

EXECUTIVE SUMMARY

Public Housing in New York City

Building Communities of Opportunity

Nearly half a million New Yorkers are registered occupants of public housing, and the actual number of people living there is likely much higher. Even as New York City's poverty rate has stabilized, poverty has become increasingly concentrated in many census tracts that include public housing. More than half of New York City Housing Authority residents live in census tracts in which a majority of households live in poverty, and nearly two-thirds of NYCHA developments are located in these extremely poor tracts. Citywide, NYCHA tenants comprise 31 percent of all residents living in neighborhoods of concentrated poverty.

The concentration of New York City's poor in housing complexes the city operates suggests a need and opportunity for targeted intervention. A disproportionate number of the New Yorkers who could benefit most from aid in securing such supports as job training, employment, and reliable public transportation live in complexes that are isolated from those opportunities. NYCHA's developments present a unique opportunity to enrich residents' prospects for economic advancement in conjunction with existing City-run programs.

To identify where resident needs and agency capacity align, the Pratt Center undertook a demographic analysis of public housing households, including a picture of income, employment, education, and race and ethnicity. The study was made possible through the generous financial support of the Independence Community Foundation.

Advantages to build on include:

- **NYCHA's role as a critical and effective source of affordable housing for New York City's low-income residents. The rent burden for NYCHA residents is far lower than that of other renters in New York City.**
- **A growing commitment by City Hall to bring agencies providing employment and social services into closer contact with residents of public housing. The Department of Youth and Community Development, Department for the Aging, and Human Resources Administration are now presences in public housing.**
- **Underutilized land and development rights. NYCHA has tens of millions of square feet of unused development rights on property it controls. Those development rights can be tapped for the benefit of current NYCHA residents.**

Needs to be addressed include:

- **NYCHA residents participate in the labor force at a much lower rate than other New York City residents. Just 43 percent of working age adults is in the labor force, compared with 66 percent of all working-age New Yorkers.**
- **Nearly 17 percent of NYCHA residents are "linguistically isolated," meaning that all family members age 14 and over have considerable difficulty speaking English.**
- **More than one-quarter of NYCHA residents live ½ mile or more from the nearest subway line, isolating them from employment, education, and essential services.**

Building Communities of Opportunity

This report recommends three policy strategies – in workforce development, public transportation, and development of NYCHA property – to improve economic opportunity for NYCHA residents. They extend existing City initiatives to incorporate public housing residents as constituents. These strategies recognize what our demographic survey suggests: a significant minority of NYCHA residents remain un- or underemployed for reasons that can be addressed through better access to training and employment opportunities. They build on inherent advantages of public housing, including long-term resident tenure and geographic concentration, to provide a foundation for place-based, targeted investments and connections to economic opportunity.

- **Linking public housing residents to employment created by economic development projects**
- **Connecting public housing residents with employment and educational opportunities via cost-effective rapid transit**
- **Tapping the potential of NYCHA's vacant land**

A DEMOGRAPHIC OVERVIEW

Official public housing population stands at just over 408,360. This figure reflects a slight decline in recent years.

Over the past five years, the total official population of NYCHA housing has shrunk by almost 14,000 residents, a 1.6 percent decline overall.

Almost half of NYCHA's residents are living in poverty.

49.8 percent of NYCHA residents are living below the federal poverty threshold, currently \$22,050 for a family of four. While NYCHA residents represent fewer than 5 percent of all New Yorkers, they comprise roughly 14 percent of all of New York City's poor.

Almost two-thirds of NYCHA residents live in areas of concentrated poverty.

Public housing developments are located in 69 percent of concentrated-poverty census tracts, in which at least 40 percent of the population lives below the poverty line. Almost half of public housing residents live in neighborhoods where poverty is even more concentrated, with half or more residents living below the poverty level.

NYCHA developments are an important source of affordable housing for New York City's poorest.

Spending on average just 28 percent of household income on rent, NYCHA residents experience the lowest rent-to-income ratio, or rent burden, of all renters in the city.

One-third of working-age NYCHA residents are employed, compared with more than half of other New York City residents.

NYCHA residents are less likely to be employed than other New Yorkers and more likely to be unemployed or not looking for work. One in three NYCHA residents is currently employed, with 57.2 percent of all working age residents not participating in the labor force and 9.3 percent unemployed. Compared with other New York City residents, NYCHA residents are more than twice as likely to cite ill health or physical disability as a reason for being out of work.

NYCHA residents experienced rising income during the recent period of economic growth.

The average income of public housing households increased by 56 percent, or 39 percent when adjusted for inflation, between 2002 and 2006, to \$21,520.

The number of residents receiving public assistance has increased.

The number of households receiving public assistance recipients has risen by 8 percent, to 24,385, or one in seven NYCHA households.

NYCHA residents are much more likely than other New Yorkers to exit the education system before completing high school.

Nearly half of all NYCHA residents report that they do not have a high school education.

While black residents remain the majority in public housing, Latinos are on trend to surpass their numbers. The Asian population is growing and will soon surpass a declining white population.

A plurality of public housing residents are black, but the number of black residents dwindled by more than 7 percent over a recent four-year period. Public housing has seen an increasing number of Latino and Asian residents. White residency has declined significantly.

Nearly 17 percent of NYCHA's households are linguistically isolated.

Overall, 16.6 percent of public housing households are linguistically isolated, 77.3 percent of them Spanish-speaking.

Working age women outnumber men two-to-one.

Among 18 to 62 year-olds, the female population is double the male population. Screening policies tend to preference female applicants or exclude men disproportionately.

Single-headed households are more prevalent in public housing than the city overall.

At 32.1 percent, public housing residents have more than double the rate of single-headed households as the city as a whole. More than one-third of NYCHA households are headed by a single person.

Immigrants have a minor presence in public housing compared to New York City as a whole.

Only 18.5 percent of heads of households were born outside of the United States. In New York City as a whole, 41.1 percent of households are headed by immigrants.

OPPORTUNITY #1: LINKING PUBLIC HOUSING RESIDENTS TO JOBS CREATED BY ECONOMIC DEVELOPMENT PROJECTS

The Bloomberg administration recently committed New York City to develop a new employment program, Jobs-Plus, preparing NYCHA residents for work. Its Economic Development Corporation (EDC) and Department of Small Business Services (SBS) are also exploring prospects for job linkage – hiring local residents in neighborhoods hosting economic development projects – through the Targeted Hiring and Workforce Development Program.

New York City should combine these employment initiatives to ensure public housing residents have access to job opportunities as well as training. Among projects receiving government land use approvals and/or financial subsidies, more than two in three are located within one mile of an area with a high concentration of NYCHA developments.

The Targeted Hiring and Workforce Development Program

The Pratt Center worked with EDC and SBS to develop a program connecting City-sponsored real estate development with workforce development initiatives aiming to employ area residents. Following a pilot project in Jamaica, Queens, the two agencies are implementing the model at other economic development sites around New York City via the Targeted Hiring and Workforce Development Program, which assesses employment and training opportunities tied to economic development projects on property being sold or leased by New York City. EDC incorporates targeted hiring, retention, and career advancement goals into requests for proposals seeking developers.

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Connecting Public Housing Residents and Job Opportunities: Building on Existing Ground

The New York City Housing Authority and Bloomberg administration recognize that many public housing residents can benefit from support in seeking employment. NYCHA's four Resident Employment Services offices provide referrals for employment and training. NYCHA recently brought in the city Human Resources Administration to run Back to Work centers, offering job training and employment services on site at public housing projects. The administration has also launched Jobs-Plus, a pilot program getting underway in the Bronx in partnership with Hostos Community College. Jobs-Plus is based on a federal experiment of the same name, which gave public housing residents in six cities job training services and financial incentives to encourage residents who could seek work to do so.

NYCHA offers limited employment opportunities for residents. All public housing authorities are required under federal law ("Section 3") to employ residents on construction and maintenance projects. On contracts between \$100,000 and \$500,000, NYCHA calls for 30 percent of new hires be NYCHA residents "to the greatest extent feasible." On larger jobs, contractors must devote 15 percent of payroll to resident hiring. Legislation to be introduced by Rep. Nydia Velazquez would extend Section 3 hiring requirements to other projects funded by the U.S. Department of Housing and Urban Development, as well as to residents of privately owned federally subsidized housing.

These efforts recognize the need to help public housing residents procure employment – but they stop short of a systematic approach to making connections to private employers in a position to offer jobs. In the absence of a government initiative to connect public housing residents directly with employers, community-based organizations have had to fill in the gap with their own efforts. Two recent examples illustrate that while CBOs have a vital role to play, strong government leadership is essential.

Fairway Market, Red Hook

As the gourmet grocer Fairway moved to open its first Brooklyn store in a historic warehouse along the Red Hook waterfront, the nonprofit Brooklyn Workforce Innovations (BWI) sought opportunities to connect area residents to jobs. As the store's opening neared in 2006, BWI approached the Department of Small Business Services to discuss ways to make sure public housing residents in particular had access to the new jobs coming online. The majority of residents in Red Hook live in the Red Hook Houses, and Fifth Avenue Committee's service area includes two other nearby housing projects, Gowanus and Wyckoff.

SBS proceeded to create a South Brooklyn Employment Initiative, which included not only the Fairway project but the new Red Hook cruise ship terminal and local industrial employers. Fifth Avenue Committee won a contract to reach out to local residents, conduct employment prescreenings and assessments, and refer them for job openings.

NYCHA promoted the opportunity with a mass mailing of postcards to residents of the Red Hook East and Red Hook West Houses. BWI deployed AmeriCorps volunteers from the Red Hook Community Justice Center to go door to door in the projects to distribute promotional materials. In all, Fifth Avenue Committee recruited more than 1,200 local residents and provided them with services that included job-readiness training, skills training, and social services. About 600 candidates were prescreened for employment. SBS required applicants to register with its Workforce 1 center in downtown Brooklyn, introducing an unnecessary hurdle to the process.

Few public housing residents ended up with referrals to the cruise terminal jobs. These seasonal positions, with sporadic hours, attracted limited interest; criminal background checks and drug testing also deterred many applicants. Fairway, by contrast, received nearly 386 referrals of candidates, 209 of them residents of public housing. By opening day, 251 – among them 115 public housing residents – had positions at Fairway.

Fairway declined to report back to BWI on job retention rates, but follow-up conversations with workers suggested that turnover was high. The Fairway positions began at minimum wage, with weekend work required. Workers and job candidates had to make a cost-benefit analysis: any wages gained would be offset by child care costs and by increased housing expenses, since public housing rents are set as a fraction of income. The deal did not make sense to everyone. But for those for whom it worked – an estimated 100 long-term employees – the hiring program proved a success.

Silvercup Studios, Long Island City

East River Development Alliance (ERDA), based in Long Island City, works to promote economic mobility and improve neighborhood conditions in and around the Queensbridge, Ravenswood, Woodside, and Astoria public housing projects in northwest Queens. The neighborhood is also home to Silvercup Studios, a major film and television production center that in 2006 sought city zoning approval for a major expansion, called Silvercup West, that would include eight sound stages, an office tower, and two high-rise apartment buildings.

ERDA was already preparing public housing residents for work through its Jobs-Plus program, named after (but not part of) the federal effort, when Silvercup approached it seeking community support for its rezoning application for the city. The developer highlighted opportunities for jobs and affordable housing, targeting zip codes dominated by public housing. Local public housing resident leaders, clergy, and community-based organizations formed an advisory board and sought to identify elements of a community benefits agreement that would detail specific commitments for affordable housing and first source hiring of area residents. Lacking legal counsel and other crucial professional support, ERDA was at a disadvantage in negotiations with the developer. The group also would need outside help in designating a resident hiring program.

Silvercup West is now stalled as a result of environmental problems at the site and changing market conditions. In the absence of a written agreement, the community groups have no assurances that if and when the project resumes development the hiring commitments will still be honored.

These experiences offer some important lessons for public housing employment initiatives, including:

- **Community-based organizations have a pivotal role to play in connecting public housing residents with employers and jobs.**
- **Connections between employers and CBOs should be cemented through a structured and systematic program administered by the City.**
- **CBOs need latitude to shape local efforts to meet residents' and employers needs.**
- **NYCHA must serve as a conduit for information and targeted outreach to residents.**

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First Source Hiring Programs

First source hiring programs can be used to create employment opportunities for low-income residents in a geographic area surrounding development projects. Denver, Los Angeles, Minneapolis, and San Francisco offer successful examples of linking workforce development to real estate projects.

Under the guidance of municipal workforce development coordinators, developers are responsible for informing tenants about linkage programs and conveying employment information to the city. Community groups are also involved, either as coordinators, advisors, or watchdogs. A successful program relies on clear reporting processes, monitoring, transparency, producing reliable data on such outcomes as service delivery, the number of interviews and hires, and retention of hires over time, as well as opportunities to use that information for program improvement. Best practices include site visits to employers by the coordinating agency, monthly employment goal and population target reports, tenant leases that spell out leaseholders' employment and wage obligations (including penalties for failing to comply), database tracking systems, online electronic reporting, and the publication of results.

Proximity of New York City Economic Development Initiatives to Public Housing

Public housing developments are located near many city- and state- sponsored economic development projects slated to break ground in the next 18 months, making them ripe opportunities for job linkages with public housing residents. Of the two-thirds of city economic development projects within one mile of high densities of NYCHA developments, almost three in four will create 500 jobs or more, offering job creation and career ladder opportunities for NYCHA residents. NYCHA and the Human Resources Administration, the agency slated to run employment services for public housing residents, should evaluate these as possible sites for first source hiring programs and work with the Department of Small Business Services where appropriate.

While the majority of the initiatives create jobs in retail, office, and building services, there are initiatives that will generate jobs in more specialized sectors such as film and biotech, with the possibility of higher entry-level wages and career ladders. Economic development initiatives with specialized workforce opportunities provide living wages and career ladders and should be a priority for public housing workforce development efforts.

Recommendations

NYCHA should be the focus of a first source hiring pilot project that includes targeted outreach and a strong job-readiness component.

HRA or the new Jobs-Plus Initiative should work with NYCHA to select a specific economic development project that provides especially promising opportunities to employ large numbers of nearby public housing residents.

The City should work to extend the Department of Small Business Services' Targeted Hiring and Workforce Development Program to connect public housing residents to city-sponsored economic development initiatives.

NYCHA and HRA can engage in outreach and work-readiness training for public housing residents living near economic development sites, and SBS can work to extend its Targeted Hiring and Workforce Development Program to ensure public housing residents participate.

Compliance and monitoring of any job linkage program should be robust and thorough before NYCHA and HRA initiate a first source hiring program.

OPPORTUNITY #2: CONNECTING PUBLIC HOUSING RESIDENTS WITH OPPORTUNITY VIA COST-EFFECTIVE RAPID TRANSIT

In a city with an extensive, 24/7 transit system, many NYCHA developments, particularly those built in the 1960s through 1980s, are in relatively isolated locations with no direct access to subway lines. Twenty-eight percent of NYCHA residents live in units located farther than ½ mile from the nearest subway station and must rely on buses for access, exacting a significant cost in time.

NYCHA residents are likeliest to obtain service and manual jobs, which are dispersed across the city and region. Outside lower and mid-Manhattan, the transit system does not connect residences and workplaces efficiently. This diminishes the number of employment opportunities that residents of any given development are able to access using public transportation and compounds NYCHA residents' social and economic isolation.

Prospects for improving transit access: Bus Rapid Transit

With the New York City Department of Transportation, the MTA is moving to develop a citywide Bus Rapid Transit network. BRT moves people at speeds and in numbers comparable to those of a light rail system, at a much lower cost.

BRT promises significant benefits to NYCHA residents, increasing access to job centers, schools, health care, and retail centers. BRT is also easily accessible to disabled people, seniors, and people traveling with children. Planning and design of BRT stations could be integrated into the redevelopment of unused land for residential or commercial use, creating new nodes of social and economic vitality.

The Pratt Center for Community Development and COMMUTE (Communities United for Transportation Equity), a citywide coalition advocating for transit improvements benefiting low-income communities, developed a proposal for a citywide network of 15 bus rapid transit routes that would help address the transportation needs and opportunities offered by public housing. More than 315,000 of NYCHA's 406,200 residents would live within ½ mile of this BRT network.

Recommendations

Reach out to NYCHA residents as BRT stakeholders. NYCHA residents represent an important constituency whose input and support MTA and DOT should solicit. NYCHA itself should seek opportunities to collaborate with DOT and MTA on the planning of routes and station locations.

Identify space for BRT stations on NYCHA sites. BRT may present a special opportunity in NYCHA developments where underutilized land exists, whether or not the creation of additional housing and commercial space is contemplated.

Develop feeder routes within large projects. Some larger NYCHA developments were built on a superblock urban planning design model. These projects might be logical hubs for BRT feeder routes, where smaller vehicles make frequent stops and connect riders to BRT trunk lines.

OPPORTUNITY #3: TAPPING THE POTENTIAL OF NYCHA'S VACANT LAND

In 2005, NYCHA joined with the Department of Housing Preservation and Development (HPD) to seek development opportunities on NYCHA's vacant and underutilized land "to create affordable apartments and homes for low-income New Yorkers." The Bloomberg administration anticipates 6,000 new units of affordable housing. NYCHA and HPD have released requests for proposals for development of more than 2,000 units so far.

NYCHA and HPD have sought a series of requests for proposals. No program guidelines exist to help guide how the program will proceed. There is no formal process for site-planning or programmatic decisions, or for including public

housing residents or members of the public. Important questions remain unaddressed, including:

- **How should the value in the scarce NYCHA land be apportioned between creating new affordable housing, generating revenue for NYCHA, and generating benefits for current NYCHA residents?**
- **What mix of incomes should be served? Is it acceptable to include market-rate units?**
- **Who should make the plans for these sites, and how? How should current NYCHA residents benefit?**

NYCHA has approximately 77 million square feet of unused development rights – 31 million in Manhattan, 21 million in Brooklyn, 16 million in the Bronx, 9 million in Queens, and 1 million in Staten Island. Most would be impossible to build upon under current zoning rules. Nonetheless, these development rights represent a significant opportunity for NYCHA and the city.

Benefits of the Collaboration include:

New housing: RFPs have sought a range of affordable housing targets, ranging from very low income (below 50 percent area median income) to middle-income housing (165 percent AMI), with some including market rate units.

Mixed-income communities: The development of low-, moderate-, and middle-income housing immediately adjacent to public housing projects has the potential to create benefits associated with mixed-income communities.

New housing opportunities for NYCHA residents: All projects so far set aside units for NYCHA residents.

Better use of street-level space: Some of the RFPs seek to revive street-level life in the vicinity of public housing.

Improved facilities and services: Some of the RFPs require developers to provide community facilities or resident service plans, including counseling, job training, social services, and youth programming. Developers must pay fees to replace parking, outdoor sitting areas, and other displaced uses.

Revenue for NYCHA: Publicly owned land is a precious resource that can only be sold once. One-shot sales may appear to be an attractive option for this year's budget – but they neither solve NYCHA's structural deficit nor achieve the best public benefit possible.

Job opportunities for NYCHA residents: Some of the RFPs specify preference for bidders who provide contracts to local entities and/or jobs for residents.

Recommendations

Codify the program. The collaboration should be turned into a real program, with clear guidelines, priorities, and rules, rather than a series of one-off deals.

Establish a process for NYCHA resident and public participation in the planning process.

NYCHA should lease land to developers, providing a long-term revenue stream, and require permanent affordability.

Create “neighborhoods of opportunity” – mixed-income communities where residents have access to quality education, community services, and employment opportunities.

Offer opportunities to existing NYCHA residents through community services, neighborhood-serving retail – especially supermarkets – employment and job training, homeownership opportunities, and design improvements.