident-powered" audit process.

The audit found that PACT tenants are more likely to be evicted or the subject of eviction proceedings than their conventional public housing counterparts. Eviction rates for PACT properties significantly increased from Fiscal Year 2023 to FY2024. In FY2024, the PACT eviction rate significantly exceeded NYCHA's rate and was nearly as high as the Citywide rate. Further, the PACT eviction filing rate has surpassed both NYCHA's and the Citywide filing rate for Calendar Year 2023.

In addition, the audit found that eviction rates varied dramatically at different PACT Projects, in part due to the fact that NYCHA provided little guidance to PACT Property Managers, other than its own Guidelines. The auditors found these Guidelines to be deficient because they do not provide guidance or set parameters for non-payment thresholds to initiate formal rent demands and do not provide guidance on repayment agreement terms.

The audit also found that PACT Property Managers failed to report evictions, eviction filings, and pre-eviction notices and outreach to NYCHA, and failed to conduct minimum required outreach to tenants. Since NYCHA was not aware of all eviction and pre-eviction activity, NYCHA was unable to ensure that PACT Property Managers made the minimum required outreach efforts or attempted to connect tenants with resources. Ultimately, NYCHA did not ensure that tenant rights were protected and that tenants were able to remain in their homes whenever possible.

This audit makes 14 recommendations aimed at improving NYCHA's oversight of PACT Property Managers' performance, compliance, and reporting, with a view towards protecting tenants' rights. NYCHA agreed to implement six of them.

The results of the audit have been discussed with NYCHA, and their comments have been considered in preparing this report. NYCHA's complete written responses are attached to this report.

If you have any questions concerning this report, please email my Audit Bureau at [audit@comptroller.nyc.gov](mailto:audit@comptroller.nyc.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "B. Lander".

Brad Lander  
New York City Comptroller

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# Audit Impact

## Summary of Findings

The audit was conducted to assess the New York City Housing Authority's (NYCHA) monitoring of Permanent Affordability Commitment Together (PACT) Property Managers' eviction processes and implementation of and compliance with NYCHA Housing Stability and Retention Guidelines for PACT Partners (Guidelines). The audit also conducted comparative analysis of and assessed eviction rates at PACT and conventional public housing developments.

The audit found that eviction rates for both PACT properties and conventional NYCHA properties significantly increased from Fiscal Year 2023 to Fiscal Year 2024. In Fiscal Year 2024, the PACT eviction rate significantly exceeded NYCHA's rate and is nearly as high as the Citywide rate for all rental properties. Further, the PACT eviction filing rate has surpassed both NYCHA's and the Citywide filing rate for Calendar Year 2023. In addition, the audit found that eviction rates varied dramatically at different PACT Projects, in part due to deficient Guidelines developed by NYCHA.

The audit also found that PACT Property Managers failed to report evictions, eviction filings, and pre-eviction notices and outreach to NYCHA. Further, PACT Property Managers failed to conduct minimum required pre-eviction outreach to tenants. Since NYCHA was not aware of all eviction and pre-eviction activity, NYCHA was unable to ensure that PACT Property Managers made the minimum required outreach efforts or attempted to connect tenants with resources.

## Intended Benefits

This audit assessed progress made to date in implementing NYCHA Housing Stability and Retention Guidelines for PACT Partners. These Guidelines are intended to ensure that PACT households are provided with appropriate resources and support prior to starting eviction proceedings. The Guidelines also ensure that households across the PACT portfolio are provided with the same information about their rights as conventional public housing tenants, as well as access to resources to help address arrears or cure breaches in their leases. In addition, the audit conducted a comparative analysis of eviction rates at both PACT and conventional public housing developments.

The audit identified several needed improvements, including the need for more proactive tracking and monitoring of PACT Property Managers' performance and their compliance with the Guidelines. In addition, NYCHA should develop a more robust approach to tracking and monitoring evictions and eviction filings independently from PACT reporting to ensure that PACT reports are accurate. Finally, NYCHA should regularly review and compare eviction and eviction filing rates at PACT Projects to NYCHA rates to determine if rates are excessive.

# Introduction

## Background

NYCHA provides affordable housing to low- and moderate-income New Yorkers through conventional public housing, the PACT program, and other programs.

## NYCHA and the PACT Program

Through the United States Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program, public housing authorities (PHA), such as NYCHA, can convert the federal subsidy supporting developments from the public housing program to the Housing Choice Voucher (Section 8) Program. The Section 8 program provides assistance to eligible low- and moderate-income families. NYCHA's RAD program is known as PACT.

The RAD program was developed to preserve and rehabilitate public housing. By converting to Section 8 funding, PHAs can access new funding sources, in the form of debt and equity, to make capital improvements. This provides a means to increase federal funding to complete needed capital repairs at NYCHA developments.

NYCHA identifies developments that have the highest capital needs and operating challenges for participation in the PACT program. NYCHA officials informed the auditors that after this screening for initial need, NYCHA approaches resident leaders to gauge their interest in participating in the PACT Program. If resident leaders are interested, NYCHA then proceeds with resident engagement, pursuant to HUD requirements.

NYCHA representatives meet with residents to explain what the PACT Program is and to discuss community needs and priorities as part of the PACT community planning and engagement process. No formal vote of residents is required for conversion to PACT, as is required by New York State law for conversion to the Public Housing Preservation Trust, briefly discussed below. However, NYCHA indicated to auditors that they are giving residents a choice among PACT, Trust and conventional public housing. This was not in effect for any of the PACT developments reviewed during this audit.

NYCHA consults with the residents to select PACT Project Teams.<sup>1</sup> Beginning in 2021, Resident Review Committees were formed to participate in the Project Team selection process. Resident Review Committees are responsible for working with NYCHA to review proposals, proposed management plans, potential teams' prior histories as reported in data published on NYCHA's website. Before submitting proposals, teams of pre-qualified developers, property managers, general contractors, and social service providers are formed. Along with NYCHA, the Resident Review Committee interviews PACT Teams and determines which team is best suited to meet the community's needs. After the conversion to PACT, NYCHA works with the residents and

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<sup>1</sup> A PACT Project Team includes a developer(s), contractor(s), property manager(s), and social services providers.

selected PACT Project Teams to prepare detailed rehabilitation, property management, and social services plans. Previously, NYCHA was responsible for reviewing and selecting Project Teams.

Under PACT, NYCHA owns and leases land and buildings to a public-private entity. NYCHA enters public-private partnerships with private and non-profit development partners with developments that have voted to join the PACT program. The aim of these partnerships is to provide developments with “comprehensive repairs, new property management, and enhanced social services, while preserving resident rights and maintaining permanent affordability.” NYCHA is responsible for overseeing PACT Partners.

PACT Project Teams include (1) developers who secure financing and are responsible for renovating buildings; (2) Property Managers who are responsible for building maintenance and operations, including billing and collecting rent; and (3) providers of on-site social services.

PACT developers perform comprehensive repairs to their developments to address all capital needs. This includes replacing or upgrading building systems such as roofs, facades, elevators, and boilers and upgrading lighting, security systems, doors, windows, and hallways and stairwells. In addition, developers renovate apartments to upgrade kitchens, bathrooms, and living spaces. Through partnerships with social service organizations, developers also provide on-site services and programming for tenants. Social service plans must be created for each PACT Project based on residents' feedback about their service, resource, and programming needs, priorities, and service gaps. Social service providers are expected to work with PACT Property Managers to conduct proactive outreach around tenancy issues and connect residents to financial and other resources.

Upon conversion, all residents sign new lease agreements with the PACT Property Manager that confirms their tenancy. Residents whose developments transition to PACT pay 30% of their adjusted gross household income towards rent. Residents who are paying flat rents at the time of transition have their tenant rent portion phased in to 30% of their adjusted gross household income over a five-year period. With HUD funding, NYCHA pays the difference between each apartment's Section 8 contract rent and the resident's portion of rent.

Existing residents are not rescreened for eligibility. Before signing their PACT leases, tenants of record can request to add unauthorized occupants to their household so that they can be included on the new lease.<sup>2 3</sup> NYCHA created a pilot program for PACT in 2020 to provide a pathway to tenancy for residents who are occupying an apartment even if the tenant of record is no longer living there (e.g., the tenant of record is deceased or has moved out of the apartment). To access this benefit, pilot participants must be in an eligible familial category in relation to the last tenant of record and screened and eligible for the Section 8 program, and potentially meet other criteria.

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<sup>2</sup> The tenant of record is the person who signs lease agreement.

<sup>3</sup> According to NYCHA, to be added to the household composition, tenants need to be eligible under public housing rules. According to NYCHA's Admissions and Continued Occupancy Policy, no one is permitted to reside in a NYCHA apartment unless they are an authorized tenant. To become an authorized household member, an individual must be eligible and screened for the Section 8 program and receive the development housing manager's written permission to reside in the apartment.

Residents have the right to remain during construction, and any residents that are temporarily relocated during construction are assisted with returning.

According to the City’s Fiscal Year 2024 *Mayor’s Management Report*, NYCHA provided conventional public housing to 306,321 official residents across 248 developments, and PACT housing to 41,475 residents across 87 developments, as detailed in Table I below.

Through federal rent subsidies (i.e., the Section 8 Housing Choice Voucher Program), NYCHA separately provides rental subsidies to 169,381 residents so they can rent apartments in the private market.<sup>4</sup> This audit did not cover NYCHA’s administration of this program.

**Table I: Summary of NYCHA and PACT Affordable Housing**

	NYCHA	PACT	Total
<b>Developments</b>	248	87	335
<b>Apartments</b>	155,814	21,751	177,565
<b>Residents</b>	306,321	41,475	347,796

NYCHA’s stated goal is to convert 62,000 units to PACT by 2028. As of the date of this report, NYCHA has converted 23,312 units to PACT and anticipates converting a further 11,951 units by 2025.<sup>5</sup> NYCHA has stated that it has identified an additional 3,403 units for conversion to PACT but has not yet published a target conversion date for those units, as detailed in Chart I below.<sup>6</sup> The developments that will be converted for the remaining 23,334 units have not yet been identified.

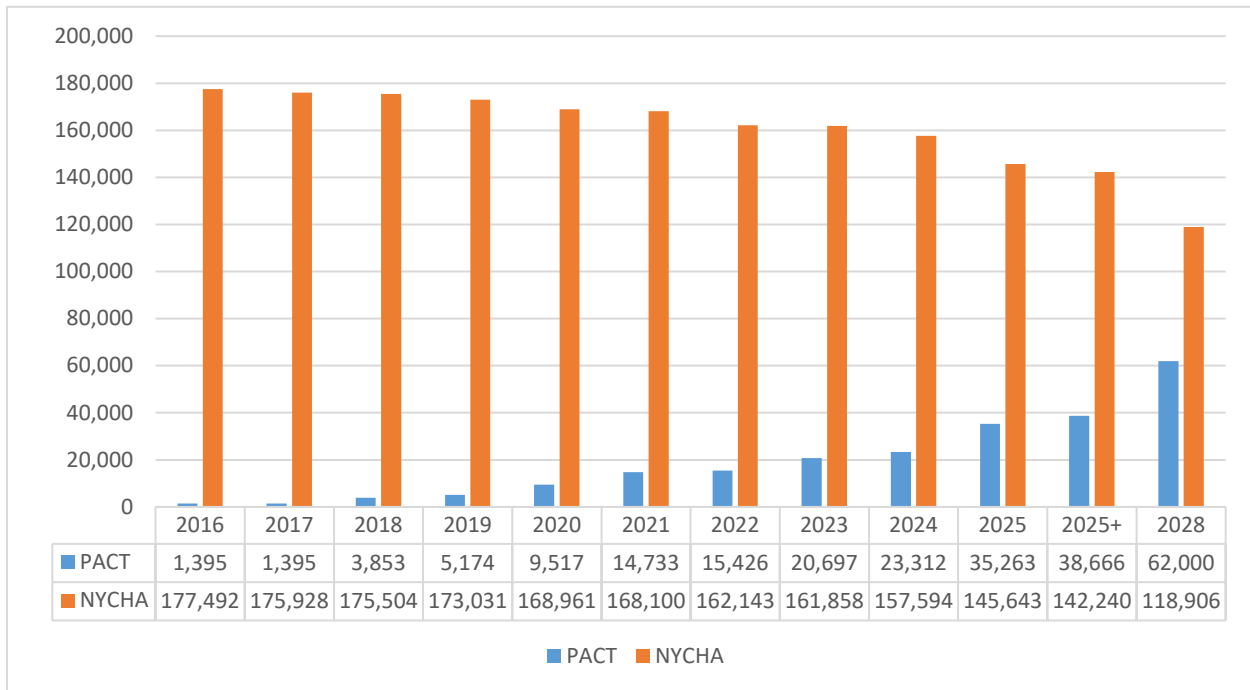
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<sup>4</sup> The program works as a rental subsidy that allows families to pay no more than 40% of their adjusted monthly income toward their rent share. NYCHA pays the remaining amount to the owner on the family’s behalf.

<sup>5</sup> According to NYCHA’s PACT Projects data set, upon conversion and construction, some units will be modified or removed from the PACT portfolio, and therefore the total number of converted units does not currently match the FY 2024 Mayor’s Management Report.

<sup>6</sup> There are three projects in the planning and engagement phase for which NYCHA does not have an anticipated conversion date.

## Chart I: Actual and Projected NYCHA Conventional Public Housing and PACT Units<sup>7</sup>



## Public Housing Preservation Trust

In 2022, the New York State Legislature passed and Governor Kathy Hochul signed legislation S.9409-A/A.7805-D establishing the New York City Public Housing Preservation Trust (“the Trust”), a public authority, and authorized the repair, rehabilitation, and modernization of 25,000 apartments under the Trust.

For NYCHA buildings that enter the Trust, NYCHA will remain the permanent owner of the land and buildings and enter into a long-term ground lease with the Trust, which will operate the buildings. There is no private manager. The Trust will keep rents capped at 30% of income, preserve all resident rights and protections, fix residents’ homes through capital repairs, and maintain a public workforce.

This structure allows the Trust to secure Section 8 vouchers (similar to the PACT program), and then issue bonds to fund comprehensive building renovations (with input and partnership from residents at the development).

The Trust is governed by a 9-member Board of Trustees, which includes four members that are NYCHA residents, one member that represents NYCHA workers, the CEO and CFO of NYCHA,

<sup>7</sup> NYCHA 2024 to 2028 units projected based on a one-to-one conversion from NYCHA to PACT.

the New York City Deputy Mayor of Housing and Economic Development, and an at-large member.

Under the 2022 State law, developments can only transfer to the Trust if the residents of that development vote to do so, under guidelines established by NYCHA. As part of that voting process, residents are presented with three options: to transfer to the Trust, to transfer to PACT, or to remain a convention NYCHA development.<sup>8</sup> As noted above, however, developments can legally be transferred to PACT without a formal vote of residents.

Several developments have voted to enter the Trust, beginning with Nostrand Houses; however, none have yet been transferred to Trust operations. This audit therefore could not compare eviction rates in Trust developments.

## Residents' Concerns

In 2022, the New York City Comptroller's Office conducted surveys to identify NYCHA residents' concerns. In December 2022, the Comptroller's Office convened a NYCHA Resident Audit Committee of 21 NYCHA residents across the five boroughs to help steer the Comptroller's "resident-powered audit" processes in 2023 and 2024. At the first meeting, members reviewed the results of a survey of close to 800 responses from NYCHA residents living in 132 developments and discussed the concerns identified by residents. This was made public and is available on the Office of the Comptroller website.<sup>9</sup> The Comptroller's Office also solicited feedback from hundreds of NYCHA residents at development visits, Family Days, structured roundtables, and informal discussions.

At a January 2023 Resident Audit Committee, members were presented with potential audit topics and two rounds of voting were held. The committee voted in favor of this office starting two audits: an audit on NYCHA's processes for selecting and monitoring contractors hired to perform repairs and maintenance at NYCHA buildings (MH23-094A), and this audit, which determined whether Property Managers implemented and complied with eviction policies and procedures and assessed eviction policies and rates across developments, including both conventional public housing developments and PACT developments.

Citywide, NYCHA residents expressed concerns that eviction rates for PACT developments were higher than NYCHA conventional housing developments. Further, residents stated that eviction rates were particularly high at certain PACT developments, such as Ocean Bay.

## Eviction Processes

An eviction is the removal of a tenant and their personal belongings from an apartment. A case can be brought against a tenant based on non-payment of rent (non-payment cases) or for other alleged reasons, such as chronic non-payment of rent; conduct or behavior that is dangerous to

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<sup>8</sup> In December of 2022, NYCHA introduced Voting Procedures for the Trust that can be found here [Final Voting Procedures Eng Preservation Trust](#)

<sup>9</sup> Survey results can be found at the following link: [People-Powered Audits NYCHA Survey Results](#)

neighbors, employees, or other tenants; violations of lease rules; unauthorized tenants; failure to submit or accurately report an annual income recertification form; or other reasons (holdover cases).

To initiate a holdover eviction against a conventional public housing tenant (except for holdover licensee cases), NYCHA must administer an impartial hearing for the tenant. If the charges against the tenant are proven during the hearing, the Hearing Officer may decide to terminate the tenancy. After the termination of tenancy decision, NYCHA can initiate an eviction case against the tenant in Housing Court. This is a two-stage process that potentially offers additional protections to tenants. Non-payment cases brought against conventional public housing tenants do not require an impartial hearing and go directly to Housing Court.

PACT Property Managers initiate evictions of PACT residents, for both non-payment and holdover cases, directly in Housing Court; PACT tenants are not entitled to an administrative hearing first. Both landlords (NYCHA and the PACT Property Manager) must issue a written notice (pre-eviction notice) before filing eviction cases with Housing Court. Housing Court processes are described briefly below.

## **Non-Payment**

Non-payment cases are initiated by issuing a written late notice and a subsequent rent demand.<sup>10</sup> If the tenant fails to pay their rental arrears, landlords may file a petition against the tenant in Housing Court (an eviction filing). The petition states the amount of rent the landlord is seeking a judgement for and a request that the court order an eviction if the tenant does not pay.

## **Holdover**

Holdover cases are initiated by written notices—called predicate notices—and include notices to quit, notices to cure a substantial violation of the lease, notices of termination, or notices of intent not to renew a lease. If the tenant fails to cure the lease violation or vacate their apartment within the time period stated in the notice, the landlord may file a petition against the tenant in Housing Court (an eviction filing). The petition orders the tenant to appear in court on a specified date to answer the petition and present their defense. If the tenant does not appear, the court may issue a judgment on default.

## **Eviction**

Evictions may be conducted only after a court has ruled in favor of the landlord's petition for removal and issued a Warrant of Eviction. After the warrant is issued, the Marshal must serve the tenant with a Notice of Eviction to inform them that they will be evicted in 14 days. The Marshal

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<sup>10</sup> According to NYCHA Public Housing Tenancy Administration Management Services Department's Lease Enforcement and Other Law-Related Updates as of February 2022, after the expiration of the eviction moratorium on January 15, 2022, property managers were required to issue 30-day instead of 14-day written rent demand notices to initiate actions against previous probationary tenants.

can execute the eviction after 14 days, remove the tenants' possessions, and return the property to the landlord.<sup>11</sup>

## Tenant Safe Harbor Act

On March 20, 2020, a New York State moratorium on residential evictions was announced for a period of 90 days to ensure no tenant was evicted during the height of the COVID-19 public health emergency.<sup>12</sup> This moratorium was followed by a series of executive orders and legislation, including the Tenant Safe Harbor Act (signed on June 30, 2020), which became effective immediately and extended the eviction moratorium for tenants until the emergency expired.<sup>13</sup>

The Act prohibited courts from issuing a warrant of eviction or judgment of possession (possessory judgement) against a residential tenant who had suffered financial hardship.<sup>14</sup> Tenants facing evictions for non-payment of rent had to prove financial hardship in court and show that they experienced the hardship during the period of March 7, 2020, until the emergency expired. If a tenant successfully proved hardship, they would be able to stay in their apartment. Tenants awarded the right to stay in their apartment would still be responsible for their rental arrears. This unpaid rent would become a "non-possessory" judgment.<sup>15</sup>

On January 15, 2022, New York State's eviction moratorium was lifted, allowing landlords to start new eviction cases and to proceed with existing cases. Since the expiration of the eviction moratorium and the Tenant Safe Harbor Act, eviction filings and evictions have increased Citywide, but annual rates have not reached the same pre-COVID levels, as detailed in Charts II and III.

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<sup>11</sup> Evictions can only occur on a business day.

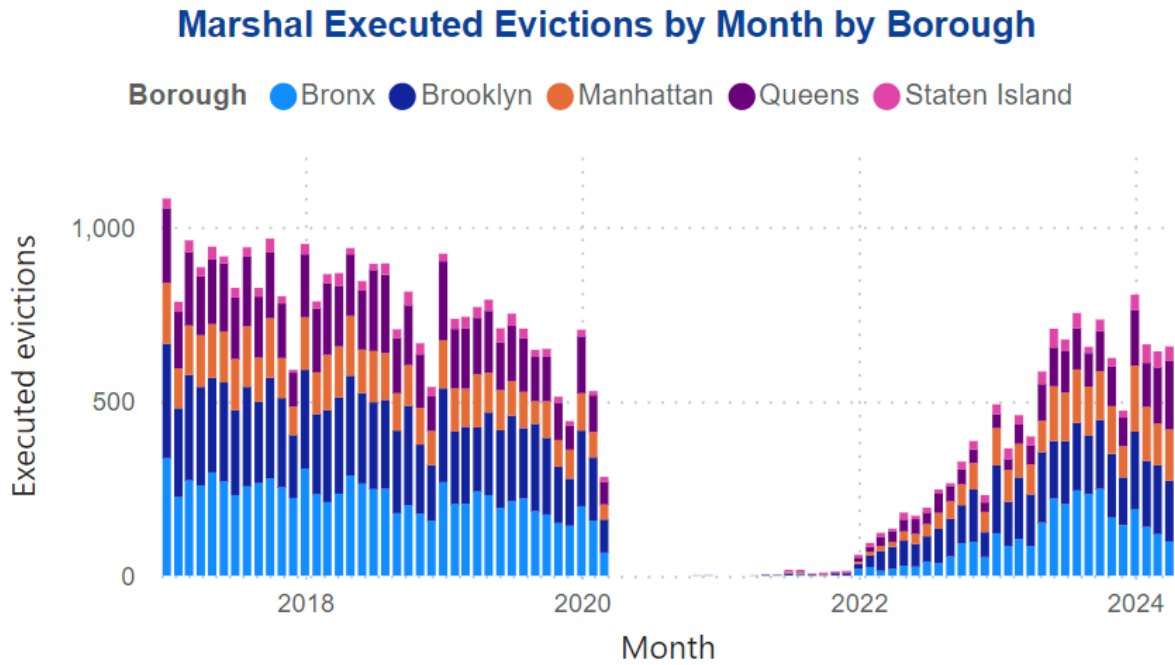
<sup>12</sup> New York State Executive Order 202.8 issued March 7, 2020: [https://www.governor.ny.gov/sites/default/files/atoms/files/EO\\_202.8.pdf](https://www.governor.ny.gov/sites/default/files/atoms/files/EO_202.8.pdf)

<sup>13</sup> New York State Safe Harbor Bill: <https://legislation.nysenate.gov/pdf/bills/2019/S8192B>

<sup>14</sup> Safe Tenants who were facing holdover evictions were not covered by the Safe Harbor Act and could have been served lease termination notices for other reasons.

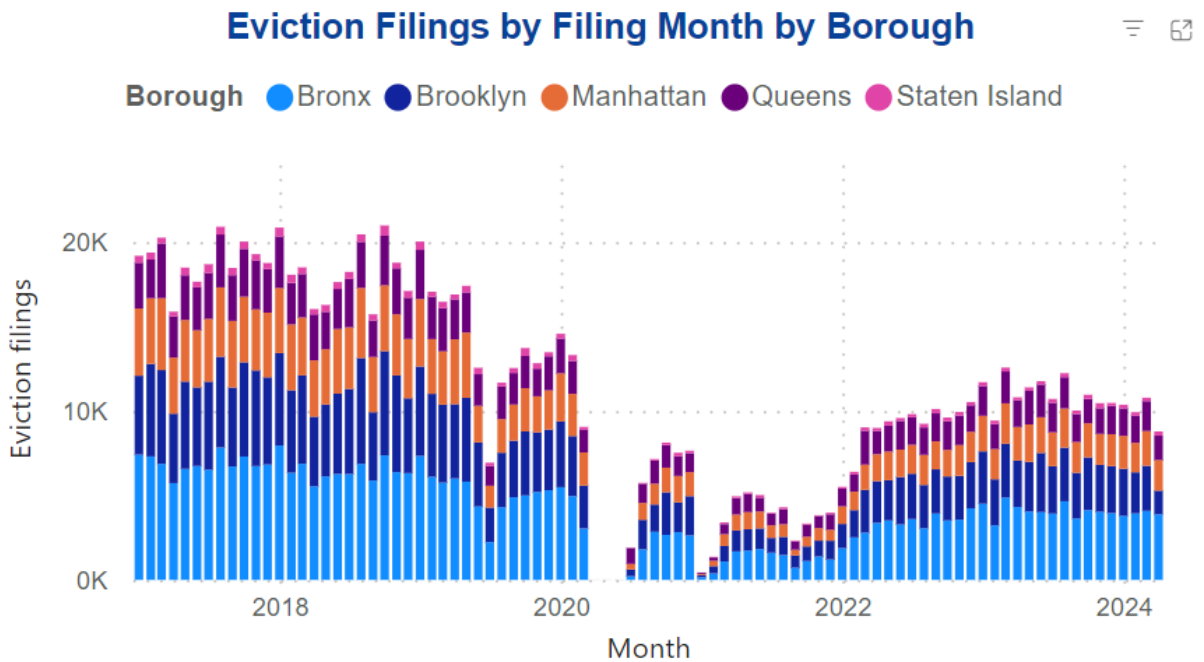
<sup>15</sup> Non-possessory judgment means that a debt for unpaid rent is granted to the landlord, but payment of the debt is not tied to the tenant's right to stay in the apartment in that specific case. The judgment does not need to correspond with a warrant of eviction.

## Chart II: Citywide Executed Eviction Filings by Month



Source: New York City Comptroller, [Charting Homelessness in NYC](#)

## Chart III: Citywide Eviction Filings by Month



Source: New York City Comptroller, [Charting Homelessness in NYC](#)

## NYCHA and PACT Pre-Eviction and Eviction Policies

As an oversight agency, NYCHA has adopted a set of policies and procedures that govern the pre-eviction outreach processes in conventional public housing and PACT developments. In addition, NYCHA established a grievance procedure that PACT Property Managers need to follow for lease-related issues, including terminations.

Before issuing a pre-eviction notice, NYCHA and PACT Property Managers are required to attempt to contact the tenant at least twice through two different modes of communication, among other things. They are also required to discuss how they can resolve issues and connect tenants to a social services provider and other available resources. Both NYCHA and PACT Property Managers are required to serve a hand-delivered or mailed outreach letter to their tenants to inform them of an existing issue.

In 2020, NYCHA's Real Estate Development Department (REDD) developed Housing Stability and Retention Guidelines for PACT Partners to protect residents from displacement. The Guidelines for PACT Partners standardizes pre-eviction outreach protocols and eviction prevention procedures at all developments converted to PACT. The goal and objectives of these guidelines are to "ensure that housing stability and retention is a key component of each PACT Development" and "to confirm that households across the PACT portfolio are provided the same information about their rights as NYC tenants and access to resources to help address arrears or cure breaches in their lease." Project Teams are expected to work with and offer resources to residents based on their unique circumstances and use on-site social service providers to conduct outreach and provide direct assistance.

In addition, the Guidelines state that Project Teams are expected to create and implement "Resident Stability and Retention Plans," which are unique to their PACT Project. These plans outline proactive communication and outreach to avoid unnecessary evictions, connect residents to resources, and provide consistent information about residents' rights.

PACT Property Managers are expected to report their pre-eviction and eviction activity to the NYCHA REDD via Monthly Legal Proceedings Reports. During the pre-eviction phase, PACT Property Managers are required to document all outreach attempts, including, but not limited to, case type, date and mode of first outreach, number and details of subsequent outreach attempts, appointment or conversation notes, cases status, and other comments. In addition, PACT Property Managers are required to record information related to pre-eviction notices and eviction filings, including the date pre-eviction notices were sent, NYC Housing Court index number, court activity and appearances, case status and notes, and eviction date.

NYCHA's REDD Asset Managers are responsible for reviewing and analyzing Monthly Legal Proceedings Reports. NYCHA Asset Managers meet with PACT Property Managers monthly to discuss reports and inform them of corrections that need to be made. NYCHA posts eviction and pre-eviction activity on its website based on information included in these reports.

This audit covers 13 PACT Projects that were converted and required to submit Monthly Legal Proceedings Reports to NYCHA during the audit's initial scope period of July 1, 2022 through June 30, 2023. Please refer to Appendix 1 for a list of PACT Projects covered in this audit, including the development names, conversion date, number of units, Property Managers, and social service provider for each PACT Project.

## Objectives

The objectives of this audit were to (1) determine whether property managers implemented and complied with eviction policies and procedures and (2) assess eviction policies and rates across developments, including both conventional public housing developments and PACT developments.

## Discussion of Audit Results with NYCHA and the NYCHA Resident Audit Committee

An Exit Conference Summary was sent to and discussed with NYCHA officials at exit conferences held on September 9, 2024, and September 12, 2024. Resident Audit Committee members were also briefed on the preliminary findings on September 10, 2024. On October 8, 2024, a Draft Report was submitted to NYCHA with a request for written comments. The audit team received a written response from NYCHA on October 23, 2024.

In its response, NYCHA stated that PACT is the most effective tool NYCHA has to raise funding for comprehensive repairs and professional property management and, ultimately, to ensure that “residents continue to have safe, habitable, and affordable housing.” NYCHA stated that it has several concerns about the language used in the report, which it characterized as misleading and mischaracterizing of the PACT program; in particular, language related to PACT eviction and eviction filing rates.

This audit report offers no opinion regarding the effectiveness of PACT to facilitate NYCHA’s access to new funding sources. However, NYCHA has published eviction guidelines that constitute promises to residents choosing to convert to PACT. NYCHA has an obligation to tenants to ensure that its Guidelines are enforced; based on the audit findings detailed in this report, NYCHA’s oversight and monitoring over PACT developments should be improved to meet this obligation.

NYCHA also asserted that PACT eviction rates did not vary significantly among PACT Property Managers and as compared to NYCHA’s conventional public housing developments. In addition, NYCHA disputed that there was a “sharp” increase in eviction rates from FY2023 to FY2024, stating that “the change is less than half of one (1) percentage point.” NYCHA hypothesized that “[m]uch of the ‘increase’ [...] is more likely the result of the return to normal court operations” and that “[e]viction filings citywide, and at PACT and NYCHA properties, have still not returned to pre-COVID rates.”

However, as detailed in the report, the PACT eviction rate more than doubled, from 0.18% to 0.57%, %. While eviction and eviction filing rates have increased Citywide since eviction protections expired, those rates increased more sharply at PACT properties. In FY2024, the

PACT eviction rate significantly exceeded NYCHA's rate and is now comparable to the Citywide rate. Further, the PACT eviction filing rate surpassed both the NYCHA and Citywide rates for CY2023. In addition, NYCHA disputed the number of unreported evictions and minimized PACT Property Managers' failure to report evictions, eviction filings, and pre-eviction outreach to NYCHA, characterizing them as a "data entry error" or "minimal data quality issues."

While NYCHA stated that it is committed to making improvements to the PACT program, NYCHA did not accept eight of the 14 recommendations aimed at improving oversight and tracking of PACT Property Managers' performance and reporting of PACT evictions and pre-eviction outreach.

Since the expiration of the moratorium and the Tenant Safe Harbor Act, evictions and eviction filings continue to increase. NYCHA should implement the report's recommendations to enhance its oversight and ensure that tenant rights are protected and that tenants are able to remain in their homes whenever possible.

NYCHA's written response has been fully considered and, where relevant, changes and comments have been added to the report.

The full text of NYCHA's response is included as an addendum to this report.

# Detailed Findings

NYCHA informs tenants that they will have the same basic rights after converting to PACT. Further, NYCHA has stated that it implemented Housing Stability and Retention Guidelines to ensure that people are able to stay in their apartments. According to the agency, it monitors PACT Property Managers' compliance with those Guidelines to "ensure that housing stability and retention is a key component of all PACT partner's work." However, PACT tenants are more likely to be evicted or engaged in eviction proceedings than their public housing counterparts.

The audit found that eviction rates for PACT properties significantly increased from Fiscal Year 2023 to FY2024. In FY2024, the PACT eviction rate significantly exceeded NYCHA's rate and is nearly as high as the Citywide rate. Further, the PACT eviction filing rate has surpassed both NYCHA's and the Citywide filing rate for Calendar Year 2023. The frequency with which PACT Property Managers evict or petition or evict tenants contradicts NYCHA's stated goals.

In addition, the audit found that eviction rates varied dramatically at different PACT Projects. This is due in part to the fact that NYCHA provided little guidance to PACT Property Managers, other than its own Guidelines. The auditors found these Guidelines to be deficient because they do not provide guidance or set parameters for non-payment thresholds to initiate formal rent demands and do not provide guidance on repayment agreement terms.

The audit also found PACT Property Managers failed to report evictions, eviction filings, and pre-eviction notices and outreach to NYCHA, and failed to conduct minimum required outreach to tenants. Since NYCHA was not aware of all eviction and pre-eviction activity, NYCHA was unable to ensure that PACT Property Managers made the minimum required outreach efforts or attempted to connect tenants with resources. Ultimately, NYCHA did not ensure that tenant rights were protected and that tenants were able to remain in their homes whenever possible.

Furthermore, since NYCHA reports eviction and pre-eviction activity from the Monthly Legal Proceedings Reports on its website—and since Resident Review Committees also rely on these reports to inform the Project Team selection process—incorrect and incomplete data means the public and NYCHA residents who are considering joining PACT are potentially missing accurate information concerning the extent to which PACT Property Managers evicted tenants and initiated tenancy proceedings.

While PACT Property Managers are not contractually required to comply with the Housing Stability and Retention Guidelines, NYCHA stated that remedies for non-compliance may include the removal and replacement of a PACT Property Manager from a PACT Project or the removal of the PACT Property Manager from the pre-qualified list. When considering PACT Project Teams' performance, NYCHA prioritizes outreach and working with residents "at every step of the process [to] ensure that evictions are a last resort." In addition, NYCHA officials stated that, "In the extraordinary event that a PACT [Project Team] is found to be in substantial breach of the guidelines, NYCHA would work with them to understand the cause of the non-compliance and to make adjustments to address any deficiencies."

NYCHA stated that it prioritizes working through issues with PACT Project Teams before replacing a team or Property Manager, because such an action would be disruptive to residents, though it does reserve that right. However, NYCHA continues to award PACT Projects to Property Managers that did not consistently comply with the Guidelines and includes them on the

agency's pre-qualified list. These Property Managers include Wavecrest Management Group and C+C Apartment Management, as detailed in Appendix 2.

## PACT Property Managers Evict Tenants at Higher Rates than NYCHA

As previously mentioned, NYCHA issued Housing Stability and Retention Guidelines for PACT Property Managers and monitored their reported evictions, eviction filings, pre-eviction notices, and pre-eviction outreach to ensure that “housing stability and resident retention are maintained whenever possible.”

Based on Monthly Legal Proceedings Reports and New York City Marshals' executed eviction data for FY2023, the overall eviction rate for 13 PACT Projects was 0.18% (29 evictions out of 15,983 units).<sup>16</sup> <sup>17</sup> This rate was much lower than the Citywide rate of 0.34% but significantly higher than the rate for NYCHA's conventional developments 0.01% (15 evictions out of 159,546 units), as detailed in Table II below.

For FY2024, the eviction rate for the same 13 PACT projects increased sharply to 0.57% (91 evictions out of 15,983 units), which again was significantly higher than the NYCHA rate of 0.12% (180 evictions out of 155,814 units), and nearly as high as the Citywide rate of 0.60%, as detailed in Table II and Chart IV below.

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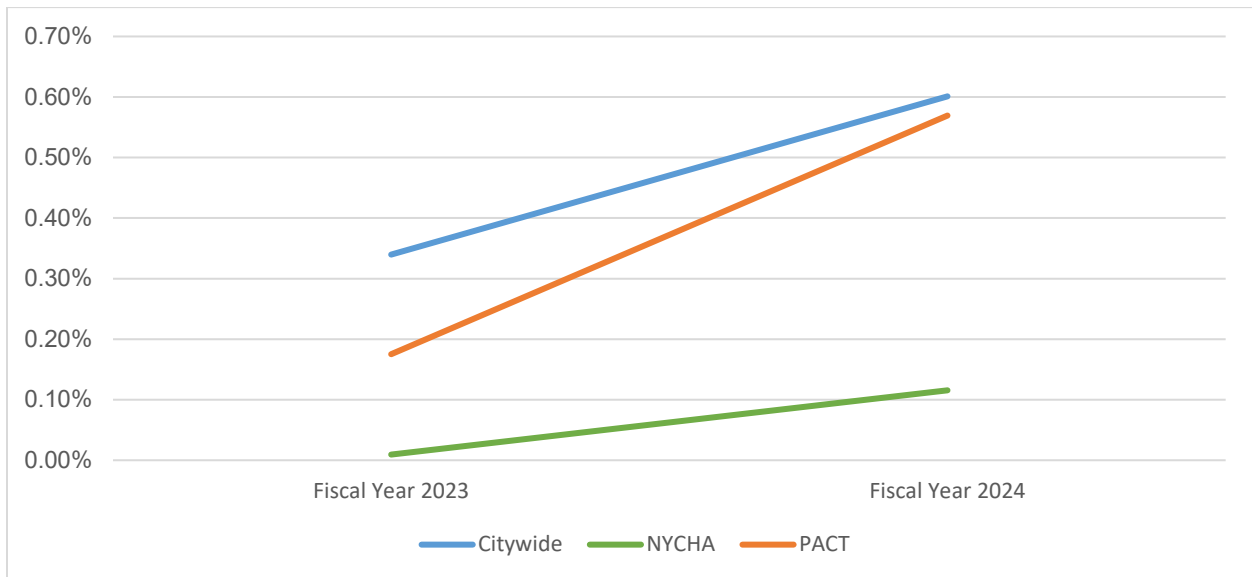
<sup>16</sup> This audit covers 13 PACT Projects that were converted and required to submit Monthly Legal Proceedings Reports to NYCHA during the audits initial scope period, July 1, 2022 through June 30, 2023.

<sup>17</sup> To obtain the number of evictions, the auditors utilized the dates when an eviction (the removal of a tenant and their personal belongings from an apartment) was executed. The auditors calculated the eviction rate by dividing the number of evictions by the number of units.

**Table II: Fiscal Year 2023 and 2024 Evictions by Housing Type**

Housing	Fiscal Year 2023			Fiscal Year 2024		
	Units <sup>18</sup>	Evictions <sup>19</sup>	Eviction Rate	Units	Evictions	Eviction Rate
<b>Citywide</b>	2,291,001	7,780	0.34%	2,291,001	13,769	0.60%
<b>PACT</b>	15,983	29	0.18%	15,983	91	0.57%
<b>NYCHA</b>	159,546	15	0.01%	155,814	180	0.12%

**Chart IV: Fiscal Year 2023 and 2024 Evictions by Housing Type**



For FY2023, eviction rates varied significantly among sampled PACT Property Managers, ranging from 0% to 0.46%, as detailed in Table III below. Wavecrest Management and Kraus Management had average eviction rates of 0.34% and 0.46%, respectively, which exceeded or were on par with the Citywide rate. Although Cornell Pace, Pinnacle City Living, and Progressive Management and Reliant Realty Services’ eviction rates were lower than the Citywide rate, they

<sup>18</sup> The number of Citywide units was obtained from the 2023 American Community Survey 1-Year Estimates Data Profiles for Selected Housing Characteristics number of renter-occupied units. The number of PACT units were obtained from NYCHA’s PACT Projects list, and NYCHA units from NYCHA’s 2023 and 2024 Mayor’s Management Reports.

<sup>19</sup> Evictions data was obtained from the New York City Marshals’ executed eviction data, PACT Monthly Legal Proceedings Reports, and from NYCHA.

significantly exceeded the NYCHA conventional development rate.<sup>20</sup> In contrast, C+C Management, Lisa Management and Property Resources Corporation, and Faria Management did not execute any evictions during FY2023.

At the PACT Project level, Kraus Management and Wavecrest Management Group again had the highest eviction rates. For FY2023, the eviction rate was 0.72% (10 evictions) for Ocean Bay (Wavecrest Management Group) and 0.64% (two evictions) for Twin Parks West (Kraus Management). The eviction rates for those two PACT Projects were approximately twice as high as the Citywide rate.

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<sup>20</sup> Progressive Management and Reliant Realty Services jointly manage the PACT Brooklyn Bundle.

**Table III: Fiscal Year 2023 Evictions for 13 PACT Projects & Property Managers**

<b>PACT Property Manager</b>	<b>PACT Project</b>	<b># of Units per PACT Project</b>	<b># of Evictions per PACT Project</b>	<b>PACT Project Eviction Rate</b>	<b>Property Manager Eviction Total</b>	<b>Property Manager Eviction Rate</b>
<b>Kraus Management</b>	Twin Parks West	312	2	0.64%	3	0.46%
	Highbridge Franklin	336	1	0.30%		
<b>Wavecrest Management Group</b>	Ocean Bay	1,395	10	0.72%	14	0.34%
	Betances	1,088	4	0.37%		
	Williamsburg	1,621	0	0.00%		
<b>Cornell Pace</b>	PACT Manhattan Bundle	1,718	4	0.23%	4	0.23%
<b>Pinnacle City Living</b>	Hope Gardens	1,321	3	0.23%	3	0.23%
<b>Progressive Management and Reliant Realty Services</b>	PACT Brooklyn Bundle	2,625	5	0.19%	5	0.19%
<b>C+C Apartment Management</b>	Baychester & Murphy	722	0	0.00%	0	0.00%
	Harlem River	693	0	0.00%		
	Linden	1,922	0	0.00%		
<b>Lisa Management and Property Resources Corporation</b>	Boulevard	1,673	0	0.00%	0	0.00%
<b>Faria Management</b>	Audubon, Bethune & Marshall	557	0	0.00%	0	0.00%
<b>Total</b>		<b>15,983</b>	<b>29</b>	<b>0.18%</b>	<b>29</b>	<b>0.18%</b>

For FY2024, eviction rates again varied dramatically among PACT Property Managers, ranging from 0% to 1.11%, as detailed in Table IV below. C+C Management, which manages the Linden, Baychester and Murphy, and Harlem River PACT Projects, had an eviction rate of 1.11%, which is almost twice the Citywide rate.

The remaining PACT Property Managers had eviction rates which were lower than the Citywide rate, but which significantly exceeded the NYCHA conventional development rate. Faria Management was the exception, with no evictions executed during FY2024.

**Table IV: Fiscal Year 2024 Evictions for 13 PACT Projects & Property Managers**

<b>PACT Property Manager</b>	<b>PACT Project</b>	<b># of Units per PACT Project</b>	<b># of Evictions per PACT Project</b>	<b>PACT Project Eviction Rate</b>	<b>Property Manager Eviction Total</b>	<b>Property Manager Eviction Rate</b>
<b>C+C Apartment Management</b>	Linden	1,922	23	1.20%	37	1.11%
	Baychester & Murphy	722	11	1.52%		
	Harlem River	693	3	0.43%		
<b>Progressive Management and Reliant Realty Services</b>	PACT Brooklyn Bundle	2,625	13	0.50%	13	0.50%
<b>Wavecrest Management Group</b>	Ocean Bay	1,395	8	0.57%	20	0.49%
	Betances	1,088	5	0.46%		
	Williamsburg	1,621	7	0.43%		
<b>Cornell Pace</b>	PACT Manhattan Bundle	1,718	8	0.47%	8	0.47%
<b>Lisa Management and Property Resources Corporation</b>	Boulevard	1,673	7	0.42%	7	0.42%
<b>Pinnacle City Living<sup>21</sup></b>	Hope Gardens	1,321	5	0.38%	5	0.38%
<b>Kraus Management</b>	Twin Parks West	312	1	0.32%	1	0.15%
	Highbridge Franklin	336	0	0.00%		
<b>Faria Management</b>	Audubon, Bethune & Marshall	557	0	0.00%	0	0.00%
<b>Total</b>		<b>15,983</b>	<b>91</b>	<b>0.57%</b>	<b>91</b>	<b>0.57%</b>

<sup>21</sup> Pinnacle City Living was the Property Manager for Hope Gardens from July 2023 through December 2023. Effective January 2024, the Project Developer removed Pinnacle City Living as the Property Manager and Wavecrest Management Group assumed responsibility for this site. Pinnacle City Living executed the five evictions during Fiscal Year 2024.

Eviction rates varied among PACT Property Managers (and compared to the NYCHA rate) in part because of differences in eviction policies for non-payment cases. Specifically, minimum thresholds for initiating non-payment eviction cases and maximum repayment agreement terms were different from PACT Project to Project.

As previously mentioned, to avoid unnecessary evictions, PACT Project Teams were expected to create and implement Resident Stability and Retention Plans that outline Property Managers' approaches to proactive communication and outreach. Project Teams were expected to outline how they would adopt the steps outlined in NYCHA's Guidelines into a standard operating procedure in coordination with NYCHA.

However, NYCHA did not ensure that PACT Property Managers developed standard operating procedures for each of their sites covering pre-eviction outreach, eviction notices and filings, and evictions. The only guidance provided to Property Managers is NYCHA's Housing Stability and Retention Guidelines, which are deficient. Specifically, the Guidelines do not provide guidance or set parameters for non-payment thresholds to initiate formal rent demand, and as a result, practices vary considerably between PACT Property Managers. Each Property Manager establishes its own minimum threshold for non-payment of rent, which is expressed as a minimum dollar amount or the number of months of rental arrears.

While the Guidelines state that PACT Property Managers should "set up a repayment agreement with reasonable payments spread over time that will not cause an undue burden to the tenant," the Guidelines do not provide guidance or set parameters as to what constitutes a reasonable payment amount.

This appears to have had an impact on eviction rates. The Property Managers with the highest eviction rates for FYs 2023 and 2024—Kraus Management and C+C Management—were among the Property Managers with the lowest minimum thresholds for initiating a non-payment eviction case. PACT Property Managers' non-payment thresholds were based on either the dollar amount or the number of months of rental arrears, and their thresholds ranged from \$250 to \$2,700, or one to six months.

Similarly, repayment agreement terms varied. One PACT Property Manager did not offer repayment agreements and the remaining Managers' repayment terms ranged from five months to up to 24 months. Furthermore, each of the PACT Property Managers' non-payment thresholds was significantly lower than NYCHA's threshold and their repayment terms were more restrictive.

Eviction rates also varied among PACT Property Managers and, in some cases, significantly exceeded both the NYCHA conventional development rate and the Citywide rate because Managers did not consistently comply with the Guidelines. NYCHA did not adequately monitor Property Managers or hold them accountable for their performance. This issue is discussed in detail in another section of the report.

# PACT Property Managers Pursue Evictions at Significantly Higher Rates than NYCHA and Other Private Landlords

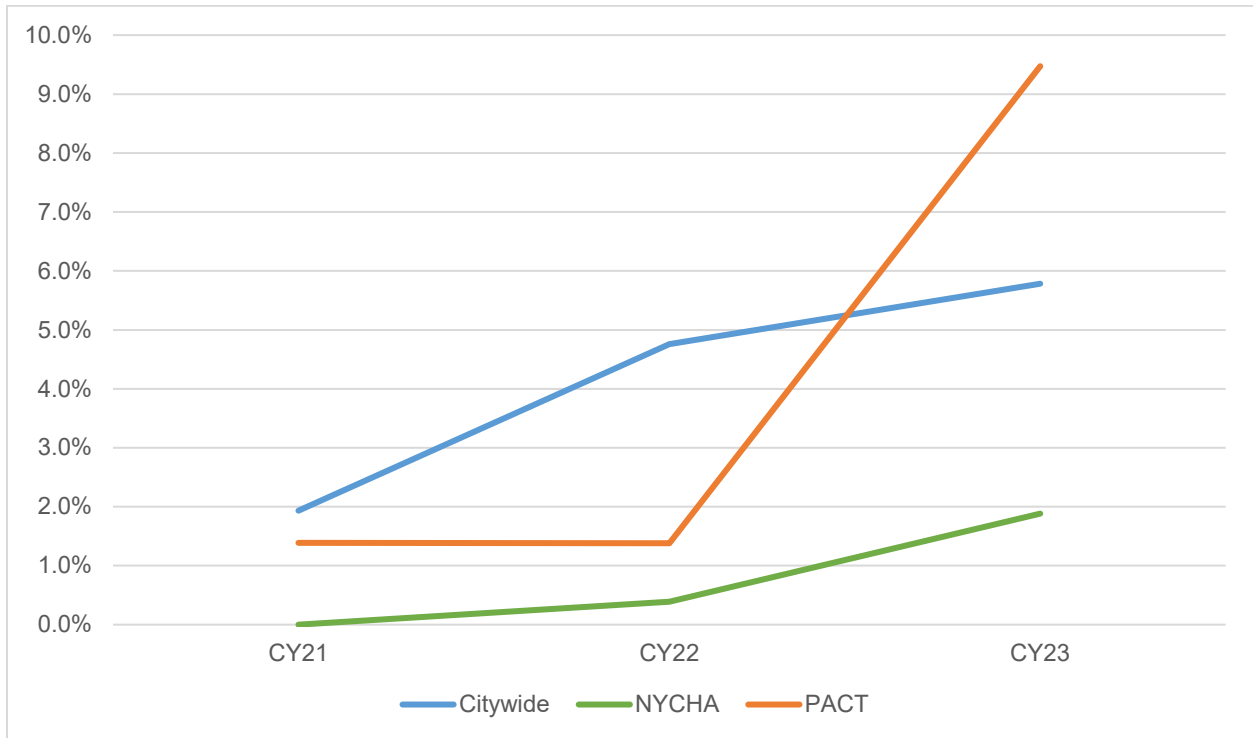
The eviction moratorium and the Tenant Safe Harbor Act expired on January 15, 2022. While eviction filings have increased Citywide since that time, those increases have been most dramatic for PACT developments, as detailed in Table V and Chart V below.

Based on New York State Office of Court Administration (NYS OCA) landlord tenant eviction filings data for Calendar Years 2021 through 2023, the sampled PACT Project eviction filing rate increased from 1.4% for CY2021 to 9.5% for CY2023, which represents a 583% increase, while the Citywide rate increased from 1.9% to 5.8%, which represents a 199.1% increase. In each of those years, the PACT eviction filing rate exceeded the NYCHA rate. Furthermore, the PACT eviction filing rate for CY2023 significantly exceeded both the NYCHA rate (1.9%) and the Citywide rate (5.8%).

**Table V: Calendar Years 2021 through 2023 Eviction Filings by Housing Type**

Housing	Calendar Year 2021			Calendar Year 2022			Calendar Year 2023		
	Cases	Units	Rate	Cases	Units	Rate	Cases	Units	Rate
<b>Citywide</b>	42,106	2,177,959	1.9%	108,124	2,271,037	4.8%	132,488	2,291,001	5.8%
<b>NYCHA</b>	0	168,100	0.0%	629	162,143	0.4%	2,934	155,814	1.9%
<b>PACT</b>	132	9,517	1.4%	213	15,426	1.4%	1,514	15,983	9.5%

**Chart V: Calendar Years 2021 through 2023 Eviction Filings by Housing Type**



For Calendar Years 2021 through 2023, the auditors compared eviction filings rates among sampled PACT Property Managers. Due to the eviction moratorium, eviction filing rates were lower in CYs 2021 and 2022 and increased sharply in 2023.

As with executed evictions, eviction filing rates varied dramatically, with some PACT Property Managers filing at much higher rates. PACT Property Managers’ eviction filing rates ranged from 0% to 18.9%, as detailed in Table VI below.<sup>22</sup> C+C Management, which manages the Linden, Baychester and Murphy, and Harlem River PACT Projects, had the highest eviction filing rate (18.9%). Additionally, Lisa Management and Property Resources Corporation (11.4%), Kraus Management (10.2%), Cornell Pace (10.1%), and Wavcrest Management Group (8.3%) each had eviction filing rates which exceeded both the NYCHA and Citywide rates.<sup>23</sup>

Reliant Realty Services and Progressive Management, which jointly manage the PACT Brooklyn Bundle, had an eviction filing rate of 4.3%, which exceeded the NYCHA rate but was less than

<sup>22</sup> Rates in Table VI are shown on the PACT Project level. Property Manager rates were calculated based on all total units managed and eviction filings managed by Property Manager(s) .

<sup>23</sup> To obtain the number of eviction filing cases, the auditors utilized the court filing dates obtained from the New York State Office of Court Administration landlord tenant eviction filings data for Calendar Years 2021 through 2023. The auditors calculated filing rates by dividing number of eviction filing cases by number of units.

the Citywide rate. Only Pinnacle City Living (0.1%) and Faria Management (0%) had eviction filing rates which were lower than both the NYCHA and Citywide rates.

After the audit team discussed the finding with NYCHA officials, they stated that while the eviction moratorium was in place in CY2021, NYCHA did not file any evictions for non-payment or holdover cases. Additionally, NYCHA stated the Citywide eviction filing rate during CY2021 was very low and that eviction filing rates are returning to pre-COVID levels. However, as previously stated, while eviction filings have increased Citywide since eviction protections expired, those increases have been most dramatic for PACT developments.

**Table VI: Calendar Years 2021 through 2023 Eviction Filings by PACT Project**

Property Manager	PACT Project	Calendar Year 2021 <sup>24</sup>			Calendar Year 2022 <sup>25</sup>			Calendar Year 2023		
		Cases	Units	Rate	Cases	Units	Rate	Cases	Units	Rate
<b>C+C Apartment Management</b>	Linden				0	1,922	0.0%	458	1,922	23.8%
	Baychester & Murphy	4	722	0.6%	8	722	1.1%	165	722	22.9%
	Harlem River				0	693	0.0%	8	693	1.2%
<b>Kraus Management</b>	Twin Parks West	15	312	4.8%	16	312	5.1%	51	312	16.3%
	Highbridge Franklin	2	336	0.6%	24	336	7.1%	15	336	4.5%
<b>Lisa Management &amp; Property Resources Corporation</b>	Boulevard				0	1,673	0.0%	190	1,673	11.4%
<b>Wavecrest Management Group</b>	Ocean Bay	33	1,395	2.4%	66	1,395	4.7%	153	1,395	11.0%
	Betances	17	1,088	1.6%	15	1,088	1.4%	82	1,088	7.5%
	Williamsburg				0	1,621	0.0%	105	1,621	6.5%
<b>Cornell Pace</b>	PACT Manhattan Bundle	4	1,718	0.2%	29	1,718	1.7%	173	1,718	10.1%
<b>Reliant Realty Services</b>	PACT Brooklyn Bundle	19	2,625	0.7%	27	2,625	1.0%	113	2,625	4.3%
<b>Progressive Management</b>										
<b>Pinnacle City Living</b>	Hope Gardens	38	1,321	2.9%	28	1,321	2.1%	1	1,321	0.1%
<b>Faria Management</b>	Audubon, Bethune & Marshall							0	557	0.0%
<b>Total</b>		<b>132</b>	<b>9,517</b>	<b>1.4%</b>	<b>213</b>	<b>15,426</b>	<b>1.4%</b>	<b>1,514</b>	<b>15,983</b>	<b>9.5%</b>

<sup>24</sup> Linden, Boulevard, Williamsburg converted to PACT in December 2021 and Harlem River converted in February 2022. Therefore, there is no PACT eviction filing data to report for CY2021 for these PACT Projects.

<sup>25</sup> Audubon, Bethune and Marshall converted to PACT in January 2023. Therefore, there is no PACT eviction filing data to report for CY2021 and CY2022 for this PACT Projects.

## Certain PACT Property Managers Issued Pre-Eviction Notices at Significantly Higher Rates

Before filing eviction cases in Housing Court, landlords must first issue written pre-eviction notices (late notices and rent demands for non-payment cases, and predicate notices for holdover cases) that inform a tenant that if they fail to pay or cure a violation, the landlord will commence legal eviction proceedings against them. Although comparative Citywide and NYCHA data is not available for pre-eviction notices and demands, the auditors assessed the extent to which PACT Property Managers issued late notices or predicate notices to tenants.

Based on self-reported Monthly Legal Proceedings Reports, the overall rate of pre-eviction notices decreased from 15.7% to 10.5% from FYs 2023 to 2024. However, as with evictions and eviction filings, the rate at which PACT Property Managers issued pre-eviction notices to tenants varied significantly, with rates ranging from 0% to 27.2% in FY2023, and from 0% to 27.9% in FY2024, as detailed in Table VII and Table VIII below.

In both FYs 2023 and 2024, Kraus Management and C+C Apartment Management issued pre-eviction notices at much higher rates than other PACT Property Managers. Further, their rates increased or remained higher than average year over year while the overall rate among all Property Managers decreased. Also of note, the pre-eviction notice rates for Progressive Management and Reliant Realty Services, which jointly manage the PACT Brooklyn Bundle, increased significantly from 12.8% to 21.2% over this period.

As with evictions and eviction filings, NYCHA should monitor Property Manager pre-eviction notice rates and determine why certain Property Managers rates are significantly higher than others and ultimately whether residents at certain properties are more likely than others to be evicted.

Table VII: Fiscal Year 2023 Pre-Eviction Notices<sup>26</sup>

Property Manager	PACT Project	# of Units	PACT Project Number of Pre-Eviction Notices Issued	Pre-Eviction Notices Rate	Property Manager Number of Pre-Eviction Notices Issued	Pre-Eviction Notices Rate
<b>C+C Apartment Management</b>	Baychester & Murphy	722	261	36.1%	906	27.2%
	Harlem River	693	187	27.0%		
	Linden	1,922	458	23.8%		
<b>Lisa Management &amp; Property Resources Corporation</b>	Boulevard	1,673	418	25.0%	418	25.0%
<b>Kraus Management</b>	Twin Parks West	312	141	45.2%	160	24.7%
	Highbridge Franklin	336	19	5.7%		
<b>Progressive Management</b>	PACT Brooklyn Bundle	2,625	337	12.8%	337	12.8%
<b>Reliant Realty Services</b>						
<b>Wavecrest Management Group</b>	Williamsburg	1,621	205	12.6%	443	10.8%
	Ocean Bay	1,395	164	11.8%		
	Betances	1,088	74	6.8%		
<b>Cornell Pace</b>	PACT Manhattan Bundle	1,718	179	10.4%	179	10.4%
<b>Pinnacle City Living</b>	Hope Gardens	1,321	72	5.5%	72	5.5%
<b>Faria Management</b>	Audubon, Bethune & Marshall	557	0	0.0%	0	0.0%
	<b>Total</b>	<b>15,983</b>	<b>2,515</b>	<b>15.7%</b>	<b>2,515</b>	<b>15.7%</b>

<sup>26</sup> It is possible that a single tenant may have received multiple notices within Fiscal Year 2023. A single tenant may receive both a non-payment notice and a predicate notice, or multiple non-payment notices.

**Table VIII: Fiscal Year 2024 Pre-Eviction Notices**

Property Manager	PACT Project	# of Units	PACT Project Number of Pre-Eviction Notices Issued	Pre-Eviction Notices Rate	Property Manager Number of Pre-Eviction Notices Issued	Pre-Eviction Notices Rate
<b>Kraus Management</b>	Twin Parks West	312	173	55.4%	181	27.9%
	Highbridge Franklin	336	8	2.4%		
<b>C+C Apartment Management</b>	Linden	1,922	611	31.8%	847	25.4%
	Baychester & Murphy	722	126	17.5%		
	Harlem River	693	110	15.9%		
<b>Progressive Management</b>	PACT Brooklyn Bundle	2,625	557	21.2%	557	21.2%
<b>Reliant Realty Services</b>						
<b>Wavecrest Management Group</b>	Williamsburg	1,621	3	0.2%	84	2.0%
	Ocean Bay	1,395	48	3.4%		
	Betances	1,088	33	3.0%		
<b>Lisa Management &amp; Property Resources Corporation</b>	Boulevard	1,673	3	0.2%	3	0.2%
<b>Cornell Pace</b>	PACT Manhattan Bundle	1,718	1	0.1%	1	0.1%
<b>Pinnacle City Living</b>	Hope Gardens	1,321	0	0.0%	0	0.0%
<b>Faria Management</b>	Audubon, Bethune & Marshall	557	0	0.0%	0	0.0%
<b>Total</b>		<b>15,983</b>	<b>1,673</b>	<b>10.5%</b>	<b>1,673</b>	<b>10.5%</b>

# PACT Property Managers Failed to Report All Evictions, Eviction Filings, and Pre-Eviction Notices and Outreach to NYCHA

PACT Property Managers are required to submit to NYCHA Monthly Legal Proceedings Reports detailing information related to evictions and eviction filings, pre-eviction notices, and pre-eviction outreach. NYCHA officials stated that, “NYCHA provides feedback to PACT Partners on the content and completeness of that reporting, including outreach to residents per the Housing Stability and Retention Guidelines.” NYCHA Asset Managers are responsible for “reviewing the reports, discussing them with the [Property Managers], and receiving updated versions based on those discussions to ensure accuracy.”

On its website, NYCHA states that it monitors pre-eviction and eviction activity throughout the entire process “from required pre-eviction outreach, to formal case initiation, to any final resulting evictions - to ensure resident rights are protected and housing stability and resident retention are maintained whenever possible.”

However, based on the audit team’s review, PACT Property Managers did not report all eviction and pre-eviction activity, and NYCHA Asset Managers did not adequately review reports to ensure accuracy, as detailed below.

Since NYCHA was not aware of all eviction and pre-eviction activity, NYCHA was unable to ensure that PACT Property Managers made the minimum required outreach efforts or attempted to connect tenants to resources. Ultimately, NYCHA did not ensure that tenant rights were protected and that tenants were able to remain in their homes whenever possible.

Furthermore, since NYCHA reports eviction and pre-eviction activity from the Monthly Legal Proceedings Reports on its website—and since Resident Review Committees rely on those reports to inform the Project Team selection process—incorrect and incomplete data means the public and NYCHA residents who are considering whether to convert to PACT, and considering potential PACT Property Managers, are potentially missing accurate information concerning the extent to which certain PACT Property Managers evicted tenants and initiated tenancy proceedings.

In its written response, NYCHA stated that it is inaccurate and unsubstantiated to say that NYCHA did not ensure that tenant rights were protected, and that tenants were able to remain in their homes whenever possible. However, as acknowledged by NYCHA, PACT Property Managers failed to report certain evictions and eviction filings to NYCHA. Therefore, NYCHA was unable to monitor related tenancy proceedings and ultimately ensure that those tenants’ rights were protected and that they remained in their homes whenever possible.

## Evictions

In the PACT Property Manager Monthly Legal Proceedings Reports as of July 2023, PACT Property Managers collectively reported 25 evictions for FY2023. When comparing those reports

to New York City Marshals' executed eviction data, the auditors determined that one PACT Property Manager—Cornell Pace—failed to report four executed evictions to NYCHA. In addition, Cornell Pace failed to report eviction filings and pre-eviction activity for those four cases.

In April 2024, the auditors asked NYCHA officials whether they were aware of the four evictions and if so, to explain when and how NYCHA became aware and why these evictions were not reported. In response, NYCHA officials stated only that the four evictions were reported in subsequent Monthly Legal Proceedings Reports for August 2023 and February 2024. However, as detailed in Table IX below, Cornell Pace should have first reported pre-eviction notices in the Monthly Legal Proceedings Reports for April 2021, April 2022, and September 2022. The evictions were reported between 11 and 28 months late.

**Table IX: Fiscal Year 2023 Unreported Evictions by Cornell Pace**

#	Eviction Date	Date of Pre-Eviction Notice	Should Have been Reported to NYCHA in Monthly Legal Proceedings Report	Reported to NYCHA in Monthly Legal Proceedings Report	# of Months
1	5/5/2023	3/25/2021	April 2021	August 2023	28
2	11/18/2022	3/29/2022	April 2022	February 2024	22
3	3/23/2023	3/28/2022	April 2022	August 2023	16
4	4/11/2023	8/25/2022	September 2022	August 2023	11

While only one PACT Property Manager failed to report evictions in FY2023, multiple PACT Property Managers failed to report between one and six evictions in FY2024. In fact, seven PACT Property Managers collectively failed to report 19 of the 91 (20.9%) evictions which were executed during FY2024, as detailed in Table X below. Most notably, Wavecrest Management Group and C+C Management failed to report four and six evictions each. Further, Cornell Pace failed to report another four evictions.

**Table X: Fiscal Year 2024 Unreported Evictions by PACT Property Manager**

Property Manager	PACT Project	# of Units	Property Manager Self Reported Evictions	Property Manager Self Reported Eviction Rate	Property Manager Unreported Evictions	Property Manager Eviction Total	Property Manager Eviction Rate
<b>C+C Apartment Management</b>	Linden	1,922	31	0.93%	6	37	1.11%
	Baychester & Murphy	722					
	Harlem River	693					
<b>Wavcrest Management Group</b>	Ocean Bay	1,395	15	0.37%	4	19	0.46%
	Betances	1,088					
	Williamsburg	1,621					
<b>Cornell Pace</b>	PACT Manhattan Bundle	1,718	5	0.29%	4	9	0.52%
<b>Pinnacle City Living</b>	Hope Gardens	1,321	2	0.15%	3	5	0.38%
<b>Progressive Management</b>	PACT Brooklyn Bundle <sup>27</sup>	2,625	12	0.46%	1	13	0.50%
<b>Reliant Realty Services</b>							
<b>Kraus Management</b>	Twin Parks West	312	0	0.00%	1	1	0.15%
	Highbridge Franklin	336					
<b>Lisa Management and Property Resources Corporation</b>	Boulevard	1,673	7	0.42%	0	7	0.42%
<b>Faria Management</b>	Audubon, Bethune & Marshall	557	0	0.00%	0	0	0.00%
<b>Total</b>		<b>15,983</b>	<b>72</b>	<b>0.45%</b>	<b>19</b>	<b>91</b>	<b>0.57%</b>

<sup>27</sup> Progressive Management and Reliant Realty Services jointly manage the PACT Brooklyn Bundle.

The auditors asked NYCHA officials whether they were aware of the 19 unreported evictions and, if so, to explain when and how NYCHA became aware of them, and why these evictions were not reported. In response, NYCHA argued that eight evictions were not reported because tenancy was restored following the executed eviction, conceded that four were unreported, and stated that in seven other cases, eviction activity was reported in other sections of the reports that are filed.

NYCHA officials stated that in eight cases the tenant was restored to possession after an eviction was executed. In the Monthly Legal Proceedings Reports NYCHA acknowledges that tenancy may be restored and instructs Property Managers to “provide details about ongoing post-eviction activity that may be occurring”. Despite this requirement, PACT Property Managers did not report an eviction date or post eviction activity in the Monthly Legal Proceedings Reports for any of the eight cases.

In its written response, NYCHA stated that for these eight cases “an actual eviction did not occur.” However, this statement is inaccurate because evictions were executed, and tenants were physically removed from their units and were not allowed to occupy the units for seven to 69 calendar days.<sup>28</sup> The tenants were allowed only limited access to their apartments to gather their personal possessions.

NYCHA agreed that four evictions were unreported due to PACT Partners’ oversight.

For the remaining seven unreported evictions, PACT Property Managers reported eviction activity in other sections of the Monthly Legal Proceedings Reports, such as the pre-eviction outreach comment section. However, this information should have been reported in the “Eviction Date” field for non-payment and holdover cases.

The number of evictions reported on NYCHA’s website is based on the “Eviction Date” field in the Monthly Legal Proceedings Report. Since NYCHA did not ensure PACT Property Manager properly reported eviction dates and post eviction activity NYCHA did not report all PACT evictions to the public.

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<sup>28</sup> The audit team calculated the number of days tenants were removed from their apartments based on their eviction date and the date arrears balances were paid or Housing Court cases resolved. For one of the eight cases, NYCHA did not provide documentation to show when arrears balances were paid and tenancy was restored.

## Eviction Filings

When comparing New York State OCA landlord tenant eviction filings and Monthly Legal Proceedings Reports as of July 30, 2023, the auditors determined that seven PACT Property Managers failed to report 27 cases (2.7%) in which both a pre-eviction notice was issued to a tenant and a petition against the tenant was filed in Housing Court, as detailed in Table XI below. Wavecrest Management Group accounted for 15 of the 27 (55.6%) unreported eviction filings.

**Table XI: Reported and Unreported Eviction Filings by PACT Project and Property Manager for Fiscal Year 2023**

Property Manager	PACT Project	Reported	Unreported	Total	% Unreported
<b>Pinnacle City Living</b>	Hope Gardens	11	2	13	15.4%
<b>Wavecrest Management Group</b>	Betances	240	15	255	5.9%
	Ocean Bay				
	Williamsburg				
<b>Lisa Management</b>	Boulevard	19	1	20	5.0%
<b>Progressive Management</b>	PACT Brooklyn Bundle	79	4	83	4.8%
<b>Reliant Realty Services</b>					
<b>Cornell Pace</b>	PACT Manhattan Bundle	129	3	132	2.3%
<b>C+C Apartment Management</b>	Linden	442	2	444	0.5%
	Baychester & Murphy				
	Harlem River				
<b>Kraus Management</b>	Highbridge Franklin	60	0	60	0.0%
	Twin Parks West				
<b>Faria Management</b>	Audubon, Bethune & Marshall	0	0	0	0.0%
<b>Total</b>		<b>980</b>	<b>27</b>	<b>1,007</b>	<b>2.7%</b>

After the auditors presented a list of eviction filings that were not reported to NYCHA officials, they stated that 23 cases were not included in Monthly Legal Proceedings Reports due to an oversight on the part of the PACT Property Managers, and four were reported in subsequent reports.

For nine of the 27 unreported eviction filings, NYCHA provided the audit team with eviction certifications submitted by PACT Property Managers to NYCHA's Leased Housing Department notifying them that it intended to begin an eviction proceeding. However, NYCHA's Leased Housing Department does not share eviction certifications with NYCHA Asset Managers. Asset Managers are responsible for reviewing Monthly Legal Proceedings Reports for accuracy, and for ensuring that such activity is discussed with Property Managers. If they do not receive copies, they are unable to carry out either responsibility.<sup>29</sup>

## Pre-Eviction Notices

Based on a comparison of Monthly Legal Proceedings Reports as of July 2023 and June 2024, seven PACT Property Managers did not report to NYCHA that they had issued 280 pre-eviction notices to tenants in a timely manner. In their July 2023 reports, those PACT Property Managers reported that they issued 1,450 pre-eviction notices during FY2023. However, they subsequently reported that they issued 1,730 pre-eviction notices in their June 2024 reports—an additional 280 notices as detailed in Table XII below.

Wavecrest Management Group accounted for 132 of the 280 pre-eviction notices that were not reported to NYCHA promptly. Also of note, Pinnacle City Living did not report 42 of their 72 pre-eviction notices promptly.

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<sup>29</sup> After issuing a pre-eviction notice but before initiating an eviction filing, PACT Property Managers are required to inform NYCHA of their intent to proceed with an eviction. Under the Second Partial Williams Consent Judgment, PACT Property Managers are required to submit a "Certification of Basis for Eviction Proceeding Against Tenant Participating in the Section 8 Housing Choice Voucher Program" to NYCHA. Then, NYCHA either accepts or rejects to this certification in writing. Although NYCHA may object, PACT Property Managers may still proceed with an eviction filing.

**Table XII: Fiscal Year 2023 Pre-Eviction Notices Not Timely Reported**

Property Manager	PACT Project	July 2023 Monthly Legal Proceedings Report Pre-Eviction Notices Fiscal Year 2023	June 2024 Monthly Legal Proceedings Report Pre-Eviction Notices for Fiscal Year 2023	Number of New Pre-Eviction Notices Not Timely Reported	% Not Timely Reported
<b>Pinnacle City Living</b>	Hope Gardens	30	72	42	58.3%
<b>Wavecrest Management Group</b>	Williamsburg	311	443	132	29.8%
	Ocean Bay				
	Betances				
<b>Cornell Pace</b>	PACT Manhattan Bundle	132	179	47	26.3%
<b>Lisa Management &amp; Property Resources Corporation</b>	Boulevard	375	418	43	10.3%
<b>Kraus Management</b>	Twin Parks West	152	160	8	5.0%
	Highbridge Franklin				
<b>C+C Apartment Management</b>	Linden	450	458	8	1.7%

## Pre-Eviction Outreach

The auditors reviewed a sample of 51 FY2023 cases in which PACT Property Managers both issued a pre-eviction notice to a tenant and filed a petition seeking to evict the tenant in Housing Court or evicted a tenant in FY2023.<sup>30</sup> The auditors compared PACT Property Managers’ records

<sup>30</sup> The 51 cases included 22 cases where PACT Property Managers issued pre-eviction notices to a tenant in FY 2023 and 29 cases where tenants were evicted in FY 2023.

and NYS OCA case files to the Monthly Legal Proceedings Reports for FY2023 and found that PACT Property Managers did not report pre-eviction activity for 17 of the 51 cases (33.3%).

After the auditors presented a list of the 17 cases for which PACT Property Managers did not report pre-eviction outreach in Monthly Legal Proceedings Reports to NYCHA officials, they stated that outreach information for four cases was recorded in subsequent reports; in six cases they stated that information in PACT Partners' files did not match records on file or no record could be found; in seven instances, NYCHA did not explain why no pre-eviction outreach appeared in the reports. All seven were holdover actions.

The auditors determined that for two of the four cases for which NYCHA claimed the outreach information was reported later, such information was reported in the incorrect time period. Outreach for the remaining two cases was not reported, leaving a total of 15 cases for which outreach information was not reported to NYCHA at all, and two cases for which outreach information was reported late.

In its written response, NYCHA states that "there was a discrepancy in the Comptroller's file regarding tenant name or address or no record could be found in the reporting NYCHA received from the PACT partner." As the audit team informed NYCHA, the names and addresses for these cases were obtained from PACT Property Managers' records, and PACT Partners failed to record any outreach attempts in Monthly Legal Proceedings Report. Therefore, NYCHA was unaware of these cases.

## **PACT Property Managers Failed to Perform Adequate Outreach**

### **Pre-Eviction Outreach**

Before the eviction process can begin, NYCHA's Housing Stability and Retention Guidelines state that PACT Property Managers should make at least two attempts to contact the tenant through two different modes of communication, discuss how they can resolve issues, and connect them to a social services provider and other available resources. Additionally, for holdover cases, social service providers should attempt to work with the tenant to refrain from future lease violations.

Using the same 51 case samples discussed above, the auditors reviewed for pre-eviction outreach activity and found that in all 51 instances PACT Property Managers failed to conduct outreach which aligned with the Guidelines developed by NYCHA for PACT Partners. According to NYCHA, the Guidelines were designed for PACT Partners to standardize eviction procedures and to ensure that residents are provided with information about their rights and given access to appropriate resources to address arrears and cure lease violations before eviction proceedings begin.

Based on a review of PACT Property Manager records and Monthly Legal Proceedings Reports as of July 2023, some outreach was conducted in 44 of the 51 cases, but the outreach did not

comply with all terms of the Guidelines. Property Managers did not conduct any outreach for the remaining seven cases.

Regarding 21 non-payment cases, PACT Property Managers did not conduct one or more of the following outreach procedures:

- make a minimum of two attempts to contact residents through different modes of communication (nine cases);
- schedule appointments with residents to discuss their circumstances (19 cases);
- ask residents if they have experienced a loss of income and assist them with completing income recertification forms (17 cases);
- inform residents that they may qualify for financial assistance (six cases);
- use onsite social service providers to engage with residents and help connect them with resources, and follow up with residents (17 cases); and
- PACT Property Managers did not work with residents to enter repayment agreements (19 cases).

Similarly, in 30 holdover cases, PACT Property Managers did not conduct one or more of the following outreach procedures:

- make a minimum of two attempts to contact residents through different modes of communication (24 cases);
- schedule appointments with residents (30 cases);
- use onsite social service providers to engage with residents and give them the opportunity to cure the lease violation (26 cases); and
- provide residents with a copy of Grievance Procedures (27 cases).

In addition, in 14 of the 21 holdover cases related to unauthorized residents, PACT Property Managers did not always check whether households were eligible to participate in the PACT Pilot Program to obtain authorized status as residents.

NYCHA Asset Managers are responsible for reviewing Monthly Legal Proceedings Reports for accuracy and meeting with PACT Property Managers to discuss reports but did not ensure that minimum outreach was conducted.

Regarding on-site social services, two PACT Project Teams did not contract with social services providers to engage with tenants and connect them to resources. One of those two Property Teams maintained that the Property Manager—C+C Management—provided social services at the Harlem River PACT Project.

After the auditors presented a list of the cases with inadequate pre-eviction outreach to NYCHA officials, they stated that the Guidelines were met for 27 of the 51 cases and the cases were reported in subsequent reports. However, while PACT Property Managers reported that they conducted outreach during FY2023, they did not record this activity on their Monthly Legal Proceedings Reports until sometime after July 2023. In addition, the outreach activity NYCHA

referenced did not always pertain to cited cases, and the relevant outreach did not meet the standards provided in the Guidelines.

NYCHA stated that outreach was not required for 17 holdover licensee cases since those cases do not pertain to authorized tenants. However, NYCHA's Stability and Retention Guidelines state, **"For holdover cases involving unauthorized occupants, check with NYCHA's Leased Housing Department to see if the household is eligible for the PACT Pilot Program."** [Emphasis in original.] Further, the Guidelines state that if unauthorized occupants do not have a pathway to tenancy, "the property management team or social service provider is required to connect that household to the local Homebase homelessness prevention program."

NYCHA also stated that it had no record of six cases. In all six cases, Property Managers petitioned the court to evict tenants, and therefore outreach and pre-eviction activity should have been reported to NYCHA in Monthly Legal Proceedings Reports.

For one case, NYCHA stated that a prior PACT Property Manager may not have recorded outreach in error.

In response to these findings, NYCHA also argued that the Guidelines outreach steps were not intended to be checklists of items that must be followed in every case, but rather options that may apply. For example, NYCHA stated that some tenants may not be eligible for repayment agreements if their arrears balances are too high. NYCHA also stated that Property Managers are not expected to report all tenant interactions on Monthly Proceedings Reports.

However, in both non-payment and holdover cases, NYCHA's Guidelines state that PACT Property Managers are expected to **"Make all possible attempts to reach out and connect with your tenant."** [Emphasis in original] and that "All outreach attempts should be documented in the 'Pre-Eviction Outreach' section of the monthly legal proceeding report."

## Legal Resources

Once residents receive a pre-eviction notice, the Guidelines state that PACT Property Managers should make sure residents know they are eligible for free legal counsel by providing residents with a formal letter outlining the resources available to them.

Specifically, the letter informs residents that there are four steps they can take and that they should not wait to connect to free legal services. The four steps are as follows:

1. Call 311 and ask for the "Tenant Helpline."
2. Fill out the Mayor's Office to Protect Tenants' Contact Us form.
3. Submit an application for emergency rental assistance and other benefits with the Human Resources Administration.
4. Use the Tenant Resource Portal to learn more about nonpayment and holdover evictions and the rights and protections tenants have in each scenario.

Based on the auditors' review of PACT Property Managers' records, PACT Property Managers only provided letters in five of the 51 cases.

## Arrears Balances

The Housing Stability and Retention Guidelines state, “For residents with **any** [emphasis added] rental arrears, PACT partners are expected to conduct the following outreach [. . .] to ensure that all proactive steps have been taken.”

The audit team found that as of July 2023 PACT Property Managers did not conduct proactive outreach to any of the 25 sampled tenants who had significant rental arrears (i.e., arrears between \$10,000 and \$100,000, as of June 2023) and who did not receive a pre-eviction notice. Specifically, PACT Property Managers did not:

- make a minimum of two attempts to contact residents through different modes of communication (22 cases);
- schedule appointments with residents to discuss their circumstances (24 cases);
- ask residents if they have experienced a loss of income and assist them with completing income recertification forms (24 cases);
- inform residents that they may qualify for financial assistance (19);
- use onsite social service providers to engage with residents and help connect them with resources and follow up with residents (23 cases); and
- did not work with residents to enter repayment agreements (24 cases).

The auditors presented a list of the non-payment cases for which PACT Property Managers failed to conduct proactive outreach to NYCHA. NYCHA argued that the Guidelines were met for 15 cases that were reported in subsequent reports and additional support may still be provided by the PACT Property Managers to residents involved in the cases.

However, while PACT Property Managers reported that they conducted outreach during FY2023, they did not record this activity on their Monthly Legal Proceedings Reports until sometime after July 2023. NYCHA further stated that one case was related to a different tenant. NYCHA did not address the remaining nine non-payment cases.

Since PACT Property Managers did not conduct proactive outreach, tenants with significant arrears balances may have a difficult time paying off balances.

## Monthly Legal Proceedings Reports Are Not an Effective Monitoring Tool

The Monthly Legal Proceedings Reports are not an effective monitoring tool since they do not capture key information and do not allow for easy analysis and monitoring of certain metrics.

In particular, the Monthly Legal Proceedings Report does not capture and track key information that would allow NYCHA to easily measure compliance with the Housing Stability & Retention Guidelines including:

- A minimum of two outreach attempts through two different modes of communication. Only the first outreach attempt is tracked in a dedicated field, whereas a minimum of two attempts are required by NYCHA. After the initial outreach attempt, subsequent outreach attempts are recorded in the comments box, along with other information.
- Whether or not PACT Property Managers scheduled and held an appointment with tenants to discuss their circumstances related to rental arrears and other lease violations.
- Whether or not PACT Property Managers assisted tenants in applying for assistance during the appointment.
- Whether a tenant received any social services, assistance, etc.

Additionally, the Monthly Legal Proceedings Reports do not contain any application controls that would detect missing data and errors. For example, required fields that should contain the dates when 14-day late notices and predicate notices were sent may be left blank, were not in the correct month/day/year format, or were recorded as some future date. In addition, fields that should contain outstanding arrears balances for active non-payment cases may not be filled out or may contain negative dollar amounts.

Further, the reports do not contain information as to when pre-eviction outreach or pre-eviction notices are first added, which makes it impossible for NYCHA to determine what information from reports is new and what is old. Currently, PACT Property Managers enter information into Smartsheets, and according to NYCHA, if a PACT Property Manager “makes changes to their report after submitting, the revised submission overwrites the prior submission.” Therefore, NYCHA has no way of determining when information is entered into a report for the first time and what changes have been made.

NYCHA does not require PACT Property Managers to maintain supporting documentation related to pre-eviction outreach and therefore cannot always assure the accuracy or completeness of Monthly Legal Proceedings Reports. Thus, NYCHA cannot effectively oversee and ensure that PACT Property Managers comply with the Guidelines.

According to NYCHA, PACT Partners’ Monthly Legal Proceedings Reports are used to generate the information reported to the public in the form of graphs and tables. However, as detailed in the findings above, evictions, pre-eviction notices, and outreach went unreported. Therefore, the information reported on NYCHA’s website may be inaccurate and incomplete.

# Recommendations

To address the abovementioned findings, the auditors propose that NYCHA should:

Track PACT Property Managers' performance and consider performance indicators before awarding new developments:

1. Perform trend analyses of Citywide, NYCHA, and PACT Property Managers' eviction and pre-eviction activity rates and track PACT Property Managers' performance and associated eviction risk.

**NYCHA Response:** NYCHA disagreed with this recommendation. NYCHA stated that it would continue to oversee PACT partner teams' compliance with the Guidelines to ensure that residents are connected to resources and services but "does not see an added benefit of comparing rates against citywide data."

**Auditor Comment:** As stated in the report, PACT tenants are more likely to be evicted or engaged in eviction proceedings than their conventional public housing counterparts. Additionally, some PACT Property Managers' eviction and pre-eviction activity rates significantly exceed Citywide rates. Therefore, NYCHA should perform trend analyses of Citywide, NYCHA, and PACT Property Manager eviction and pre-eviction activity rates to identify associated eviction risks at PACT Projects.

2. Consider PACT Property Managers' performance, including compliance with NYCHA's Guidelines for PACT Partners as well as eviction, eviction filing, and pre-eviction notice issue rates, before awarding new developments. Ensure PACT Developers and residents are provided with accurate performance data.

**NYCHA Response:** Although NYCHA stated that it accepts this recommendation in that it has already been or is being implemented, NYCHA stated only that it would continue to provide Resident Review Committees with "all data and information about eviction processes, policies, and outreach" and residents will continue to lead decision making.

**Auditor Comment:** NYCHA did not address whether it will consider PACT Property Managers' compliance with guidelines and eviction, eviction filing, and pre-eviction notice issue rates before awarding new developments, and ensure that stakeholders are provided with accurate performance data so they can make informed decisions. As detailed in the report, performance among PACT Property Managers varied significantly with regard to compliance with NYCHA's guidelines and reporting requirements and eviction, eviction filing, and pre-eviction notice issue rates. This is a matter of transparency that must be addressed.

Ensure transparency:

3. Post annualized eviction and eviction filing rates for PACT Property Managers and NYCHA conventional public housing on NYCHA's website. These should be provided each year.

**NYCHA Response:** Although NYCHA stated that it accepts this recommendation and asserts that it has already implemented it (or is in process of implementing), NYCHA did

not agree to post annualized eviction and eviction filing rates at the Property Manager level.

**Auditor Comment:** NYCHA stated that it posts eviction and eviction filing rates on a quarterly basis and does not wait to post annualized data “which would create a lag in presenting valuable information to residents.” While NYCHA only reports eviction rates on its website on a quarterly basis, this reporting provides a limited assessment and may make eviction rates appear lower.

In addition, NYCHA posts only eviction rates at the PACT Project level and does not post eviction and eviction filing rates on an annual basis for PACT Property Managers that would provide PACT Developers and residents a more comprehensive picture of their performance. Further, while NYCHA posts the number of pre-eviction outreach cases, pre-eviction notices and evictions, NYCHA does not separately report on its website the number and rate of eviction case filings in Housing Court.

Improve oversight and tracking of evictions conducted by PACT Property Managers:

4. Ensure NYCHA’s Leased Housing Department shares eviction certifications with NYCHA’s Asset Managers.
5. Regularly review publicly available reports and websites, such as the NYC Open Data Evictions dataset and the Displacement Alert Portal to identify evictions that occur at PACT Developments and compare to reported monthly legal proceedings for completeness.<sup>31</sup>
6. Regularly obtain data from the NYS Office of Court Administration for all eviction filings for PACT Property Managers and compare to reported monthly legal proceedings for completeness.

**NYCHA Response:** NYCHA disagreed with recommendations #4 through #6, stating that it believes the Monthly Legal Proceedings Reports “have the most accurate and up-to-date information on eviction proceedings” and that “[o]ther reports or data sets contain only a partial picture of what is happening with each household.”

**Auditor Comment:** As detailed in the findings above, NYCHA’s Monthly Legal Proceedings Reports are not accurate or up-to-date and are not an effective monitoring tool. Most notably, PACT Property Managers collectively failed to report to NYCHA four of the 29 (13.8%) evictions executed in FY2023, and 19 of the 91 (20.9%) evictions executed in FY2024. Therefore, NYCHA should utilize internal documentation and external data from the sources listed above to ensure that Monthly Legal Proceedings Reports are accurate and up-to-date and improve its oversight and tracking of PACT Property Managers’ eviction and eviction filings.

Monitor eviction data by development and PACT Partner:

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<sup>31</sup> <https://portal.displacementalert.org/>

7. Regularly review and compare eviction and eviction filing rates at PACT Projects to NYCHA rates to determine if rates are excessive.
8. Regularly review and compare eviction notice rates across PACT Projects to determine whether PACT Property Managers are initiating evictions at higher rates and investigate why.

**NYCHA Response:** NYCHA agreed with recommendations #7 and #8, stating that they had already been or were being implemented. Further, NYCHA stated that it “currently monitors eviction data at each PACT Project and on a portfolio-wide basis monthly and examines trends.”

Improve internal processes to ensure effective oversight and tracking of pre-eviction outreach conducted by PACT Property Managers:

9. Require PACT Property Managers to provide arrears reports and review for escalating balances and corresponding outreach to impacted tenants.

**NYCHA Response:** NYCHA disagreed with this recommendation, stating that it would be a large administrative burden and is “not necessary in NYCHA’s oversight role.” In addition, NYCHA stated that it “collects information on arrears balances [...] for households with pre-eviction outreach.”

**Auditor Comment:** As stated above, PACT Property Managers did not conduct proactive outreach for all 25 sampled tenants who had arrears balances of between \$10,000 and \$100,000, and who did not receive a pre-eviction notice. Such tenants may have difficulty paying off balances. Therefore, NYCHA should periodically collect and review PACT arrears reports for all tenants, and ensure tenants are timely and proactively referred to relevant sources of support.

10. Require PACT Property Managers to maintain supporting documentation of pre-eviction outreach (e.g., letters, appointments to discuss, social service referrals, etc.) in resident files.

**NYCHA Response:** NYCHA agreed with this recommendation.

11. Periodically inspect a sample of resident files to ensure that pre-eviction outreach is accurately and completely recorded, and that it conforms to NYCHA’s Guidelines.

**NYCHA Response:** NYCHA agreed with this recommendation.

Modify and improve the PACT Monthly Legal Proceedings Report as an oversight and monitoring tool:

12. Restrict column data to specific values for Monthly Legal Proceedings Reports to ensure data received from Property Managers are valid and entered in a consistent format (e.g., dates [including month, day, and year], arrears amount, contact information [phone number, email address], etc.) to minimize data entry errors.

**NYCHA Response:** NYCHA agreed with this recommendation.

13. Ensure that Monthly Legal Proceedings Reports include dedicated fields to track at least the minimum requirements of NYCHA’s Guidelines.

**NYCHA Response:** NYCHA agreed with this recommendation.

14. Include fields in Monthly Legal Proceedings Reports that indicate when a pre-eviction outreach or pre-eviction notice is added to the report to track how long it takes for cases to be added. Save monthly reports for comparison purposes.

**NYCHA Response:** NYCHA disagreed with this recommendation, stating that “NYCHA’s adoption of the Smartsheet process has satisfied this recommendation.”

**Auditor Comment:** As stated above, Monthly Legal Proceedings Reports do not indicate when pre-eviction outreach and notice information is added to the reports or any revisions that have been made to the reports. Therefore, NYCHA should include this information and save monthly reports.

## Recommendations Follow-up

Follow-up will be conducted periodically to determine the implementation status of each recommendation contained in this report. Agency reported status updates are included in the Audit Recommendations Tracker available here: <https://comptroller.nyc.gov/services/for-the-public/audit/audit-recommendations-tracker/>

# Scope and Methodology

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). GAGAS requires that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions within the context of our audit objective. This audit was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

The scope of this audit was July 1, 2022 through June 30, 2023.

To gain an understanding of the NYCHA conventional public housing and PACT pre-eviction and formal eviction proceeding including evictions processes, the auditors conducted interviews with NYCHA's REDD and Landlord and Tenant Division personnel. In addition, the auditors conducted interviews with selected PACT Property Managers. Finally, the auditors conducted walkthroughs of NYCHA and PACT computer systems used to collect and maintain tenants' records including rent calculations, rental arrears, information related to pre-eviction outreach and formal eviction proceeding processes.

To obtain an understanding of the regulations, policies, and procedures governing NYCHA conventional public housing and PACT pre-eviction and formal eviction proceeding processes, the auditors reviewed the NYCHA Management Manual, NYCHA Grievance Procedures, NYCHA Termination of Tenancy Procedures, NYCHA Housing Choice Voucher Program Administrative Plan, NYCHA Section 8 Property Owner Guide, NYCHA Lease Enforcement and Other Law-Related Policies Updates, and NYCHA Housing Stability and Retention Guidelines for PACT Partners. In addition, the auditors reviewed HUD RAD Policy Quick Reference Guide to Multifamily Housing Requirements, HUD Eviction Prevention and Stability Toolkit with all related attachments including Repayment Agreement Guidance, and HUD Homeless Response: Tenant Guidance: Rental Repayment Plans.

The auditors obtained pre-eviction and formal proceedings data, including evictions data, for NYCHA conventional public housing and the selected PACT developments. In addition, the auditors obtained PACT rental arrears and PACT unit vacancy data. Further, the auditors obtained hard copies of supporting documents related to PACT pre-eviction and formal eviction proceeding processes including initial outreach letters, repayment agreements, referrals to on-site social services, predicate notices, etc.

To assess the integrity of the computer-processed pre-eviction and formal proceedings data, including evictions data, obtained from the selected PACT Property Managers through NYCHA, the auditors tested the data for duplicate records. In addition, the auditors assessed the completeness of the data by comparing the information to the PACT rental arrears reports obtained from the selected PACT Property Managers through NYCHA. Further, the auditors assessed the completeness of the data by comparing the information to OpenData New York City Marshals' Evictions and Displacement Alert Project Portal Evictions data sets obtained from public websites and New York City Court Landlord-Tenant Filings data obtained from the New York State Office of Court Administration.

To assess policies and procedures related to pre-eviction and formal eviction proceeding processes at NYCHA conventional public housing and PACT developments, the auditors reviewed NYCHA Management Manual, NYCHA Grievance Procedures, NYCHA Termination of Tenancy Procedures, NYCHA Housing Choice Voucher Program Administrative Plan, NYCHA Section 8 Property Owner Guide, NYCHA Lease Enforcement and Other Law-Related Policies Updates, and NYCHA Housing Stability and Retention Guidelines for PACT Partners to determine whether such policies and procedures were uniform, fair and non-discriminatory. The auditors also determined whether PACT households are provided the same information about their rights and access to resources as NYCHA tenants to help address arrears or cure breaches in their lease.

This audit covers 13 PACT Projects that were converted and required to submit Monthly Legal Proceedings Reports to NYCHA during the audit's initial scope period, July 1, 2022 through June 30, 2023.<sup>32</sup>

To determine whether the selected PACT Property Managers developed and implemented internal standard operating procedures, the auditors requested procedures from the selected PACT Property Managers. In addition, the auditors reviewed PACT repayment agreements, house rules and social services agreements with social services providers.

To assess evictions rates across NYCHA and PACT Projects, the auditors obtained the number of evictions conducted at NYCHA and selected PACT Projects during the period of Fiscal Years 2023 and 2024 from the data provided by NYCHA and PACT to evaluate eviction rates at PACT. In addition, the auditors compared NYCHA and selected PACT Projects eviction rates to citywide average eviction rate in Fiscal Years 2023 and 2024. Furthermore, the auditors compared eviction rates among the selected PACT Property Managers and Projects.

To assess eviction filing rates across NYCHA and PACT Projects, the auditors obtained the number of holdover and non-payment cases initiated by NYCHA and selected PACT Projects during the periods of Calendar Years 2021 through 2023 from New York State Office of Court Administration. In addition, the auditors compared NYCHA and selected PACT Projects eviction filing rates to citywide average rate. Furthermore, the auditors compared eviction filing rates among the selected PACT Property Managers and Projects.

To conduct pre-eviction notices analysis and assess pre-eviction notice issue rates across selected PACT Projects, the auditors utilized the dates when the pre-eviction notices (late notices and rent demands for non-payment cases, and predicate notices for holdover cases that inform a tenant that if they fail to pay or cure a violation, landlords may file a petition against the tenant in Housing Court) were issued to the tenant from the PACT Monthly Legal Proceedings Reports. In addition, the auditors determined whether PACT pre-eviction notices were timely reported to NYCHA in the Monthly Legal Proceedings Report.

The auditors judgmentally selected a sample of PACT households with rental arrears balances of at least \$10,000 and all evictions conducted by PACT Property Managers in Fiscal Year 2023 to determine whether the selected PACT Property Managers implemented and complied with

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<sup>32</sup> NYCHA's project named Edenwald was not included on the list of the sampled PACT projects as it was converted to RAD PACT on June 27, 2023, and the monthly reporting for this project did not start until the following month.

NYCHA Housing Stability and Retention Guidelines for PACT Partners. The auditors determined whether the selected PACT Property Managers conducted required pre-eviction outreach to PACT households before escalating a case to a formal eviction proceeding and provided necessary resources to cure the current condition. In addition, the auditors determined whether the required outreach was documented and reported to NYCHA on a monthly basis in the PACT Legal Proceedings report. Further, the auditors verified whether the PACT Property Managers complied with HUD and NYCHA formal eviction proceeding requirements by providing their tenants with proper eviction notices and obtaining NYCHA's approval to evict PACT tenants. The auditors also determined whether pre-eviction outreach and formal eviction proceeding processes including evictions were documented and reported to NYCHA on a monthly basis in the PACT Legal Proceedings Report.

To determine whether the selected PACT Property Managers document and report eviction cases to NYCHA, the auditors compared PACT Legal Proceedings Reports for Fiscal Year 2023 to the NYC Court Landlord-Tenant Filings data obtained from New York State Office of Court Administration. To compare PACT Legal Proceedings Reports to the NYC Court Landlord-Tenant Filings data, the auditors identified PACT addresses within the court filings data by comparing them to the list of addresses contained in the RAD/PACT Developments Directory as of January 1, 2024.

To conduct the pre-eviction activity analysis, the auditors reviewed Fiscal Year 2023 PACT Monthly Legal Proceedings Reports and supporting documentation obtained from the selected PACT Property Managers to determine whether required pre-eviction outreach to the tenant was adequately performed before a case against the tenant is filed in Housing Court and timely reported to NYCHA.

To conduct the eviction filing analysis, the auditors utilized court filing dates provided as part of the New York State Office of Court Administration landlord tenant eviction filings data.

To determine whether the selected PACT Property Managers document and report executed evictions to NYCHA, the auditors compared PACT Legal Proceedings Reports for Fiscal Years 2023 and 2024 to the OpenData Department of Investigation Evictions and Displacement Alert Project Portal Evictions data. In addition, to conduct the eviction analysis, the auditors utilized the dates when an eviction (the removal of a tenant and their personal belongings from an apartment) was executed.

To determine whether NYCHA designed and implemented an adequate tool to monitor PACT Property Managers' pre-eviction and formal eviction proceeding processes, the auditors reviewed the Legal Proceedings Report to ascertain its efficiency and effectiveness.

The results of the above tests, while not projectable to their respective populations, provide a reasonable basis for auditors to evaluate whether Property Managers implemented and complied with eviction policies and procedures and to assess eviction policies and rates across developments, including both conventional public housing developments and PACT developments.

# Appendix 1

## Summary of Covered PACT Projects

PACT Project Name	Development Name	Conversion Date	# of Units	Property Manager	Social Service Provider
<b>Ocean Bay</b>	Ocean Bay Apartments (Bayside)	12/31/2016	1,395	Wavecrest Management Group LLC	Catholic Charities Community Services of the Archdiocese of Brooklyn & Queens
<b>Twin Parks West</b>	Twin Parks West (Sites 1 & 2)	10/31/2018	312	Kraus Management, Inc.	BronxWorks
<b>Betances</b>	Betances I	11/16/2018	309	Wavecrest Management Group LLC	Catholic Charities Community Services, Archdiocese of New York
	Betances II, 13		51		
	Betances II, 18		78		
	Betances II, 9a		46		
	Betances III, 13		22		
	Betances III, 18		19		
	Betances III, 9a		26		
	Betances IV		282		
	Betances V		100		
	Betances VI		155		
<b>Highbridge Franklin</b>	Franklin Avenue I Conventional	11/30/2018	61	Kraus Management, Inc.	BronxWorks
	Franklin Avenue II Conventional		45		
	Franklin Avenue III Conventional		15		
	Highbridge Rehabs (Anderson Avenue)		135		
	Highbridge Rehabs (Nelson Avenue)		80		
<b>Baychester/Murphy</b>	Baychester	12/27/2018	441	C+C Apartment Management LLC	BronxWorks
	Murphy		281		

PACT Project Name	Development Name	Conversion Date	# of Units	Property Manager	Social Service Provider
<b>Hope Gardens</b>	Bushwick II (Groups A & C)	7/18/2019	300	Pinnacle City Living (Ceased December 2023) Wavecrest Management Group LLC (Began January 2024)	Acacia Network
	Bushwick II (Groups B & D)		300		
	Bushwick II CDA (Group E)		276		
	Hope Gardens		330		
	Palmetto Gardens		115		
<b>PACT Brooklyn Bundle</b>	572 Warren Street	2/12/2020	200	Reliant Realty Services LLC; Progressive Management of NY LLC	Bedford Stuyvesant Restoration Corporation
	Armstrong I		371		
	Armstrong II		248		
	Berry Street-South 9th Street		150		
	Independence		744		
	Marcy Avenue-Greene Avenue Site A		48		
	Marcy Avenue-Greene Avenue Site B		30		
	Weeksville Gardens		257		
	Williams Plaza		577		
<b>PACT Manhattan Bundle</b>	335 East 111th Street	11/30/2020	66	Cornell Pace Inc.	Community League of the Heights, Inc.
	344 East 28th Street		225		
	Fort Washington Avenue Rehab		226		
	Washington Heights Rehab (Groups 1&2)		216		
	Washington Heights Rehab Phase III (Harlem River)		14		
	Washington Heights Rehab Phase III (Fort Washington)		88		
	Washington Heights Rehab Phase IV (C)		32		
	Washington Heights Rehab Phase IV (D)		32		

PACT Project Name	Development Name	Conversion Date	# of Units	Property Manager	Social Service Provider
	Grampion		35		
	Manhattanville Rehab (Group 2)		46		
	Manhattanville Rehab (Group 3)		51		
	Park Avenue-East 122nd, 123rd Streets		90		
	Public School 139 (Conversion)		125		
	Samuel (MHOP) I		53		
	Samuel (MHOP) II		10		
	Samuel (MHOP) III		10		
	Wise Towers		399		
<b>Boulevard</b>	Belmont-Sutter Area	12/28/2021	72	Property Resources Corporation; Lisa Management, Inc.	CAMBA
	Boulevard		1,441		
	Fiorentino Plaza		160		
<b>Linden</b>	Linden	12/28/2021	1,586	C+C Apartment Management LLC	University Settlement
	Pennsylvania Avenue-Wortman Avenue		336		
<b>Williamsburg</b>	Williamsburg	12/28/2021	1,621	Wavecrest Management Group LLC	St. Nicks Alliance; Grand Street Settlement
<b>Harlem River</b>	Harlem River	2/17/2022	577	C+C Apartment Management LLC	C+C Apartment Management LLC (In-House)
	Harlem River II		116		
<b>Audubon, Bethune &amp; Marshall</b>	Audubon	1/10/2023	167	Faria Management (MWBE)	Mosholu Montefiore Community Center
	Bethune Gardens		210		
	Marshall Plaza		180		

# Appendix 2

## PACT Converted and Planned Units by Property Manager as of November 2024

Property Manager	Converted Units	Planned Units	Total Units
Wavecrest Management Group	6,377	4,600	10,977
C+C Apartment Management	5,372	1,267	6,639
Progressive Management of NY	983	1,817	2,800
Reliant Realty Services LLC Progressive Management of NY	2,625	-	2,625
To Be Determined	-	3,403	3,403
Cornell Pace Inc.	1,718	684	2,402
Fairstead	1,696	-	1,696
Property Resources Corporation Lisa Management	1,673	-	1,673
Pinnacle City Living	586	984	1,570
Faria Management	557	929	1,486
ELH Management	-	1,272	1,272
VPH Management Services	664	-	664
Kraus Management, Inc.	648	-	648
Clinton Management	413	-	413
Shinda Management Corporation	-	398	398
<b>Total</b>	<b>23,312</b>	<b>15,354</b>	<b>38,666</b>



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**LISA BOVA-HIATT**  
CHIEF EXECUTIVE OFFICER

October 23, 2024

Ms. Maura Hayes-Chaffe  
Deputy Comptroller for Audit  
NYC Office of the Comptroller  
One Centre Street, Room 1100N  
New York, NY 10007

Dear Ms. Hayes-Chaffe:

This letter is in response to your October 8, 2024, letter which provided the Draft Audit Report (Audit Report or Draft Audit Report) on the New York City Housing Authority's (NYCHA's or the Authority's) Eviction Processes (FK23-095A).

The Comptroller's audit was conducted to assess NYCHA's monitoring of Permanent Affordability Commitment Together (PACT) property managers' eviction processes and their implementation of NYCHA's Housing Stability & Retention Guidelines. As the Comptroller's audit team is aware, NYCHA's PACT program is the most effective tool NYCHA has to raise enough funding to provide residents with the comprehensive repairs and professional property management they deserve. NYCHA has converted over 23,000 households to Project-Based Section 8 through the PACT program, and NYCHA partners have completed repairs and investments in over 9,500 homes. This represents over \$6 billion in capital investments that our aging housing stock deeply needs. The City of New York needs this tool and this program to ensure that public housing residents continue to have safe, habitable, and affordable housing. Given NYCHA's \$80 billion funding deficit, these are investments that NYCHA is unable to provide otherwise. Without such investments, housing stock and the integrity of NYCHA's buildings will continue to fall into disrepair.

NYCHA is committed to making improvements to the PACT program and NYCHA's partnership with resident leaders across the city is one example of how NYCHA has been able to adapt the program to meet the unique needs of each NYCHA community. Misinformation about the PACT program has confused residents and caused many to be fearful of the program. NYCHA has a number of concerns about the language used in the Comptroller's Draft Audit Report; language that is misleading and mischaracterizes the program.

The stated purpose of the Comptroller's audit was to assess eviction policies and rates at PACT developments and conventional public housing developments and determine whether PACT property managers implemented and complied with those policies. The findings of the Draft Report

indicate that PACT property managers were in substantial compliance with NYCHA's policies. Additionally, the Draft Report found no evidence that PACT partners failed to comply with federal, state, and local laws regarding eviction proceedings. The Comptroller's audit found minimal, isolated instances where information was not provided to NYCHA in its own, self-created reporting system. The recommendations provided at the end of the Comptroller's Draft Report make it clear that there are no significant issues or concerns with the outreach conducted by partners to help residents stay in their homes. While the Comptroller's audit uses narrow slices of data to make exaggerated claims throughout the Draft Report, when looked at overall, the data and recommendations that come from the findings speak for themselves.

The Retention Guidelines NYCHA provides partners go above and beyond any federal, state, and local requirements for eviction filings and were created by NYCHA as one of many oversight tools. By following the Retention Guidelines, all of NYCHA's PACT partners work directly with individual households to resolve any tenancy issues, as the shared goal is to ensure stability for residents. An eviction is the last, worst-case scenario for all parties.

This audit also shows how PACT partners have continued to pair residents with resources and support to help them resolve arrears or become authorized occupants when there is a legitimate path for them to do so. Throughout the Draft Report, the Comptroller's audit team continually points to these outreach and engagement attempts as an indication that property managers are overzealous - NYCHA strongly disagrees. It is evident in the data (which is public and [available online here](#)) that when PACT partners conduct proactive outreach ahead of any formal eviction filing, residents are connected to appropriate services and their tenancy is preserved.

Because of this continued outreach and dialogue with residents, PACT partners have high rent collection rates across the portfolio. In 2023, the rent collection rate at PACT properties averaged 92%.

PACT partners work with households to resolve issues that have caused a breach in their lease, help connect residents to resources provided by other city agencies to resolve arrears or support them in recertifying their income with NYCHA. Through this outreach and engagement, PACT partners support the shared goal of maintaining tenancy and stability for households.

As the PACT program continues to evolve, NYCHA will take into consideration some of the findings from this Draft Report to improve reporting and oversight of PACT partner outreach efforts. But NYCHA reiterates that it disagrees with a number of characterizations and statements shared in this Draft Audit Report. NYCHA made several efforts throughout the audit process to provide the Comptroller's audit team with additional context and information about the program, much of which is not reflected in the Draft Audit Report.

NYCHA is including responses to the various sections of the Draft Report that contain inaccuracies, as well as the recommendations below.

## NYCHA’s Response to Comptroller Findings

### 1. Comptroller Statements Regarding Evictions are Misleading

The Draft Audit Report makes inaccurate and misleading statements, but a careful read of the text and the numbers presented show that PACT partners are extremely successful at connecting residents with resources and support when they need it, and evictions are minimized.

#### a. NYCHA Eviction Guidelines are not Deficient

In the summary of their findings, the Comptroller’s audit team states that “*eviction rates varied dramatically at different PACT projects, in part due to deficient guidelines developed by NYCHA*” (page 1). NYCHA’s PACT projects do not have eviction rates that vary widely. Table III of the Draft Audit Report shows the average PACT eviction rate in fiscal year 2023 was 0.18%. Table IV of the Draft Audit Report shows that the average property manager’s eviction rates ranged from 0% to 0.46%. These are not “dramatic” differences - all managers have an eviction rate on average within a range of less than half of a percentage point and in the case of the manager with the highest rate there were three (3) evictions total throughout all of 2023.

Additionally, there is no evidence that NYCHA’s guidelines are deficient or that the lack of guidance has caused eviction rates to vary across sites. The guidelines have detailed steps that PACT partner teams can and should take during pre-eviction outreach based on a household’s circumstance. There are also detailed instructions within the guidelines, and in the documents submitted by each partner every month, on how partners should complete and conduct outreach steps. Federal, state, and local laws set the grounds for eviction, along with a resident’s lease. The grounds for an eviction are also reviewed by housing court in New York City. Notably, the Comptroller’s audit team’s recommendations at the end of the Draft Report only include small changes, such as tweaks to NYCHA’s tracking efforts, rather than significant substantive changes to our already robust oversight efforts.

#### b. Comptroller Findings Related to Eviction Rates are Incorrect

On pages 12 through 18 of the Draft Report, the audit team continues to make other inaccurate statements such as “*NYCHA did not ensure that tenant rights were protected and tenants were able to remain in their homes whenever possible.*” Not only is this statement untrue and unsubstantiated, but the Comptroller’s audit team is also continuing to spread misinformation about the PACT program to residents and important stakeholders. The Draft Report does not include any evidence that a single PACT property manager infringed on a household’s rights or was not compliant with federal, state, or local law. Residents continue to have protections under the program, and they continue to have a set of responsibilities to remain in the Section 8 program. If a household does not pay their portion of rent or breaks the terms of their lease, the property manager and NYCHA have the right to seek payment or correct any lease violation. As the Section 8 administrator, NYCHA requires households to remain authorized by submitting annual recertifications to verify their income. Residents always have the right to remain in their home as legal occupants of the unit. The PACT Section 8 lease automatically renews each year and property managers cannot pursue any eviction without good cause. The audit team found no evidence that PACT property managers

infringed on these rights or protections. Twenty-nine (29) evictions in fiscal year 2023 and ninety-one (91) in fiscal year 2024 among more than 15,000 residents is not sufficient data or evidence to show that NYCHA and its PACT partners failed to protect the vast majority of its residents.

The Draft Report also makes a number of exaggerated claims about PACT property eviction rates being significantly higher than NYCHA's eviction rate. The difference between the two (2) rates is 0.17- less than a quarter of one (1) percent. It is important to again stress that PACT partners only move forward with an eviction case if they are unable to resolve arrears or holdover issues directly with a tenant. The Comptroller's Draft Report supports a conclusion that PACT partners only move forward with a limited number of evictions that are consistent with federal, state, and local law.

In this section, the Comptroller's audit team uses an inaccurate framing to say there was a "*sharp*" increase in eviction rates from fiscal year 2023 to fiscal year 2024, when in fact the change is less than half of one (1) percentage point. The change from each year is .39% and eviction rates at PACT properties remain below 1% and continued to remain below the citywide rate. And, notably, the statewide eviction moratorium that was in effect from the start of the COVID pandemic in March 2020 was only lifted in January 2022. Much of the "increase" noted by the Comptroller's findings is more likely the result of the return to normal court operations than any change in policy, practice, or actual eviction number. Eviction filings citywide, and at PACT and NYCHA properties, have still not returned to pre-COVID rates.

## **2. Comptroller Statements Regarding Evictions in Specific Developments are Misleading**

The property managers Wavecrest (Ocean Bay) and Kraus (Twin Parks West) are specifically cited for their "high rates," noted as being "twice as high as the Citywide rate" (page 14). To put this statement in context, as noted in the Draft Report, there were two (2) evictions at Twin Parks West in fiscal year 2023, one of which was related to a tenant of record being deceased and the second related to a tenant who had more than three-and-a-half years of rent arrears.

At Ocean Bay, the ten (10) evictions in fiscal year 2023 represented nonpayment cases with three (3) to four (4) years of back rent owed, totaling \$21,000 to approximately \$43,000 in arrears for each apartment. Also reflected in these ten (10) evictions are four (4) cases where the tenant of record was deceased, vacated, or there was an unauthorized tenant occupying the unit.

C+C is cited for a 1.11% eviction rate in fiscal year 2024 – "almost twice as high as the Citywide rate" (page 16). These evictions reflect nonpayment cases with between one (1) and four (4) years of back rent owed, and three (3) cases where the tenant of record was deceased or vacated.

## **3. The Comptroller Makes Inaccurate Representations Regarding Eviction Filings**

Eviction filings do not always lead to an eviction. As shown in NYCHA's data, most households are able to resolve arrears or holdover cases before an eviction occurs, often with assistance accessed during the eviction process or with assistance from counsel assigned as part of that process.

#### **4. PACT Partners Provide More Transparency on Outreach by Tracking Pre-Eviction Notices**

In this section (starting on page 23), the Comptroller’s audit team is claiming that PACT property managers are issuing “pre-eviction notices” at higher rates but, as stated in the Draft Report, there is no comparative data available for NYCHA or other landlords in the city. NYCHA finds this section of the audit to be misleading. It is NYCHA’s expectation and requirement that PACT property managers provide all residents notices to avoid eviction and to inform residents of their rights and resources. To be clear, NYCHA requires this level of engagement and case management between the PACT partner and the tenant before proceeding to a formal court filing.

#### **5. Comptroller Findings Related to Evictions, Eviction Filings, and Pre-Eviction Notices, and Outreach to NYCHA Are Not Supported**

##### **a. Instances of Unreported Evictions Were Rare**

While the Comptroller’s audit team argues that PACT property managers failed to report a number of evictions to NYCHA, there are only four (4) cases of this occurring in fiscal year 2024. NYCHA will continue to work with all PACT partners to ensure timely report of outreach, noticing, and eviction. The four (4) unreported evictions were all legitimate evictions for arrears or holdover cases with warrants of eviction issued by a New York City Housing Court after impartial review by a judge.

PACT partners have engaged with residents through pre-eviction outreach over 15,000 times. The audit team has flagged 0.1% of cases that were not reported or reported late. NYCHA considers this substantial compliance and will continue to work with partner teams to improve the monthly reporting.

On page 26, the Comptroller’s audit team states that seven (7) property managers failed to report nineteen (19) evictions in fiscal year 2024. This is not accurate, as it is six (6) property managers per the Comptroller’s own table in the Draft Report. NYCHA has shared the following details with the Comptroller’s audit team, which are included in the report but worth reiterating for clarity: in eight (8) of the nineteen (19) cases, households were reinstated, and an actual eviction did not occur; in seven (7) of these nineteen (19) cases, the case was included in the reporting, but the partner did not correctly record case *status*. This is a data entry error, but not a lack of reporting about the case.

The Comptroller acknowledges the above responses in their Draft Audit Report, and ultimately is only noting that they found minimal data quality issues.

On pages 30 through 32 of the Draft Report, the audit team states that seven (7) property managers failed to report twenty-seven (27) cases that were initiated in housing court in fiscal year 2023. To put this in context, fewer than 2,000 cases were initiated in housing court in fiscal year 2023, which means that 0.01% of the cases initiated had a data quality issue based on this claim. The Comptroller found minimal data quality issues and NYCHA believes the PACT partners are in substantial compliance with reporting requirements.

**b. Tenant Outreach by PACT Partners was Sufficient**

In this section (on pages 33 through 36), the Comptroller’s audit team makes a series of assumptions regarding requirements and expectations for outreach. The Draft Report claims that PACT property managers did not report pre-eviction activity for seventeen (17) of fifty-one (51) cases they sampled. However, in seven (7) of these seventeen (17) cases, NYCHA noted that the tenant of record was deceased (not that we “*did not explain why no pre-eviction outreach appeared in the reports,*” page 33). When the tenant of record is deceased, there is no one to connect with or conduct outreach to.

More concerning, in six (6) cases, the Comptroller’s audit team claimed there was "a lack of outreach" when, in fact, there was a discrepancy in the Comptroller’s file regarding tenant name or address or no record could be found in the reporting NYCHA received from the PACT partner. NYCHA clarified this in follow up meetings with the Comptroller’s audit team. Stated more accurately, the narrative and data would show that of the fifty-one (51) sample cases looked at, only two (2) cases were not reported on time – not that there were seventeen (17) cases where pre-eviction activity was not reported.

Of fifty-one (51) sampled cases, the Comptroller’s audit team notes forty-four (44) cases where outreach did happen – but the Comptroller’s audit team found this outreach to be insufficient. As stated in NYCHA’s guidelines, the guidelines should be followed based on the individual circumstances of the tenant. NYCHA believes that in forty-two (42) cases the guidelines were met and for the balance of cases it is unclear to NYCHA how the Comptroller’s audit team is making their assessment.

**c. Comptroller Claims Regarding Monthly Legal Proceedings Reports are Inaccurate**

NYCHA’s monthly monitoring tools were created to track the process and outreach conducted by NYCHA’s PACT partners. These are not required by the federal, state, or local government and are the best tool that exists to monitor activities at converted sites. The Comptroller’s audit team’s claim that they are not an effective tool does not provide any additional context or an evaluation of tools used anywhere else in the country, because such monitoring efforts do not exist elsewhere. The Comptroller’s audit team does not provide any substantial feedback in their recommendation for how NYCHA could enhance or improve this tool.

In this section (pages 36 through 37), the Draft Report makes several inaccurate claims about the reports, including that only the first attempt is logged or tracked in the monthly report. It also claims that appointments are not tracked in reports, which is also inaccurate. The Draft Report also falsely claims that a household’s attempt for applying for assistance is not tracked.

**Recommendations**

**Audit Recommendations No. 1 and No. 2**

***Track PACT Property Managers’ performance and consider performance indicators before awarding new developments.***

1. *Perform trend analyses of Citywide, NYCHA, and PACT Property Managers eviction and pre-eviction activity rates and track PACT Property Managers' performance and associated eviction risk.*

NYCHA Response:

**NYCHA does not accept this recommendation.** NYCHA will continue to oversee PACT partner team's compliance with our Housing Stability & Retention Guidelines to ensure residents are connected to resources and services. NYCHA does not see an added benefit of comparing rates against citywide data.

2. *Consider PACT Property Managers' performance, including compliance with NYCHA's Guidelines for PACT Partners as well as eviction, eviction filing, and pre-eviction notice issue rates, before awarding new developments. Ensure PACT Developers and residents are provided with accurate performance data.*

NYCHA Response:

**NYCHA accepts this recommendation but notes that this has already been or is being implemented.** NYCHA will continue to provide all data and information about eviction processes, policies, and outreach to resident review committees during the partner selection process. Residents will continue to lead the decision-making on who they would like to partner with at their development.

**Audit Recommendation No. 3**

**Ensure Transparency:**

3. *Post annualized eviction and eviction filing rates for PACT Property Managers and NYCHA conventional public housing on NYCHA's website. These should be provided each year.*

NYCHA Response:

**NYCHA accepts this recommendation but notes that this has already been or is being implemented.** NYCHA provides all eviction data, including rates of filing and evictions on NYCHA's website already. The goal is to be as transparent as possible – NYCHA does not wait to post data on an annual basis which would create a lag in presenting valuable information to residents and instead provides this information on a quarterly basis.

**Audit Recommendations No. 4, No. 5, and No. 6**

**Improve oversight and tracking of evictions conducted by PACT Property Managers:**

4. *Ensure NYCHA's Leased Housing Department shares eviction certifications with NYCHA's Asset Managers*
5. *Regularly review publicly available reports and websites, such as the NYC Open Data Evictions dataset and the Displacement Alert Portal to identify evictions that occur at PACT Developments and compare to reported monthly legal proceedings for completeness.*
6. *Regularly obtain data from the NYS Office of Court Administration for all eviction filings for PACT Property Managers and compare to reported monthly legal proceedings for completeness.*

NYCHA Response:

**NYCHA does not accept these recommendations.** NYCHA believes that our monthly reports have the most accurate and up-to-date information on eviction proceedings. Other reports or data sets contain only a partial picture of what is happening with each household. For example, even after a housing court judgement is made, a household and PACT partner can sometimes resolve an arrears or tenancy issue, and the household will maintain their tenancy. The court data and records do not collect this level of detail and therefore NYCHA finds them to be an inaccurate representation of the actual on-the-ground work that is happening at each property.

**Audit Recommendations No. 7 and No. 8**

***Monitor eviction data by development and PACT Partner:***

- 7. Regularly review and compare eviction and eviction filing rates at PACT Projects to NYCHA rates to determine if rates are excessive.***
- 8. Regularly review and compare eviction notice rates across PACT Projects to determine whether PACT Property Managers are initiating evictions at higher rates and investigate why.***

NYCHA Response:

**NYCHA accepts these recommendations but notes that these have already been or are being implemented.** NYCHA currently monitors eviction data at each PACT project and on a portfolio-wide basis monthly and examines trends.

**Audit Recommendations No. 9, No. 10, and No. 11**

***Improve internal processes to ensure effective oversight and tracking of pre-eviction outreach conducted by PACT Property Managers:***

- 9. Require PACT Property Managers to provide arrears reports and review for escalating balances and corresponding outreach to impacted tenants.***

NYCHA Response:

**NYCHA does not accept this recommendation.** The administrative burden of this recommendation is large and NYCHA does not feel that this level of documentation supports its goals. NYCHA already collects information on arrears balances in the monthly legal reports for households with pre-eviction outreach. Collecting information on all households with arrears is not necessary in NYCHA's oversight role.

- 10. Require PACT Property Managers to maintain supporting documentation of pre-eviction outreach (e.g., letters, appointments to discuss, social service referrals, etc.) in resident files.***

NYCHA Response:

**NYCHA accepts this recommendation.**

- 11. Periodically inspect a sample of resident files to ensure that pre-eviction outreach is accurately and completely recorded, and that it conforms to NYCHA's Guidelines.***

NYCHA Response:

**NYCHA accepts this recommendation.**

*Audit Recommendations No. 12, No. 13, and No. 14*

*Modify and improve the PACT Monthly Legal Proceedings Report as an oversight and monitoring tool:*

- 12. Restrict column data to specific values for Monthly Legal Proceedings Reports to ensure data received from Property Managers are valid and entered in a consistent format (e.g., dates [including month, day, and year], arrears amount, contact information [phone number, email address], etc.) to minimize data entry errors.*

NYCHA Response:

**NYCHA accepts this recommendation.** NYCHA agrees that more consistent data entry practices and restrictions will help ensure consistency across each Partner's reporting.

- 13. Ensure that Monthly Legal Proceedings Reports include dedicated fields to track at least the minimum requirements of NYCHA's Guidelines.*

NYCHA Response:

**NYCHA accepts this recommendation.**

- 14. Include fields in Monthly Legal Proceedings Reports that indicate when a pre-eviction outreach or pre-eviction notice is added to the report to track how long it takes for cases to be added. Save monthly reports for comparison purposes.*

NYCHA Response:

**NYCHA does not accept this recommendation.** NYCHA's adoption of the Smartsheet process has satisfied this recommendation.

If you have any questions, please contact Cassie Ward, Vice President of Internal Audit & Assessment, at 212-306-8484.

Sincerely,  


Lisa Bova-Hiatt  
Chief Executive Officer

cc: Jean-Claude LeBec, Director, Mayor's Office of Risk Management and Compliance  
Doug Giuliano, Deputy Director, Audit Management, Mayor's Office of Risk Management and Compliance  
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