FY 2028 Borough Budget Consultations

Manhattan – *Department of Housing Preservation and Development*

Meeting Date:

AGENDA ITEM [1]: Impact of Measures to Close Budget Gaps and Threatened Funding Cuts on the Budget for FY 2028 and Beyond

Mayor Mamdani's Administration took office while facing a reported $5.4 Billion budget gap for Fiscal Years 2026 and projected FY 2027. While the current Fiscal Year budget gap is reported to have been closed, the Mayor's Administration continues to prioritize finding savings and efficiencies in a variety of agency operations and is convening a charter revision commission to expedite certain efforts to secure and implement those savings and efficiencies.

There are potential severe cuts to or elimination of funding and other resources from the federal government for a host of programs and initiatives. These are exacerbated by actual or virtual elimination of certain federal agencies that supported services for the most underserved.

With these developments in mind, please answer the following questions:

1. Has the funding for any programs or initiatives at your Agency allocated for FY 2026 or projected FY 2027 been cut or reduced as a result of the efforts to close City Budget gaps in FY 2026, FY 2027 or projected FY 2028?
    a. If yes:
        i. Please identify the program or initiative, and
            1. Our agency worked directly with OMB and City Hall to ensure savings proposals were consistent with Executive Order 12, and we evaluated a range of options from procurement to in-sourcing, to program effectiveness.
            2. Our charge was to find savings that were achievable and did not slash services, and the collaborative effort achieved the goals of this initial savings exercise.
                a. **Central Administrative Efficiencies**
                    i. **Printers & Copiers: ($120k) in FY27 and out years**
                    This reflects a reduction in color copying, thereby reducing costs by using lower-cost black and white printing on agency printers.
                    ii. **Temporary Staff: ($75k) in FY27 and out years**

Now that the hiring freeze has been lifted, the agency expects to be able to staff up remaining vacancies.

iii. **Records Storage: ($51k) between FY27 and FY30**
HPD will identify records eligible for disposal, which will lead to savings on offsite storage costs.

b. **Technology: Digitization & Streamlining**

i. **Mail Processing: ($1.5M) between FY29 and FY30**
Reflects reduced mailing and postage costs as HPD shifts to electronic communications.

ii. **DocuSign Bulk Purchasing: ($36k) in FY27 and out years**
By bulk ordering, the current rates per signature can be reduced.

iii. **Asset & Property Management: ($64k) between FY27, FY28 and out years**
HPD has identified a new software solution at a lower licensing cost.

c. **Emergency Housing Services Re-Estimate: ($554k) in FY26**
Savings from underspending due to a 3-month delay in rollout of SRO rate increases funded in the Preliminary Budget.

d. **HomeFix Alignment: ($180k) in FY26**
The contracted program administrator is projected to close on fewer loans than budgeted under the original contract.

e. **Roosevelt Island Demolition: ($1.6M in FY26)**
The demolition contract for the Roosevelt Island Steam Plant was awarded at amount less than what was budgeted.

f. **Tax Lien Sale Outreach: ($925k) in FY26**
Given the 6-month pause in the Tax Lien Sale that was announced earlier this year, these services were not necessary in FY26.

g. **TL Vacancy Reduction: ($4.9M) in FY26, ($4M) in FY27 and out years**
Tax Levy savings were recognized as a result of a citywide vacancy reduction initiative.

ii. Please provide an estimate of the amount of the funding cut or reduction in both absolute and percentage amounts.

1. Please see above.

2. Has the funding for any programs or initiatives at your Agency allocated for FY 2026 or projected FY 2027 been cut or reduced as a result of actual or threatened cuts to or reductions in funding or subsidies directly or indirectly attributable to the federal government for FY 2026, FY 2027 or projected FY 2028?

a. If yes:
   i. Please identify the program or initiative, and
      1. The Emergency Housing Voucher (EHV) program
         a. HUD announced in March 2025 that the federal funding for the EHV program will run out by the end of 2026, four years earlier than 2030 – the original final year funding was expected to last for.
   ii. Please provide an estimate of the amount of the funding cut or reduction in both absolute and percentage amounts.
   The amount of the EHV funding reduction is about $43M, which is due to the wind down of the program by the Federal government ahead of schedule.

3. Has any State or federal funding streams previously earmarked or allocated for programs or initiatives at your Agency been redirected or re-allocated to other uses in order to:
   a. Close the City Budget Gap for FY 2026, FY 2027 or projected FY 2028?
      i. If yes, please provide an estimate of the funding cut or reduction in both absolute and percentage amounts.
         1. Prepare for or respond to actual or threatened cuts to or reductions in funding or subsidies directly or indirectly attributable to the federal government for FY 2026, FY 2027 or projected FY 2028?
      ii. If yes, please provide an estimate of the funding cut or reduction in both absolute and percentage amounts.
         1. HPD is utilizing approximately $205M in federal HOME and HOME American Rescue Plan (ARP) funds available to support all HPD EHV households and some NYCHA EHV households for two years. This is federal funding already allocated to NYC.
         2. Included in this amount is $80M in HOME ARP. The $80M in HOME-ARP is a reallocation of part of a grant awarded to HPD in 2021 during the COVID-19 pandemic. While the City had intended to use the funds to support homeless street outreach work, federal rule changes by the Trump administration mean that is no longer a suitable use of fund

4. Have any programs or initiatives, including scheduled or planned expansions of existing programs or initiatives, at your Agency been frozen, postponed, suspended or abandoned as a result, directly or indirectly, of measures taken to address either the City Budget Gap or the threats to cut or reduce federal funding in FY 2026, FY 2027 or projected FY 2028?
   a. No.
      i. What other measures is your Agency taking in connection with:
   b. The calls for greater efficiency in City government operations, or
      i. Our Chief Savings Officer (CSO) will continue to explore savings opportunities, working with the entire agency and examining best practices from peer agencies.
      ii. As per Executive Order 12, the CSOs will complete an updated assessment every six months, which includes evaluating progress on approved saving initiatives and identifying new savings opportunities.

iii. Additional savings identified by the CSOs will be reflected in future plans and will further reduce outyear gaps.
iv. Actual or threatened cuts to or elimination of federal funding?
v. Threats to our federal funding are very concerning to us, so we will continue to vigorously advocate for the protection of our federally funded programs and the critical resources they provide.
vi. We're working closely with partners locally and nationwide to prevent substantial federal funding cuts.
vii. Our experience in affordable housing has taught us how to fight for every dollar and maximize every resource with exceptional efficiency, and we would bring that same determination to this effort.

5. What is the current vacancy rate for positions in your agency?
   a. As of 7/29/26, the current vacancy rate is 12.6%
   b. We are no longer subject to the 2-for-1 hiring freeze and have been working hard to fill our remaining vacancies.

AGENCY RESPONSE:

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [2]: SARA (Senior Affordable Rental Apartments) and ELLA (Extremely Low and Low-Income Affordability)

Is there increased funding for ELLA for current fiscal year and planned for next fiscal year considering affordable housing is a priority issue?

Yes, the City increased funding for FY27 & FY28 for the New Construction Finance program.

Capital Plan New Construction Finance Program	FY27	FY28
	$1,405,077	$1,586,509

How many buildings in Manhattan are expected to receive SARA and ELLA funds?

The City has set a goal of financing ~8,000 new affordable homes per year across the city in FY27 and FY28, which is 35% more than FY24–25.

- 30% of those will be for extremely low-income households (0–30% AMI)
- 20% for very low-income households (31–50% AMI)
- The City will also create 1,000 new senior housing units per year in FY27/FY28 which is a 20% increase from FY24–25.

The exact distribution of units across community districts relates to availability of sites, project readiness, and capital funding. HPD does not share comprehensive pipeline information and cannot comment on future projects or their individual financing. Status of projects on public parcels is compiled and shared once per year.

In 2023, the New York City Council passed Local Law 167, which mandated the City to create a Fair Housing Framework. The Fair Housing Framework includes two reports that must be published every five years: Where We Live NYC, a comprehensive fair housing plan, and the Fair Housing Growth Strategy.

This report is a citywide analysis guiding where and how much housing NYC needs. This analysis anticipated for release this fall will include Housing Production Targets (HPT), which recommend distributing new housing development across the city using fair housing principles. A draft report is available here: https://wherewelive.cityofnewyork.us/current-work/nycs-housing-growth-strategy/.

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [3]: Community Land Trusts

Funding for CLTs to implement necessary organizing and planning has been by discretionary City Council funding. The City seems to be increasing support of CLTs. What are HPDs plans to support CLTs with organizing and planning, and financially?

AGENCY RESPONSE:

- To date, around a dozen 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 meets on a quarterly basis with the New York City Community Land Initiative, a citywide coalition of CLTs, to answer questions and provide updates on HPD's work as it pertains to CLTs pursuing stewardship work with HPD.

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [4]: Community Land Trust Capital funding

HPD capital funding is needed for community land trusts to purchase buildings necessary to develop low-income housing. Are there any plans to invest in capital funding for CLTs?

AGENCY RESPONSE:

- CLTs may access acquisition funding sources that are available for affordable housing projects.

- 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.

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [5]: Supportive Housing

Supportive Housing is the priority housing needed for many people who are homeless. What are HPD's plans to invest capital money in supportive housing for people who are homeless as well as vulnerable senior populations?

AGENCY RESPONSE:

Special Needs Program	FY27	FY28
Senior Affordable Rental Apartments	$277,599,000	$150,627,000
Supportive Housing Loan Program	$483,237,000	$622,410,00

As compared to the averaged production of FY24 and FY25, the city will set its senior housing unit target 20% higher to 1,000 units per year. There is also a major push to increase the number of supportive units built and preserved per fiscal year via an increase in capital funding.

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [6]: Neighborhood Pillars

Please provide an update on the Neighborhood Pillars program and its funding sources. When will the program be re-launched and when can we expect buildings to receive funds?

AGENCY RESPONSE:

Neighborhood Pillars was relaunched in April 2025 with a focus on working with partners to acquire physically and financially distressed properties. The program is currently funded in HPD's Capital Budget and is currently available to make loans to eligible projects. HPD has been reviewing projects that have applied to the program since the 2025 relaunch and would work with eligible projects to perform standard due diligence to close on a loan from HPD. We expect to close on financing for the first Neighborhood Pillars project post relaunch by the end of FY27.

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [7]: Inspections and Emergency Repairs

What are the trends in HPD's response times for 311 and other requests requiring HPD inspections, follow-up, and emergency repairs in recent years? What funding would be necessary to improve these response times?

AGENCY RESPONSE:

Citywide response times (As reported in the Mayor's Management Report)	FY 2025	FY 2026	MN only FY2026
Median time to first inspection (days) — Immediate emergency problems	1	1.0	1.0
Median time to first inspection (days) — Heat and hot water problems	1.9	2.0	1.9
Median time to first inspection (days) — Other emergency problems	4.9	5.8	6.2
Median time to first inspection (days) — Lead-based paint problems	2.5	3.3	4.8
Median time to first inspection (days) — Non-emergency problems	6	7.1	8.4

Complaint response time depends on the severity of the condition (immediate emergency, emergency, or non-emergency) and the workload at the time that the complaint is received. HPD is working hard to reach every emergency repair as fast as possible.

Please see the tables below, which outlines Emergency Repair Program (ERP) expenditures in FY2025 and FY2026, citywide and in each borough:

Fiscal Year	Citywide	Manhattan	Bronx	Brooklyn	Staten Island	Queens	Properties in Manhattan
FY2025	$23.7M	$3.1 M	$7.8 M	$8.2M	$501,676	$4M	1,276
FY2026	$23.9 M	$2.8 M	$7 M	$8.8 M	$464,430	$4.8 M	1,395

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [8]: Emergency Shelters

What is HPD’s supply of shelters for residents affected by disasters in their buildings? How many spaces are occupied in these facilities and how many are available for new placements? Are there waiting lists for spaces? What is HPD’s capital funding need to provide for new spaces?

AGENCY RESPONSE:

Tenants displaced from residential buildings due to a fire or a City-issued vacate order can register for emergency housing services with HPD.

HPD operates three Family Living Center (FLC) facilities that provide a total of 225 units for families with children. As of July 31, 2026, these facilities are operating at approximately 92% occupancy, leaving limited capacity for new placements. In addition, HPD utilizes 15 Single Room Occupancy Buildings which are privately owned and managed to house adult households. The total number of available SRO units fluctuates and is subject to availability. As of July 31, 2026, HPD is utilizing 685 SRO units to serve 877 adult households.

Due to consistently high occupancy levels in HPD emergency housing accommodations, HPD may have insufficient capacity to immediately refer a placement to newly displaced residents. When an emergency housing placement is unavailable, HPD partners with Red Cross to secure temporary hotel accommodations throughout New York City. HPD does not maintain a formal waiting list for emergency housing placements, as temporary hotel placements are utilized when HPD capacity has been exhausted.

HPD received funding for a fourth Family Living Center to support increasing our capacity to serve families with children. A Request for Proposals will be released to select a vendor for this new site and we hope to have a site in Queens begin serving residents in 2028.

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [9]: Block-by-block housing plan

How much of HPD's capital commitment plan is dedicated to the initiatives outlined in the Block-By-Block Housing Plan? How is this funding split between new construction and preservation?

AGENCY RESPONSE:

Our capital budget is intended to support all facets of housing production and the services that support it. That includes any initiatives that are outlined in the housing plan. Our capital budget will finance a pipeline that will create housing that reflects the priorities established in Block by Block for both new construction and preservation. Our MMR goals for counted units in FYs 27 and 28 are 28,000 per year.

FY27 New Construction	FY27 Preservation
$1,320,219,000	$1,549,233,000

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [10]: Wish List

For community board advocacy, we need to know which important programs or projects are most in need of funding. If your agency were given a large amount of money, to which staffing need, program, or capital project would you assign it?

AGENCY RESPONSE:

We appreciate your advocacy for all of your HPD needs. There are a range of new initiatives included in the administration's housing plan "Block by Block" that address issues commonly flagged by CBs. Particularly those that highlight new and innovative ways to deal with delinquent landlords including those with a large number of violations across their portfolios. We encourage you to take a look at the HPD-related items in the housing plan to identify programs you feel will be most impactful for your communities.

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS: