

The People of Harlem River Houses Present: A RAD CONVERSION FACT SHEET

1) What is RAD and what is a RAD Conversion?

RAD (Rental Assistance Demonstration) is a federal program created by HUD (Housing and Urban Development) that allows housing authorities like NYCHA to privatize public housing.

- During RAD conversions public housing developments are handed over to private companies, which get ownership and take over management.¹ NYCHA says “NYCHA will still ‘own’ the property”. But NYCHA will “own” the property in name only. After RAD conversion, Harlem River Houses will effectively belong to a private company.
- RAD was created in 2012, and has been used to privatize public housing buildings all across the country. A federal government report found that 57% of tenants had faced a rent increase after a RAD conversion.²
- NYCHA promises that RAD will not lead to displacement, but Ocean Bay in Far Rockaway underwent a RAD conversion in 2016, and since then the private management company has evicted more people than at any other NYCHA site (80 families evicted between January 2017 and February 2019)³.
- After a building undergoes a RAD conversion, residents have to pay 30% of their income as rent. If they were paying less than this before the conversion their rent will go up. NYCHA promises "permanent affordability" at 30% of income⁴, and said that RAD won't lead to gentrification, but this is nothing more than a promise. Once private companies manage the buildings it will be in their interest to bring in tenants who can pay higher rents.
- NYCHA's agreements with private developers for some buildings in Manhattan already contain provisions to allow them to convert units to market-rate.⁵ In other cities around the country RAD conversions have allowed property managers to bring in market-rate tenants and gentrify the neighborhood.
- After a conversion tenants will be required to pay for utilities like heat, electricity, and water.⁶

2) Do Tenants at Harlem River Houses Want RAD?

Harlem River Apartments are in need of basic maintenance, including of heating systems, that NYCHA is legally required to provide. After RAD conversions elsewhere in NYC, some renovations have happened. Other buildings have gotten worse, including flooding and lack of heat.

- After RAD, the online update system for repairs which exists under NYCHA won't exist anymore.⁷
- Several residents have had the police called on them for merely objecting to RAD plans at public tenant meetings. This is in violation of federal rules regulating RAD approval, as well as in violation of basic rights to free speech.
- Tenant records were placed by management on the curb for disposal with private information including social security numbers visible. When tenants contacted the city to report the matter, the police were called on them.
- The Tenant's Board, which “signed off” on RAD, reflects the voices of just a handful of people. When the current President was “elected”, the election couldn't be certified because there were only 8 people present. Some weeks later, they assembled the required amount- 10 people.
- As of March 1, close to 150 Harlem River apartments have signed a petition opposing the current management plans for privatization.

¹<https://www.thecity.nyc/housing/2020/2/7/21212243/what-is-rad-a-look-at-nycha-s-private-management-move>

²<https://citylimits.org/2018/03/27/federal-audit-demands-better-oversight-of-program-key-to-nychas-survival-plan/>

³<https://citylimits.org/2019/08/14/nycha-egictons-rad-oceanbay/>

⁴<https://www.cssny.org/publications/entry/resident-handbook-a-guide-to-nycha-rad-conversion>

⁵<https://fightfornycha.org/2020/11/24/for-immediate-release-rad-landlords-can-ask-hud-to-deregulate-public-housing-apartments/>

⁶Information from NYCHA's RAD FAQs: <https://www1.nyc.gov/assets/nycha/downloads/pdf/nextgen-pact-faq.pdf>

⁷ <https://www.thecity.nyc/housing/2020/2/3/21210568/tenants-in-privately-managed-nycha-homes-kept-in-dark-on-building-repairs>

3) Who is Greg Russ?

Greg Russ, the “privatization czar”, is the CEO of NYCHA. He was previously the head of Cambridge and Minneapolis Public Housing, where he oversaw massive push towards privatization.⁸

- Mayor de Blasio picked Greg Russ from a list given to him by Trump’s HUD secretary, Ben Carson⁹.
- Gregory Russ made over \$400k in 2021; he is the highest-paid public official in the City. That’s more than the Mayor, the Governor, or even the President of the United States. There is a lot of money to be made by privatizing public housing.¹⁰

4) What is Harlem River Preservation LLC

Harlem River Preservation is a front, representing a coalition of banks and developers who are working through non-profits to privatize Harlem River Houses.

- Settlement Housing Fund is the lead agency facilitating the deal. SHF is a ‘non-profit housing developer’ which forms partnerships with banks and real estate developers, who put up some money for renovations or for new “affordable housing” construction, but get more luxury and market-rent apartments in return.
- In 2015, Settlement Housing made a deal with Zeckendorf Development, which allowed them to build a higher skyscraper at 15 Central Park West. The New York Times called this the most expensive residential building in the world. A Zeckendorf executive, Judy Kessler, is now on the board of directors of Settlement Housing.¹¹
- The President of the Settlement Housing Fund Board is Charles Warren. Warren’s specialty is streamlining corporate developments in NYC. As a lawyer, he has represented Blackstone Properties, which is currently being sued by NYC tenants for trying to illegally raise rents on 6,500 rent-regulated apartments in Stuyvesant Town¹².
- Members of SHF Board work for the following banks: Goldman Sachs, Morgan Stanley, TD Bank, JP Morgan Chase, Republic Bank and Merchant’s Capital.¹³ Members of the Settlement Housing Fund Board work for the following real estate developers: Glenwood Management, Vornado Realty, and GFP Real Estate.
- C+C is the private management company which will take over day-to-day operations and management of Harlem River Houses. C+C will be the “new NYCHA” at Harlem River Houses. They will hire and manage their staff, including maintenance staff, manage repairs, and collect rent.
- C+C Apartment Management has a dismal reputation. Residents of buildings managed by C+C have said that the company does not respond to calls for repairs, including serious floods. Residents have also complained of rat infestations, broken intercoms, and bad security.¹⁴

5) Is it Too Late? Can RAD be stopped?

Those pushing RAD want us to believe that it’s a done deal. But we can halt the privatization of Harlem River Houses, and organize together to demand necessary repairs, improvements, and better security. Residents in Glendale, Minneapolis organized successfully to stop a RAD conversion after it began.¹⁵ They took Greg Russ on and so can we.

For more information, to learn about future organizing and protests, or to sign the petition, contact:

peopleofharlemriver@gmail.com or call 646 780 9657

HarlemRUnited.com @theUFAD

⁸ <https://www.dgphc.org/2019/06/18/mphas-greg-russ-the-czar-of-privatization-gentrification-plans-to-lead-nycha/>

⁹ <https://www1.nyc.gov/office-of-the-mayor/news/312-19/mayor-de-blasio-u-s-department-housing-urban-development-secretary-carson-announce>

¹⁰ <https://www.nydailynews.com/news/politics/ny-de-blasio-nycha-chair-gregory-russ-salary-20190620-q264gk654rfprip4a2lpx5shi-story.html>

¹¹ <https://www.nytimes.com/2015/09/15/nyregion/shelters-link-to-luxury-high-rise-shows-contradictions-of-new-york-housing.html>

¹² <https://www.kramerlevin.com/pdf-gen/result/7546/Charles%20S.%20Warren.pdf>

¹³ <https://www.settlementhousingfund.org/board.html>

¹⁴ <https://www.yelp.com/biz/c-c-apartment-management-new-york>

¹⁵ <https://spokesman-recorder.com/2019/06/12/the-birth-of-defend-glendale-public-housing-coalition/>