



Operating Plan

Calendar Years 2025-2029

Board Members

Jamie Rubin, Chair

Victor A. Gonzalez, Vice Chair

Greg Belinfanti, Board Member

Paula Gavin, Board Member

James McKoy, Board Member

Raymond Miller, Board Member

Joan Tally, Board Member

Management

Lisa Bova-Hiatt, Chief Executive Officer

Eva Trimble, Chief Operating Officer

Annika Lescott-Martinez, Executive Vice President & Chief Financial Officer

Georgiana Okoroji, Senior Vice President of Financial Planning & Analysis

Sylvia Aude, Senior Vice President for Public Housing Tenancy Administration

Patti Bayross, Executive Vice President & Chief Information Officer

Barbara Brancaccio, Chief Communications Officer

Ukah Busgith, Executive Vice President for Resident Services, Partnerships, and Initiatives

Anne-Marie Flatley, Senior Vice President for Performance Management & Analytics

Jonathan Gouveia, Executive Vice President for Real Estate Development

Lauren Gray, Senior Vice President for Quality Assurance, Safety, and Technical Programs

Daniel Greene, Executive Vice President for Property Management Operations

Keith Grossman, Executive Vice President for Operations Support Services

Brian Honan, Senior Vice President of Intergovernmental Affairs

Kerri Jew, Executive Vice President & Chief Administrative Officer

Shin Kim, Senior Vice President of Supply Management and Procurement

Shaan Mavani, Chief Asset & Capital Management Officer

Lakesha Miller, Executive Vice President of Leased Housing

Sergio Paneque, Chief Procurement Officer

David Rhode, Executive Vice President for Legal Affairs and General Counsel

Joy Sinderbrand, Senior Vice President for Capital Programs

Arvind Sohoni, Executive Vice President of Strategy and Innovation

Cassiah M. Ward, Chief Compliance Officer

Table of Contents

2025-2029 OPERATING PLAN.....	6
OVERVIEW	6
OUR COMMITMENT TO FINANCIAL TRANSPARENCY.....	7
GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) AWARD.....	7
PROPERTY BASED BUDGETING TRAINING.....	8
FINANCIAL MEASURES	8
HUD AGREEMENT AND PILLAR AREAS.....	8
ELEVATOR SERVICES AND REPAIRS DEPARTMENT (ESRD)	8
HEATING MANAGEMENT SERVICES DEPARTMENT (HMSD).....	9
LEAD HAZARD CONTROL DEPARTMENT (LHCD)	10
OFFICE OF MOLD ASSESSMENT AND REMEDIATION (OMAR)	10
OFFICE OF PEST & WASTE MANAGEMENT	12
A PATH TO FINANCIAL SUSTAINABILITY - THE BLUEPRINT FOR CHANGE	13
PERMANENT AFFORDABILITY COMMITMENT TOGETHER (PACT).....	13
Ocean Bay (Bayside), Queens	14
Twin Parks West, Bronx	14
Highbridge-Franklin, Bronx.....	15
Betances, Bronx.....	15
Baychester/Murphy, Bronx.....	15
Hope Gardens, Brooklyn.....	15
Brooklyn Mega Bundle II.....	15
PACT Manhattan Bundle	16
Boulevard, Belmont-Sutter Area, and Fiorentino Plaza, Brooklyn	16
Linden and Penn-Wortman, Brooklyn	16
Williamsburg, Brooklyn	16
Harlem River I & II, Manhattan	17
Audubon, Bethune Gardens and Marshall Plaza, Manhattan	17
Edenwald	17
Union Avenue Consolidated.....	17
Reid + Park Rock Consolidated.....	17
Sack Wern	18
West Brighton	18
Frederick Samuel.....	18
Boston Secor, Boston Road Plaza and Middletown Plaza	18
Manhattanville	18
Infill, redevelopment, and other real estate activities	18
100% Affordable Housing and Seniors First.....	19
Mill Brook Terrace, Bronx.....	19
Stonewall House, Brooklyn	19



Van Dyke III, Brooklyn.....	20
East 165th Street – Bryant Ave, Bronx	20
Halletts Point Building 7, Queens.....	20
Betances V, Bronx.....	20
Soundview III Homeownership, Bronx.....	20
Melrose North, Bronx.....	20
Twin Parks Terrace, Bronx.....	20
The Atrium, Brooklyn	20
Casa Celina, Bronx	20
Betances VI, Bronx	21
Bushwick II CDA (Group E), Brooklyn.....	21
Morris Senior, Bronx.....	21
Kingsborough Senior, Brooklyn.....	21
CLOSING THE YEAR.....	21
HISTORY OF NYCHA’S FUNDING	22
Historical Federal Funding	24
Federal Operating Subsidy	25
Housing Choice Voucher Program (Section 8).....	26
Housing Assistance Payments (HAP)	28
Administrative Fees	28
Federal Capital Funding	28
Securing funding for Unsubsidized/Unfunded Units	28
2025 OUTLOOK.....	29
Rent Collection.....	29
Transformation Plan	30
Implementation of the Preservation Trust.....	30
Financial feasibility of RAD/PACT conversions given inflation and interest rates.....	30
Plans to revive infill or do more phased re-development.....	30
2025 FINANCIAL RISK	30
2025 INITIATIVES AND SPECIAL PROGRAMS.....	31
Blueprint for Change’s Transformation Plan	31
Neighborhood Model	31
HUD/SDNY Agreement Investments	32
TRANSFORMATION PLAN - NYC PUBLIC HOUSING PRESERVATION TRUST	33
BUDGET LINE-ITEM DISCUSSION	34
BASIS OF PRESENTATION	34
Budgetary Funds.....	34
OPEB Disclosure.....	35
SOURCES (REVENUE CATEGORIES).....	35
Tenant Rental Revenue (Dwelling Rent).....	36
Federal Operating Subsidies.....	36



Section 8 Conversion at LLC properties.....	36
Section 8 Subsidy and Administrative Fees	37
Categorical Grants.....	37
Capital Fund Reimbursements	37
Interest on Investments	37
Other Revenue from Operations	37
City Funds	38
Other Non-Operating Revenues	38
USES (EXPENDITURE CATEGORIES)	39
Workforce.....	40
Salaries.....	42
Fringe.....	42
Overtime	42
Seasonal	43
Leases.....	45
Insurance	45
Utilities.....	45
Section 8 Payments	46
Contracts	46
Supplies, Equipment, and OTPS Other	46
2024-2028 OPERATING PLAN BY FUNDS.....	47
ALL FUNDS.....	47
GENERAL FUNDS	48
HOUSING CHOICE VOUCHERS.....	49
CATEGORICAL GRANTS.....	50

2025-2029 Operating Plan

The Board of the New York City Housing Authority (“NYCHA” or “the Authority”) approved the Operating Plan for Fiscal Years 2025 through 2029 on November 21, 2024. This Five-Year Plan outlines the Authority’s priorities and strategies to address the challenges it faces with the resources available at its disposal.

Overview

The Authority adopted a balanced budget for FY 2025 and supports two major federal programs: the Public Housing Program and the Housing Choice Voucher (HCV) Program. The \$3.1 billion Public Housing Program provides funding for operations and maintenance of over 154 thousand units of housing while the \$2.3 billion supports the Housing Choice Voucher (HCV) Program which provides over 107 thousand low-income households with affordable housing in the private sector. Part of the Public Housing Program is funded with \$0.3 billion provided by the City of New York.

Chart 1: FY25 – FY29 Operating Plan Summary

(\$ Millions)	FY25	FY26	FY27	FY28	FY29
<u>Revenues</u>					
Federal Operating Subsidies	\$1,292	\$1,246	\$1,275	\$1,307	\$1,372
Section 8 Subsidy	2,275	2,456	2,608	2,741	2,897
Tenant Rent	1,045	920	921	928	935
City Funds	287	332	350	358	358
Others	456	376	379	355	355
Total Revenue	\$5,355	\$5,330	\$5,533	\$5,689	\$5,916
<u>Expenditures</u>					
Personnel Services	\$1,858	\$1,871	\$1,886	\$1,903	\$1,912
Section 8 HAP	2,077	2,253	2,405	2,533	2,685
Utilities	585	590	643	643	643
Contracts	410	403	402	402	402
Other	427	430	388	389	390
Total Expenditures	\$5,356	\$5,547	\$5,725	\$5,871	\$6,032
Surplus/ (Deficit)	(\$00)	(\$217)	(\$192)	(\$182)	(\$116)

Our Commitment to Financial Transparency

NYCHA remains committed to financial transparency and effective budgeting. Toward that end, the Authority submitted its Five-Year Budget Book to a panel of independent reviewers-the Government Finance Officers Association (GFOA). Furthermore, NYCHA expanded its training program to include all Property Managers to help improve the planning process, while creating an engaging and comprehensive budgeting environment to help achieve its core mission of serving its residents.

Government Finance Officers Association (GFOA) Award

Created by the GFOA in 1984, the Distinguished Budget Presentation Award program recognizes state and local governments that prepare budget documents of the highest quality as established by the National Advisory Council on State and Local Budgeting. Any type of government agency across the country can apply. This honorable award is for the transparency and accountability of the budget.

As part of its commitment in providing financial transparency, NYCHA submitted its 2024 Budget Book to a panel of independent reviewers, the Government Finance Officers Association (GFOA). For the tenth consecutive year, NYCHA was awarded the Distinguished Budget Presentation Award in June 2024-the highest form of recognition in government budgeting.



The Government Finance Officers Association
of the United States and Canada

presents this

CERTIFICATE OF RECOGNITION FOR BUDGET PREPARATION

to

Department of Financial Planning and Analysis
New York City Housing Authority



The Certificate of Recognition for Budget Preparation is presented by the Government Finance Officers Association to those individuals who have been instrumental in their government unit achieving a Distinguished Budget Presentation Award. The Distinguished Budget Presentation Award, which is the highest award in governmental budgeting, is presented to those government units whose budgets are judged to adhere to program standards.

Executive Director

Christopher P. Morrell

Date: 6/27/2024

Property Based Budgeting Training

The Department of Financial Planning and Analysis (DFPA) has implemented training enhancements to ensure property managers and central office departments are involved in the budget process. DFPA has provided a series of ongoing training sessions each year from 2020 to 2024, which focused on basic training on general budget principles, budget submission processes, budget revisions, the General Ledger account structure, personnel action requests, navigation of the budget web portal and accessing financial and headcount reports. Additionally, the DFPA team introduced advanced training courses to development management staff which will help them understand the income and expense report for their individual properties.

In 2025, DFPA will continue its effort in providing NYCHA's development management staff with a series of training sessions focused on advanced financials to help and support the team with necessary tools and guidance in managing properties. DFPA continues to make efforts using the latest technology in supporting the development team. The aforementioned training courses and the updated reports are accessible on the Finance Web Portal.

While the DFPA team continues its efforts to make financial information accessible, each member of the DFPA team is available to help guide and support the property teams in providing necessary guidance in managing the properties.

Financial Measures

With financial challenges driven by large tenant rent arrears, increasing utility costs, and increasing HUD/SDNY Agreement expenses, NYCHA is taking the following proactive measures in the 2025 Proposed Budget.

HUD Agreement and Pillar Areas

On January 31, 2019, the U.S. Department of Housing and Urban Development ("HUD"), the New York City Housing Authority ("NYCHA"), and New York City ("the City") signed an agreement (the "HUD Agreement") to remedy the deficient physical conditions in NYCHA developments, ensure that NYCHA complies with its obligations under federal law, reform the management structure of NYCHA, and facilitate cooperation and coordination among HUD, NYCHA, and the City during the term of this Agreement. The agreement establishes a framework by which NYCHA will continue to evaluate and progress towards compliance with federal requirements. During the term of the HUD Agreement, an independent monitor will be in place with access to NYCHA's resources and personnel and will issue quarterly reports on NYCHA's compliance with the agreement.

Below provides major updated accomplishments in the year 2023 for each of pillar areas.

Elevator Services and Repairs Department (ESRD)

HUD Agreement Main Objective

Reduction of a "no-service" condition - Within five years, 85 percent of buildings containing more than one elevator will have no more than one instance per year where all elevators are out of

service at the same time.

Response to Disruption in Service - NYCHA shall reduce the duration of service outages by 10 percent and 75 percent of no-service shall be resolved within 18 hours of the time NYCHA learns of them.

Outage Identification and Notice - NYCHA shall institute and maintain a system that identifies every elevator outage by remote monitoring systems (REMS); within six months NYCHA will establish a system to provide residents of buildings affected by an unplanned outage notice within two hours of NYCHA learning of the outage. ESRD is currently at 75% in compliance with this part of the agreement.

Accomplishments since Implementation

- As a result of concerted effort made by the Elevator Services and Repairs Department, there were significant reduction in number of outages across the Authority. The improvements were attributed largely to enhanced focus on preventive maintenance citywide. There were fewer outages from 1/1/24 – 12/31/24; there were 23,165 outages across the portfolio, ~22% lower than the 30,036 outages in the same timeframe in 2023.
- The average duration from 1/1/24 – 12/31/24 was 5.76 hours, an improvement from 7.37 hours for the same period the previous year, 2023. Between January and December 2024, of the 10,210 unplanned outages that resulted in a no-service condition, ~74% were resolved within four or fewer hours, an improvement from the 55% resolution rate for the same time-period in 2023 (there had been 13,266 outages that resulted in a no-service condition). ESRD has reduced the total open number of deficiencies over the end of year of 2024 to the total of 147 open deficiencies opposed to ending of year 2023 totals of 857 open deficiencies. There has been an 82% decrease of open deficiencies by the end of 2024 when compared to the same time-period in 2023.

Heating Management Services Department (HMSD)

Updates

- The 2022-2023 heating season reported a lower number of unplanned heating outages (384) than the previous season (564); the average duration of outages was also lower at 8.22 hours when compared to 8.99 hours of the previous heating season.
- The Monitor attributes this improvement to HMSD increasing staff capacity, direct-to-training model, an effective summer heating preventive maintenance program in collaboration with the Environmental Health & Safety Department, and the improved quality of work order data. Continued improvements are expected with the launch of the Heat Training Lab in 2024.

In Progress

- Update the Heat Dashboard report that captures all PM and IN values to allow creation of

follow-up work orders from IN work orders only.

- Update the Boiler room daily inspection work order to include fuel details for each boiler.
- Reduce the number of Heating owner groups.
- Add the development name to boiler room daily and twice weekly inspection notification emails.
- Review current outage causes and repairs, add new repair and causes, and remove causes that do not capture this data accurately.
- Allow HMSD Management staff the ability to complete future QR Codes.
- Unlock the feature that allows front line staff to scan QR Codes using their handheld devices (NYCHA assigned phone).

Lead Hazard Control Department (LHCD)

Accomplishments since Implementation

- NYCHA's Lead Hazard Control Department (LHCD) conducted 95,033 XRF inspections as of end of December 2024 at the 0.5 standard.
- As of December 2024, NYCHA's LHCD has abated 12,016 units.
- The visual assessment team completed 11,468 CU6 inspections during the first-round of 2024 visual assessments and 22,353 inspections during the second-round of 2024 visual assessments.
- The 2024 biennial risk assessment team performed and completed assessments in 5,505 units, 2,970 common area locations and 2,073 exterior locations.
- In 2024, the EBLT team conducted 300 CU6 Risk Assessments and 218 CU6 remediation's. The team also conducted risk assessments in 60 public spaces and remediation's in 60 public spaces. In addition, 38 abatements and 9 DUST COTA cleanings were completed; 9 orders of the Commissioner complaints were also received and completed.
- Between PACT and TEMPO, NYCHA transitioned from XRF testing to abatement in 2022.
- As of December 2024, 3,427 units across PACT sites have been abated and cleared.

In Progress

LHCD will continue its efforts with regards to XRF inspections, annual visual assessments, and any cases of EBLTs referred by NYC DOHMH and lead abatements. As risk assessments are performed biennially, 2026 will be the next reevaluation period.

Office of Mold Assessment and Remediation (OMAR)

HUD Agreement Main Objective

Mold Incidence and Recurrence - where mold is identified a second mold complaint in the same unit or same common area room or within a 12-month period.

Remediation of Mold and Moisture - within at least seven days of a confirmed mold in a unit NYCHA will remediate mold if it can be performed by a Maintenance Worker or Caretaker; fifteen days for repairs that must be done by skilled trades workers or other specialized staff in one or more visits.

- Enhanced Oversight Program (“EOP”) launched in July 2022 at six sites, mold inspectors and staff addressed fan cleanings, engaged skilled trades admins to prioritize work; OMAR led weekly check-ins with each consolidation; the Independent Mold Analyst (“IMA”) identified root causes. In September 2023, OMAR launched Round V of EOP. All 16 prior EOP sites have better weighted average scores than when they initially entered EOP.
- From January 2024 through February 2025, verified mold complaints dropped as various projects progressed.
- Enhanced Oversight Program (EOP) launched in July 2022 at six sites, mold inspectors and staff addressed fan cleanings, engaged skilled trades admins to prioritize work; OMAR led weekly check-ins with each consolidation; the Independent Mold Analyst (IMA) identified root causes. In February 2025, OMAR launched Round IX of EOP. All 26 prior EOP sites have better weighted average scores than when they initially entered EOP.
- In partnership with the Ombudsperson Call Center (OCC), OMAR continues to conduct onsite outreach events at each consolidation to spread awareness about mold and leak resources.
- Mold Inspection Initiative (MII), which launched in January 2022, deploys OMAR inspectors to assist lower performing consolidations on the Mold and Leak Scorecard in addressing their mold inspection backlog. Since its launch, the MII team has completed 3,601 mold inspections.
- Operation Mold Cleanup launched in May 2022 to target work orders for either mold cleaning or mold resistant painting to prioritize and reduce the backlog of open Caretaker X and Painter mold cleaning work orders and outstanding mold resistant paint work orders. NYCHA has closed approximately 32,183 work orders as part of this effort. Phase VI which aims to target 5,376 work orders, launched in January 2025.
- Mold Cleaning Initiative launched in May 2022, which deploys a specialized team to address NYCHA’s mold cleaning backlog and has since closed 5,897 mold cleaning work orders.
- OMAR’s Mold Resistant Paint initiative launched in 2023, this program deploys a specialized painter team to address NYCHA’s mold resistant painter backlog and has closed 1,357 MR paint work orders.
- In April 2023, NYCHA launched Operation Dry Out, an initiative to address aging plumbing and tub enclosure work orders. Since its inception NYCHA addressed 4,516 tub enclosure work orders and 7,537 plumbing work orders. Remaining 1,759 work orders will be targeted

in 2025, along with the 5,275 more added for Phase III which expands the backlog threshold from 250+ day old work orders to 200+ day old work orders.

- Building Line Initiative (BLI) aims to address root causes, i.e., aging infrastructure to reduce the rate of recurrence. The first project conducted at Red Hook East was completed by January 2023. The second BLI project at Tompkins began in February 2023 and is estimated to finish by the end of 2025. During 2024, general construction continued, and contractor renegotiations took place. A third site was also selected for BLI in 2024, at a different location at Red Hook East. OMAR developed the scope of work, is currently negotiating with the vendor, and began preliminary tenant outreach preparation. The project is expected to be completed by the end of 2026. Additional BLI site was selected – Hammel Houses – through grant funding and building line selection is in process.
- As part of the Ventilation Project, OMAR has installed a total of 6,188 new roof fans and retained a total of 2,248 fans when developments replaced theirs in 2024. OMAR has also cleaned lateral ducts in a total of ~73,000 units starting in 2023. In 2024, OMAR replaced ~24,000 dampers.

Office of Pest & Waste Management

Update – Pest Management

- NYCHA has made progress in improving response times. NYCHA and the Monitor continue to discuss methodology for establishing reliable pest population estimates for each pest type, as well as reduction methodology in accordance with the Agreement. In 2023, NYCHA and the Monitor agreed to conduct 912 inspections within a 12-month period, the results of which will be used to establish the NYCHA Pest Population Index (NPPI). The Environmental Health & Safety Department began the inspections in June 2023; 716 inspections have been completed as of early February 2024, on track to be completed by June 2024.
- In October 2023, PMD launched a specialized team to respond to rat complaints. Between October and December 2023, 89% of the 550 rat complaints were responded to within two business days; in 2022, for the same time period, 40% of the 795 rat complaints were responded to within two business days. PMD continues to make improvements in responding to all other pest types: between October and December 2023, 20% of all other pest type complaints (8,808) were responded to within 7 days; for the same time period in 2022, 12.5% of the 8,573 complaints were responded to within 7 days.
- PMD was restructured in January 2023, which modified the reporting structure such that all exterminators report directly to PMD. The restructuring has resulted in more efficient pest treatment planning; in 2023, there were 35,085 total pest complaints, a drop from 39,002 in 2022.

Update – Waste Management

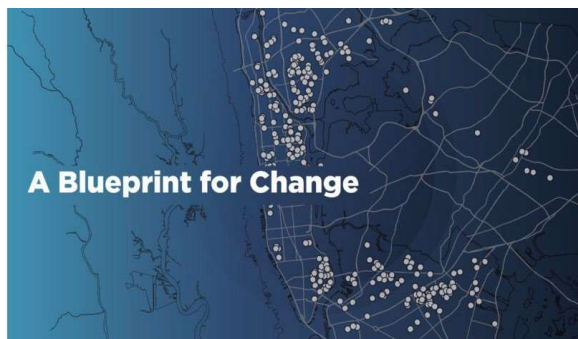
- Waste Management Measurement App (WAMMA). An effective tool that the Waste

Management Department (“WMD”) has been using to increase accountability among staff and drive improvements. Onsite inspections reveal significant improvements in trash collection and maintenance.

- In March 2023, the Monitor determined that NYCHA is in compliance with Paragraph 45 of the Agreement which requires that NYCHA collect and either remove waste from grounds and common areas or store in a pest-proof manner at least once every 24 hours.
- Other WMD efforts and initiatives that have improved waste conditions include the increased use of bulk vendor services; all new bulk container service contracts include Saturday service. WMD has also been purchasing 6-yarder rear-loading compactor trucks to supplement curbside pickups in Brooklyn. WMD has also expanded the program by purchasing 2-yarder compactor trucks for use at other developments.

A Path to Financial Sustainability - The Blueprint for Change

In the face of continued financial challenges, NYCHA will seek to diversify its portfolio while



continuing to focus on providing safe and affordable public housing to address the needs of its residents. With support from the City of New York and with an emphasis on safety and service levels, the Financial Plan will focus on the following:

In 2020, NYCHA embarked on ambitious and innovative plan with introduction of A Blueprint for Change. This set of ideas outlines potential pathways for the Authority’s reorganization and

investment of capital to stabilize and improve its properties, with additional impacts that could drive jobs and recovery strategies.

Together, the Public Trust and the existing Permanent Affordability Commitment Together (PACT) initiative can bring the billions of dollars in investment that NYCHA’s buildings desperately need.



Permanent Affordability Commitment Together (PACT)

PACT leverages the federally funded Project-Based Section 8 program and public-private partnerships to unlock funding to complete comprehensive repairs at public housing developments. Residents in PACT developments benefit from much needed renovations, enhanced property management and social services, while maintaining the same basic rights they

possess in the public housing. Residents will only pay 30 percent of their household income towards rent, their household will not be re-screened as the property converts to Section 8, and authorized family members will continue to have succession rights. Through PACT, NYCHA plans to provide comprehensive renovations to 62,000 apartments – a third of the Authority’s stock and home to approximately 140,000 New Yorkers. All 62,000 apartments converted to Section 8 funding will remain permanently affordable. The Project- Based Section 8 program provides a more stable flow of federal subsidy and allows NYCHA and its partners to raise external financing to address a development’s capital repair needs. Once developments are converted, new professional property managers are responsible for maintaining and operating the buildings. Enhanced on-site services and program are provided to residents often by partnering with non-profit community organizations or through on-site case management.

PACT (Continue)

Since 2016, the PACT program has generated nearly \$7 billion in capital funding for comprehensive apartment renovations and building infrastructure improvements for over 24,000 households. Approximately \$2.25 billion in renovations have already been completed, and \$4.68 billion in major upgrades are in progress. An additional 14,000 households are part of active development projects in the process of resident engagement or pre-development. In sum, NYCHA has more than 39,000 apartments completed, in construction, or in a stage of resident engagement or pre-development.

Below are the latest updates on NYCHA’s commitment to this initiative:

Ocean Bay (Bayside), Queens

In December 2016, NYCHA closed its first RAD transaction at Ocean Bay (Bayside) in the Rockaways neighborhood of Queens, converting 1,395 apartments in 24 elevator buildings from public housing to Section 8. NYCHA entered into a public-private partnership with MDG Construction + Design (developer), The Wavecrest Management Team (property manager), Catholic Charities of Brooklyn and Queens (social services provider), and Ocean Bay Community Development Corporation (resident outreach and engagement). The project was financed with Superstorm Sandy recovery funds from FEMA, along with New York State Housing Finance Agency tax-exempt bonds and equity generated from federal 4% Low Income Housing Tax Credits. The project provided \$317 million in comprehensive repairs that were completed in 2019.

Twin Parks West, Bronx

This conversion is providing \$46 million for comprehensive repairs to 312 apartments in the Fordham Heights neighborhood of the Bronx. NYCHA entered into a public-private partnership with Gilbane Development Company (developer), Dantes Partners (developer), Apex Building Group (general contractor), and Kraus Management, Inc. (property manager). Social services are being provided by BronxWorks. The project is being financed with conventional debt. Phase I repairs are now complete, and Phase II repairs will be completed in 2024.

Highbridge-Franklin, Bronx

This conversion is providing \$38 million for comprehensive repairs to 336 apartments across 14 buildings in the Highbridge and Claremont neighborhoods of the Bronx. NYCHA entered into a public-private partnership with Gilbane Development Company (developer), Dantes Partners (developer), Apex Building Group (general contractor), and The Kraus Organization (property manager). Social services are being provided by BronxWorks. The project is being financed with conventional debt and a subsidy loan from the New York City Department of Housing Preservation and Development. Repairs were completed in 2023.

Betances, Bronx

This conversion provided \$145 million for comprehensive repairs to 1,088 apartments across 40 buildings in the Mott Haven neighborhood of the Bronx. NYCHA entered into a public-private partnership with MDG Design + Construction (developer), The Wavecrest Management Team (property manager), and Catholic Charities Community Services, Archdiocese of New York (social services provider). The project was financed with conventional debt and developer equity. Repairs were completed in 2022.

Baychester/Murphy, Bronx

In December 2018, NYCHA closed on 722 units across 14 developments at Baychester and Murphy Houses in the Bronx, thus completing the PACT conversion of these two developments. The partner for this conversion is MBD Community Housing Corporation (developer and social services provider), Camber Property Group (developer), and L+M Partners (developer, general contractor, and property manager). The project is being financed with conventional debt. Total repair work for the project totaled \$116 million. Repairs were completed in 2022.

Hope Gardens, Brooklyn

This conversion will provide \$280 million for comprehensive repairs to 1,321 apartments across 60 buildings in the Bushwick neighborhood of Brooklyn. NYCHA entered into a public-private partnership with Pennrose Properties (developer), Procida Construction (general contractor), Pinnacle City Living (property manager), and Acacia Network (social services provider). Repairs were completed in 2023.

Brooklyn Mega Bundle II

This conversion will provide \$434 million for comprehensive repairs to 2,625 apartments across 38 buildings at these developments: 72 Warren Street, Armstrong I, Armstrong II, Berry Street-South 9th Street, Independence, Marcy Avenue-Greene Avenue Site A, Marcy Avenue-Greene Avenue Site B, Weeksville Gardens, Williams Plaza. NYCHA entered a public-private partnership with the Arker Companies, Omni NY LLC, Dabar Partners, and Bedford Stuyvesant Restoration Corporation (developer joint venture), Chateau GC and Renewal Construction Services LLC (general contractor), Progressive Management (property manager), and Bedford Stuyvesant Restoration (social services provider). Repairs began in 2020 and were completed in 2022.

PACT Manhattan Bundle

This conversion will provide \$383 million for comprehensive repairs to 1,718 units across 16 developments in Manhattan: 335 East 111th Street, Park Avenue-East 122nd, 123rd Street, Manhattanville Rehab (Group 2), Manhattanville Rehab (Group 3), Public School 139 (Conversion), Samuel (MHOP) I, Samuel (MHOP) II, Samuel (MHOP) III, Fort Washington Avenue Rehab, Grampion, Washington Heights Rehab (Groups 1 & 2), Washington Heights Rehab Phase III, Washington Heights Rehab Phase IV (C), Washington Heights Rehab Phase IV (D), Wise Towers, 344 East 28th Street. The development team is a joint venture between Monadnock Development LLC, Community Preservation Corporation, Community Development Trust, Kalel Holdings, Lemor Development Group, and Community League of the Heights (social service provider). Repairs began in 2020. Work is completed at most developments and all repairs were completed in 2024.

Boulevard, Belmont-Sutter Area, and Fiorentino Plaza, Brooklyn

Boulevard, Belmont-Sutter Area, and Fiorentino Plaza Houses will receive more than \$483 million in comprehensive renovations for the 1,673 apartments and 29 residential buildings across the three properties. The PACT partners are led by Hudson Companies, Property Resources Corporation, and Duvernay + Brooks. Rehabilitation work will be performed by Broadway Builders LLC and Melcara Corporation. Property management is now being provided by Property Resources Corporation and Lisa Management, Inc. On-site social services are being provided by CAMBA. Repairs began in 2022 and anticipated for completion by the end of 2025.

Linden and Penn-Wortman, Brooklyn

Linden Houses and Penn-Wortman will receive more than \$430 million in comprehensive renovations for the 1,922 apartments and 22 residential buildings across the two properties. The PACT partners for Linden and Penn-Wortman Houses are led by Douglaston Development, L+M Partners, Dantes Partners, and SMJ Development. Rehabilitation work will be performed by Levine Builders and L&M Builders Group. Property management and upkeep of the buildings and grounds are being provided by C&C Apartment Management. On-site social services are being led by University Settlement, in addition to existing services from CAMBA and Millennium Club, which are both located at the Penn- Wortman Community Center. Repairs began in 2022 and anticipated for completion by the end of 2025.

Williamsburg, Brooklyn

Williamsburg Houses will receive \$490 million in comprehensive renovations to the 1,621 apartments and 20 residential buildings at the property. The PACT partners at Williamsburg are led by MDG Design and Construction and Wavecrest Management. MDG Design and Construction will perform the rehabilitation work. Wavecrest Management is responsible for the daily management and operation of the property. Social services are being provided by non-profit partners St. Nicks Alliance and Grand Street Settlement, which both have deep experience serving Williamsburg residents. Repairs began in 2022, and repairs were completed in 2024.

Harlem River I & II, Manhattan

Harlem River I and Harlem River II receive \$236 million in comprehensive renovations to the 693 apartments and 2 developments at the property. The PACT partners at Harlem River are led by Settlement Housing Fund and West Harlem Group Assistance. L+M Builders Group will perform the rehabilitation work. C&C Apartment Management LLC is now responsible for the day-to-day management and operation of the property. Social services are being provided by the C&C Social Service division, which has extensive experience providing residents with case management support. Repairs began in 2022 and anticipated for completion by the end of 2025.

Audubon, Bethune Gardens and Marshall Plaza, Manhattan

Audubon, Bethune Gardens and Marshall Plaza will receive \$137.6 million in comprehensive renovations to the 557 apartments and 3 developments within the project. The PACT partners at Audubon, Bethune Gardens and Marshall Plaza are led by Dantes Partners. Apex Building Group and Pyramid ETC Companies will perform the rehabilitation work. Faria Management is now responsible for the day-to-day management and operation of the property. Social services are being provided by non-profit partners Mosholu Montefiore Community Center (MMCC), which has experience serving residents at the three developments. Repairs began in 2023 and anticipated for completion by 2026.

Edenwald

Edenwald will receive \$783.6 million in comprehensive repairs to 2,035 units across 42 buildings in the Bronx. The development team is comprised of Camber Property Group, Henge Development, and SAA | EVI (developers), L+M Builders Group (general contractor), and C&C Apartment Management (property managers). C+C Social Services is providing case management and onsite services as the social service provider on site. Repairs are expected to be completed in 2027.

Union Avenue Consolidated

Union Avenue Consolidated will receive \$247.4 million in comprehensive repairs to 983 units across 6 developments in the Bronx. The development team is comprised of The Arker Companies, Omni New York LLC, Dabar Development Partners (developers), Renewal Chateau JV LLC (general contractor), and Progressive Management (property managers). Progressive Management, Presbyterian Senior Services, and the Acacia Network are providing case management and onsite services as the social service providers on site. Repairs are expected to be completed in 2026.

Reid + Park Rock Consolidated

Reid + Park Rock Consolidated will receive \$635.6 million in comprehensive repairs to 1,696 units across 82 buildings in Brooklyn. The development team is comprised of BRP Companies, Fairstead, Urbane Development Partners (developers), and Fairstead (general contractor and property manager.). Black Veterans for Social Justice is the non-profit group providing case management and onsite services for residents. Repairs are expected to be completed in 2027.

Sack Wern

This conversion will provide \$189.9 million in comprehensive repairs to 413 units across 7 buildings in the Bronx. The development team is comprised of Asland Capital Partners (MWBE), Breaking Ground (non-profit), Douglaston Development (developers), Levine Builders (general contractor) and Clinton Management (property manager). BronxWorks is the non-profit group providing case management and onsite services for residents. Repairs are expected to be completed in 2028.

West Brighton

This conversion will provide \$283.3 million in comprehensive repairs to 586 units across 16 buildings in Staten Island. The development team is comprised of BFC Development Partners, CB Emmanuel Realty (MWBE), Catholic Homes New York (non-profit; developers), BFC Development Partners, CB Emmanuel Realty (MWBE; general contractor), and Pinnacle City Living (property manager). Housing Opportunities United is the non-profit group providing case management and onsite services for residents. Repairs are expected to be completed in 2028.

Frederick Samuel

This conversion will provide \$383.6 million in comprehensive repairs to 664 units across 40 buildings in Manhattan. The development team is comprised of Genesis Companies (MWBE), Lemor Development Group (MWBE; developers), Monadnock Construction (general contractor), and VPH Management (property manager). VPH Management will also serve as the non-profit group providing case management and onsite services for residents. Repairs are expected to be completed in 2028.

Boston Secor, Boston Road Plaza and Middletown Plaza

This conversion will provide \$419.6 million in comprehensive repairs to 952 units across 6 buildings in the Bronx. The development team is comprised of Beacon Communities, Kalel Companies (MWBE), MBD Community Housing Corporation (developers), Notias Construction (general contractor), and Wavecrest Management (property manager). Regional Aid for Interim Needs (RAIN) will also serve as the non-profit group providing case management and onsite services for residents. Repairs are expected to be completed in 2028.

Manhattanville

This conversion will provide \$444.9 million in comprehensive repairs to 1,272 units across 6 buildings in Manhattan. The development team is comprised of Apex Building Group (MWBE), Gilbane Development Company, West Harlem Group Assistance (non-profit; developers; general contractors), and ELH Mgmt (property manager). Goodard Riverside will also serve as the non-profit group providing case management and onsite services for residents. Repairs are expected to be completed in 2028.

Infill, redevelopment, and other real estate activities

By leveraging our real estate assets, NYCHA can redevelop underused land to raise funding for

building rehabilitation or complete redevelopment of a NYCHA campus. Building on underutilized land can be done as a standalone transaction or in connection with other tools like PACT and the transfer of air rights. Proceeds generated by these transactions will be used to reinvest in, restore, or rebuild existing NYCHA campuses.

New residential buildings will be subject to Mandatory Inclusionary Housing (MIH) levels of affordability and increase the permanently affordable housing stock. NYCHA will ground lease—not sell—the land and will create plans with community input for comprehensive campus improvements that will help NYCHA achieve our mission.

NYCHA continues to tap into its extensive unused development rights (known as “air rights”) in order to raise revenue for the Authority. By transferring a portion of the Authority’s approximately 80 million square feet of air rights, NYCHA expects to generate \$1 billion in capital repairs for adjacent apartments. The sale of unused transferable development rights to owners of privately owned sites, has already generated \$55M in revenue to pay for capital repairs at NYCHA developments. In 2020, NYCHA completed two air rights transfers: one at Ingersoll Houses in Brooklyn for nearly \$25 million, and another at Hobbs Court in Manhattan for \$2.6 million. In 2022, NYCHA completed another sale at Manhattanville for \$28 million. In 2024, NYCHA completed another sale at Campos Plaza for \$19 million, bringing the total proceeds to \$74 million for capital repairs at the adjacent developments.

100% Affordable Housing and Seniors First

NYCHA will contribute resources to Housing New York-the Mayoral plan to secure 300,000 affordable apartments by 2026. All new development activities will include a transparent resident engagement process, will bring improved amenities for existing residents, and will bring opportunities for new affordable housing-including new affordable senior housing. The plan to create affordable senior and family housing on underused NYCHA property was the outcome of an extensive and meaningful planning process with hundreds of residents and community advocates. NYCHA intends to retain rights to the land developed through a long-term ground lease and provide critical oversight to the project. NYCHA also requires that developers regularly train, hire, and involve NYCHA residents throughout the project's development, with a preference for residents to occupy 25 percent of the units.

The following are the latest updates on NYCHA’s commitment to this initiative:

Mill Brook Terrace, Bronx

In 2017, NYCHA leased a parcel with approximately 126,055 square feet of development rights for the construction of a 159-unit senior housing development. Construction was completed, and the new building opened in 2019.

Stonewall House, Brooklyn

In 2017, NYCHA leased a parcel with approximately 124,000 square feet of development rights for the construction of a 146-unit senior housing development. The project-known as Stonewall House-opened in 2019 as the City’s first LGBTQ-friendly senior development for persons aged

62 or older.

Van Dyke III, Brooklyn

In 2018, NYCHA leased a parcel with approximately 191,500 square feet of residential development rights for the construction of a 180-unit family housing development. Construction was completed, and the new building opened in 2021.

East 165th Street – Bryant Ave, Bronx

In 2019, NYCHA leased a parcel of approximately 11,000 square feet on Block 2750, Lot 32, for the construction of a 62-unit supportive housing development. Construction was completed, and the new building opened in 2021.

Halletts Point Building 7, Queens

In 2019, NYCHA sold a parcel for the development of a 163-unit affordable development in Astoria, Queens. Construction is complete and the building is currently in the leasing phase.

Betances V, Bronx

In 2019, NYCHA leased a parcel of approximately 12,600 square feet on Block 2287, Lot 26, for construction of a 152-unit senior housing development. Construction is complete and the building opened in 2022.

Soundview III Homeownership, Bronx

In 2020, NYCHA leased a parcel of approximately 39,000 square feet on Block 3315, Lot 20, for the construction of 72 apartments for cooperative homeownership. Construction is complete and homeownership opportunities are currently being marketed.

Melrose North, Bronx

In 2020, NYCHA leased a parcel of approximately 21,200 square feet on Block 2409, Lot 98, for construction of a 171-unit family housing development. Construction is complete and the building opened in 2023.

Twin Parks Terrace, Bronx

In 2020, NYCHA leased a parcel of approximately 16,500 square feet on Block 3143, Lots 234, 236, and 240, for construction of a 182-unit family housing development. Construction is complete and the building opened in 2023.

The Atrium, Brooklyn

In 2021, NYCHA leased a parcel of approximately 24,200 square feet on Block 1580, Lot 1, for the construction of a 190-unit senior housing development. Construction is underway.

Casa Celina, Bronx

In 2021, NYCHA leased a parcel of approximately 9,400 square feet on Block 3730, Lot 1, for the construction of a 205-unit senior housing development. Construction is underway.

Betances VI, Bronx

In 2021, NYCHA leased a parcel of approximately 9,800 square feet on Block 2291, Lot 1, for the construction of a 101-unit family housing development. Construction is underway.

Bushwick II CDA (Group E), Brooklyn

In 2019, NYCHA leased a parcel of approximately 15,500 square feet on Block 3325, Lot 1, for the construction of a senior housing development. NYCHA, in collaboration with HPD, issued an RFP in 2017 and construction is underway.

Morris Senior, Bronx

In 2022, NYCHA leased a parcel of approximately 13,000 square feet on Block 2902, Lot 36, for construction of senior affordable housing development with approximately 150-200 units. NYCHA issued an RFP in collaboration with HPD in 2019 and pre-development is on-going.

Kingsborough Senior, Brooklyn

NYCHA plans to lease approximately 18,000 square feet on Block 1344, Lots 1 and 175, for the construction of a senior affordable housing development with around 150-200 units. In 2019, NYCHA issued an RFP in collaboration with HPD, and pre-development is currently ongoing.

Closing the Year

2024 was another challenging year for the nation as the world continues to recover from a historical pandemic. It has also been another difficult year for NYCHA's low-income families. Despite a significant reduction in revenue from tenant rent and an increase in contract expenses to meet HUD/SDNY guidelines, it is anticipated that the Authority will have to balance the budget for the year with a favorable increase in federal subsidy.

Operating Plan Narrative Table 1: Closing the Year

(\$ in Millions)

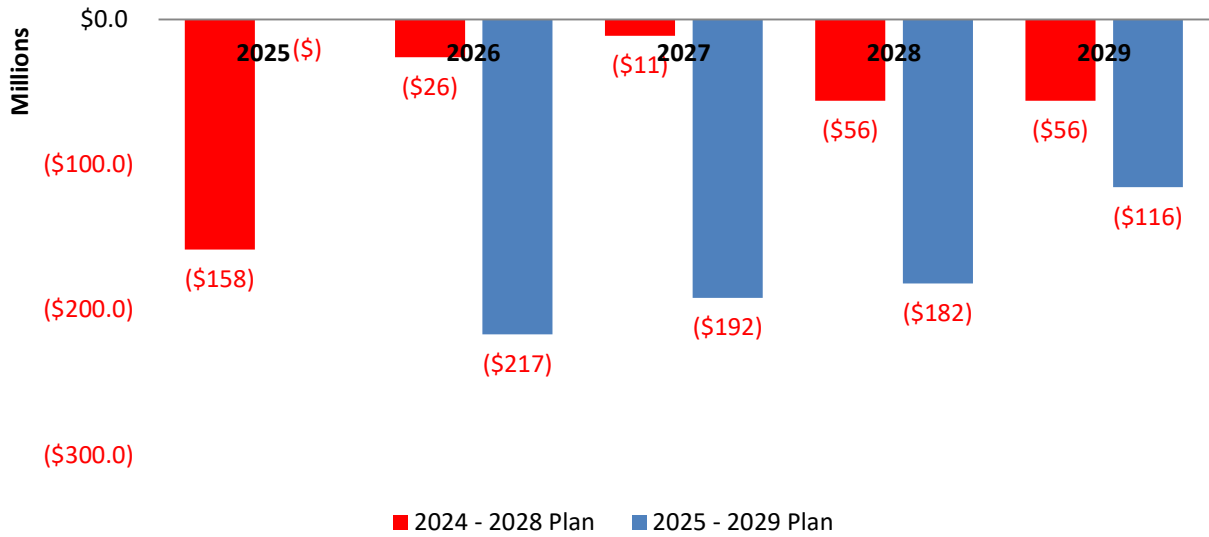
Sources	Adopted Budget	Year-end Reforecast	Variance
Tenant Rental Revenue	\$959	\$960	\$1
Operating Subsidy	\$1,310	\$1,436	\$126
Section 8 Subsidy	\$2,112	\$1,976	(\$136)
Capital Transfer/Mgmt. Fee	\$263	\$271	\$8
City Funds	\$205	\$308	\$103
All Other	\$110	\$158	\$48
Total Sources	\$4,961	\$5,109	\$148
Uses			
<i>Personal Services (PS)</i>			
Salaries	\$882	\$957	(\$75)
Overtime	\$111	\$232	(\$121)
Fringe	\$666	\$698	(\$32)
Total PS	\$1,659	\$1,887	(\$227)
<i>Other than Personal Services (OTPS)</i>			
Utilities	\$643	\$615	\$28
Contracts	\$414	\$429	(\$15)
Section 8 HAP	\$1,901	\$1,794	\$107
All Other OTPS	\$379	\$385	(\$6)
Total OTPS	\$3,337	\$3,223	\$113
Total Uses (PS & OTPS)	\$4,996	\$5,110	(\$114)
Surplus/(Deficit)	(\$35)	\$0	\$35

History of NYCHA's Funding

Deficits are mainly caused by growing employee benefit expenditures along with the contract and supply expenses associated with the HUD/SDNY Agreement compliance areas.

The Authority aims to reduce the gap in public housing maintenance costs over the next five years with additional support from the City of New York and increases in federal funding. However, even with additional support, the Authority is still anticipated to have deficits of \$217 million, \$192 million, \$182 million, and \$116 million from 2026 to 2029 respectively, and a projected balanced budget for 2025.

Public Housing Surplus/(Deficit)



Above chart compares prior Adopted Plan to Current Adopted Plan

Historical Federal Funding

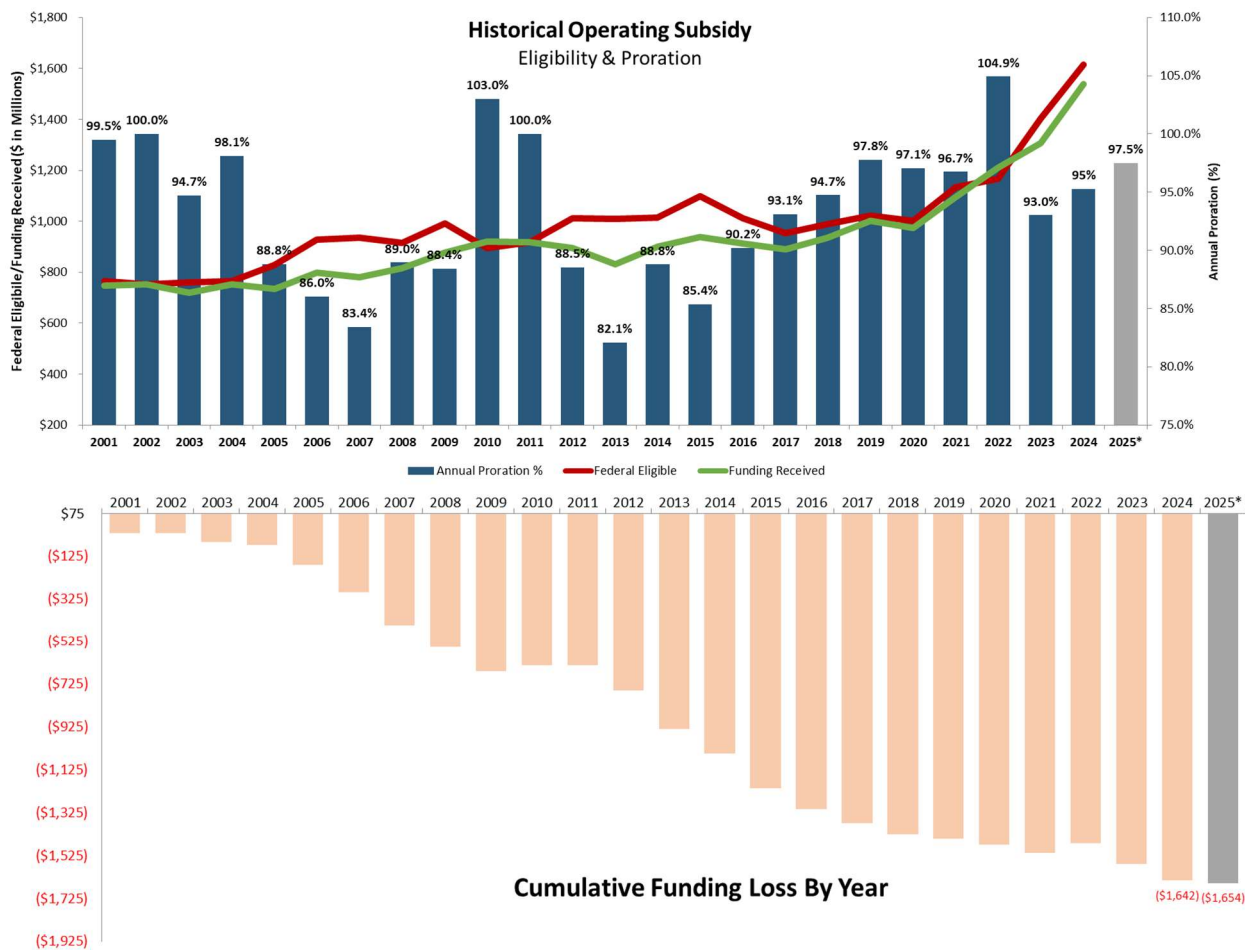
NYCHA relies heavily on federal subsidies, which account for approximately 70% of NYCHA's operating budget revenues. The 2025 adopted budget is planned to account for HUD's historic funding of each of NYCHA's programs.

Funding Source	2024 Year-end	2025 Adopted	Historical 8-Yr Average (FY'18 - FY'25)
Operating Subsidy*	96.97%	97.50%	99.21%
Section 8 HAP	99.50%	100.00%	99.77%
Section 8 Admin	91.77%	91.19%	91.12%
Capital Fund (\$ in Millions)	\$732	\$731	\$650

Federal Operating Subsidy

If NYCHA was awarded 100% of total eligibility, there would be little or no operating deficit in the Authority's Five-Year Plan. In fact, NYCHA would have additional resources to meet the needs of residents by supporting critically needed frontline staff, such as maintenance workers, caretakers, and skilled trade persons.

However, appropriations have generally fallen short of the funding levels required to fully fund public housing operations in accordance with HUD's eligibility formula. Additionally, while HUD's formula takes location into account, NYCHA has long advocated that the system is inequitable when one considers the city's uniquely high construction costs as well as higher employment costs in comparison to housing authorities across the US.



Note: 2025 represent Adopted budget based on anticipated funding level.

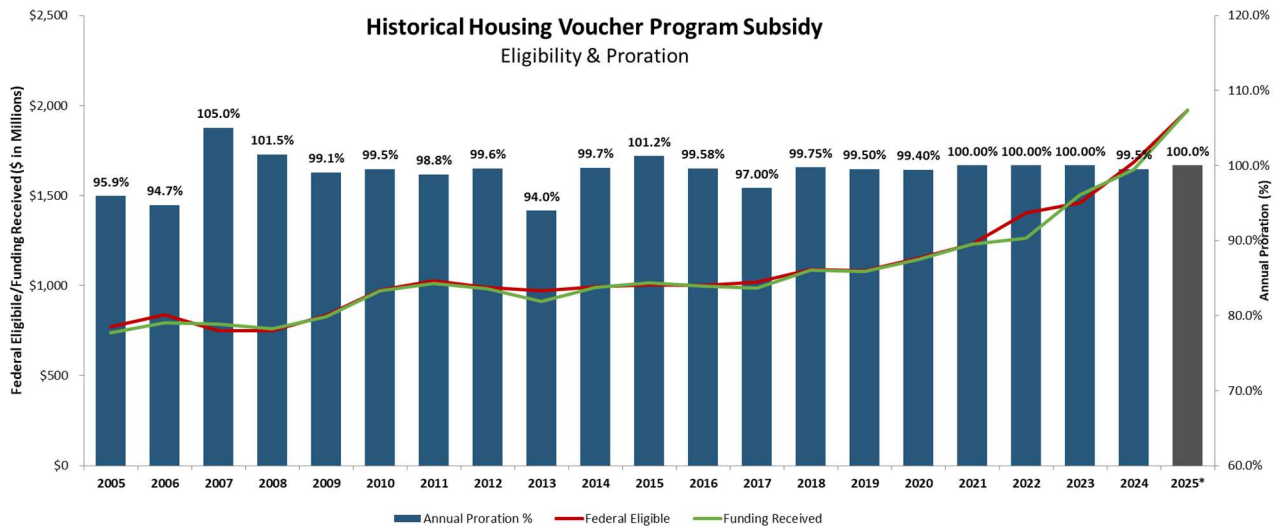
NYCHA's public housing program is the largest in the nation. The graph above illustrates a cumulative operating funding loss of over \$1.4 billion, however, from proration or average annual underfunding of approximately nearly \$70 million for past 24 years. This underfunding has caused close to 2.5 lost decades of adequate funding which could have been used to support this program.

Housing Choice Voucher Program (Section 8)

The Housing Choice Voucher (HCV) Program (commonly known as “Section 8”) provides rental subsidies to help low-income families access safe, decent, and affordable housing. The New York City Housing Authority (NYCHA) administers the nation’s largest Section 8 program, serving 107,979 households with 223,114 authorized residents as of December 2024. This includes 2,060 households in former State- and City-funded developments.

NYCHA partners with 26,933 landlords to provide rental assistance through two main components: tenant-based vouchers (TBVs) for private market rentals and project-based vouchers (PBVs) linked to specific housing units, including former public housing developments. Tenants generally contribute 30% of their income toward rent, while NYCHA pays landlords the remaining portion through Housing Assistance Payments (HAP).

Funding for Section 8 is determined by the U.S. Department of Housing and Urban Development (HUD), which allocates annual renewal funding based on the prior year’s HAP expenditures, adjusted for inflation and congressional appropriations. Local market conditions and household income changes directly impact rental subsidy costs. While HUD allows PHAs to maintain reserves, these funds are subject to potential recapture.

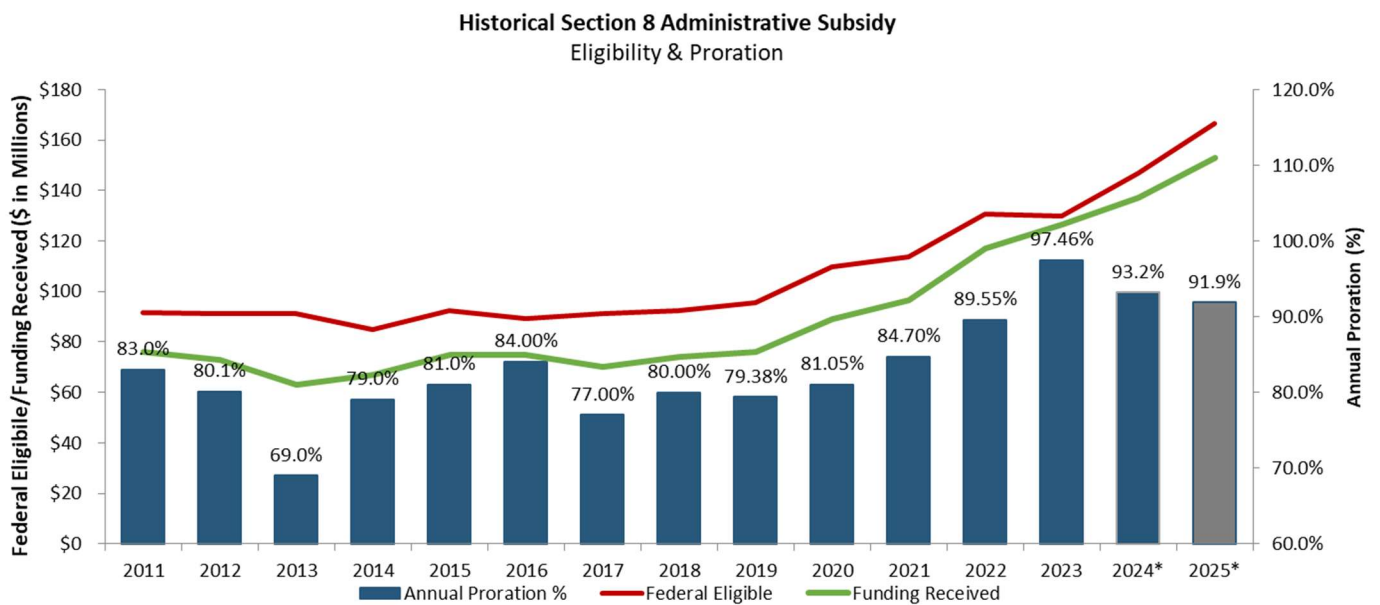


Housing Assistance Payments (HAP)

NYCHA provides rental subsidies to landlords on behalf of eligible participants through Housing Assistance Payments (HAP). Unused rental subsidies are held in program reserves by HUD and can only be used for issuing additional vouchers or addressing funding shortfalls. The number of families NYCHA can assist depends on congressional appropriations and HUD's prorated funding allocations. For 2025, based on estimated HAP expenditures of \$1.7 billion, NYCHA projects HAP renewal funding of \$1.8 billion at 100% proration (adjusted for inflation). The final funding amount will be determined after end-of-year reconciliations and is subject to congressional appropriations.

Administrative Fees

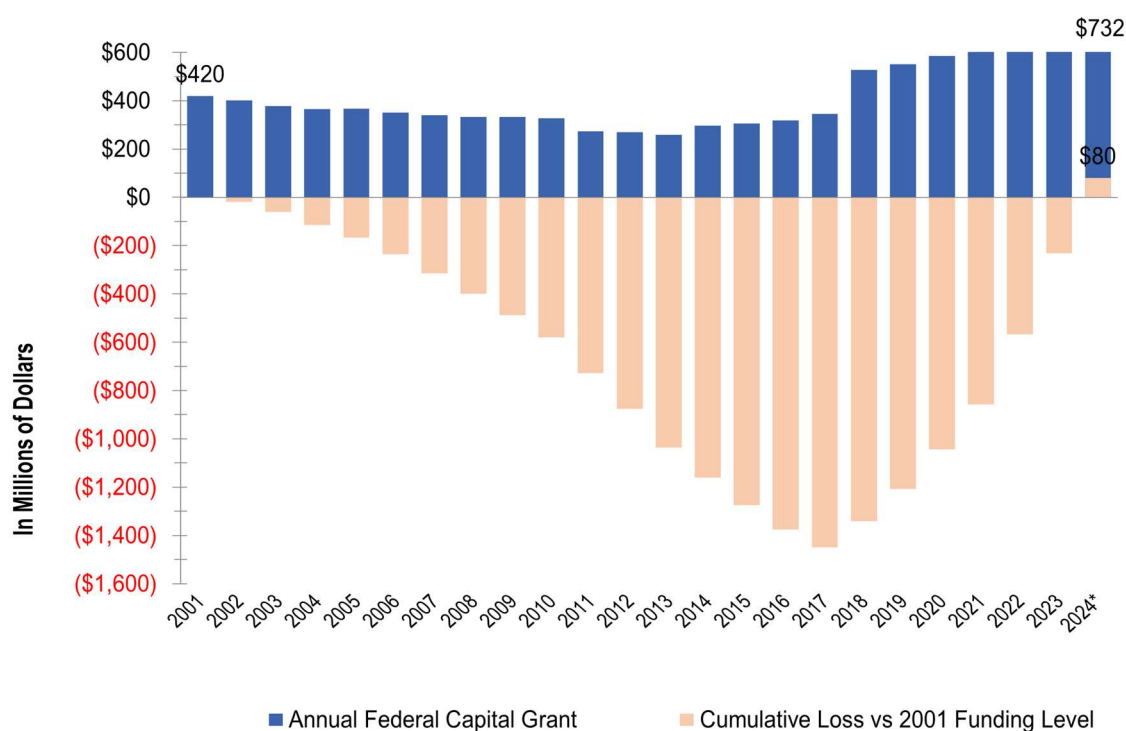
The administrative fees allocated to NYCHA for program administration are subject to proration by HUD. In 2025, NYCHA anticipates a slight increase in administrative fees, attributed to the revised rental plan and expected increases in the fee rates used for fee calculation.



Federal Capital Funding

NYCHA's aging housing stock requires far more capital investment than has been available from Federal, State, and City grants. NYCHA's 2023 PNA estimates 20-year physical needs of \$78.3 billion across 264 public housing properties that NYCHA currently directly manages. This is a 73 percent increase since 2017, when the Authority assessed a \$45.3 billion need, and represents the amount of funding required to bring developments to a state of good repair and ensure their long-term viability. Fifty-four percent (or \$42.1 billion) of the total need identified relates to assets requiring replacement immediately or within the next year, and 77 percent (or \$60.3 billion) of the total need identified relates to assets requiring replacement within the next five years.

Federal Capital Funding Since 2001
(\$ in Millions)



Securing funding for Unsubsidized/Unfunded Units

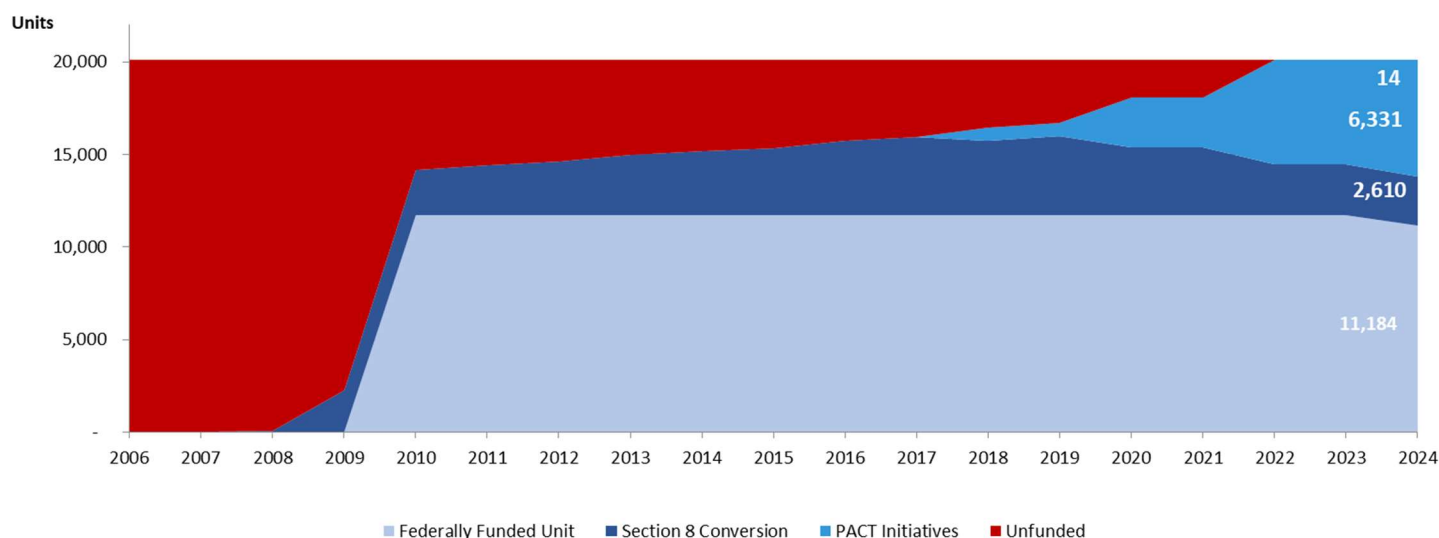
NYCHA owns and operates 21 developments originally built by the City of New York and the State of New York with 20,139 housing units that have been historically unfunded.

In 2008, NYCHA was able to secure funding for 11,743 out of 20,139 units through Federalization. Additionally, HUD, as part of the agreement, authorized the conversion of 8,396 units, (approximately 3,923 City & 4,473 State) into Project-Based Section 8 funded units through the 2008 Voluntary Conversion Plan (VCP).

Since 2008, NYCHA has been making progress to transition over 6,000 units via VCP and Rental Assistance Demonstration/Permanent Affordability Commitment Together (RAD/PACT) initiative*. The current plan reflects NYCHA's ongoing effort to transition the remaining 14 units

upon vacancy to the Section 8 funding model

History of Transition: Unsubsidized/Unfunded Unit



*Unfunded units are being transitioned to Section 8 program via RAD/PACT and/or Project-Based Section 8.

2025 Outlook

The Authority's \$5.4 billion budget funds two key federal programs:

- **Public Housing Program** (\$3.1 billion): Allocated for the operation and maintenance of more than 157,000 housing units.
- **Housing Choice Voucher (HCV) Program** (\$2.3 billion): Assists around 324,000 low-income New Yorkers in securing affordable housing in the private sector.

Part of the Public Housing Program is funded with \$287 million provided by the City of New York.

In 2025, while the Authority adopted a balanced budget, it is committed to explore cost-saving measures while seeking to secure additional support from our City, State and Federal partners. One of the primary revenue sources, the Federal Operating Subsidy (Section 9 program), is projected to be \$1.3 billion, reflecting an \$18 million decrease compared to 2024. Despite this reduction, the Authority expects this vital support will enable it to balance the budget by year-end.

Below are other key measures and plans to help address financial concerns:

Rent Collection

As of December 31, 2024, tenant arrears totaled \$524 million across over 68,906 low- and moderate-income households. The Authority has supported our tenants with submissions for assistance through the New York State Emergency Rental Assistance Program (ERAP). Our efforts have yielded significant ERAP funding and by December 31, 2024, the Authority received over \$37 million in ERAP funding to pay down tenant rent arrears.

NYCHA continues to explore all avenues to receive additional support from our city, state, and

federal partners. We are also engaging in targeted outreach to households in arrears, working with City partners to connect tenants to assistance, and have focused legal enforcement actions on tenants with the highest pre-pandemic balances.

- Currently 64.24% cumulative collection rate and \$75.2 million collected as of Jan 2025
- In 2024, NYCHA collected \$994 million in rent at a cumulative collection rate of 65%

Transformation Plan

NYCHA remains committed to investing in key priorities of its Transformation Plan, such as the Neighborhood Model, Work Order Reform, and the core areas outlined in the Agreement. Investments include 504 additional Maintenance Workers, Skilled Trades, and Neighborhood Planners, new contract management roles, and additional resources moved from the central office to the borough, neighborhood, and development levels. Amongst the six pillars-heating, elevators, pests/waste, lead, mold, and inspections-NYCHA has spent hundreds of millions of dollars since the signing of the Agreement to support compliance with its terms.

Implementation of the Preservation Trust

There has been significant progress so far, including:

- Appointment of Trust board
- Hiring of senior staff
- First voting site completed (Nostrand) and second voting site launched
 - NYCHA and the Trust will work together to complete conversion at Nostrand over the next 1.5-2 years, at which point construction can begin

Financial feasibility of RAD/PACT conversions given inflation and interest rates

The recent rise of interest rates has constrained PACT development expenses but has not affected overall feasibility. While there has been significant cost increases due to inflation, NYCHA is addressing through a combination of maximizing project revenue, pressure testing of costs, and filling any gaps with city capital subsidy.

Plans to revive infill or do more phased re-development

Any future infill projects must first address the housing needs of existing NYCHA residents.

The proposed rebuilding of Fulton and Elliott Chelsea has acted as a catalyst for residents at other developments to begin considering similar schemes, ranging from complete rebuilds to a mix of preservation and rebuilding.

2025 Financial Risk

While NYCHA is making a significant effort to streamline its operational processes & procedures while finding efficient measures to utilize its limited financial resources, the Authority faces considerable hurdles and challenges as it struggles to meet obligatory requirements (i.e.

HUD/SDNY Agreement). Below are some of key challenges:

- Delayed Rental Support from State in Tenant Rental income.
 - The 2025 Plan assumes Rental Support from HOME ARP funding that is equivalent to \$125M
- Depleting Reserve to meet obligatory requirement and other payment needs.
 - Heavy reliance on one-time unrestricted developer fees to cover ongoing increased operating expenses from the HUD/SDNY Agreement
 - All capital projects are funded on a reimbursement basis so NYCHA must have enough cash on hand to fund the work
 - Months with three payrolls require at least \$188.6 million of cash on hand, in addition to all other vendor payments

Use of reserve to fund these needs, reduces our cash position making it difficult to respond to unanticipated issues, prefund capital projects, and mitigate unexpected delays or reductions in grant funding.

2025 Initiatives and Special Programs

Blueprint for Change's Transformation Plan

The Blueprint for Change outlines the New York City Housing Authority's (NYCHA) commitment to enhancing its organizational *strength and enhancing residents' quality of life through comprehensive building renovations and the safeguarding of their full rights and protections.*

Central to this blueprint is the Transformation Plan, which proposes strategies for restructuring NYCHA's business model and operations to enhance service delivery to residents. Additionally, the blueprint includes a Stabilization Plan, which presents ideas for securing much-needed funding through a Public Housing Preservation Trust. This trust aims to completely rehabilitate over 300 NYCHA developments while ensuring they remain fully public and affordable. Moreover, these investments will create job and job training opportunities for residents which fosters economic empowerment within NYCHA communities.

Neighborhood Model

The Authority's vast size poses a significant challenge for the organization. The goal of the Neighborhood Model is to improve oversight and provide increased attention to NYCHA developments by creating smaller management portfolios. The implementation of the Neighborhood Model is a return of decision-making and control to the development level. This model empowers local managers to make decisions in the best interest of their sites, with minimal central office interference.

These changes will provide a deeper understanding of developments' needs and challenges and

allows for tailored solutions and appropriate allocation of resources. Furthermore, this approach will streamline the decision-making process closer to the front lines which will provide a mechanism to tackle challenges quicker. Over time, this model will enhance connectivity between developments, residents, and surrounding neighborhoods and community networks.

The neighborhood model has adapted to developments transitioning to Section 8, RAD/PACT, and NYCHA Trust. In 2024, Bronx Property Management Neighborhood 8 was removed due to RAD/PACT, and the remaining conventional developments were dispersed throughout other neighborhoods in the Bronx.

HUD/SDNY Agreement Investments

Since the agreement, NYCHA has continue to increase annual investments to the HUD Agreement pillar areas by nearly \$65 million (2019 vs 2024) operating expense and \$1,719 million in capital investment.

Agreement created opportunity to create and expand following managing department which are as follows: Office of Vice-President (VP) Elevator Services and Repairs, VP Heating Management Services

Lead Hazard Control, Mold Hazard Control, VP Pest Management, VP Waste Management, VP Environmental Health & Safety, Chief Compliance Officer, VP Compliance, VP Quality & Cost Control and Asbestos.

Below is the summary of NYCHA's continuing its commitment to meet agreement made with its stakeholder (HUD/SDNY) but more importantly to keep our promise to our residents.

Investment Detail

Investments from 2019 to 2024* (\$ in 000s)

HC	Operating	Capital	Total
585	\$ 65,284	\$ 1,719,133	\$ 1,784,417

Future Investments from 2025 to 2029

5 Years Investments FY 2025 - FY 2029						
Funding	HC	FY25	FY26	FY27	FY28	FY29
Operating	1,871	\$ 375,504	\$ 381,526	\$ 383,821	\$ 386,650	\$ 388,188
Capital		\$ 1,111,785	\$ 388,567	\$ 213,333	\$ 245,868	\$ 384,969
Total	1,871	\$ 1,487,289	\$ 770,093	\$ 597,154	\$ 632,518	\$ 773,156

- * Capital Investment reflects cumulative contribution since the agreement; Operating investment compares latest expense level vs. Pre-Agreement level.

Funding for capital needs related to the pillar areas is also provided in the proposed capital budget.

Transformation Plan - NYC Public Housing Preservation Trust

In a historic moment for New York City's public housing, residents of Nostrand Houses have voted to join the New York City Public Housing Preservation Trust. This decision marks one of many milestones in a transformative year for NYCHA, defined by greater resident engagement, record investments, and a strong emphasis on sustainability, all under the leadership of NYCHA CEO Lisa Bova-Hiatt, with advocacy and support from Mayor Eric Adams and Deputy Mayor for Housing, Economic Development, and Workforce Maria Torres-Springer. Providing residents with a say in the future of their homes not only demonstrates a shift toward resident-driven decision making but will also (as a result of the vote) unlock new federal funding for comprehensive repairs at the development. The Trust, alongside Permanent Affordability Commitment Together (PACT) and Comprehensive Modernization, underscores NYCHA's dedication to improving conditions for residents and preserving housing for generations of New Yorkers to come.

Highlights of this achievement:

- **Major Milestone**

Converted over 23,000 units to Section 8 housing through the Permanent Affordability Commitment Together (PACT) program since 2016

- **Funding Secured**

Closed on \$1.8 billion for capital repairs at PACT developments, marking the largest capital financing in the program's history

- **Capital Funding**

Continued to use a record-breaking \$1 billion for capital projects in 2023

- **Community Fundraising Effort**

Set a new Public Housing Community Fund record with an impressive \$8 million raised

- **Historic Progress**

Bolstered sustainability through clean energy initiatives and flood resilience infrastructure improvements, among other efforts.

Key Facts of the Bill

The following outlines key facts of the bill:

- **Transfer of 25,000 apartments to the Trust:** NYCHA will transfer an initial 25,000 apartments to the Trust, aiming to significantly improve residents' quality of life through comprehensive building renovations. This will be done while preserving all resident rights and protections, including permanently affordable rent and economic opportunities.
- **Long-term ground lease with the Trust:** NYCHA will continue to own and manage the properties by entering into a long-term ground lease with the Trust to secure Tenant Protection Vouchers, which offer a subsidy worth double NYCHA's current federal subsidy.

- **Issuing bonds for renovations:** Similar to other government entities, the Trust will issue bonds to fund comprehensive building renovations, with input and partnership from residents at the development. These renovations will include the latest sustainable technologies. The Trust can also hire better vendors to complete high-quality work more quickly.
- **NYCHA obligations:** NYCHA must meet certain obligations, such as publishing draft resident opt-in voting procedures for public comment and incorporating resident feedback into the final version. Additionally, board members must be appointed to manage the Trust's business, including representation from NYCHA residents.
- **Resident engagement and voting:** Transfers to the Trust will not occur without extensive resident engagement, including a vote by residents at the properties proposed for transfer to decide whether they want the transfer to take place.
- **Annual Plans and Amendments:** Future Annual Plans and Significant Amendments will include more detailed information on the Trust and proposed leasehold transfers to the Trust.

Emergency Housing Voucher (EHV) Subsidies and Administrative Fee

The EHV program was established in 2021 as part of the American Rescue Plan Act (ARPA) to help address homelessness and other social issues as well as to help assist families with a high risk of housing instability. In July 2021, of the 70,000 housing choice vouchers allocated to local Public Housing Authorities (PHAs), NYCHA was awarded 5,738. NYCHA entered a memorandum with our Continuum of Care (CoC) including the Housing Preservation Development (HPD) to establish a partnership for the administration of EHVs. As of Year-End 2024, NYCHA-with the help of its Continuum of Care (CoC)-has leased 100% of its allocated vouchers.

Budget Line-Item Discussion

This section provides an explanation and analysis of the Plan, by budget line item, as presented in the budget tables appended to this narrative.

Basis of Presentation

Budgetary Funds

The Plan consists of three component funds:

- *General Fund* reflects activities of frontline operations, central office, and field support functions for NYCHA-owned and/or privately managed housing, (as well as all public housing activities).
- *Housing Choice Voucher (HCV) Program Fund* reflects activities and administration of the Section 8 Programs, including Housing Choice Voucher (HCV), Veterans Affairs Supportive Housing (VASH), and Mainstream program.
- *Categorical Grants Fund* reflects all other grant programs by which NYCHA receives funding from federal, state, city, or private sources for operating and/or

administering a variety of community development and benefits programs.

The *All-Funds* presentation of the Plan reflects the consolidation of these three component funding sources with the appropriate elimination of inter-fund transactions and activities.

The Plan is developed on a modified accrual basis and thereby combines elements of accrual-basis with cash-basis budgeting. The Plan does not include provisions for non-cash expenditures such as depreciation, amortization, and the non-cash costs of Other Post-Employment Benefits (OPEB).

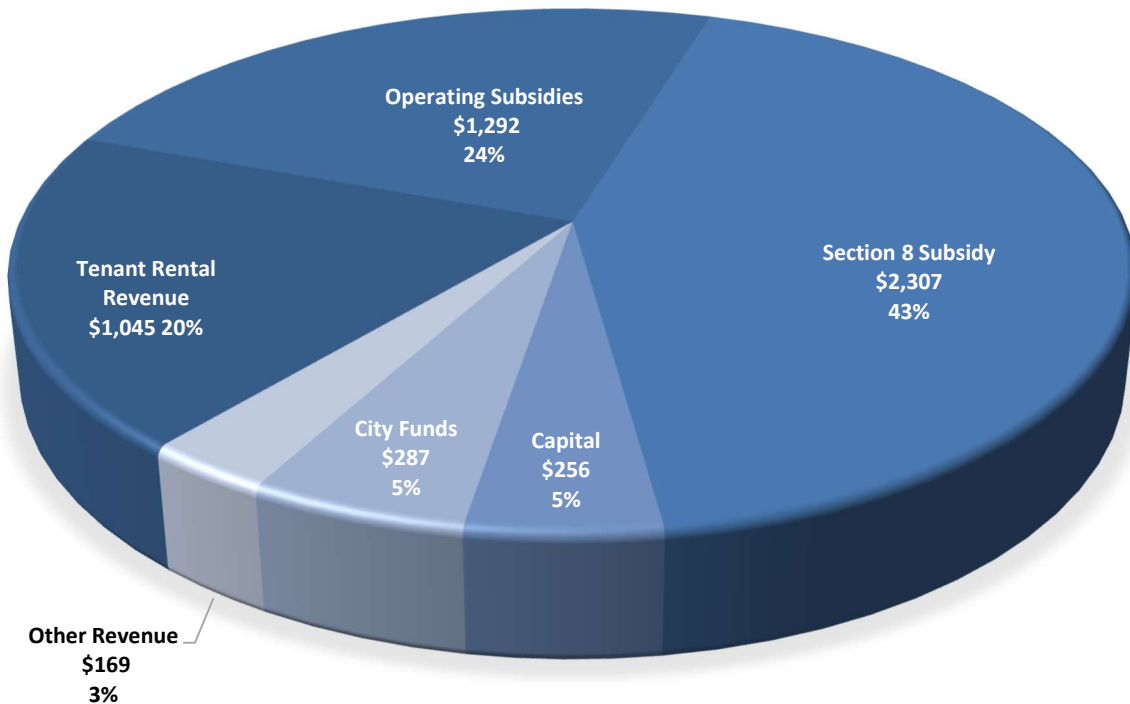
OPEB Disclosure

This Plan only includes projections for the “pay-as-you-go” component of OPEB. The full OPEB expense and liability are recognized in NYCHA's audited financial statements, which are prepared in accordance with Generally Accepted Accounting Principles (GAAP).

The OPEB liability as of December 31, 2024, is still being evaluated by NYCHA and its auditors, and amounts will be disclosed once evaluation has been completed.

Sources (Revenue Categories)

The following chart shows the \$5.4 billion in revenue within NYCHA’s 2025 operating budget, by category (\$ in Millions):



Other Revenue	
Revenue from Operations	\$36.5
Investment Income	\$10.4
Fraud Recovery	\$0.8
Categorical Grants	\$3.3
Other	\$117.8
Total Other Revenue	\$168.9

Tenant Rental Revenue and Federal Operating Subsidies account for nearly 44 percent of total revenues while Section 8 Subsidy for HAP and the Administrative Fees accounts for 43 percent of total revenues, as shown in the chart. The remaining 13 percent consists of many different components, which includes Capital Fund Reimbursements and City Funds.

Tenant Rental Revenue (Dwelling Rent)

Projected rent paid to NYCHA by residents, or Tenant Rental Revenue, represents 20% of total revenues in 2025. Rent projections are formulated at the property level based on the number of occupied units, tenants' rent, and collection losses. It is important to note that Tenant Rental Revenue contributes less than half of the total revenues used to cover the Authority's public housing expenditures reflected in the General Fund.

This plan projects that the tenant rental revenue will increase from \$958 million in 2024 to \$1,045 million in 2025. This is mainly attributed to \$125 million in anticipated Home-American Rescue Plan or HOME-ARP which authorized HUD to allocate HOME-ARP funds to states that qualified for allocation in Fiscal Year (FY) 2021. The city applied for and was approved for, an allocation to NYCHA tenants for the payment of rental arrears.

Federal Operating Subsidies

For 2025 – 2029, this Plan projects an increase in the amount of federal operating subsidies from \$1.292 billion in 2025 to \$1.371 billion in 2029. The assessment used to determine anticipated Operating Subsidy revenue is based on many factors, such as the number of eligible units, projected expense levels, utility expense levels, and formula income, which, in turn, is based on Tenant Rental Revenue. While this assessment determines the eligibility level, additional assumptions must be made to determine future appropriations and proration levels, as past prorations have averaged nearly 97.75% for the past decade (FY'15 to '24).

For CY2025, HUD released a utility factor of 62% and a rental inflation factor of 4.55%. However, based on available guidance at the time, the CY2025 proration was projected to be 97.5%, in line with CY2024 Public Housing Operating Subsidy Obligations guidance published.

Section 8 Conversion at LLC properties

NYCHA receives no dedicated federal funding for 8,396 units under the LLC I (2,722) & LLC II (5,674) Developments. These developments are properties once owned by the City and the State of New York. Each unfunded unit continues to burden the Authority as tenants' rent from these properties is inadequate to support the ever-increasing operating costs. Over the years, to secure

funding, NYCHA has converted the unfunded units to Section 8.

NYCHA has since been working diligently to convert these unfunded units to the Section 8 program. In fact, after years of effort, NYCHA through the PACT/RAD conversion, was able to successfully transition LLC II to RAD/PACT at the end of 2021. The FY2025 – FY2029 Financial Plan estimates \$32 million in HAP subsidies for FY2025. HAP subsidies are expected to increase to \$35 million in FY2029 following the RAP/PACT conversions. Vacancy rate starts at 10% in FY25, with a 2% drop expected by FY2029 due to improvement efforts.

Section 8 Subsidy and Administrative Fees

Section 8 Subsidy represents the total of the Housing Assistance Payments (HAP) and the Administrative Fees subsidy in the Housing Choice Voucher (HCV) Program Fund.

The projected subsidy reflects the expected number of vouchers in service in the HCV Program five- year rental plan. This considers the interplay of the following: program attrition, restorations, per-unit costs, inflation factors applied by HUD, increases permitted to building owners under New York rent regulations, changes to the fair market rent and payment standards, and funding proration.

The Plan assumes Section 8 Subsidy to increase from \$2.1 billion to \$2.8 billion over the next five years of 2025-2029. The Administrative Fees is expected to increase from what was received in 2024 attributed to the projected increase in units. This assumes a total Unit Months Leased (UML) of 1,310,609 for a monthly average of 109,217 vouchers in 2025.

Categorical Grants

NYCHA receives grant awards from federal, state, city, and private sources to fund specific community development and benefits programs. The Plan reflects funding awarded and does not reflect anticipated funding. The budget reflects categorical grants in the amount of \$3 million (up from \$1.3 million adopted in 2024), later decreasing to \$675,000 in 2029.

Capital Fund Reimbursements

Capital Fund Reimbursements (CFRs) are reimbursements from the federal capital program to the operating program for capital-related costs incurred in the operating budget. The CFRs are for replacement reserves of NYCHA's mixed-finance portfolios. These reimbursements are projected to be \$255 million in 2025 reflective of current Capital Fund 2024 allocation of \$731 million.

Interest on Investments

Interest on Investments illustrates estimated earnings on cash and investments while excluding anticipated earnings on self-insurance funds, which are offset by insurance expenses. This revenue is forecasted to decrease from \$10.4 million in 2025 to \$8.4 million in 2029, reflecting expected reduction in interest yields over the plan period.

Other Revenue from Operations

Other Revenue from Operations consists of ancillary fees collected mainly from residents, and

include sales and service charges, parking fees, and appliance surcharges designed to defer a portion of the cost of excess utility consumption. Also include a commercial tenant portfolio with storefront leases, rooftop leases, and sublease income from underutilized office space. Other Revenue from Operations is projected to decrease from \$36.4 million in 2025 to \$34.1 million in 2029, primarily attributed to RAD/PACT developments transitioning from the public housing portfolio.

City Funds

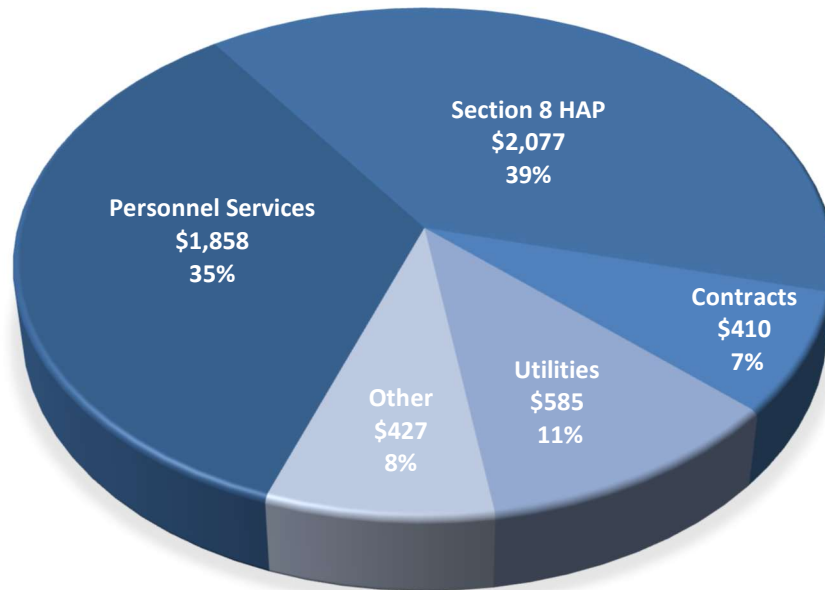
The City of New York and its administration is committed in supporting NYCHA's goals and mission. Funds from the City of New York assists the Authority in absorbing the impact of the Federal underfunding. The budgeted amount for 2025 is \$287.1 million which is primarily composed of \$252.6 million for the reimbursement of general wage increases, \$1.66 million for the Juneteenth Holiday, \$14.5 million for the Vacant Unit Readiness Program, \$11.4 million via CDBG programs, and \$6.7 million for other city funded initiatives.

Other Non-Operating Revenues

Other Non-Operating Revenues are ancillary revenues that NYCHA generates from third parties through property assets. This category includes revenue from fee associated with Section 8 program, debt service as well as other preservation initiative, and other miscellaneous revenue income.

Uses (Expenditure Categories)

The following chart shows, by category, the \$5.4 billion expenditures in NYCHA's 2025 Operating Budget (\$ in Millions):



Personnel Services (Salaries and Other Benefits) make up 35 percent of the total operating budget, while Section 8 Housing Assistance Payments account for 39 percent. Utilities and Contracts represent 11 percent and 8 percent, respectively, with all other expenses making up the remaining 8 percent.

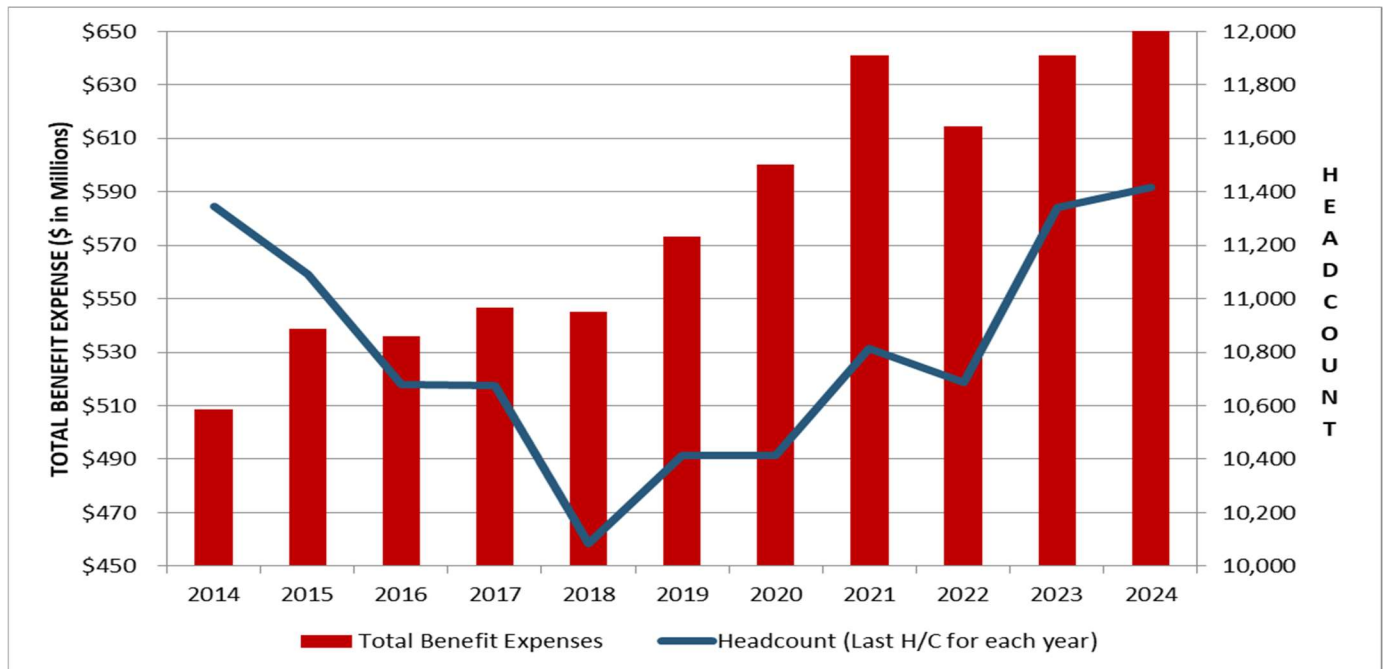
Other Expenses	
Supplies	\$122.3
Insurances	\$148.4
Leases	\$59.9
Equipment	\$45.1
Debt Services	\$15.4
Other	\$35.5
Total Other Expenses	\$426.7

Workforce

Workforce and Salary

In recent years, NYCHA has been steadily increasing staffing level to address the HUD/SDNY agreement. While the workforce level has been modestly improving, fringe expenses have been steadily increasing due to rising cost of health and pension benefit and other employee benefit related expenses. Over the past 10 years (2014–2025), while the workforce level has increased by just over 2 percent, overall fringe expenses have risen by more than 30 percent during the same period.

Historical Benefit Expenses vs. Workforce

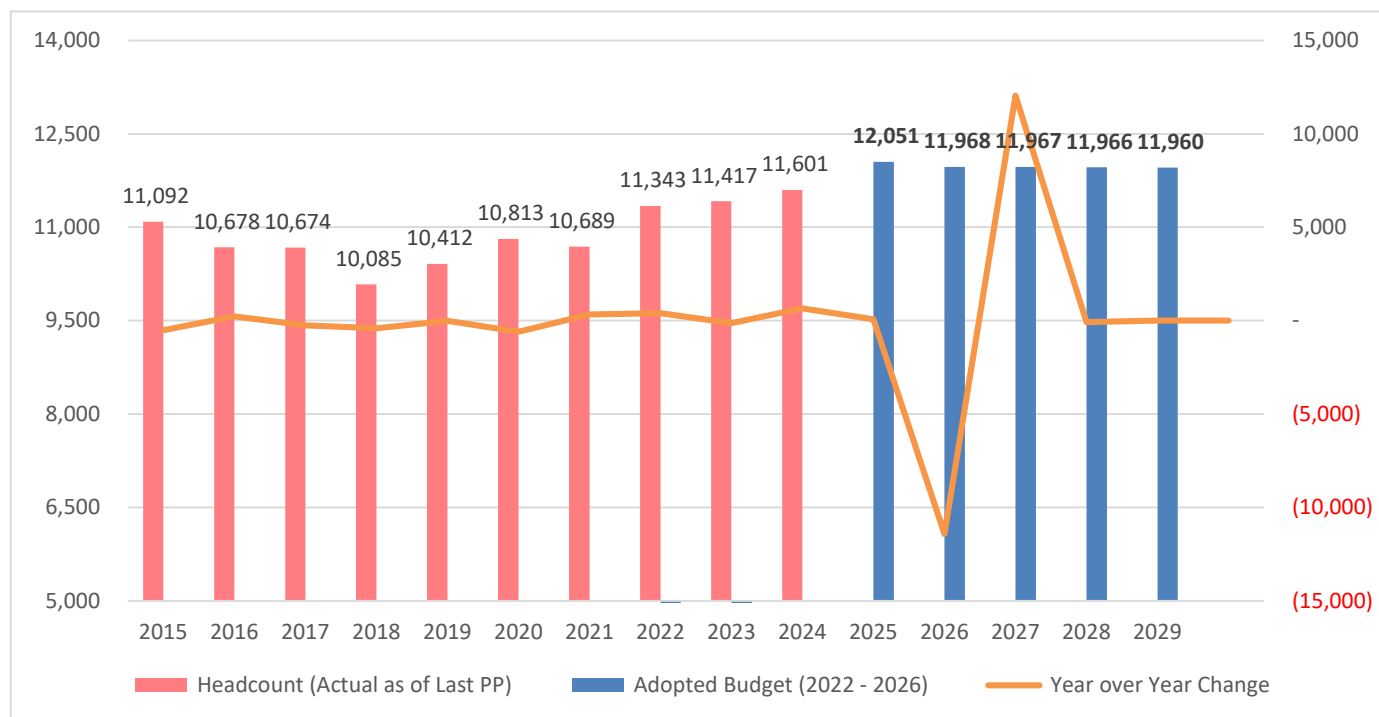


Benefit Expense Growth Comparison

	2014	2024	Change	% Change
Health	\$217.851	\$321.459	\$103.6	47.6%
Pension	\$155.894	\$164.668	\$8.8	5.6%
All Others	\$134.765	\$178.907	\$44.1	32.8%
Total benefit Expenses	\$508.51	\$665.03	\$156.5	30.8%
Year End Headcount	11,344	11,418	74	0.7%

With the continued reduction in revenues and increases in labor costs (e.g., fringe expenses), NYCHA faces difficulty and challenges in ensuring the continuation of its core functions and the delivery of essential services to its residents.

Historical staffing level (2015 – Current) vs. 2025 – 2029 Financial Plan



NYCHA’s 2025 Budget provides total budgeted position of 12,051—an increase of staffing level of 450 when compared to 2024 year-end staffing levels. Much of the staffing increases are associated with improving NYCHA’s frontline performance and increasing services to residents. Although staffing levels increased in 2024, the total number of positions is expected to decline over the next 5 years due to RAD/PACT conversions in comparison to previous years.

Workforce Distribution

The 2025 plan provides the workforce level to help address key health and safety concerns in-line with the HUD/SDNY Agreement.

Fund Structure Table: 2025 – 2029

Headcount By Funding

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
General Funds	11,277	11,200	11,201	11,204	11,204
Section 8	682	682	682	682	682
Grants	93	86	84	81	75
Total	12,051	11,968	11,967	11,966	11,960

Salaries

Full-time Salary is budgeted at \$917.2 million in 2025 and will slightly decrease to \$911.9 million by 2029 which is reflective of RAD/PACT conversions. Part-time Salary represents expenditures associated with part-time and temporary staff positions. Seasonal Salary expenditures are associated with the Authority's seasonal hiring program as well as temporary employment programs. Other Salary is an aggregation of assignment differentials, license differentials, increment payments, meal allowances and other miscellaneous pay adjustments.

This Plan includes general wage increases (GWI) due to settled collective bargaining agreements (CBA) for the affected unions/titles. To support NYCHA's financial burden because of the CBA, the City of New York agreed to provide funding for the cost of labor agreements.

Fringe

Fringe includes legally mandated benefits which include Social Security, Unemployment Insurance, and Workers' Compensation, as well as contractually mandated benefits including Health Insurance, Pension, Welfare, and Annuity for both Active and Retired employees.

NYCHA maintains a self-insurance program for workers' compensation. Expenditures include contributions to the self-insurance fund for estimated losses, premiums for the procurement of excess insurance, and assessments paid to the State of New York Workers' Compensation Board. The funding contributions to the self-insurance program also provide for professional services of actuaries, brokers, third-party administrators, and risk management consultants. This is a cost-effective approach to managing a unique workforce, which allows the Authority to take immediate action in both the processing of claims and the promotion of safety programs to reduce job-related risks.

Fringe is projected to increase from \$723.3 million in 2025 to \$782.7 million in 2029. As a percentage of total Personnel Service expenditures, Fringe is projected to increase from under 38.9 percent in 2025 to 40.9 percent of total personnel expenses by 2029. This is driven largely by the projected increases in health insurance benefit and pension expenses.

Overtime

The cost of overtime has been rising in recent years in part due to a decrease in workforce as well as various planned initiatives. For 2025, to address property needs, the Plan assumes overtime spending at 181.6 million, mainly to support operational frontline staff.

With improved staffing levels and efficiency in work assignments, and to reflect RAD transition, the Plan assumes overtime levels will remain similar for the 5-year plan.

Seasonal

This memo explains the methodology used to determine the 2025 allocation for the seasonal line under personnel services. The staff are paid through payroll and identified as seasonal employees so there is no addition to fulltime salary and headcount. This affords Operations the opportunity to onboard skilled trades labor to address temporary needs. The proposed allocation was driven by the following components.

- **Seasonal Staffing Program** – This initiative provides temporary staffing to support operational needs, hiring employees to work 30 hours per week for 26 weeks. The hiring process follows a phased approach, reaching approximately 400 staff at its peak. These seasonal workers help address increased workloads, ensuring continuity in essential services across various departments. The total projected cost for this program is \$4.4 million.
- **Comprehensive Modernization** – To facilitate modernization efforts at select properties, vacant units in nearby developments are being prepared to temporarily house displaced residents. This preparation uses various skilled trades staff focused on repairs, cleaning, and ensuring units meet habitability standards. By relocating residents efficiently, modernization work can proceed without disruption, minimizing delays. The total budget allocated for this effort is \$5.6 million.
- **Playground Unit Inspections** – A dedicated team of 10 maintenance workers is tasked with conducting safety inspections of playground equipment to ensure compliance with safety regulations and prevent hazards. This initiative helps maintain safe recreational spaces for residents, addressing wear and tear, necessary repairs, and compliance with regulatory guidelines. The funding for this program is \$650,000.
- **Fire Protection System Testing and Repairs** – 5 Plumber teams (5 Plumbers, 5 Plumber's Helpers, 1 Supervisor Plumber, and 1 Construction Project Manager) are responsible for testing and repairing fire protection systems. Their work includes conducting pressure and flow tests to verify system conditions, ensuring compliance, and facilitating the removal of fire guards and violations. They also drain and restore roof tanks during annual cleaning and maintain all standpipe systems. Additionally, the team supports quarterly fire alarm system testing by actively flowing water and operating valves for water flow and tamper devices. Future plans involve expanding in-house repair work to further reduce reliance on outside contractors, leading to significant cost savings. The total allocation for this initiative is \$1 million.
- **Central Shops Skilled Trade Unit** – Skilled trade workers provide essential support for various infrastructure repairs, including sewer rodding, water jetting, plumbing maintenance, tile replacements, brick work, and masonry restoration. These services ensure properties remain in good condition, reducing long-term repair costs and preventing larger structural issues. The allocated budget for this effort is \$670,000.

- **Seasonal Staff Realignment at Red Hook East & West** – Staffing adjustments are being made to better allocate seasonal employees, shifting resources from other programs to meet operational demands in these developments. This realignment of 3 Maintenance Workers ensures that critical maintenance and support services remain effective while optimizing workforce utilization. The total cost for this staffing adjustment is \$195,000.
- **Asbestos Testing Work Orders** – Asbestos testing work orders have risen sharply in 2024 due to investigations, abatement requirements, court cases, gas outages, and public space concerns, placing significant operational strain on resources. A large percentage of cases require urgent abatement, highlighting the critical nature of this work. This upward trend has been consistent over recent years and is expected to continue into 2025, driven by increased gas outage requests. To manage the growing workload and maintain service quality, plans include expanding workforce capacity by hiring additional seasonal staff, including asbestos investigators, project managers, and field inspectors, to strengthen oversight, scheduling, and compliance efforts. The total funding allocated for this initiative is \$500,000.
- **Visual Assessment and Dust Wipe Program** – To ensure compliance with the HUD Agreement, seasonal staff are hired to support lead hazard control initiatives. Community Services Aides and Community Coordinators oversee lead assessment programs, including inspections and dust wipe testing, to prevent exposure risks. This program plays a crucial role in maintaining regulatory compliance and protecting resident health. The total budget for these efforts is \$4.6 million.
- **Mold Remediation Program** – To ensure compliance with Mold HUD Action Plan The program is assigned to the 14 seasonal staff of Enhanced Oversight Program (EOP) & 7 seasonal staff of Roof Fan labeling team. The EOP team plays a crucial role in improving compliance metrics related to existing aging plumbing work order numbers (WOs) at high-risk consolidations, as well as tackling paint backlog WOs, and overseeing other priority tasks aimed at mitigating delays. The EOP establishes overall performance milestones consistent with the Baez requirements and identifies site-specific roadblocks that hinder performance. The total budget for this initiative is \$1.9 million.
- **HPT Trainee Program** (VP Heating Management Services) - The HPT Trainee Program is a new training program that NYCHA has implemented in collaboration with CUNY, Con Edison and the Public Housing Community Fund to hire NYCHA residents as Job Training Participants in preparation to fill Heating Plant Technician (HPT) roles. The goal of this program is to create a pipeline of well-trained and experienced HPTs, to reduce the timeline to fill vacancies, and to shorten the learning curve of newly hired HPTs.
- **Rat Mitigation** (VP Pest Management) \$921K. – General fund is \$709K. PAIS initiative – Rat Mitigation. Neighborhood Rat Reduction proposal is working to do the following: Standardize signage throughout the developments, burrow collapsing to stress out the rodent nesting environment especially during the spring and summer. \$211K – C018

Neighborhood Rat Reduction: A multi-agency plan to reduce the City’s rat populations that targets the three most infested parts of the City:

- The Grand Concourse area
- Chinatown/East Village/Lower East Side
- Bushwick/Bedford-Stuyvesant

Leases

Along with rental fees, NYCHA is typically responsible for operating costs, including taxes, utilities, and rent increases in accordance with the lease agreement. The Plan projects lease expenditures to rise from \$59.9 million in 2025 to \$60.4 million by 2029.

Insurance

Insurance expenditures include contributions to NYCHA’s general liability self-insurance fund for retained estimated losses, and premiums for the procurement of liability, boiler and machinery, and property insurance. The funding contributions to the self-insurance program also provide for professional services of actuaries, brokers, and risk management consultants. Expenditures are projected to decrease from \$148.4 million in 2025 to \$116.9 million by 2029. These decreases are driven by contributions to the general liability self-insurance fund and by higher property insurance premiums offset due to RAD impact. Costs associated with NYCHA’s workers’ compensation self-insurance fund are budgeted as part of the Fringe expenses.

Utilities

Utility expenditures are a significant component of NYCHA’s operating budget, representing approximately 12.6 percent of total expenditures. Included are costs associated with electricity, gas, water, steam, and fuel oil.

Utility Expenditure by Commodity

(\$ In Millions)

Commodities	FY 2025 - 2029 Financial Plan					FY'25 - '29 CAGR
	2025	2026	2027	2028	2029	
Heating & Cooking Gas	\$179.1	\$179.1	\$226.7	\$226.7	\$226.7	6.06%
Electricity	\$184.1	\$190.7	\$190.7	\$190.7	\$190.7	0.88%
Water	\$206.0	\$199.4	\$190.5	\$190.5	\$190.5	(1.93%)
Fuel	\$8.5	\$9.8	\$23.9	\$23.9	\$23.9	29.52%
Steam	\$7.5	\$11.3	\$11.3	\$11.3	\$11.3	10.79%
Total Utilities	\$585.2	\$590.3	\$643.1	\$643.1	\$643.1	2.39%

The 2025 plan has been adjusted to reflect the recent rise in energy prices, the five-year total is projected to increase from \$585.2 million in 2024 to \$643.1 million in 2029. Given the substantial impact of Utility costs, NYCHA continues to work with HUD in developing mutually beneficial Energy Performance Contracts (EPCs) and other energy conservation measures to continue to monitor and help meet city's conservation goal. These EPCs will provide additional funding for energy-efficient capital projects which will result in cost savings over time.

Section 8 Payments

Expenditures for Section 8 Housing Assistance Payments (HAP) are projected based on the rental plan administered through the leased housing program.

While most Section 8 Payments are disbursed to landlords participating in this program, it also includes disbursement for Phased Conversion Units as well as transition to RAD. Funding for these units has been transition from the Operating Subsidy (Section 9) to Section

8. These conversions of funding help to reduce deficit in General Fund. This plan projects that Section 8 Payments to landlords will increase from \$2.1 billion in 2025 to \$2.7 billion by 2029.

Contracts

Contracts includes third-party service payments for the following: painting, floor tiling, elevator maintenance, fire safety, environmental services, Marshall fees, security services, energy contracts, carting fees, automotive services, office equipment rentals and services, information technology software and hardware services, telecommunications services, lockbox fees, professional services, and others. To improve residential services and to address compliance requirements, NYCHA has been increasing its contract capacity in recent years. Increased contract capacity will help address key issues in the area targeted to address lead, mold, pest management, heating management, elevator as well as other operational concerns. Contract expense decreases from \$409.5 million in 2025 to \$401.7 million by 2029 reflective of PACT conversions.

Supplies, Equipment, and OTPS Other

Supplies includes materials and supplies required for property management operations (as well as administrative functions), including paint, tiles, carpentry supplies, electrical and plumbing supplies, auto repair shop supplies, uniforms, office supplies, and others.

Equipment includes ranges, refrigerators, telecommunications, automotive, machinery, computer hardware, grounds, and tools, (all of which must be above NYCHA's capitalization threshold).

Although funded in the Operating Plan, these are categorized as assets.

Debt Service provides interest payment for NYCHA's EPC (Energy Performance Contract) based on approval from HUD.

OTPS Other includes operating budget funding of the capital replacement reserves for NYCHA's mixed-finance portfolios, athletic and recreational activities, postage, petty cash reimbursements, training, and other miscellaneous expenditure categories. Supplies, Equipment, Debt Service, and OTPS Other drop from \$218.3M in 2025 to \$212.7M by 2029 due to PACT conversions.

2025-2029 Operating Plan by Funds

All Funds

(\$ in 000s)

Revenues	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenue from Operations:					
Tenant Rental Revenue	\$1,045,427	\$920,218	\$921,454	\$928,116	\$934,848
Other Revenue from Operations	36,500	34,268	34,183	34,446	34,192
Total Revenue from Operations	\$1,081,928	\$954,486	\$955,638	\$962,562	\$969,039
Other Revenues					
Federal Subsidies	\$1,291,639	\$1,245,943	\$1,274,935	\$1,307,213	\$1,371,969
Debt Services Subsidy	-	-	-	-	-
Section 8 Phased Conversion	31,920	32,841	33,760	34,650	34,862
Section 8 Management Fees	-	-	-	-	-
Capital Fund Reimbursements	255,683	255,683	255,683	255,683	255,683
Interest on Investments	10,420	9,434	8,833	8,421	8,404
Other	119,020	41,628	43,823	20,641	20,914
Categorical Grants	2,937	2,576	2,350	1,560	675
Section 8 Subsidy	1,943,377	2,169,783	2,338,671	2,476,530	2,558,065
Section 8 Admin	153,475	167,737	181,898	195,482	210,144
City Funds (CDGB)	11,486	11,486	11,486	11,486	11,486
City Funds (Vacant)	14,565	14,661	14,558	14,538	14,538
City Funds (Labor & Other)	261,053	305,543	324,002	331,487	331,487
Withdrawal From Reserves	178,275	118,101	87,486	68,695	128,887
Total Other Revenues	\$4,273,850	\$4,375,417	\$4,577,485	\$4,726,386	\$4,947,112
Total Revenues	\$5,355,778	\$5,329,903	\$5,533,122	\$5,688,948	\$5,916,152
Expenditures	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Personal Service:					
Salary F/T	917,225	912,451	912,360	912,289	911,881
Salary P/T	122	122	122	122	122
Seasonal	21,423	21,423	21,423	21,423	21,423
Overtime	181,602	181,602	181,602	181,602	181,602
Shift Differential	2,013	2,013	2,013	2,013	2,013
Retro	1,753	1,753	1,753	1,753	1,753
Fringe	723,343	741,131	756,285	773,832	782,660
Other Salary	10,246	10,202	10,202	10,202	10,202
Total Personal Service	\$1,857,728	\$1,870,697	\$1,885,759	\$1,903,236	\$1,911,656
Other Than Personal Service:					
Leases	59,937	59,590	59,738	60,003	60,367
Supplies	122,347	121,518	121,505	121,504	121,504
Equipment	45,136	44,647	40,337	40,337	40,337
Utilities	585,239	590,300	643,120	643,120	643,120
Contracts	409,525	403,050	402,290	401,951	401,748
Insurance	148,431	154,259	116,835	116,849	116,864
Debt Services	15,373	14,267	14,591	14,922	15,261
OTPS Other	35,470	35,388	35,321	35,458	35,600
Housing Assistance Payments	2,076,593	2,253,180	2,405,363	2,533,412	2,685,273
Total Other Than Personal Service	\$3,498,050	\$3,676,200	\$3,839,101	\$3,967,557	\$4,120,075
Total Expenditures	\$5,355,778	\$5,546,897	\$5,724,860	\$5,870,793	\$6,031,730
Surplus/(Deficit)	\$(0)	\$(216,994)	\$(191,738)	\$(181,846)	\$(115,579)

HEADCOUNT	12,051	11,968	11,967	11,966	11,960
-----------	--------	--------	--------	--------	--------

General Funds

(\$ in 000s)

Revenues	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenue from Operations:					
Tenant Rental Revenue	\$1,045,427	\$920,218	\$921,454	\$928,116	\$934,848
Other Revenue from Operations	36,500	34,268	34,183	34,446	34,192
Total Revenue from Operations	\$1,081,928	\$954,486	\$955,638	\$962,562	\$969,039
Other Revenues					
Federal Subsidies	\$1,272,791	\$1,228,297	\$1,257,031	\$1,289,010	\$1,353,427
Debt Services Subsidy	-	-	-	-	-
Section 8 Phased Conversion	31,920	32,841	33,760	34,650	34,862
Section 8 Management Fees	40,932	44,658	48,189	51,534	55,132
Capital Fund Reimbursements	255,683	255,683	255,683	255,683	255,683
Interest on Investments	8,614	8,507	8,438	8,421	8,404
Other	117,845	40,153	42,348	19,166	19,439
Categorical Grants	-	-	-	-	-
Section 8 Subsidy	-	-	-	-	-
Section 8 Admin	-	-	-	-	-
City Funds (CDGB)	-	-	-	-	-
City Funds (Vacant)	-	-	-	-	-
City Funds (Labor & Other)	254,336	301,107	320,381	327,866	327,866
Withdrawal From Reserves	-	-	-	-	-
Total Other Revenues	\$1,982,120	\$1,911,247	\$1,965,830	\$1,986,329	\$2,054,811
Total Revenues	\$3,064,048	\$2,865,733	\$2,921,468	\$2,948,891	\$3,023,851
Expenditures	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Personal Service:					
Salary F/T	\$856,215	\$851,983	\$852,025	\$852,232	\$852,229
Salary P/T	122	122	122	122	122
Seasonal	21,163	21,163	21,163	21,163	21,163
Overtime	176,857	176,857	176,857	176,857	176,857
Shift Differential	2,013	2,013	2,013	2,013	2,013
Retro	1,753	1,753	1,753	1,753	1,753
Fringe	677,364	694,320	708,578	725,229	733,784
Other Salary	9,643	9,598	9,598	9,598	9,598
Total Personal Service	\$1,745,129	\$1,757,809	\$1,772,109	\$1,788,967	\$1,797,519
Other Than Personal Service:					
Leases	\$51,590	\$51,590	\$51,590	\$51,590	\$51,590
Supplies	120,934	120,237	120,237	120,237	120,237
Equipment	31,495	31,278	31,278	31,278	31,278
Utilities	584,939	590,000	642,820	642,820	642,820
Contracts	364,241	359,147	359,146	359,146	359,146
Insurance	148,168	153,983	116,546	116,546	116,546
Debt Services	67	67	67	67	67
OTPS Other	19,050	19,157	19,310	19,460	19,607
Housing Assistance Payments	-	-	-	-	-
Total Other Than Personal Service	\$1,320,484	\$1,325,460	\$1,340,994	\$1,341,144	\$1,341,291
Total Expenditures	\$3,065,614	\$3,083,269	\$3,113,103	\$3,130,111	\$3,138,810
Surplus/(Deficit)	\$(1,565)	\$(217,535)	\$(191,636)	\$(181,220)	\$(114,960)
HEADCOUNT	11,277	11,200	11,201	11,204	11,204

Housing Choice Vouchers

(\$ in 000s)

Revenues	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenue from Operations:					
Tenant Rental Revenue	-	-	-	-	-
Other Revenue from Operations	-	-	-	-	-
Total Revenue from Operations	\$0	\$0	\$0	\$0	\$0
Other Revenues					
Federal Subsidies					
Debt Services Subsidy					
Section 8 Phased Conversion					
Section 8 Management Fees					
Capital Fund Reimbursements					
Interest on Investments	-	-	-	-	-
Other	775	775	775	775	775
Categorical Grants		-	-	-	-
Section 8 Subsidy	1,975,297	2,202,624	2,372,431	2,511,180	2,592,927
Section 8 Admin	153,475	167,737	181,898	195,482	210,144
City Funds (CDGB)					
City Funds (Vacant)					
City Funds (Labor & Other)					
Withdrawal From Reserves* (HAP RESERVE)	178,275	118,101	87,486	68,695	128,887
Total Other Revenues	\$2,307,822	\$2,489,237	\$2,642,590	\$2,776,132	\$2,932,732
Total Revenues	\$2,307,822	\$2,489,237	\$2,642,590	\$2,776,132	\$2,932,732
Expenditures	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Personal Service:					
Salary F/T	\$51,488	\$51,488	\$51,488	\$51,488	\$51,488
Salary P/T	-	-	-	-	-
Seasonal	49	49	49	49	49
Overtime	4,745	4,745	4,745	4,745	4,745
Shift Differential	-	-	-	-	-
Retro	-	-	-	-	-
Fringe	39,517	40,565	41,427	42,399	42,951
Other Salary	604	604	604	604	604
Total Personal Service	\$96,403	\$97,451	\$98,313	\$99,285	\$99,836
Other Than Personal Service:					
Leases	\$8,346	\$7,999	\$8,147	\$8,413	\$8,776
Supplies	460	460	460	460	460
Equipment	13,641	13,369	9,059	9,059	9,059
Utilities	300	300	300	300	300
Contracts	65,944	69,404	72,935	76,280	79,878
Insurance	263	276	289	304	318
Debt Services	-	-	-	-	-
OTPS Other	13,953	13,959	13,964	13,970	13,970
Housing Assistance Payments	2,108,513	2,286,021	2,439,123	2,568,062	2,720,135
Total Other Than Personal Service	\$2,211,419	\$2,391,787	\$2,544,277	\$2,676,847	\$2,832,896
Total Expenditures	\$2,307,822	\$2,489,237	\$2,642,590	\$2,776,132	\$2,932,732
Surplus/(Deficit)	\$ (0)	\$0	\$0	\$0	\$0
HEADCOUNT	682	682	682	682	682

Categorical Grants

(\$ in 000s)

Revenues	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenue from Operations:					
Tenant Rental Revenue					
Other Revenue from Operations					
Total Revenue from Operations					
Other Revenues					
Federal Subsidies	\$18,849	\$17,646	\$17,903	\$18,203	\$18,542
Debt Services Subsidy					
Section 8 Phased Conversion					
Section 8 Management Fees					
Capital Fund Reimbursements					
Interest on Investments	1,806	927	396	-	-
Other	400	700	700	700	700
Categorical Grants	2,937	2,576	2,350	1,560	675
Section 8 Subsidy					
Section 8 Admin					
City Funds (CDGB)	11,486	11,486	11,486	11,486	11,486
City Funds (Vacant)	14,565	14,661	14,558	14,538	14,538
City Funds (Labor & Other)	6,717	4,435	3,621	3,621	3,621
Withdrawal From Reserves	-	-	-	-	-
Total Other Revenues	\$56,760	\$52,431	\$51,014	\$50,108	\$49,562
Total Revenues	\$56,760	\$52,431	\$51,014	\$50,108	\$49,562
Expenditures					
Personal Service:					
Salary F/T	\$9,522	\$8,980	\$8,847	\$8,569	\$8,164
Salary P/T	-	-	-	-	-
Seasonal	212	212	212	212	212
Overtime	-	-	-	-	-
Shift Differential	-	-	-	-	-
Retro	-	-	-	-	-
Fringe	6,463	6,245	6,279	6,204	5,925
Other Salary	-	-	-	-	-
Total Personal Service	\$16,196	\$15,438	\$15,338	\$14,984	\$14,300
Other Than Personal Service:					
Leases	-	-	-	-	-
Supplies	953	821	809	808	808
Equipment	-	-	-	-	-
Utilities	-	-	-	-	-
Contracts	20,271	19,157	18,398	18,059	17,855
Insurance	-	-	-	-	-
Debt Services	15,306	14,200	14,524	14,856	15,194
OTPS Other	2,467	2,273	2,047	2,028	2,023
Housing Assistance Payments	-	-	-	-	-
Total Other Than Personal Service	\$38,998	\$36,452	\$35,778	\$35,750	\$35,881
Total Expenditures	\$55,194	\$51,890	\$51,116	\$50,734	\$50,181
Surplus/(Deficit)	\$1,565	\$541	\$(102)	\$(626)	\$(619)
HEADCOUNT	93	86	84	81	75