



The Manhattan Bundle: A Case Study Financing Public Housing Renovations Through RAD/PACT

Executive Summary

The completion of the PACT Renaissance Collaborative (PRC) renovation of the Manhattan Bundle represents a major milestone in New York City's efforts to preserve and protect its public housing. Sixteen New York City Housing Authority (NYCHA) developments consisting of 38 residential buildings across upper Manhattan were converted from Section 9 to Section 8 funding under the Rental Assistance Demonstration (RAD) program, unlocking more than \$383 million for renovations. These improvements transformed living conditions for over 2,900 residents across 1,718 apartments. This case study analyzes how shifting from traditional public housing subsidies to long-term Section 8 contracts under RAD opens access to private capital and enables the financing necessary for large-scale rehabilitation and modernization.

The Problem

NYCHA is the nation's largest public housing authority (PHA), overseeing 177,569 units¹, the majority of which were built between 1945 and 1970². Over the past several decades, Congress has steadily decreased funding for traditional public housing. As a result, public housing portfolios nationwide suffer from escalating repair costs and severe deferred maintenance. As of July 2024, NYCHA alone faced more than 610,000 open work orders³ and approached \$80 billion⁴ in unmet capital needs⁵. Nearly 54% of NYCHA assets require immediate replacement within a year, while 77% will need replacement within five years⁶.

These unmet needs translate into inadequate and sometimes hazardous living conditions. Residents endure far too frequent episodes of lack of heat, hot water, reliable plumbing, and basic safety infrastructure⁷. Nearly half of residents report persistent leaks and mold, while more than one-third cite unsafe drinking water⁸. Two-thirds of residents living with mold said it harmed their own health or that of a family member, with asthma being the most common outcome⁹. The Manhattan Bundle was no exception to these conditions. Just five years ago, the sixteen developments were trapped in a cycle of deferred maintenance, where critical repairs were repeatedly postponed due to insufficient funds, allowing building conditions to further deteriorate over time.

Financial Viability Through RAD/PACT

Without the federal funding needed to preserve aging properties, develop new affordable housing¹⁰, or fully meet resident needs PHAs have an urgent need for alternative financing tools.

Authorized by Congress in 2012, RAD offers a pathway to financial stability by allowing PHAs to convert properties from Section 9 to a more reliable Section 8 subsidy¹¹. Under Section 8, properties receive long-term, federally backed rental subsidy contracts that generate a predictable revenue stream. This income provides the financial foundation for PHAs to leverage private debt, equity, and tax credits – financing mechanisms that are otherwise unavailable under Section 9.

Once authorized, PHAs across the country utilized RAD and achieved notable successes. The Cambridge Housing Authority was among the earliest adopters, securing HUD approval in 2013 for a portfolio-wide RAD conversion encompassing its entire public housing stock¹². That same year, the Chicago Housing Authority also initiated its RAD participation, later receiving approval for one of the nation's largest portfolio conversions of nearly 11,000 units¹³

In New York City, RAD is implemented through what is locally known as PACT (Permanent Affordability Commitment Together). PACT preserves NYCHA's ownership of land and buildings while transferring rehabilitation, financing, and day-to-day management responsibilities to private and nonprofit partners¹⁴. This structure preserves NYCHA's oversight and existing tenant protections and affordability, while also enabling large-scale capital repairs. The New York City Housing Development Corporation (HDC) provides taxable and tax-exempt bond financing for PACT conversions and ensures long-term compliance¹⁵. Through PACT, NYCHA plans to address nearly \$12.8 billion in capital needs over the next decade¹⁶.

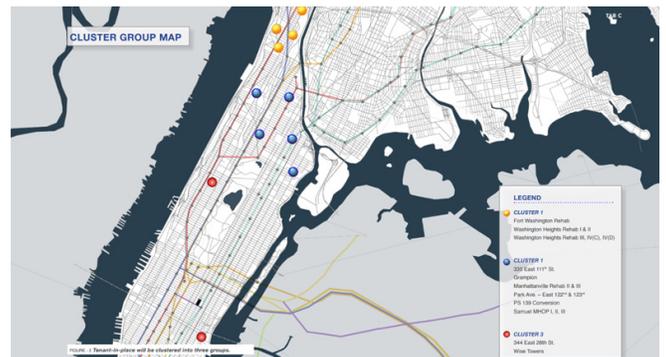
In 2022, state legislation created the New York City Public Housing Preservation Trust (the Trust), a public benefit corporation designed to secure funding for repairs and modernizations for the city's public housing stock. NYCHA buildings converted to Section 8 through the Trust follow a similar process to PACT, but the notable difference is that the Trust is 100% public.

The Manhattan Bundle

NYCHA selected PRC, a partnership of leading organizations dedicated to the development, preservation, and revitalization of affordable housing across New York City, in 2019 to convert sixteen developments under RAD/PACT. Between the 2019 selection and the November 2020 financial closing, PRC conducted building assessments, developed renovation scopes of work, and completed interim Housing Quality Standards (HQS) repairs to keep units habitable until full rehabilitation began. With support from HDC, the partnership secured \$271 million in bond financing backed by the stable revenue of Section 8 contracts. Additional financing from federal and state Low-Income Housing Tax Credits (LIHTC), along with private capital, brought the total investment to \$383 million for comprehensive renovations.

The developments in the Manhattan Bundle spanned neighborhoods from Upper Manhattan to Murray Hill and the Upper West Side: 335 East 111th Street; Park Avenue—East 122nd & 123rd Streets; Manhattanville Rehab (Groups 2 & 3); Public School 139 (Conversion); Samuel (MHOP I, II, III); Fort Washington Avenue Rehab; Grampion; Washington Heights Rehab (Groups 1 & 2, Phase III, Phase IV C & D); Wise Towers; and 344 East 28th Street, see Figure 1¹⁷.

Figure 1: Manhattan Bundle Map



Source: PACT RAD RFP

Figure 2: Restored Nivola Horses at Wise Towers



The construction team conducted a preliminary assessment of all sixteen sites and organized them into clusters based on geographic synergies. This approach helped expedite improvements while minimizing disruption to residents. The clusters also enabled contractors to complete the work more efficiently within the mandated 24-month rehabilitation period, while simplifying staging and improving oversight.

Renovations were extensive and targeted the underlying problems that had long affected the Manhattan Bundle buildings. Inside apartments, residents received new kitchens, bathrooms, windows, doors, and flooring, along with lead and mold abatement. Buildings were modernized with upgraded elevators, overhauled heating systems, and roof and façade repairs.

Safety improvements included new fire safety systems, intercoms, security cameras, and controlled access. Outdoor areas were revitalized with new playgrounds, landscaping, and community spaces¹⁸.

The renovations also emphasized enhanced public spaces and cultural preservation. At Wise Towers, this meant restoring 18 modernist concrete horse sculptures by Italian artist Costantino Nivola, see Figure 2. Originally created in 1964 for the development's plaza, the sculptures had deteriorated after decades of neglect and were removed to repair a waterline that ran under them. Through the PACT partnership, renowned stone conservator Mary Jablonski, whose portfolio includes work on the U.S. Capitol, led the restoration. The redesigned plaza

PRC is comprised of Monadnock Development, The Community Preservation Corporation (CPC), The Community Development Trust (CDT), Kalel Companies, Lemor Development Group, Community League of the Heights (CLOTH), and Cornell Pace Inc. (CPI).

now features a playground with a water feature, a basketball court, and new murals, creating a welcoming space where residents can gather, play, and relax while reconnecting with an important part of their community's history¹⁹.

By 2024, \$383 million in renovations had been completed across all sixteen developments. Residents reported high levels of satisfaction, citing improvements that were not only physical but also social and emotional. Post modifications, one resident leader at Fort Washington Avenue said, "I am incredibly grateful for the work PRC did at our building. We were in desperate need of repairs, and they gave us the help we needed. These apartments are beautiful and much more accessible for our senior and handicapped residents at the buildings. All our residents are very happy here and I truly never thought I could live like this."

Resident engagement and stewardship are core to PACT and to the Manhattan Bundle. CLOTH, a long-standing community-based nonprofit founded in 1952 in Washington Heights and a member of the PRC consortium, played a central role in leading and managing resident engagement for the Manhattan Bundle. As the designated social services provider, CLOTH worked to ensure residents were heard during the PACT conversion process. From the beginning, residents participated in planning and decision-making, with NYCHA, PRC, and CLOTH holding public meetings to gather input on safety, accessibility, and community priorities. Resident associations remained intact throughout, continuing to represent tenant concerns.

Tenant protections were preserved: rents remained capped at 30% of household income, and residents retained the right to return after limited temporary relocations. Additional safeguards include grievance procedures, the right to organize, and HUD's RAD Resident Rights provisions²⁰.

The resident engagement and stewardship present in the Manhattan Bundle also reinforced that RAD/PACT is a public-private partnership, not privatization²¹. NYCHA continues to own the land and buildings and administers Section 8 subsidies and waitlists, while private and nonprofit partners operate under long-term ground leases subject to NYCHA oversight. This balance preserves affordability, ensures accountability, and keeps tenant interests central.

Why the Manhattan Bundle Matters

The Manhattan Bundle shows what can be possible when public housing is paired with a financing framework capable of meeting the true scale of its need. Converting to Section 8 under RAD/PACT made it possible to access bonds, tax credits, and private equity, financing tools that Section 9 alone could not provide. This shift enabled nearly \$400 million in comprehensive renovations that directly improved homes for more than 2,900 residents.

Equally important, the project achieved these results without sacrificing public ownership or tenant protections. Affordability was preserved, residents were engaged throughout, and buildings were transformed into safe, modern, and sustainable homes. By tackling decades of deferred maintenance, the project demonstrates a viable financial model for preserving safe, decent, and affordable public housing in communities across the country

Figure 3: Before and After Images from a Manhattan Bundle Apartment



1 https://www.nyc.gov/assets/nycha/downloads/pdf/NYCHA_Fact_Sheet.pdf

2 https://buildingcongress.com/wp-content/uploads/2024/04/Building_the_Future_of_New_York_-_NYCHA_v4.pdf

3 <https://eapps.nycha.info/NychaMetrics/Charts/PublicHousingChartsTabs>

4 <https://www.nyc.gov/site/nycha/about/press/pr-2023/pr-20230712.page#:~:text=The%20%2478.3%20billion%20%2Dyear,ensure%20their%20long%2Dterm%20viability>

5 <https://eapps.nycha.info/NychaMetrics/Charts/PublicHousingChartsTabs>

6 <https://www.nyc.gov/site/nycha/about/press/pr-2023/pr-20230712.page#:~:text=The%20%2478.3%20billion%20%2Dyear,ensure%20their%20long%2Dterm%20viability>

7 <https://brooklyneagle.com/articles/2025/01/22/nycha-residents-report-loss-of-heat-and-hot-water/> , <https://gothamist.com/news/nycha-reports-hundreds-of-residents-without-heat-or-hot-water-amid-frigid-temperatures> ; <https://rpa.org/work/reports/nychas-crisis>

8 https://smhttp-ssl-58547.nexcesscdn.net/nycss/images/uploads/pubs/0071124_UHT2023_NYCHA_V4_WEB_%281%29.pdf

9 <https://rpa.org/work/reports/nycha-resident-needs-assessment#:~:text=findings%20are%20stark-,81%20percent%20of%20residents%20need%20immediate%20repairs%20to%20their%20apartments,%2C%20depression%2C%20and%20other%20issues.>

10 [https://www.ccsny.org/news/entry/why-do-the-city-and-state-undervalue-public-housing-residents#:~:text=The%20New%20York%20City%20Housing%20Authority%20\(NYCHA\),simultaneous%20disinvestment%20by%20state%20and%20local%20governments](https://www.ccsny.org/news/entry/why-do-the-city-and-state-undervalue-public-housing-residents#:~:text=The%20New%20York%20City%20Housing%20Authority%20(NYCHA),simultaneous%20disinvestment%20by%20state%20and%20local%20governments)

11 (HUD)

12 <https://cambridge-housing.org/wp-content/uploads/2020/08/RAD-CLOSING-PRESS-RELEASE-12.31.14-1-1.pdf>

13 <https://www.novoco.com/public-media/documents/hud-rad-10-billion-invested-in-public-housing-11122020.pdf>

14 <https://www.nyc.gov/site/nycha/about/pact.page>

15 <https://www.nyc.gov/site/nycha/about/press/pr-2020/pr-20201130.page>

16 <https://www.nyc.gov/assets/nycha/downloads/pdf/NYCHA-2.0-Part1.pdf>

17 <https://nychajournal.nyc/383m-in-pact-renovations-at-16-manhattan-developments/>

18 [https://nychajournal.nyc/383m-in-pact-renovations-at-16-manhattan-developments/#:~:text=On%20June%2024%2C%20NYCHA%20and,Commitment%20Together%20\(PACT\)%20program](https://nychajournal.nyc/383m-in-pact-renovations-at-16-manhattan-developments/#:~:text=On%20June%2024%2C%20NYCHA%20and,Commitment%20Together%20(PACT)%20program)

19 <https://nychajournal.nyc/nivola-horses-return-to-wise/>

20 <https://www.enterprisecommunity.org/sites/default/files/2022-11/eviction-report.pdf>

21 <https://www.nyc.gov/assets/nycha/downloads/pdf/pact-factsheet.pdf>

About The Community Preservation Corporation (CPC)

CPC is a nonprofit multifamily finance company that was founded in 1974 to provide financial resources to stabilize and revitalize underserved communities. Today, CPC uses its unique expertise in housing finance and public policy to expand access to affordable housing and drive down the costs of housing production, advance diversity and equity within the development industry, and impact the effects of climate change in our communities through the financing of sustainable housing. Since its founding, CPC has invested over \$14 billion to finance the creation and preservation of more than 225,000 units of housing through its lending and investing platforms. CPC is a carbon-neutral company and has been rated AA- by S&P.



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