

FY 2021 Borough Budget Consultations

Manhattan - Department of Housing Preservation and Development

Meeting Date 9/6/2019

AGENDA ITEM 1 : General Agency Funding Discussion:

The purpose of holding the Borough Budget Consultations is to provide Community Boards with important information to assist in drafting their statement of District Needs and Budget Priorities for the upcoming fiscal year. As you know, Community Board Members are volunteers who may not be familiar with the budget process and how agencies' programs are funded. At the same time, Community Board members are very knowledgeable about local service needs.

This year's Manhattan agendas have three sections:

I. Agencies begin the consultation with a presentation of their goals, funding decision process, and highlights of their funding needs.

II. Then, the agenda continues with Community Boards asking about specific program funding.

III. Lastly, the agendas include Boards' requests on district-specific budget questions. We request that the agency respond in writing, but have any further discussions on these items with the Community Boards outside of the consultation.

For the first section, please present on the four topics below for 10-15 minutes at the beginning of our Consultation. Also, please provide written responses or even a PowerPoint presentation that we can use to fully and accurately educate our Board Members.

1. What are your priorities and operational goals for FY20 and projected priorities and operational goals for FY21?
2. What are the current proposed FY20 and FY21 service and operational goals and proposed funding?
3. Which programs is the agency adding, dropping, or changing for FY20 and projected for FY21?
4. What are your benchmarks for new and existing programs and what are your benchmarks/key performance indicators for measuring success?

AGENCY RESPONSE:

1. What are your priorities and operational goals for FY20 and projected priorities and operational goals for FY21?

Building on the foundation laid through Housing New York, in November 2017 the Administration committed to completing the initial goal of 200,000 affordable homes two years ahead of schedule, by 2022, and generating an additional 100,000 homes over the following four years. To accomplish this accelerated and expanded plan, the administration launched Housing New York 2.0, a roadmap for how the city will help reach a new goal of 300,000 homes by 2026. HNY 2.0 introduces a suite of new initiatives to help thousands more families and seniors afford their rent, buy a first home, and stay in the neighborhoods they love.

HPD has added a series of new programs to make this possible including:

- Seniors First

Seniors First The population of city residents who are senior citizens is projected to increase by 40 percent between now and 2040. Our seniors are more likely to be low income, to be rent-burdened, and to live on a fixed income than other city residents. To reach more of our growing senior population, the administration committed to create or preserve 15,000 senior homes and apartments through Housing New York. We are now doubling our efforts on senior housing to serve 30,000 households over the extended 12-year plan. To date, almost 5,000 seniors have been

reached through the plan. To meet this additional commitment, the City is launching Seniors First. HPD will introduce a new assessment process for preservation projects focused on accessibility, to enable seniors to age in place and make more housing accessible to people with disabilities. Through changes ranging from level door handles and shower bars to door widening and accessible bathrooms and kitchens, HPD will now make in-apartment improvements that will serve up to 15,000 seniors

- Open Door

HPD's Open Door program funds the new construction of cooperative and condominium buildings affordable to moderate and middle income households. Where dictated by lot size, the program may also fund the construction of new one to three family homes. Upon construction completion, the developer will sell the ownership units to households who agree to owner-occupy their units for the length of the regulatory period. If the purchaser sells or refinances during the regulatory period, the purchaser may realize up to 2% appreciation on the original purchase price per year of owner occupancy. Upon resale, the purchaser will also be required to sell to a household making no more than the project's income cap.

In order to be eligible for HPD-issued Capital funds, it is required that a borrower be a Housing Development Fund Corporation either alone or in partnership with for-profit developers, limited partnerships, corporations, trusts, joint ventures, or limited liability companies.

- HomeFix

HomeFix is a new program that seeks to empower low-to-middle income New York City homeowners who are not able to access repair financing through the private market by providing the most favorable loan terms for low-income households and seniors. Along with low-interest and forgivable home repair loans, the program will provide additional technical assistance, education, and other counseling provided by a network of non-profit partners to support owners of eligible one-to-four family homes.

- Neighborhood Pillars

HPD's Neighborhood Pillars (Pillars) program provides low-interest loans and tax exemptions to nonprofits and mission driven organizations to acquire and rehabilitate unregulated or rent stabilized housing for low- to moderate-income households.

- Partners in Preservation

Partners in Preservation, a pilot program that will serve as a hub for local anti-displacement initiatives in select New York City neighborhoods. This pilot will kick off in the recently rezoned neighborhoods of East Harlem and the Jerome Avenue area of the Bronx. In addition, the program will be launched in the Inwood and Washington Heights sections of Manhattan, where high rates of speculative investment and rising rents have made residents particularly vulnerable to tenant harassment and displacement. The program will provide funding for community-based organizations to jointly coordinate anti-displacement initiatives – such as code enforcement, tenant organizing and education, legal representation, affirmative litigation, and other strategies – in these neighborhoods.

- Mitchell Lama Reinvestment Program

Mitchell-Lama Reinvestment Program to protect the long-term affordability of the City's remaining Mitchell-Lama developments. Nearly 20,000 of the City-supervised co-ops and rentals in New York City's storied Mitchell-Lama buildings have left the program since 1989. The lure of raising rents to profit from the City's real estate boom, or of selling once affordable co-op units for market-rate prices is an ever-present threat to this critical portfolio. The new program, with an initial infusion of \$250 million, will target more than 15,000 homes over the next eight years to save Mitchell-Lamas where affordability is at risk.

- Housing+

Housing+ is an initiative targeted to owners of regulated housing (i.e. HUD Assisted or Mitchell-Lama) to create new affordable housing on excess or underutilized land while addressing the rehabilitation and financing needs of existing regulated developments.

2. What are the current proposed FY20 and FY21 service and operational goals and proposed funding?

In FY20, the operational goal is to realize 10,000 New Construction starts and 15,000 Preservation starts towards Housing New York. The FY21 target will be available upon completion of the FY20 Mayor's Management Report. There is approximately \$1.1 Billion annually in City Capital resources proposed for FY20 and FY21.

3. Which programs is the agency adding, dropping, or changing for FY20 and projected for FY21?

The following Capital programs are in place in FY'20 and are expected to be in place in FY'21 to produce or preserve housing that is affordable to a range of income groups. Terms sheets that describe income ranges for each program can be found on the HPD website.

1. Multifamily Housing Rehabilitation Loan (HRP – formerly Article 8A Loan)
2. Participation Loan Program (PLP)
3. HUD Multifamily
4. Year 15 LIHTC Preservation
5. Multifamily Preservation Loan Program (MPLP)
6. Affordable Neighborhood Cooperative Program (ANCP)
7. Supportive Housing Loan Program (SHLP)
8. Senior Affordable Rental Apts. (SARA)
9. Lead Hazard Reduction and Healthy Homes (Lead PPP)
10. Green Housing Preservation Program
11. Green Housing Rehabilitation Program
12. Extremely Low and Low Income Affordability (ELLA)
13. Mixed Income Program (Mix & Match)
14. Mixed Middle Income Program (M2)
15. Neighborhood Construction Program (NCP)
16. Open Door Program
17. New Infill Homeownership (NIHOP)
18. Senior Citizens Housing Assistance (SCHAP)

4. What are your benchmarks for new and existing programs and what are your benchmarks/key performance indicators for measuring success?

HPD has spent last year implementing Housing New York 2.0 and has started closing deals under the new programs mentioned above.

HPD is on track to reach the goal of 300,000 units created and preserved by 2026 under HNY

MEETING NOTES:

COMMENTS:

81% of budget comes from federal government (CDBG, Rental Assistance, Disaster Recovery, etc.)

In Ten Year Capital Strategy, 44% of budget is for Preservation. 29% is for New Construction.

In 2017, they released a new version of Housing Plan. Increased to 300,000 units. Last two years has been focusing on those goals. 2026 is the end date. Focusing on senior housing, Open Door Program, Home Fix, bringing in naturally occurring affordable housing through nonprofit owners. Housing Plus program and continue to invest in Mitchell Lamas.

HPD is actively building and preserving homeless housing. 2,682 units last year (preserved and created). Encouraging homeless units in all programs.

Supportive housing is different than homeless units because it has a medical piece.

NOTES:

Agency will email PPT to OMB and they will distribute it to the CBs

Breakdown of Census Tracts that are eligible for the ERP? HPD will follow up with that.

HPD asked the CBs to continue supporting homeless units in developments.

AGENDA ITEM 2 : Federal Funding

There has been a reduction of federal funding in the HPD budget from \$791 million (FY19) to \$701 million (FY20) and increase in city funding from \$105 million in FY2019 to \$259 Million in FY20 and HPD's operating expenses has increased from \$924 Million in FY19 to \$987 Million in FY20.

1. Was the reduction in federal funding expected and structured as part of the 2018 omnibus funding?
 - 1A. Will this reduction of federal funds and increase in city finds have an impact on HPD's yearly operations and project goals?
2. In particular, are changes in the federal budget impacting the funds HPD administers to procure housing preservation and stabilization services from community-based organizations?
3. Is additional local budget funding necessary to compensate so there is not a reduction or loss of these crucial local services?

AGENCY RESPONSE:

1. Was the reduction in federal funding expected and structured as part of the 2018 omnibus funding?
 - 1A. Will this reduction of federal funds and increase in city finds have an impact on HPD's yearly operations and project goals?

Overall, a significant portion of HPD's expense funding comes from federal sources and we do our best to allocate funding based upon federal appropriations to support our core programs and operations, such as our rental assistance program, property management, code enforcement, the emergency shelter program and others. The 2018 omnibus came with a larger increase in federal funding for housing programs and operations than prior year funding bills. The 2019 spending package largely sustained the increases from the 2018 bill but it was less significant than the 2018 increase. As our Federal and State funding is allocated on an annual basis, we continue to work with City Hall and OMB to understand and mitigate potential impacts as best as possible. While we cannot speak to the specific federal funding numbers cited without knowing the source, we do not anticipate a significant decrease in federal funds in FY20. Each year, we advocate strongly for increased resources for housing and community development, and we will continue to do so.

As for City Tax Levy, please note that the \$987M in operating cited for FY20 is as of the FY20 Executive Budget and reflects \$205M of NYCHA funding that passes through HPD's budget. The bulk of the increase in funding between FY19 and FY20 is the result of this passthrough.

2. In particular, are changes in the federal budget impacting the funds HPD administers to procure housing preservation and stabilization services from community-based organizations?

At this point, we do not anticipate any significant impacts in our operations resulting from the federal budget. Since Federal and State funding is allocated on an annual basis, we will continue to work with City Hall and OMB to understand and mitigate potential impacts as best as possible. As we get more clarity on federal and state allocations throughout the year, our budget will be adjusted accordingly.

3. Is additional local budget funding necessary to compensate so there is not a reduction or loss of these crucial local services?

HPD uses City Tax Levy to fulfill critical agency operations. Additional City funding is always helpful to ensure stability for and increases to our service provision. We welcome your partnership in this endeavor.

MEETING NOTES:

COMMENTS:

No questions.

NOTES:

AGENDA ITEM 3 : Capital & Expense

What is the projected level of funding for the following HPD programs and interagency initiatives for FY20 and projected FY21?

1. Please provide data as to which of these programs are currently/planning to be utilized the most within each of the 12 Manhattan Community Board.
2. In your opinion, which of these programs could require additional resources and why?

HOME OWNERSHIP

MULTIFAMILY PRESERVATION LOAN PROGRAM (FORMERLY DAMP PROGRAMS)

DISPOSITION

PRESERVATION FINANCE

3. Please provide amount of funding dedicated to the Neighborhood Pillars Program (Pillars) in the FY20 budget and data as to were the program has been utilized in Manhattan. What amount of funding has been dedicating to community outreach and education?

NEW CONSTRUCTION

4. Does capital subsidy fall under New Construction program?
 - 4A. If so, how much of the FY19 and FY20 program budget will be dedicated to Manhattan projects and for which projects?

LEAD PAINT

5. Has HPD received the renewal of the 3 year Federal Lead Grant?

SUPPORTIVE HOUSING LOAN PROGRAM

ASSET MANAGEMENT

6. What is the status of Local Law 136 of 2018 to codify the plan to create a tracking system for start and expiration dates for all department regulatory agreements and affordability requirements?
7. What is the projected total cost and breakdown of Local Law 136? What amount of funding has been dedicated towards it or any type of tracking system in the FY20 or project 10 year pan?
8. Does HPD dedicate funding to sites with expiring tax credits? Specifically what level of funding did the Low-Income Housing Tax Credit Portfolio Preservation (Year 15) Program receive in FY19, FY20, and projected FY21.

AFFORDABLE NEIGHBORHOOD COOPERATIVE PROGRAM (FORMERLY TIL)

AGENCY RESPONSE:

1. Please provide data as to which of these programs are currently/planning to be utilized the most within each of the 12 Manhattan Community Board.

Program (as of Exec Plan) FY'20 FY'21
 Homeownership (Open Door) \$1,449 \$1,380
 Multifamily Preservation Loan (MPLP) \$6,344 \$19,919
 Disposition Programs (includes MPLP above) \$154,835 \$98,054
 Preservation Finance Programs \$352,354 \$383,025

Please see attached chart. HPD does not release projected pipeline data. These tentative projects are still under negotiation and subject to change

2. In your opinion, which of these programs could require additional resources and why?
 Every year, funding is allocated in accordance with pipeline demand.

3. Please provide amount of funding dedicated to the Neighborhood Pillars Program (Pillars) in the FY20 budget and data as to where the program has been utilized in Manhattan. What amount of funding has been dedicating to community outreach and education?

Program (proposed Sept Plan) FY'20
 Neighborhood Pillars \$33,494

Neighborhood Pillars has approved the acquisition of 89 units in Manhattan. The acquisition and rehab loan closing for these units will occur in the next couple of months. All of the funds for Neighborhood Pillars is dedicated to providing loans for acquisition/rehabilitation projects.

4. Does capital subsidy fall under New Construction program?
 HPD funds New Construction Programs with Capital subsidy by providing loans.

4A. If so, how much of the FY19 and FY20 program budget will be dedicated to Manhattan projects and for which projects?

Citywide:

Program (as of Exec Plan) FY'19 Actual FY'20
 New Construction Programs \$637,051 \$394,923

LEAD PAINT

5. Has HPD received the renewal of the 3 year Federal Lead Grant?

HPD has successfully negotiated with HUD to renew its "Demo 2017" Grant. The grant period commenced September 28, 2018 and runs to September 27, 2021. There is an additional, "closeout period" following the grant period for up to 6 months until Spring of 2022.

SUPPORTIVE HOUSING LOAN PROGRAM

ASSET MANAGEMENT

	FY19 Actual	FY20 Budgeted
Asset Management Staffing-	\$3,276,148	\$3,276,148

6. What is the status of Local Law 136 of 2018 to codify the plan to create a tracking system for start and expiration dates for all department regulatory agreements and affordability requirements?

HPD is currently on track to meet the statutory requirements outlined in Local Law 136.

7. What is the projected total cost and breakdown of Local Law 136? What amount of funding has been dedicated towards it or any type of tracking system in the FY20 or project 10 year pan?

For the most part the cost for LL136 is covered by the LL64 costs for developing housing connect. There may be some additional temporary research staff costs

8. Does HPD dedicate funding to sites with expiring tax credits? Specifically what level of funding did the Low-Income Housing Tax Credit Portfolio Preservation (Year 15) Program receive in FY19, FY20, and projected FY21.

Citywide:

Program (as of Exec Plan) FY'19 Actual FY'20 FY'21

Year 15 (LIHTC) Program \$38,150 \$79,736 \$118,344

AFFORDABLE NEIGHBORHOOD COOPERATIVE PROGRAM (FORMERLY TIL)

MEETING NOTES:

COMMENTS:

HPD don't allocate funds by borough.

Open Data information is updated every 6 months and there's always a little lag. They will be publishing data in September 2019.

Lead Grant (Safe Homes Grant) will continue through 2021.

Local Law 136 costs are covered by another Local Law. It is securely funded.

NOTES:

HPD can't give a breakdown on borough expenses. You can find information on HPD's website.

AGENDA ITEM 4 : Resiliency and Green Housing Preservation

1. With DCP's Zoning for Coastal Flood Resiliency moving through public review, will funding increase for the Green Housing Preservation Loan Program, as well as staffing and programming for marketing/outreach, so that HPD can incentivize pipeline projects for new development and rehab in coastal areas to take advantage of the new zoning flexibility?

AGENCY RESPONSE:

HPD works to ensure that the City's investment in affordable housing goes toward building and preserving energy efficient, sustainable, and resilient buildings. As part of HPD's sustainability initiatives, the Green Housing Preservation Program (GHPP) provides low- or no-interest loans to finance energy efficiency and water conservation improvements, lead remediation, and moderate rehabilitation work. The program is designed to assist small- and mid-size building owners improve building conditions and lower operating expenses to ensure the long-term physical and financial health of their buildings and to preserve safe, affordable housing for low- and moderate-income New Yorkers. We encourage owners to participate in GHPP and work closely with owners to oversee the construction process. HPD has expanded the program to assist buildings that range from 3 units to 50,000 square feet. 27 buildings, totaling 220 units, closed in FY19 with energy/water improvements.

MEETING NOTES:

COMMENTS:

HPD thinks the interest in this program will increase in the next few years.

HPD budgets based on the need of a program and shifts around in the current capital budget.

HPD is working with staffing teams to train developers and new builders on sustainability and prevention .

NOTES:

AGENDA ITEM 5 : Staffing

1. What is the current staffing levels for Supervisors and Inspectors as the Manhattan Code Enforcement office?
2. What are the numbers of vacancies for the Manhattan Code Enforcement office?
3. What is the funding level for code enforcement of illegal hotels and Airbnb in the FY20 and FY21 budget?
4. What is the current\projected funding for staffing for the following units in the FY20 and FY21 budget?
Which unit do you believe needs the most resources and why?

I. Emergency Response Unit

II. Alternative Enforcement Program

III. Proactive Preservation Initiative

IV. Housing Quality Standards Code Inspection Unit

V. Canine Unit

VI. Central Inspection Unit

VII. Lead-Paint Unit

AGENCY RESPONSE:

1. What is the current staffing levels for Supervisors and Inspectors as the Manhattan Code Enforcement office?
As of June 30, 2019, HPD had 314 Housing Inspectors (268 Inspectors and 46 Supervisors). 37 Housing Inspectors and 7 Supervisors) were assigned to the Manhattan Borough Code Enforcement Office.

2. What are the numbers of vacancies for the Manhattan Code Enforcement office? As of June 30, 2019 HPD had a citywide total of 48 vacancies for Housing Inspectors (7 for Manhattan Code Enforcement) and 10 vacancies for Housing Inspector Supervisors. As always, we encourage anyone with a construction background to see if this job would be a good match for them and to apply via the City's website, www.nyc.gov/jobs.

3. What is the funding level for code enforcement of illegal hotels and Airbnb in the FY20 and FY21 budget?
Illegal hotels and AirBnB issues fall under the jurisdiction of the Mayor's Office of Special Enforcement, not HPD.

Please email CKlossner@cityhall.nyc.gov for more information.

4. What is the current\projected funding for staffing for the following units in the FY20 and FY21 budget?
Which unit do you believe needs the most resources and why?

I. Emergency Response Unit

II. Alternative Enforcement Program

III. Proactive Preservation Initiative

IV. Housing Quality Standards Code Inspection Unit

V. Canine Unit

VI. Central Inspection Unit

VII. Lead-Paint Unit

Below is the current staffing for these specialized units. As mentioned above, HPD had 48 vacancies as of June 30th. As these staff are onboarded, they will be assigned to borough offices or specialized units as workload dictates.

As of June 30, 2019, the following is the assignment of inspectors to citywide Units

- Inspectors Only Inspectors & Supervisors
- Housing Quality Standards - Bx/Man Unit 8 8
- Lead – Manhattan/Bronx 55 64
- Alternative Enforcement Program 16 18
- Citywide Inspection Unit 6 8
- Special Enforcement Unit 6 7
- Proactive Enforcement 8 9
- TAHU 0 1
- Emergency Response Unit 10 10
- Canine unit 3 3
- Total 112 128

MEETING NOTES:

COMMENTS:

NOTES:

AGENDA ITEM 6 : Staffing of IH Division

1. Did HPD receive funding for additional staff for the Inclusionary Housing (IH) division in the FY20 budget?
2. Please provide a current organization chart of the IH division along with the number of vacancies.

AGENCY RESPONSE:

HPD did not receive funding for additional staff,

MEETING NOTES:

COMMENTS:

Jesse asked if OMB can get more information about the Mayor's Office of Special Enforcement. OMB does not track OSE's funding across the borough.

Are there overnight inspection units for tenant harassment? Yes, there is 24 hour coverage. There is no time when someone has a complaint or emergency that there is not a staff person to handle it.

TAHU = Tenant Harassment Unit

NOTES:

Will have to keep pushing OSE for numbers. OMB will email last year's numbers to the CBs.

Robert Roth will get back to CBs with a benchmark for TAHU.

AGENDA ITEM 7 : Expansion of Certificate of No Harassment

1. Please provide data on the three year Certificate of No Harassment (CONH) pilot project in Community Boards 9,11, and 12.

2. Was the \$932,000.00 dedicated to this program sufficient to meet this needs of the community?
3. What criteria is being used to evaluate the program? What funds have been dedicated to community outreach and education?
4. What recommendations does HPD have at this point for this program?

AGENCY RESPONSE:

1. Please provide data on the three year Certificate of No Harassment (CoNH) pilot project in Community Boards 9,11, and 12.

As of mid-August 2019, CD 9:

CD Buildings on the Pilot Program list Applications in process CoNH granted

9 71 1

11 37 2

12 144 2* 1

*One application has resulted in a hearing at OATH.

2. Was the \$932,000.00 dedicated to this program sufficient to meet this needs of the community?

As of mid-August, 8 staff have been hired to support this program and \$432,666 in contract dollars has been awarded for FY 19, 20 and 21 to three community groups tasked with conducting investigations pursuant to CoNH applications. The group selected for Manhattan investigations is the Northern Manhattan Improvement Corporation. In addition, HPD has made available an online application for landlords to submit the application to ensure that the applications are completed properly.

3. What criteria is being used to evaluate the program? What funds have been dedicated to community outreach and education?

The formal program evaluation has not yet begun and an evaluation report is due at the conclusion of the three year pilot program. Although no funds were directly dedicated to community outreach and education through this program, information about the CoNH program is provided to buildings through sister programs at HPD such as the Partners in Preservation program and additional information is available on HPD’s website. Tenants in the pilot program buildings receive information about the program when investigations are conducted, either by HPD staff or the community groups contracted for conducting the investigations. HPD also meets with members of the Coalition against Tenant Harassment, a citywide coalition of community based organizations that work with tenants, on a quarterly basis to coordinate efforts and discuss buildings/processes.

4. What recommendations does HPD have at this point for this program?

As the program is still within it’s first year of implementation, no recommendations for improving the program have been made at this point.

MEETING NOTES:

COMMENTS:

Certificate of No Harassment began decades ago focused on SROs, special zoning districts, etc.

Expansion happened with Local Law 1 = pilot program

Investigations don't happen unless they receive and process an application. In house investigators and legal analysts look into it. Work with Northern Manhattan Improvement Corp. (NIMIC) to find a subcontractor. Just started working with community orgs like NIMIC in August 2019.

CB 9 = 71 buildings are on the pilot program, received and processed 1 application. Application has been referred to NIMIC and they have 60 days to look into it.

CB 11 = 37 buildings, received 2 applications

CB12 = 144 buildings and they've received 7 applications, received 1 grant for that CB. Four withdrawals were found (one portfolio of buildings). 1 application is at the OATH level.

CONH would be happy if it got expanded city-wide.

The only way a building would get taken off the program is if it was placed in error.

Buildings get added if they are particularly distressed, Class A & B violations, HPD or DOB vacate orders, harassment findings. and buildings that exist in particular zoning areas.

1100 buildings in the program.

Applicants are allowed to withdraw from CONH before an initial determination. It's written into the law. Can be withdrawn even if they begin the investigation.

Refer the building out to the CDO & the CDO is charged with reaching out to current tenants, former tenants and the surrounding community.

NOTES:

Evaluation = too early to tell. It's a three year program. Budget seems fine now but it's too early to tell.

AGENDA ITEM 8 : Community Land Trusts

1. What is the status of the City's Community Land Trust (CLT) Request for Expressions of Interest (RFEI) released in 2017 and the partnership with the grant from Enterprise Community Partners?
2. Was the goal of supporting nine CBOs in forming CLTs met? What neighborhoods are the CBO's working in?
3. CLT expansion is still a challenge in NYC because of the high-level of technical expertise needed and the high cost of property acquisition.
4. To support CLT expansion, will HPD supplement this discretionary funding or take it on internally so it is not reliant on Council discretion?
5. Does HPD's FY20 or projected FY21 budget allocate funding for the creation of CLTs?

AGENCY RESPONSE:

1. What is the status of the City's Community Land Trust (CLT) Request for Expressions of Interest (RFEI) released in 2017 and the partnership with the grant from Enterprise Community Partners?

In 2017, HPD utilized results from its 2017 RFEI to submit proposals to Enterprise for CLT funding support Enterprise granted \$1.65 million to fund the growth of 3 CLTs and a Learning Exchange for 9 additional CBOs interested in forming CLTs:

- o 3 existing or newly formed CLTs (Interboro, East Harlem /El Barrio CLT and Cooper Square) across the city
- o 9 additional nascent CBOs through "Learning Collaborative" receiving capacity-building to create CLTs

In June 2019, the City Council approved the disposition of four City-owned residential buildings to be the first properties of the East Harlem/El Barrio Community Land Trust (EHEBCLT). The properties will undergo a substantial rehabilitation. HPD continues to work with EHEBCLT and developer Banana Kelly CIA to advance the rehabilitation and long-term stewardship of these buildings. HPD expects rehabilitation to begin in 2019. In parallel with advancing rehabilitation of these buildings, the EHEBCLT continues to use grant funding from Enterprise Community Partners and HPD to prepare the organization to manage the properties upon project completion, as well as to support construction.

HPD continues to work with Interboro CLT and its member organizations to expand affordable housing opportunities

for NYC residents. Supported by a grant from Enterprise Community Partners, in partnership with HPD, Interboro CLT incorporated as a Housing Development Fund Corporation (HDFC) in 2018. The group is finalizing their CLT bylaws and ground lease structure and is engaged in predevelopment negotiations with HPD on a number of sites. HPD will continue working with Interboro CLT to build organizational capacity and advance affordable housing construction and preservation projects.

In the summer of 2019, HPD completed part 1 of a two-part closing aimed at adding two buildings to the Cooper Square CLT.

Finally, New York City Community Land Initiative and New Economy Project launched a learning exchange for 9 CBOs. Through the learning exchange, groups deepened their understanding of CLTs and developed their capacity to create CLTs.

2. Was the goal of supporting nine CBOs in forming CLTs met? What neighborhoods are the CBO's working in

Enterprise granted \$250,000 to New York City Community Land Initiative and New Economy Project for a Learning Exchange 9 CBOs interested in forming CLTs. The learning exchange provided opportunities for capacity building and technical assistance, including monthly skills-building and information sharing workshops. The Learning Exchange also offered sessions on community and tenant organizing, governance, property acquisition, legal issues and financing strategies and long-term sustainability. Through the Learning Exchange, groups deepened their understanding of, and capacity to create and sustain CLTs and related activities in their neighborhoods. The neighborhoods represented by the CBOs include Cypress Hills, East Harlem, Mott Haven, Northern Manhattan, Staten Island, and the Northwest Bronx.

3. CLT expansion is still a challenge in NYC because of the high-level of technical expertise needed and the high cost of property acquisition.

4. To support CLT expansion, will HPD supplement this discretionary funding or take it on internally so it is not reliant on Council discretion?

CLTs are able to access programs and apply to RFQs and RFPs offered by HPD. There are a variety of CLT developments that HPD is supporting and investing in through its programs.

HPD New Construction Finance is currently working with the Interboro CLT to develop 4 scattered-site clusters awarded through the NIHOP/NCP RFQ into over 175 affordable cooperative units. These projects are currently in the predevelopment process with closings expected in next 1-3 years.

5. Does HPD's FY20 or projected FY21 budget allocate funding for the creation of CLTs?

HPD will continue to explore the creation of CLT projects in FY20 and FY21. Some projects may include funding from HPD, as well as from other sources, such as private or grant funds. For example, the East Harlem/El Barrio CLT, which has not yet closed, will include City and private funding. A separate project closed in 2019, in which an HDFC affiliate of Cooper Square CLT, acquired the land and buildings at two sites from the Lower East Side Peoples Mutual Housing Association. This represented Part I of a two-part closing, which was undertaken to save the buildings from the tax lien sale. The second part of the closing will involve the transfer the land from the HDFC to the CLT, which will lease it back to the HDFC under a Ground Lease. HPD assisted this project with a real estate tax exemption.

In addition, HPD has long-supported the continued maintenance and operation of existing CLTs. For example, in FY20 HPD will be closing on a new loan and Article XI tax exemption with Cooper Square CLT to finance the rehabilitation and energy efficiency of 5 buildings in the existing CLT portfolio. The work will include boiler replacement, roof replacement and a solar PV system on the five roofs.

MEETING NOTES:

COMMENTS:

HPD wants to build the expertise of CLTs so they can grow and expand themselves.

HPD does not feel that project managers need to work specifically on CLTs because they don't see it as a specific niche to have a special project team.

Published the survey of vacant lots on Open Data.

How does a CB encourage more affordable housing in their districts? Encouraging developers in private-public partnerships, use your knowledge of open lands and leverage that.

Homeless unit set asides: 24% of recent 11,000 are in Manhattan, committed to social services, put out a list of RFP for light touch services for homeless individuals, the list of service providers is given to developers to choose from

Inclusionary does not have a homeless set-aside, other ones do like ELLA

Publish, on a very high level with no specifics due to privacy, the amount of homeless set asides in each CB

NOTES:

HPD will send them information about the survey of vacant lots.

AGENDA ITEM 9 : Homeless Set Asside

- 1. What is the status of the 10% homeless set aside policy for Manhattan AH projects and has it met its occupancy goals?
- 2. Does funding need to be dedicated to targeted outreach to that population and social services (light touch or traditional) to support them when they are placed?

AGENCY RESPONSE:

- 1. What is the status of the 10% homeless set aside policy for Manhattan AH projects and has it met its occupancy goals?

Housing New York has prioritized stabilizing the lives of New Yorkers in need by increasing access to affordable housing opportunities. In the past Fiscal Year, the City financed the construction and preservation of more permanent housing for formerly homeless New Yorkers than any other Fiscal Year on record financing 2,682 homes-bringing the total under HNY to 11,552. 24% of the total units of permanent housing for formerly homeless New Yorkers has been in Manhattan.

- 2. Does funding need to be dedicated to targeted outreach to that population and social services (light touch or traditional) to support them when they are placed?

HPD is deeply committed to the construction and preservation of more permanent housing for formerly homeless New Yorkers. On March 4, 2019, HPD announced the selection of the Pre-Qualified List (PQL) of Housing Retention and Stabilization Services. The list of Qualified Housing Retention and Stabilization Services providers are qualified to assist formerly homeless households moving into HPD-assisted New Construction projects. The purpose is to assist these households to a) make a successful transition to permanent housing, and b) maintain tenancy in the affordable housing unit, and c) achieve further stabilization via a connection to additional services.

MEETING NOTES:

COMMENTS:

NOTES: