

FY 2024 Borough Budget Consultations

Manhattan – Department of Housing Preservation and Development

Meeting Date: **Wednesday, September 7, 2022; 1:15–2:15 PM**

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. Community Board Members do not have expertise about funding sources and the process within agencies regarding funding of various programs and initiatives. However, Community Board members are very knowledgeable about local service needs.

This year's Manhattan agendas have three sections:

I. As agencies continue to recover from the COVID 19 period to provide full services and relief funds from the Federal Government to states and municipalities begins to wind down:

1. What changes in federal funding have been instituted for FY23? Will those changes continue into FY24? What portion or percentage of the FY22 and FY23 budgets consisted of non-recurring federal funding?
2. What, if any, programs are affected by a change (decrease or increase) or end of COVID relief funds for FY23?
3. What is the overall budget increase or decrease for FY23 adopted budget compared to FY22 budget? Does the Agency anticipate a budget shortfall for FY23, FY24 or further out years after the non-recurring federal funding has been exhausted?
4. How will funding allocations be adjusted for impacts of inflation for FY23 and what is planned for FY24

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

1. What programs will see a significant increase or decrease in funding overall? To what extent, if any, is the increase or decrease in funding related to non-recurring federal funding allocations?
2. Which programs will be new or eliminated entirely?
3. What are your benchmarks for new and existing programs and what are your benchmarks/key performance indicators for measuring success?
4. What are your priorities, operational goals, and capital goals for FY23 and projected priorities, operational goals, and capital goals for FY24?

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.

1. Please provide written responses or even a PowerPoint presentation that we can use to fully and accurately educate our Board Members.

AGENCY RESPONSE:

With regard to the agency's budget and funding sources:

The table below outlines the agency's expense budget as of the FY2023 Adopted Financial Plan:

Housing Preservation & Development (HPD)

FY2023 Adopted Financial Plan

figures as indicated

Funding Source	FY2022	FY2023
City Funds	\$ 147,606,167	\$ 187,433,899
Federal Funds	\$ 867,344,995	\$ 784,729,667
Other	\$ 27,174,035	\$ 5,802,944
Total	\$ 1,042,125,197	\$ 977,966,510

Note: Excludes pass-through funding for NYCHA

Excluding \$279 million in pass-through funding for NYCHA, the agency's FY2023 expense budget is approximately \$978 million—of which \$187 million (19%) comes from city funds; \$6 million (< 1%) comes from state and other categorical funds; and \$785 million (80%) comes from federal funds. The FY23 budgeted headcount totals 2,729 (2,698 full-time + 31 full-time equivalent).

In addition to the COVID-19 federal grant funding outlined below, for FY2023 HPD was allocated 77 new positions and \$10.7 million in new City Tax Levy for initiatives such as the NYC 15/15 supportive housing program, asset management staff to maintain existing housing investments, and housing inspectors for lead-based paint enforcement.

As part of the adopted budget process, the agency also received \$18 million in City Council discretionary funding for community-based organizations to support initiatives including: Community Housing Preservation Strategies; Community Land Trusts; Financial Empowerment for NYC Renters; Foreclosure Prevention programs, Home Loan Program; Housing Information Project; and Stabilizing NYC.

As of the FY2023 Adopted Financial Plan, the amount of non-reoccurring federal funding in HPD's budget, excluding pass-through funding for NYCHA, was approximately \$3.8 million (<1%) for FY2023 and \$2.8 million (<1%) for FY2024. Additional grant funding will continue to be scheduled in the FY2023 current-modified budget as needed. In instances where non-reoccurring federal funding was used for baselined initiatives, HPD worked with the Mayor's Office of Management and Budget (OMB) to ensure that City Tax Levy was allocated to support these costs in the out-years.

The tables below outline the agency's capital commitment plan as of the FY2023 Executive Financial Plan, with actual commitments for FY2022 and planned commitments for FY2023 through FY2026.

Housing Preservation & Development (HPD)

FY2022 Actuals & FY2023-FY2026 Capital Commitment Plan

figures in thousands (\$)

	Actuals		Plan		
Source	FY2022	FY2023	FY2024	FY2025	FY2026
Mayoral	\$ 855,083	\$ 1,341,082	\$ 1,395,375	\$ 1,504,661	\$ 1,529,787
HOME	\$ 29,213	\$ 32,000	\$ 32,000	\$ 32,000	\$ 32,000
Reso A	\$ 31,372	\$ 57,739	\$ 70,539	\$ -	\$ -
Total	\$ 915,667	\$ 1,430,821	\$ 1,497,914	\$ 1,536,661	\$ 1,561,787

	Actuals		Plan		
Use	FY2022	FY2023	FY2024	FY2025	FY2026
New Construction	\$ 387,836	\$ 597,853	\$ 742,628	\$ 594,321	\$ 595,532
Special Needs Housing	\$ 210,301	\$ 363,706	\$ 267,556	\$ 337,610	\$ 336,517
Preservation	\$ 279,594	\$ 373,382	\$ 432,265	\$ 493,711	\$ 525,786
Property Disposition	\$ 37,922	\$ 62,024	\$ 43,082	\$ 77,974	\$ 79,616
Other Housing Support	\$ 14	\$ 33,856	\$ 12,383	\$ 33,045	\$ 24,336
Total	\$ 915,667	\$ 1,430,821	\$ 1,497,914	\$ 1,536,661	\$ 1,561,787

Note: Commitment Plan Data as of FY2023 Executive Financial Plan (April 2022); Actuals as of July 2022

For FY2022, the agency committed nearly \$916 million, or about 60.4% of its \$1.5 billion FY2022 capital plan. Note that the capital commitment plan is forecasted three times per year with the next update in late September or early October, at which time it is expected that any uncommitted capital funds from FY2022 will be reallocated, along with any City Council Reso A awards made as part of the Section 254 process in the adopted budget.

The vast majority of the agency's capital plan comes from city sources, which are funded through the issuance of general obligation bonds. This funding includes allocations from the mayor, as well as Reso A from the City Council and Borough Presidents, which are added to the capital plan through the discretionary awards process outlined in the City Charter and are tied to specific capital projects. A relatively small portion of funding comes from the federal HOME Investment Partnerships program.

HPD received \$3.6 billion in new capital funding across FY2023–FY2031, which will allow the agency to keep up its recent pace of development over the next ten years, even in the face of rising costs and inflation.

Capital funding supports the creation and rehabilitation of affordable housing through the mayor's *Housing Our Neighbors* blueprint, and is used for new construction, preservation of existing housing stock, disposition of in rem and other city-owned buildings, special needs housing, and other housing support (e.g., critical on-site infrastructure, agency technology projects). The allocation of funding between these categories is driven by HPD's development pipeline and linked to specific projects, based on construction readiness. Funding allocations are made on a citywide basis and are not specific to any borough or neighborhood.

With regard to benchmarks for measuring performance:

The Mayor's Management Report (MMR) publishes agency indicators that measure agency performance and tracks progress over time. As laid out in the housing blue, the Adams administration is prioritizing the impacts of our housing investments on residents. In the forthcoming FY2022 MMR, the agency will include new metrics that reflect this approach, such as the amount of time it takes for New Yorkers to move into new affordable housing; census and

length of stay for HPD emergency shelters; the percent of housing production in low affordability areas; and the economic impact of the M/WBE Build Up program.

With regard to priorities and goals:

The city recently released a new housing blueprint, *Housing Our Neighbors*, which outlines upcoming 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 \(nyc.gov\)](#).

With regard to a PowerPoint for community board members:

See attached at the end of the document for our ‘HPD Budget 101’ presentation.

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [2]: Program Funding

1. What agency programs will see a significant increase or decrease in funding?
2. To what extent, if any, is the increase or decrease in funding related to non-recurring federal funding allocations?
3. Are there any new programs or will any programs be eliminated?

AGENCY RESPONSE:

The table below outlines the agency’s expense budget as of the FY2023 Adopted Financial Plan:

Housing Preservation & Development (HPD)

FY2023 Adopted Financial Plan

figures as indicated

Funding Source	FY2022	FY2023
City Tax Levy	\$ 125,011,537	\$ 160,893,880
Community Development	\$ 178,359,681	\$ 143,590,125
Disaster Recovery	\$ 8,600,577	\$ -
HOME	\$ 15,869,614	\$ 9,271,843
Other City	\$ 22,594,630	\$ 26,540,019
Other Federal	\$ 28,276,588	\$ 4,586,587
Rental Assistance	\$ 636,238,535	\$ 627,281,112
State & Other Categorical	\$ 27,174,035	\$ 5,802,944
Total	\$ 1,042,125,197	\$ 977,966,510

Note: Excludes pass-through funding for NYCHA

The FY2022 year-end current-modified budget totaled just over \$1 billion. The FY2023 adopted budget totals approximately \$978 million. The HPD forecasts the expense budget every quarter with the release of each financial plan (Adopted, November, Preliminary, Executive). As part of this exercise, additional grant funding that was unspent in prior years may be scheduled in the agency's budget for the current year. The change in funding between FY2022 year-end and FY2023 adopted is explained as follows:

- **City Tax Levy:** The increase in City Tax Levy is related to both additional funding and positions received as part of the Mayor's *Housing Our Neighbors* blueprint and to support ongoing programs that were previously funded with supplemental grant appropriations related to the COVID-19 pandemic.
- **Community Development:** The decrease in CDBG funding is related to unspent grant funding from prior years that was scheduled in FY2022. Additional funding will continue to be scheduled in FY2023 as needed.
- **Disaster Recovery:** This funding was for the Hurricane Sandy Build-it-Back program. CDBG-DR funds for this program have been exhausted and the program is in the process of winding down.
- **HOME:** In FY2022, the HomeFirst downpayment assistance program was expanded. As a result, the program was able to catch up on a backlog of unspent funding from prior years. The current allocation includes the remaining funding that was allocated to the program by the city's Consolidated Plans through calendar year 2021. The 2022 Consolidated Plan is currently pending HUD approval, so more funding could be made available later in the fiscal year or next fiscal year.
- **Other City:** This increase is related to a decrease in IFA surplus funding that was taken down from the agency's budget at the end of FY2022. The amount shown for FY2023 represents the baseline funding amount.
- **Other Federal:** This decrease is related to non-reoccurring federal funding that was received as a result of the COVID-19 pandemic. Funding for any ongoing programs will be funded with City Tax Levy.

- Rental Assistance: This decrease is related to non-reoccurring federal funding that was received as a result of the COVID-19 pandemic. This funding supported administrative costs for the Section 8 Housing Choice Voucher program, specifically to leverage technology for remote case management and communication with voucher recipients at the onset of the pandemic. There are no ongoing costs associated with this initiative.
- State & Other Categorical: The decrease in funding is driven by other categorical grants (*i.e.*, from private or other quasi-governmental sources that are neither federal nor state). These grants are often for specific projects and are scheduled in the agency's budget as-needed.

MEETING NOTES:**NEW INFORMATION:****FOLLOW-UP COMMITMENTS:****AGENDA ITEM [3]: Community Education Programs**

1. Does the FY23 budget maintain and or expand funding for online trainings?
2. Does HPD consider these trainings successful?
3. What Benchmarks are used to determine success?

AGENCY RESPONSE:

In FY2022, HPD's Neighborhood Education and Outreach (NEO) program hosted 18 virtual resource fairs with 557 attendees and 30 online property owner management classes with 678 attendees. This does not include NEO's tabling at events hosted by other agencies or organizations. Because all of the fairs and classes in FY2022 were virtual, they were equally accessible to residents across the city.

In FY2023, NEO will offer a mix of in-person and virtual resources fairs; all property management classes will remain virtual. Also, NEO is implementing a customer satisfaction survey in our online classes to assess attendees' satisfaction and identify other types of classes in which they may be interested.

The budget for NEO is \$475,000, which supports the salaries for five staff, in addition to program materials. This level of funding is consistent with prior years.

MEETING NOTES:**NEW INFORMATION:****FOLLOW-UP COMMITMENTS:**

AGENDA ITEM [4]: Community Land Trusts

1. What is the staffing status of HPD's CLT Initiative?
2. Since the hire of the director position has there been any increase in staff or program funding?
3. To what extent has HPD CLT division been effective in bettering policies, providing technical support, and furthering CLT initiatives, including legislation?

AGENCY RESPONSE:

The grant from Enterprise that had funded HPD's CLT Director position has concluded, but HPD has created a permanent Executive Director-level position that will continue to oversee the agency's CLT initiatives. The CLT director has trained a variety of HPD staff to assist with overseeing current and future CLT projects. These projects are financed through a variety of HPD's existing programs, with CLT-specific terms identified where needed. HPD has succeeded in establishing policies for CLT projects and providing technical support to its CLT partners that has enabled it to close on financing for three CLT projects so far. Including these projects, HPD has financed or plans to finance over 1,000 units of housing on CLTs. HPD has also supported legislation that would further support its CLT projects, including Affordability+ and a state-wide, as-of-right tax exemption for CLT projects. HPD hopes that the NYS legislature moves forward both of these bills.

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [5]: Program Funding

HPD's Stabilizing NYC Program and Landlord Ambassador Program have been acknowledged by HPD to be critical City Council funded programs that effectively support hundreds of thousands of the New Yorkers. HPD has also acknowledged that baselining these programs would allow the agency and their community partners to better plan for the out-years.

1. Has the funding status of these programs changed?
2. What efforts has HPD made to baseline the funding for these programs?

AGENCY RESPONSE:

As part of the *Housing Our Neighbors* blueprint, the city proposes creating an Owner Resource Center, which expands on the pilot and demonstration Landlord Ambassador Program citywide, including to HDfC cooperatives.

A limited amount of funding remains for the Landlord Ambassador Program this year. Baseline funding is not yet in the budget for the Owner Resource Center for future years.

Stabilizing NYC continues to be funded by the City Council; there are currently no proposals to baseline this program.

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [6]: Staffing

1. What are the current funding levels and vacancies in the housing code inspection division?
2. What are the response rates in 2021 and 2020?

AGENCY RESPONSE:

As of June 30, 2022, HPD had 129 vacancies for housing inspectors and 18 for associate inspectors citywide. Manhattan currently has 31 inspectors and 6 associate inspectors and 15 vacancies. HPD recently hired and trained a new class of 17 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.

Anyone interested in becoming an HPD Inspector can learn more at:

<https://www1.nyc.gov/site/hpd/about/housing-inspector.page>

And can apply via NYC's Jobs Portal and search Job Id # 530408:

<https://www1.nyc.gov/jobs/index.page>

Note that there is a civil service exam required for this position and the starting salary is \$53,563.

Regarding response rates, please see the table below. Note that COVID-19 restrictions and delays have affected the response times in both FY20 and FY21.

Performance Indicator	FY2020	FY2021	FY2022
Average time to close emergency complaints (days)	10.9	13.3	16.4
Average time to close nonemergency complaints (days)	21.4	25.6	28.6
Emergency complaints closed within 12 days of receipt (%)	72%	75%	73%

Nonemergency complaints closed within 20 days of receipt (%)	69%	74%	68%
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MEETING NOTES:**NEW INFORMATION:****FOLLOW-UP COMMITMENTS:****AGENDA ITEM [7]: Certificate of No Harassment Program**

HPD recommended the continuation of the Certificate of No Harassment program.

1. What is the status and the funding and staffing levels?

AGENCY RESPONSE:

Established initially as a three-year pilot program under Local Law 1 of 2018, amended by Local Law 140 of 2021 extending the program until September 27, 2026. A new Pilot Building List was published on June 26, 2022. As of August 2022, 67 applications were received for a Certification of No Harassment (7 active, 31 grants, 12 denials, 15 withdrawals, and 2 rejections).

The CONH program is currently funded for 10 staff at \$866,000.

MEETING NOTES:**NEW INFORMATION:****FOLLOW-UP COMMITMENTS:****AGENDA ITEM [8]: Senior Housing**

What is the status of funding for Senior Affordable Rental Assistance Program (SARA), which provides service coordination funds for seniors being referred to program for general lottery system?

AGENCY RESPONSE:

As of the FY2023 Executive Capital Commitment Plan (April 2022), the Senior Affordable Rental Apartments (SARA) program was funded at \$50.7 million in FY2023 and \$59.3 million in FY2024, consisting of both mayoral city capital and federal HOME funds.
MEETING NOTES:
NEW INFORMATION:
FOLLOW-UP COMMITMENTS:



HPD Budget Overview

Office of Financial Management

Fiscal Year 2023 Adopted Financial Plan



Budget consists of three interconnected parts

Revenue: Estimates of city and non-city funding

- City funds: Taxes, user charges and fees, fines and penalties
- Non-city funds: Federal and state aid, private grants

Expense: Funds day-to-day agency operations

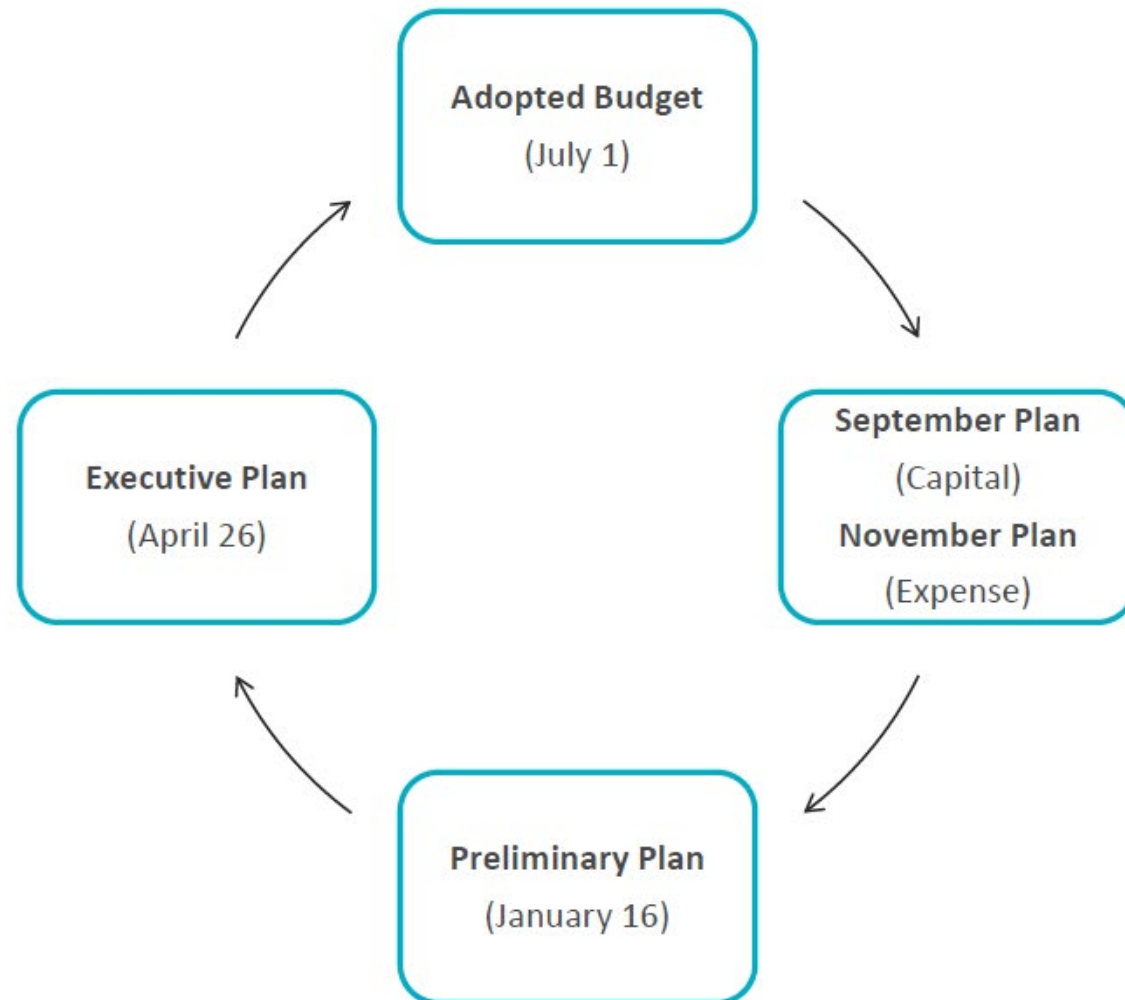
- Personal Services (PS): Wages, salaries, fringe benefits
- Other Than Personal Services (OTPS): Administrative, program, and contract costs

Capital: Funds long-term improvements and asset purchases

- Backed by issuance of general obligation and revenue bonds
- HPD uses capital to fund loan programs (*e.g.*, ELLA, SARA, PLP, Mix & Match), which support the new construction and preservation of affordable housing



The city's budget cycle





Some NYCHA funding flows through HPD's budget

**FY2023 Adopted
Financial Plan**

\$1.257 Billion

\$978 million



**Department of
Housing Preservation
& Development**

\$279 million



**NEW YORK CITY
HOUSING
AUTHORITY**



HPD expense budget funding sources

City Tax Levy (TL) – Funding from the city’s tax base and other miscellaneous revenues

Inter-Fund Agreement (IFA) – Reimbursements to the general fund from the capital fund for certain capital-eligible project costs, such as staff salaries and overhead

Intra-City (IC) – Funding shifted between agencies for intra-city purchases

Other Categorical (OC) – Funding resources from private sources, including public benefit corporations and other quasi-governmental entities, often held in trust & agency (fiduciary) accounts overseen by the Comptroller

State (ST) – Grant funding from New York State

Community Development Block Grant (CD) – Wide-ranging funds for code enforcement, lead abatement, Emergency Repair Program (ERP), Certification of No Harassment (CONH), Housing & Vacancy Survey, and other community-centered programs within qualifying city census tracts

Disaster Recovery (DR) – A specific type of CD funding, most recently used for costs associated with Hurricane Sandy rebuilding and recovery

HOME (HO) – Formula block grant for affordable housing, currently used for first-time homebuyer down-payment assistance, tenant-based rental assistance, and within the capital budget for special needs housing

Other Federal (FED) – Funding from other HUD and federal grant programs, including supplemental grant appropriations related to the COVID-19 pandemic

Section 8 (S8) and Shelter Plus Care (SPC) – Rental housing assistance payments and program administration



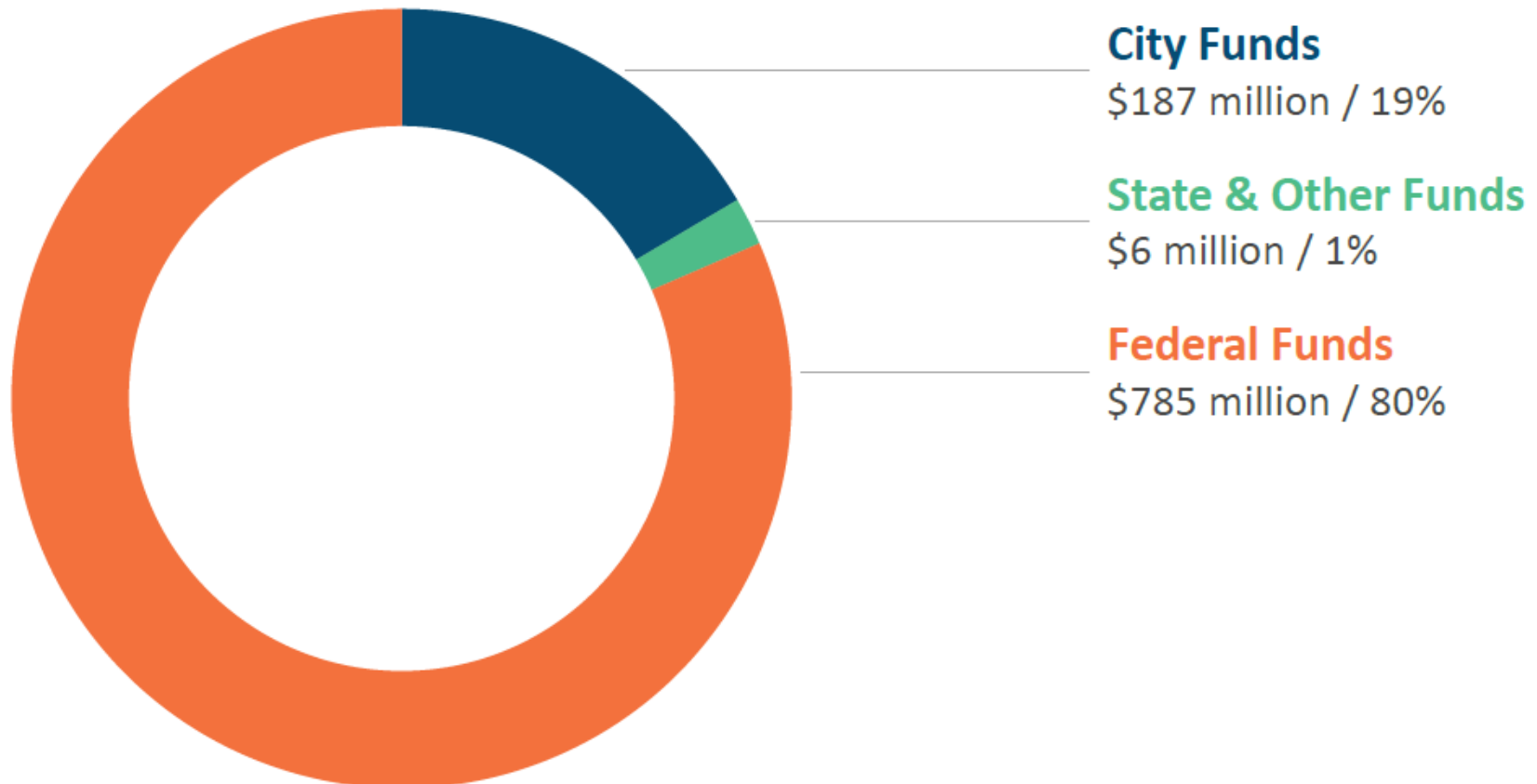
Expense planning process

- Since a majority of HPD's expense budget funding comes from federal grants, allocations are based on annual federal appropriations as made by the Congress
- Federal funding, such as the Community Development Block Grant (CDBG), supports the core of HPD's programs and operations
- City tax levy is used for HPD administration and to fill gaps in programs and services that are not eligible for federal grant reimbursement or require a local matching contribution



HPD relies heavily on federal funding

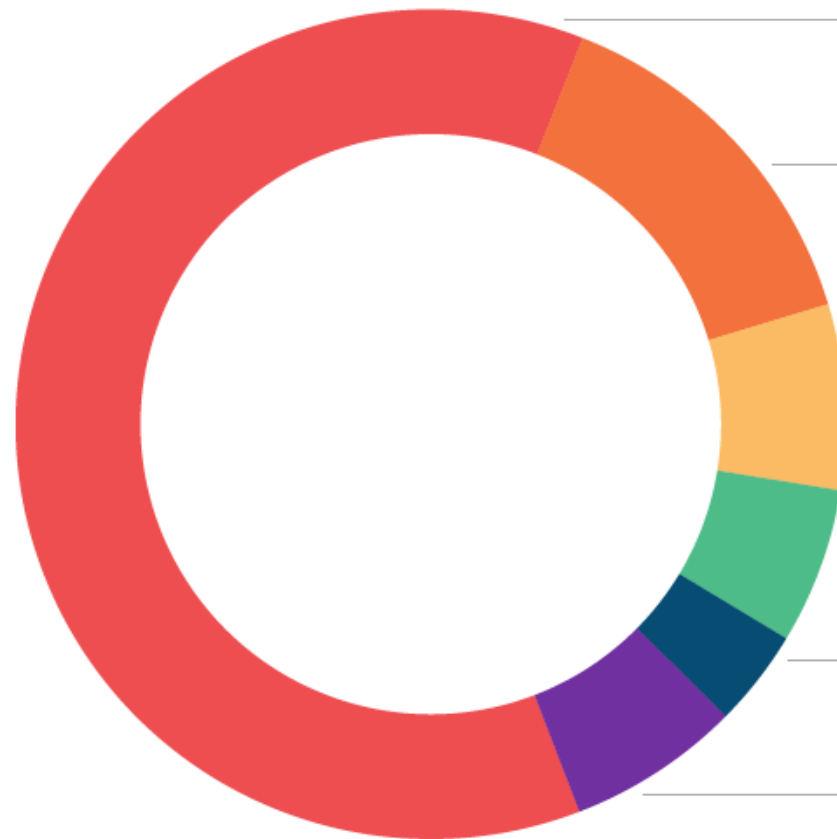
HPD FY2023 Programs & Operations: \$978 Million





Programs aligned with eligible funding sources

HPD FY2023 Programs & Operations: \$978 Million



Rental Assistance Programs

\$652 million / 67% / 325 HC

Enforcement Programs

\$115 million / 12% / 1,053 HC

Asset & Property Management

\$70 million / 7% / 275 HC

Development

\$39 million / 4% / 405 HC

Planning, Policy & Strategy

\$34 million / 3% / 146 HC

Central Administration

\$68 million / 7% / 494 HC



Federal funding source detail

- Most grant funding comes in the form of federal rental assistance (*e.g.*, Section 8 Housing Choice Voucher), which HPD passes along to eligible tenants and owners
- The remainder consists of block grants and must be used to support specific objectives related to neighborhood revitalization and housing development
- These constraints mean HPD must be creative when designing and implementing new programs and services

HPD FY2023 Federal Grant Funding

Grant Source	FY2023	% of Total
Rental Assistance	\$ 627	80%
Community Development Block Grant	\$ 144	18%
HOME	\$ 9	1%
Other Federal	\$ 5	1%
HPD Federal Grants Total	\$ 785	100%

Note: figures in millions (\$)



Capital planning process

- Capital funding levels are set by program term sheet
 - Allocated citywide, not by specific geography
 - Driven by development project readiness
- Funding is tied to specific projects in pipeline
 - Private development proposals
 - Public-site disposition Requests for Proposals (RFPs)
- Most projects come from private sponsors
 - Only 10% of unit starts from 2014–2021 were associated with publicly-owned land (*i.e.*, city agencies, public benefit corporations, state, and/or federal)

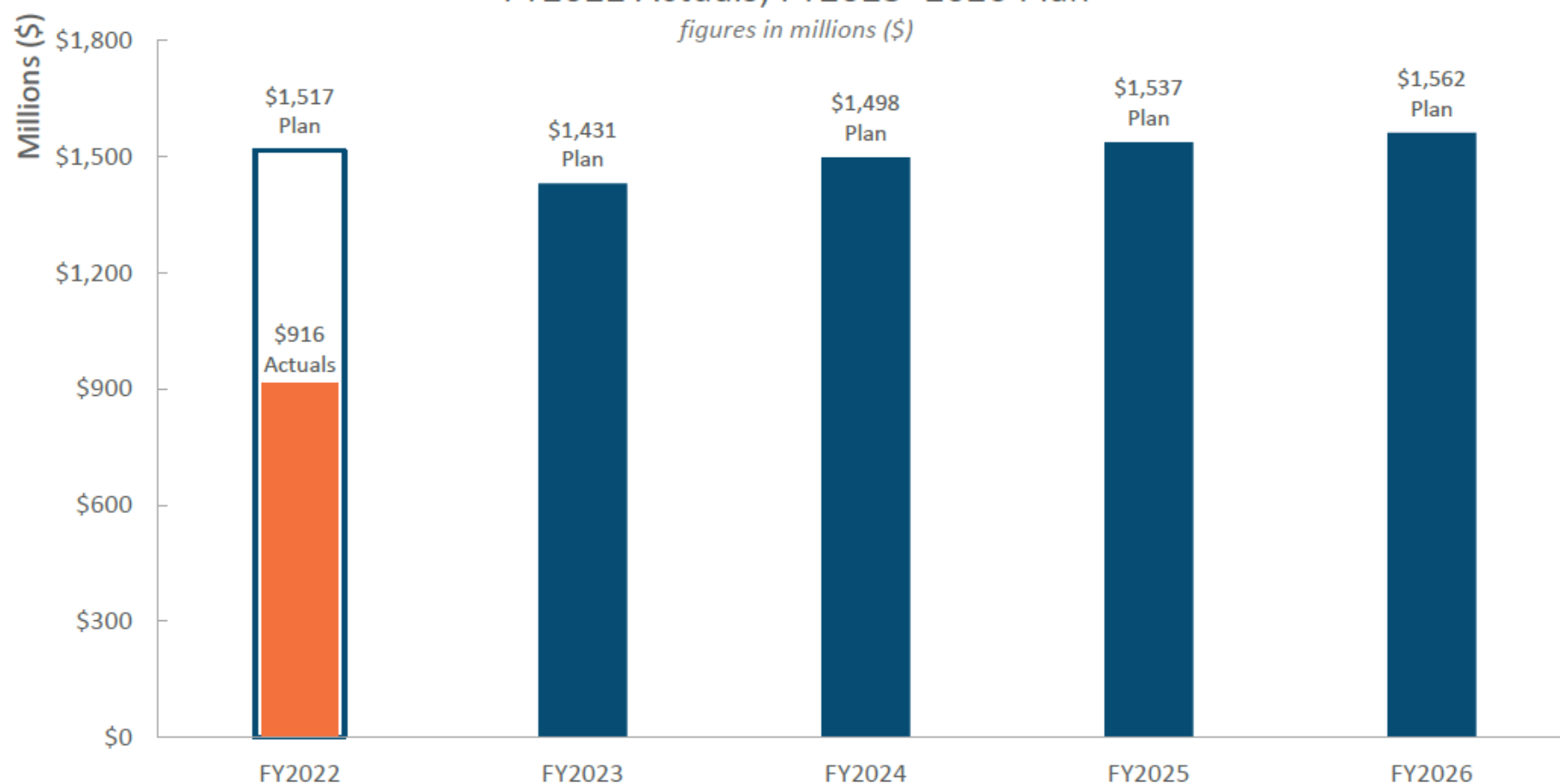


Mayor's commitment to *Housing Our Neighbors*

HPD FY2022 Capital Commitment Plan

FY2022 Actuals; FY2023–2026 Plan

figures in millions (\$)



Note: Uncommitted capital funding rolls year-to-year; excludes NYCHA PACT pass-through



Capital funding sources

Mayoral: Allocated by the Mayor, in conjunction with OMB, based on HPD's development pipeline

Reso A: Discretionary awards by the City Council and Borough Presidents to specific projects

HOME: Formula block grant awarded by HUD for a wide range of affordable housing purposes



Capital funding by source and use

HPD FY2022 Capital Commitment Plan

FY2021 Actuals; FY2022–2025 Plan

figures in thousands (\$)

Source	Actuals	Plan			
	FY2022	FY2023	FY2024	FY2025	FY2026
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Q&A

Thank You!

Questions?