

FY 2026 Borough Budget Consultations

Manhattan – Department of Housing Preservation and Development

Meeting Date:

The purpose of holding the Borough Budget Consultations is to have a straightforward and frank conversation about each agency's budget needs and requests. Unlike other venues, such as City Council Hearings, these consultations are not open to the public nor are they recorded. The information provided assists Community Boards in drafting our own Statement of District Needs and Budget Priorities and it facilitates the opportunity to do so in a way that supports the Agency's goals. Community Board Members often lack expertise about funding sources and the processes within Agencies regarding funding of various programs and initiatives. However, they are very knowledgeable about what local services are needed in their neighborhoods and the effectiveness of Agency programs.

This year's Manhattan agendas have three sections:

I. General overview of current and outyear agency budgets

1. What is the overall budget increase or decrease for the Agency in the FY 25 adopted budget? How does that compare to the FY24 budget? Does the Agency anticipate a budget shortfall for FY 25, FY 26 or further out years?

The Agency's budget (excluding NYCHA pass-through funding) increased from \$1.58 billion in FY24 to \$1.59 billion in FY25, about a 0.52% increase.

The Agency does not anticipate a budget shortfall for FY25, FY26 or further out-years. For instances where non-reoccurring city and federal funds were used for various initiatives, HPD will work with the Mayor's Office of Management and Budget (OMB) to ensure that appropriate funding is allocated to support these costs in the out-years, as needed.

2. What are your priorities, operational goals, and capital goals for FY25 and projected priorities, operational goals, and capital goals for FY26?

The city released a new housing blueprint, *Housing Our Neighbors*, which outlines priorities with regard to housing. The housing blueprint ties together the work of the New York City Department of Housing Preservation and Development (HPD), the Housing Development Corporation (HDC), the New York City Housing Authority (NYCHA), the NYC Department of Social Services (DSS), and many other City agencies, to break down silos and address housing issues in a more holistic way—whether it's public housing or affordable housing; homelessness or homeownership. The blueprint focuses on:

- Improving services and creating supportive housing for New Yorkers experiencing homelessness
- Creating and preserving affordable housing to meet the need for more housing

- Improving housing quality, sustainability, and resiliency to keep New Yorkers healthy and safe
- Removing administrative burdens so New Yorkers can get the help they need
- Focusing on equity—from increasing homeownership opportunities to supporting M/WBEs

The blueprint can be found at: [Housing-Blueprint.pdf \(nyc.gov\)](#).

If adopted, The City of Yes Zoning Text Amendment for Housing will create new opportunities for housing creation and preservation in parts of the City that have not seen significant activity in recent years, and we look forward to applying our blueprint in those places as well. HPD's partnership with DSS to create more housing for formerly homeless individuals will continue with an emphasis building pathways to more collaborative projects in FY26 and beyond.

3. What, if any, programs are affected by the end of COVID relief funds?

COVID relief funds were used to supplement various initiatives including:

- CARES funding used to improve the virtual administration of our Section 8 rental subsidy program by leveraging technology to support remote case management and facilitate communication with participants,
- Community Development Block Grant COVID (CDBG-CV) funds used to expand the Housing & Vacancy Survey (HVS) questionnaire to collect data on various challenges New Yorkers have faced during the pandemic to evaluate differential rates of recovery and continued need.
- Coronavirus State and Local Fiscal Recovery Funds (SLFRF) used to hire additional staff to support increased placements for homeless households into permanent, affordable housing, and to accommodate increased affordable housing lotteries via Housing Connect 2.0.

Other funding sources including federal Section 8 Admin and City funds are being used to support these initiatives.

II. Specific Program Funding.

1. What programs within the Agency will see a significant increase or decrease in funding overall in FY 25 and anticipated FY 26? To what extent, if any, is the increase or decrease in funding related to non-recurring federal funding allocations?

Community Development Block Grant – Disaster Recovery (CDBG-DR) funding was added in FY25+ for 2 resiliency planning positions to support the implementation of programs related to the recovery from Hurricane Ida and to set agency policy and procedures for development and preservation efforts that respond to climate-related hazards and risks.

The agency has not eliminated any programs; although there have been some funding source swaps to ensure that we will continue to serve our fellow New Yorkers who rely on our various initiatives.

2. Which programs will be new? eliminated entirely?

Although not totally new, it's worth mentioning that our expanded Homeowner Helpdesk is being launched in FY25 and will provide a one stop shop for NYC homeowners: homeowners will recognize trusted brand through marketing campaign and events; receive intake to assess their needs; and obtain one-on-one assistance from local CBOs.

HPD in partnership with City Hall and the NYC Commission on Human Rights is coordinating the procurement of Source of Income Discrimination (SID) testing and enforcement services across all city boroughs. Under the NYC Human Rights Law (NYCHRL), owners and brokers in NYC cannot deny someone housing based on their legal source of income or use advertisements that reject or discourage applicants using legal sources of income from applying for housing. In FY25 HPD will contract with one or more entities to execute SID testing and enforcement to complement the City's efforts to root out housing discrimination against NYC residents and advance its fair housing goals.

HPD intends to launch a 12-month rent reporting pilot for low-income tenants living in selected HPD- and HDC-financed housing projects. The agency will select a private vendor to report on time (positive) rent payments to the major credit bureaus. Tenants who want to participate must opt in to the pilot program. The intention of the pilot is to determine whether rent reporting offers a positive benefit for tenants in affordable housing and if HPD should require property managers to offer these services to tenants in future projects. HPD will launch a pilot program to construct a wireless internet network to provide free internet access to households receiving Section 8 rental assistance in the Bronx and Upper Manhattan. The pilot program will focus on bringing this free critical resource to buildings that have large populations of Section 8-assisted households. The buildings are primarily owned and operated by not-for-profits who are typically unable to cover the cost of internet service for their tenants.

Additionally, HPD is partnering with all three public library systems to expand the reach of the libraries' best-in-class tech support and training programs by launching a pilot program to deploy teams of digital navigators in affordable housing developments with large populations of households receiving Section 8 rental assistance. This service will offer support on navigating online social services; connecting with family, friends, teachers, and case workers; avoiding digital scams; creating accounts and recovering passwords; and finding reliable information online. The libraries will hire young adults from the communities served to staff the program and deliver one-on-one support to residents.

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

The Mayor's Management Report (MMR) publishes agency indicators that measure agency performance and tracks progress over time. As laid out in the housing blueprint, the Adams administration is prioritizing the impacts of our housing investments on residents. In the forthcoming FY2025 MMR, the agency will continue providing updated on its recent metric additions that reflect this approach, such as the amount of time it takes for New Yorkers to move into new affordable housing, including affordable housing set aside for homeless New Yorkers, census and length of stay for HPD emergency shelters, the percent of housing production in low affordability areas, enforcement actions in HPD's enhanced enforcement programs including 7A and Underlying Conditions, permanent and temporary jobs created as a result of the City's investment in building and preserving affordable housing, and the economic impact of the M/WBE Build Up program.

III. 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.

AGENDA ITEM [1]: Inspectors and Project Managers

What is the current number of housing inspectors and will the current number be maintained in the FY25 budget? Did/will HPD request additional funding for more inspectors? How many vacancies are currently in the inspector division?

What is the current number of senior project managers and project managers and will the current number be maintained in the FY25 budget? Did/will HPD request additional funding for more Project Managers? How many vacancies are currently in the senior project manager division?

AGENCY RESPONSE:

As of early August 2024, there are 52 inspectors and 7 associate inspectors in Manhattan. One supervisor was added since last year. There are 11 inspector vacancies for Manhattan.

As of June 30, 2024, HPD had 44 vacancies for housing inspectors and 14 for associate inspectors citywide. Although there have been hires in the past year, we also had 44 vacancies for housing inspectors last year at the same time and 16 for associate inspectors citywide.

HPD recently hired and trained 22 housing inspectors. The agency will continue to hire additional inspectors to monitor building complaints and has several existing vacancies that we are working to fill as quickly as possible. A job fair is being planned for the Fall.

Regarding project managers

There are currently 77 project managers in HPD's Office of Development. The vacancy rate for Development is improved against that of 2023.

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [2]: Preservation

As reported by HPD last year, several HPD preservation projects in Manhattan were at risk for being out of compliance and required intervention. What are the status of those projects and what HPD programs, if any, are being utilized to support these projects.

AGENCY RESPONSE:

Without more specificity regarding specific projects or report, it is difficult for HPD to provide specific answers. That said, we're very proud of the preservation work that we've done in Manhattan and look forward to financing the preservation of thousands of units of affordable housing throughout the Borough.

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [3]: Affordable Housing

What are the total affordable housing starts and completions (units) in Manhattan Community Boards for Fiscal Year 2024? What is the average number of days to approve an applicant for an HPD housing lottery and how does that compare to previous years? Last year HPD reported that funding existed to enhance the application process. What specifically was the funding used for and did it have the desired results? Did/will HPD request for continued/increased funding to continue to enhance the application process?

AGENCY RESPONSE:

FY24 Housing Starts and Completions		
Manhattan Community Board	Start Units	Completion Units
2	176	
3	273	181
4	577	188
5		435
6	157	
7	640	555
8	6	
9	452	259
10	1,160	1,001
11	433	1,927
12	404	267
Grand Total	4,278	4,813

The funding mentioned previously referred to the Housing Connect maintenance contract that allows us to continue working with our Tech Vendor to add enhancements to Housing Connect, the City's lottery portal, which makes the process easier and more efficient for applicants and housing providers alike. This funding continues to be included in this year's budget and is critical to continue the work of

improving the housing lottery experience. In FY 2024, the median time to approve an applicant for a lottery unit remained consistent to FY 2023 at 191 days (approximately 6 months). However, the proportion of applicants approved for a lottery unit within three or six months has increased by 3 and 4 percentage points, respectively compared to FY 2023, and with additional technological and process improvements ongoing, we expect to see more gains in upcoming reports.

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [4]: Homeless Placement and Shelters

Last Year HPD reported that it engaged consultants to evaluate the homeless placement process. What were the consultant's recommendations and do any of them require funding? Has HPD implemented them and have they had the desired outcomes?

Due to the increase in asylum seeking individuals and families HPD contracted with Docgo to set up and run shelters. What is the status of this program and which division of HPD is responsible for oversight of these shelters? Has/will HPD request funding for this program?

AGENCY RESPONSE:

The consultant agency who reviewed the Homeless Placement Services workstream provided a variety of recommendations to several agencies (HPD, DHS, HRA) from policy changes to technology enhancements. HPD has implemented some of the short-term recommendations to improve the efficiency of our process, such as removing credit checks for clients with rental subsidy, consolidating forms, and automating tools where possible. Increased staff has allowed us to keep up with unprecedented volume of homeless placements over the past year(s). Most notably, the consultant recommended a new client management system for HPD and DSS to access for the purposes of monitoring and automating, where possible, the homeless placement process. This need was already identified and funded in previous budgets and HPD is expecting to have the tech work start in late 2024. The most significant efficiency changes should follow technology implementation and with it, improved ability to measure and respond to detailed performance data.

With regards to DocGo, the referenced initiative is the Asylee "Flex" Housing Program which was initiated in May 2023 to enhance New York City's response to the growing number of asylum seekers arriving in the region. Its primary objective was to establish a rapidly scalable, cost-efficient inventory of humanitarian sites across various hotels in New York City and select counties in Upstate New York. This initiative aimed to enable the City to effectively adapt to the fluctuating demands for asylum seeker housing. The downstate (NYC) operations of this initiative has been transitioned to another contractor (Garner) under a citywide master contract, and HPD is working on a time extension through

December 31, 2024, for the DocGo contract for the upstate operations. HPD already has funding for these initiatives in its budget.

The Mayor’s Office of Housing Recovery Operations (HRO) manages operations of HPD’s asylum seeker initiatives.

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [5]: Senior and Supportive Housing

What is the status of funding for the Senior Affordable Rental Assistance Program (SARA)? How many SARA projects are in the pipeline in each Manhattan Community District?

What funding was allocated for the development/inclusion of Supportive Housing in Manhattan during FY25? Projected for FY26? How many supportive housing units are in the pipeline in each Manhattan community district?

AGENCY RESPONSE:

- As of the FY2025 Adopted budget from FY25 – FY33 there is \$396M and \$3.2B in city capital for the SARA and SHLP programs, respectively. SARA is primarily funded via the Federal HOME grant, and we maintain a \$40M baseline across the Ten-year plan. HPD has the flexibility to allocate capital to any program area including SARA and SHLP as the need arises. SARA is a critical program to develop more affordable, senior housing throughout the city, and HPD remains committed to working with communities to ensure that seniors have a safe and affordable place to live. HPD is actively working with various communities throughout Manhattan on several potential sites where SARA projects could be feasible.
- HPD is actively working with various communities throughout Manhattan on several potential sites where Supportive Housing Loan Program projects could be feasible. While the Supportive Housing Loan Program is a crucial tool for developing housing for the City’s most vulnerable residents, HPD also funds supportive housing set-asides in projects developed under other Loan Programs across HPD’s Office of Development.

In response to both questions:

- The agency does not publicly share pipeline data with project status and expected closing, in order to remain flexible with closing projects based on need, project readiness, and funding

availability. However, we are happy to share the list of projects after closing, which is also available on the NYC Open Data Website.

- Here is the link to the NYC Open Data website for Housing New York Units by Building: <https://data.cityofnewyork.us/Housing-Development/Housing-New-York-Units-by-Building/hg8x-zxpr>
- Here is the link to the NYC Open Data website for Housing New York Units by Project: <https://data.cityofnewyork.us/Housing-Development/Housing-New-York-Units-by-Project/hq68-rnsi>
- We also provide various summary tables of unit production under Housing New York on our website: <https://www1.nyc.gov/site/hpd/about/the-housing-plan.page>

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [6]: Community Land Trusts

Will there be capital funding for CLTs to buy private land?

Please provide an update on the use of CLTs to create or rescue affordable housing.

AGENCY RESPONSE:

- HPD has provided financing or is in the predevelopment phase for more than 1,200 units of affordable housing on CLTs, including small homes, coops, and rentals.
- HPD released the Edgemere CLT Request for Expressions of Interest (RFEI) in 2021, seeking proposals to establish a CLT that will own and steward up to 8 acres of City-owned land in Edgemere as affordable homeownership opportunities and public open space. The ReAL Edgemere CLT was selected through this RFEI process in 2022 and is now in the predevelopment phase with HPD.
- To date, 9 CLTs have successfully completed "Partners for Permanent Affordability: A Collaborative Workshop for CLTs & HPD" - a ~6-hour training covering CLT capacity-building, land acquisition strategies, legal documents & frameworks, fundamentals of housing development, operations & budgeting, and more. As part of this training, CLTs are encouraged to informally engage with HPD as they explore potential projects.
- HPD also pushed forward new state legislation last session, which will provide the agency with greater flexibility when providing loans to affordable housing projects on CLTs.

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [7]: Recommended Priorities for Community Board Advocacy

What programs, initiatives or budget line items would HPD recommend that Community Boards include in their Statements of District Needs and Budget Priorities for FY 2026?

AGENCY RESPONSE:

HPD is open to hearing feedback from Community Boards on the type of programs they'd like to see further utilized in their neighborhoods and we appreciate the Community Boards' support of all of budget items. The mayor has committed resources to funding the Housing our Neighbors plan and the agency appreciates the support it receives from all levels of government—but there's more we need to do to solve the housing crisis.

To that end, we ask that you advocate to your local, state and federal elected officials to ensure that adequate funding is available, that the right zoning is in place, and that the right programs are rolled out so that all New Yorkers have access to safe, affordable housing.

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS: