

Testimony from NYCHA's Chief Executive Officer Lisa Bova-Hiatt
Executive Budget Hearing – Public Housing
Committee on Public Housing with the Committee on Finance
Wednesday, May 14, 2025 – 12 p.m.
New York City Hall Council Chambers

Chairs Chris Banks and Justin Brannan, members of the Committees on Public Housing and Finance, other distinguished members of the City Council, NYCHA residents, community advocates, and members of the public: good afternoon. I am Lisa Bova-Hiatt, NYCHA's Chief Executive Officer. I am pleased to be joined by Chief Operating Officer Eva Trimble, Executive Vice President of Finance and Chief Financial Officer Annika Lescott-Martinez, Chief Asset and Capital Management Officer Shaan Mavani, and other members of NYCHA's team. NYCHA's adopted budget was approved by its Board of Directors in December; thank you for this opportunity to provide updates on NYCHA's fiscal outlook for calendar and NYCHA Fiscal Year 2025, as well as our efforts to transform our organization and improve residents' quality of life.

Concerns About the Federal Funding Landscape

As always, we remain entirely committed to improving the quality of life for NYCHA residents by making the best use of the limited funding that's available, while also pursuing innovative housing preservation programs that are radically transforming residents' homes.

We are making considerable progress in how we serve residents despite the significant challenges of managing a portfolio of rapidly aging buildings suffering from nearly \$80 billion of capital needs.

However, the recently released President's topline budget presents serious obstacles to these efforts. Under the proposal, HUD would see a nearly \$33 billion cut, with \$26.7 billion coming from a combination of the public housing and housing voucher programs. These cuts would come with new regulations, such as a two-year time limit on rental assistance for able-bodied adults and a shift from formula-based funding to block granting to states, with the expectation that local governments would share the cost in funding rental assistance.

NYCHA is monitoring this evolving situation closely, and our financial planning and budget will adapt to the specific figures for each program once they are released.

Funding Updates

Beyond our close attention to the unfolding developments in DC, not much has changed since we last discussed our budget with the Council in March. The figures in our adopted budget that we shared remain the same. However, the State budget recently appropriated \$225 million to NYCHA; we will engage with State stakeholders to program these funds in the coming months. And we were allocated \$378 million in expense funds and \$2.1 billion in capital funds, including funding for our PACT and Trust programs, from the City for City Fiscal Year 2026 through the Executive Plan. We are incredibly grateful for this support, which will help stabilize the Authority's finances and enable us to deliver vital repairs for residents.

Other Fiscal Challenges

While we are bringing top-to-bottom building and apartment renovations to residents through ground-breaking initiatives like PACT, the Trust, and Comprehensive Modernization (Comp Mod), NYCHA's finances remain precarious. Rent payments constitute one-third of NYCHA's operating budget – revenue essential for maintaining our developments and providing residents with the quality of life they deserve – and residents are still struggling to pay Covid-era rental arrears. We are collecting an average of 85 percent of the current monthly rent charged across our Section 9 portfolio, which is a positive development. However, past due rent continues to be an obstacle; rent arrears total more than \$440 million across 64,000 households – nearly half of all of NYCHA's Section 9 households.

Our top priority is to keep residents housed, and we continue to inform residents about how they can get assistance with rent payment, including payment plans and rent reductions when household income decreases. We are also helping residents benefit from vital rental assistance programs: We applied \$161 million in State ERAP funding to residents' rent arrears, and the CRA and HOME-ARP programs will cover up to \$185 million of pandemic-era rent arrears. Of course, it must be stressed that there's no additional funding for these programs on the horizon.

Moving Forward Together, No Matter What the Future Brings

NYCHA, and New York City, have weathered DC's political storms before, and the present tempest won't be an exception. NYCHA is an indispensable part of our city, and the largest

provider of deeply affordable housing. We appreciate the support of our partners, including members of the Council, as we strive to ensure it will remain a vital resource for New Yorkers for the generations to come, no matter the challenges.

Thank you. We are happy to answer any questions you may have.