

OPERATING PLAN NARRATIVE



**NEW YORK CITY
HOUSING
AUTHORITY**

**FY2026 - FY2030
Budget Publication**



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FY2026 - FY2030

ABSTRACT

The New York City Housing Authority (NYCHA) has adopted a balanced \$5.6 billion budget for 2026. However, the Authority is continued to be challenged due to chronic federal underfunding and mandated investments from a federal agreement. NYCHA's strategy for sustainability relies on its Blueprint for Change, primarily through the PACT program and the Public Housing Preservation Trust, to convert public housing and unlock billions for capital repairs. Success is contingent on the effective execution of these initiatives and continued critical support from government partners to preserve affordable housing for over 500,000 New Yorkers.

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EXECUTIVE SUMMARY

Overview

The New York City Housing Authority (NYCHA) has adopted a balanced \$5.6 billion operating budget for 2026, funding two core missions: the **Public Housing Program** (\$3.0 billion for 154,000+ units) and the **Housing Choice Voucher (HCV) Program** (\$2.6 billion assisting 107,979 households). Despite a projected balanced budget for 2026, NYCHA faces significant structural deficits from 2027-2030, driven by rising costs, historical federal underfunding, and expenses from a legal agreement with HUD.

	5 - Year Adopted Plan				
	2026	2027	2028	2029	2030
Sources					
Tenant Rental Revenue	\$ 858	\$ 838	\$ 840	\$ 843	\$ 846
Operating Subsidy	1,270	1,381	1,387	1,349	1,402
Section 8 Program Subsidy	2,581	2,589	2,666	2,729	2,798
Capital Transfer / Mgmt Fee	256	256	256	256	256
City Funds	337	358	368	370	370
All Other	267	80	90	68	64
Total Source	\$ 5,569	\$ 5,502	\$ 5,606	\$ 5,614	\$ 5,736
USES					
<u>Personnel Services (P.S.):</u>					
Salaries	\$ 956	\$ 953	\$ 951	\$ 951	\$ 951
Overtime	180	178	178	178	178
Fringe	718	758	758	758	758
Total P.S.	\$ 1,853	\$ 1,889	\$ 1,887	\$ 1,887	\$ 1,887
<u>Other Than Personnel Services (O.T.P.S.):</u>					
Supplies	\$ 129	\$ 130	\$ 129	\$ 129	\$ 129
Utilities	682	682	682	682	682
Contracts	344	351	349	349	349
Section 8 Landlord Payment	2,276	2,425	2,482	2,543	2,604
All Other OTPS	284	288	288	289	290
Total O.T.P.S.	\$ 3,715	\$ 3,876	\$ 3,931	\$ 3,992	\$ 4,055
Total Uses (PS & OTPS)	\$ 5,569	\$ 5,766	\$ 5,818	\$ 5,879	\$ 5,941
Surplus / (Deficit)	\$ (0)	\$ (263)	\$ (212)	\$ (265)	\$ (206)

Key Challenges & Financial Context

- **Chronic Federal Underfunding:** NYCHA's public housing program has faced a cumulative funding shortfall of nearly \$1.5 billion in the last 25 years due to prorated subsidies.
- **HUD Agreement Compliance:** A 2019 agreement with HUD mandates major investments in six pillar areas: Elevators, Heating, Lead, Mold, Pests/Waste, and Inspections. This requires hundreds of millions in annual operating and capital expenses.
- **Tenant Arrears:** As of December 2025, tenant rent arrears totaled \$517 million across 66,292 households, impacting revenue.
- **Aging Infrastructure:** NYCHA's 2023 Physical Needs Assessment identified a \$78.3 billion requirement to bring its properties to a state of good repair over 20 years.

Strategic Initiatives for Sustainability

The plan outlines a multi-pronged strategy to achieve financial and operational sustainability:

1. **PACT/RAD Conversions (Permanent Affordability Commitment Together):** This is NYCHA's primary tool for generating capital. PACT leverages public-private partnerships to convert public housing to Project-Based Section 8, unlocking billions for comprehensive renovations. Since 2016, the PACT program has generated over \$9.8 billion in capital funding for comprehensive apartment renovations and building infrastructure improvements for over 31,000 units. Approximately \$2.7 billion in renovations have already been completed, and over \$6 billion in major upgrades are in progress. An additional 12,982 apartments are part of active development projects in the process of resident engagement or pre-development. In summation, NYCHA has more than 44,000 apartments completed, in construction, or in a stage of resident engagement or pre-development. .
2. **The Public Housing Preservation Trust:** A new entity established to access enhanced federal subsidies (Tenant Protection Vouchers) and issue bonds for repairs. Resident approval is required for developments to transfer to the Trust, with Nostrand Houses being the first successful vote.
3. **Infill & Real Estate Development:** NYCHA is leasing underutilized land for 100% affordable and senior housing developments, generating revenue through ground leases while adding to the city's affordable housing stock.
4. **Transformation & Neighborhood Model:** An operational restructuring to decentralize decision-making, create smaller management portfolios ("Neighborhoods"), and move resources closer to developments to improve responsiveness and service delivery.

2026 Financial Outlook & Risks

NYCHA Adopted balanced budget for 2026, however, the Authority is continued to be challenged driven by decrease in federal subsidies, increases in expenses such as utilities and rise in personnel expenses

Conclusion

The 2026-2030 Operating Plan presents a roadmap for NYCHA to navigate immense financial pressure and physical deterioration. Its success is heavily dependent on the aggressive execution of its portfolio diversification strategy—primarily through PACT and the Preservation Trust—to secure unprecedented capital investment, while simultaneously managing the high costs of complying with the HUD agreement and serving its residents. Continued and increased support from city, state, and federal partners remains essential to closing the funding gap and preserving affordable public housing for over 500,000 New Yorkers.

FINANCIAL TRANSPARENCY & RECOGNITION

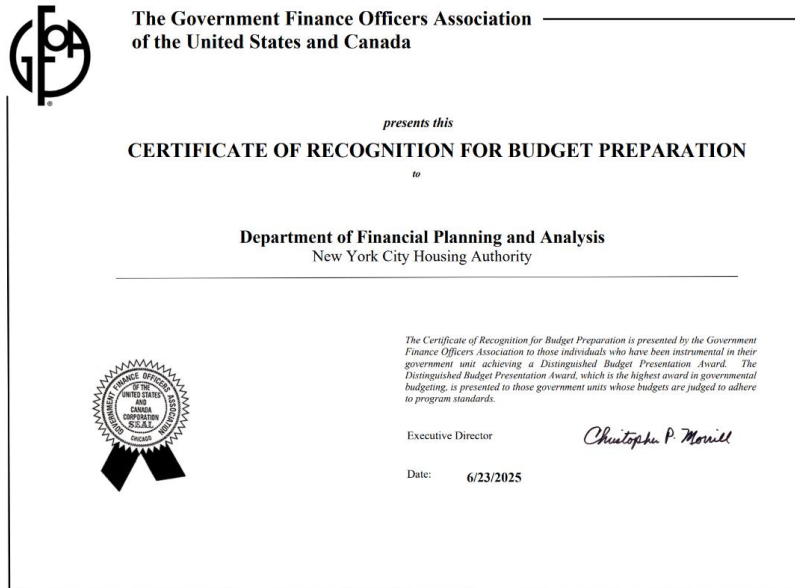
Our Commitment to Financial Transparency

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 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 2025 Budget Book to a panel of independent reviewers, the Government Finance Officers Association (GFOA). In June 2025, for the eleventh consecutive year, NYCHA was awarded the Distinguished Budget Presentation Award. This award is the highest form of recognition in government budgeting.



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 2025, 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.

In 2025, in addition to the basic training sessions, DFPA provided advanced training courses to development management staff to help them understand the income and expense report for their individual properties. To improve transparency, training sessions were also provided to resident leaders to enhance their understanding of the income and expense reports. This ensured they were better prepared to engage in informed and productive budget discussions. The budget web portal was updated to revise existing reports, eliminate underutilized reports, and published new reports to improve customer service. The training courses are accessible on the web portal.

In 2026, DFPA will continue to provide all the above training courses, in addition to budget training designed for the new neighborhood contract manager role.

For 2026, the plan involves adding advanced training courses, strengthening the cost allocation and fee-for-service models, improving financial statements, updating the budget web portal to revise existing reports, hosting property manager budget training on operational expenditures, and hosting training sessions to understand income and expense statements.

KEY FINANCIAL MEASURES & RISKS

The New York City Housing Authority's 2026-2030 Operating Plan is built on a strategy of proactive financial management while navigating significant, ongoing challenges. The Authority's financial health is contingent on both the successful execution of its measures and the mitigation of external risks.

Key Financial Measures

NYCHA is implementing several critical measures to achieve a balanced budget in 2026 and manage projected future deficits:

1. **Portfolio Diversification through PACT & the Trust:** A central financial measure is the strategic conversion of public housing units to the Project-Based Section 8 model via the Permanent Affordability Commitment Together (PACT) program and the new Public Housing Preservation Trust. This measure is designed to unlock billions in private and federal capital for critical repairs, transition units to a more stable Section 8 funding stream and reduce NYCHA's direct operating burden. Since 2016, PACT has generated nearly \$9.8 billion for renovations.
2. **Maximizing Alternative Revenue Streams:** NYCHA is actively leveraging its real estate assets to generate capital for repairs. This includes:
 - **Air Rights Transfers:** Selling unused development rights has already generated \$74 million for adjacent developments, with a long-term goal of \$1 billion.
 - **Infill Development:** Leasing underutilized land for 100% affordable and senior housing projects provides ground lease revenue and creates new housing stock without selling property.
3. **Operational Efficiency & Workforce Management:** The implementation of the **Neighborhood Model** decentralizes decision-making to improve responsiveness and resource allocation. Furthermore, targeted hiring focuses on frontline staff (Maintenance Workers, Skilled Trades) to improve service delivery and reduce reliance on more expensive contractors and overtime.
4. **Rent Collection & Arrears Management:** NYCHA is aggressively pursuing outstanding tenant arrears, which totaled \$462 million as of December 2025. The Authority has supported our tenants with submissions for assistance through the New York State HOME American Rescue Plan (HOME-ARP). Our efforts have yielded significant HOME-ARP funding, and by December 31, 2025, the Authority received over \$105 million in HOME-ARP funding to pay down tenant rent arrears
5. **Rigorous Budgetary Training and Transparency:** The Department of Financial Planning and Analysis (DFPA) provides ongoing training for property managers on budget

principles and property-level financials. This measure empowers local managers to make cost-effective decisions and fosters a culture of financial accountability. This effort is underscored by NYCHA's tenth consecutive GFOA Distinguished Budget Presentation Award.

Key Financial Risks

Despite these measures, NYCHA faces substantial risks that threaten its financial stability:

1. **Chronic Federal Underfunding:** The most significant systemic risk is the consistent underfunding of the Federal Operating Subsidy (Section 9). Over the past 25 years, proration has resulted in a cumulative funding shortfall of nearly **\$1.5 billion**. The 2026 Plan assumes a 99% proration rate, and any further reduction from Congress would immediately jeopardize the balanced budget.
2. **Escalating Costs of HUD/SDNY Agreement Compliance:** NYCHA has spent hundreds of millions of dollars to comply with the agreement across six pillar areas (elevators, heating, lead, mold, pests, waste). These mandated investments in new departments, staff, and contracts create sustained upward pressure on operating expenses that outpaced revenue growth.
3. **Economic Volatility and Inflation:** High inflation and interest rates increase the cost of contracts, supplies, and debt financing for PACT conversions. While NYCHA states that conversions remain feasible, these economic pressures constrain budgets and require gap funding from the City, which may not always be available.

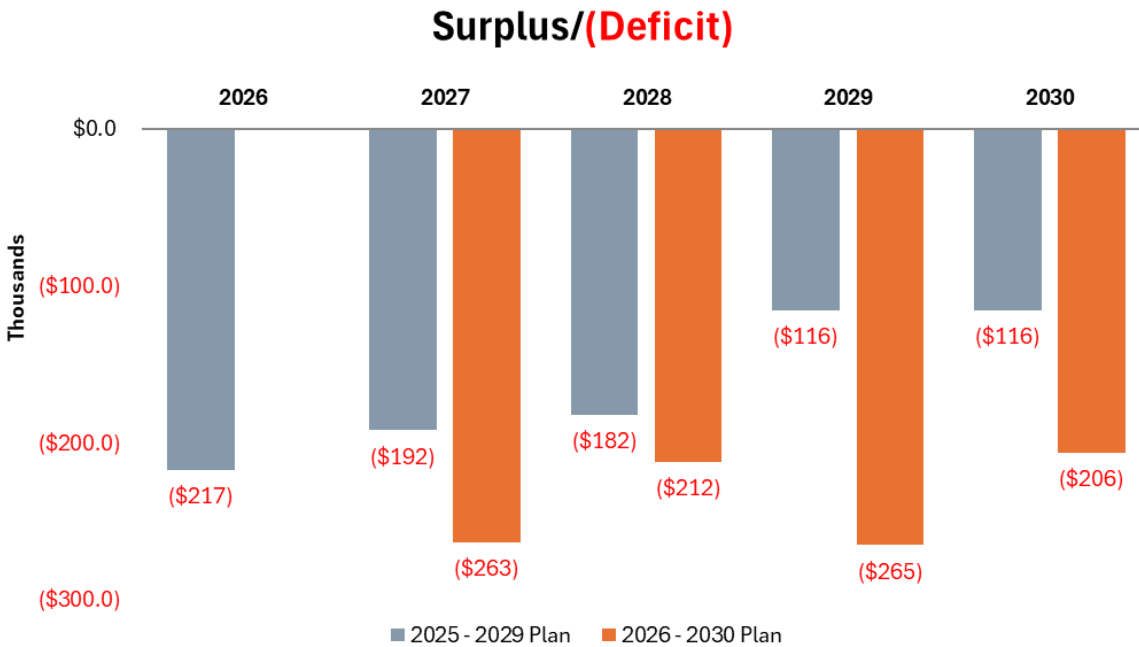
Conclusion

NYCHA's financial plan demonstrates a clear strategy to address its deep-rooted challenges through innovation and transformation. However, its path to long-term sustainability remains high-risk, heavily dependent on uncertain federal appropriations, the successful scaling of PACT/The Trust, and the continued financial support of the City of New York to bridge the gap created by decades of federal disinvestment.

History of NYCHA's Funding

Deficits are mainly caused by growing employee benefit expenditures, utility, and expenses in HUD/SDNY Agreement 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. While the Authority is expected to have balanced budget for FY 2026, however, even with additional support, it is expected to have a deficit of \$263 million, \$ 212 million, \$ 265 million, and \$206 million from 2027 to 2030 respectively.

Below 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 2026 adopted budget, which is derived from projected funding and eligibility, is planned to account for HUD’s historic funding of each of NYCHA’s programs.

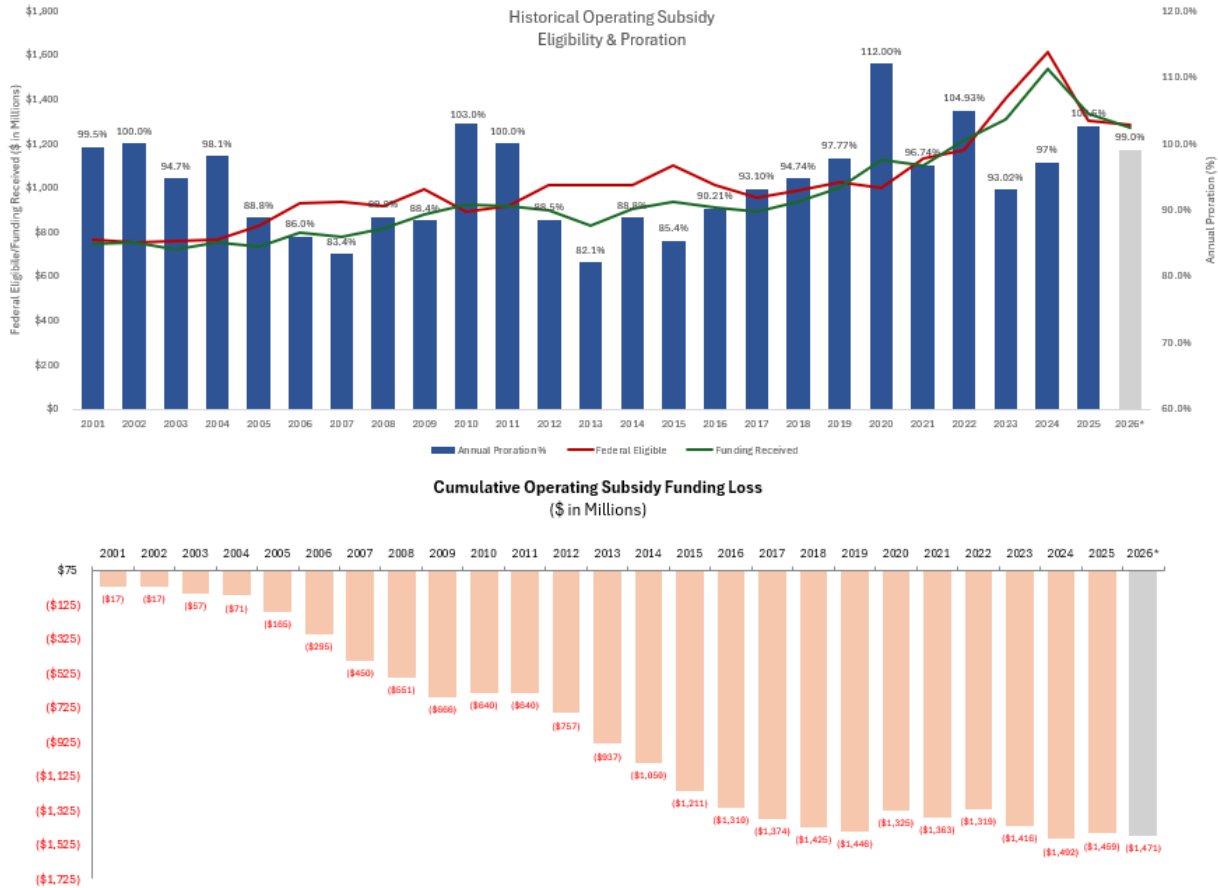
Funding Source	2025 Year-end	2026 Adopted	Historical 8-Yr Average
Operating Subsidy*	102.58%	99.00%	101.58%
Section 8 HAP	100.00%	100.00%	99.52%
Cap Fund (\$ in Millions)	\$731.29	\$731.29	\$648

Federal Operating Subsidy

HUD’s Public Housing operating fund provides subsidies to America’s Public Housing Authorities to operate and maintain in local communities. Federal subsidies account for nearly 42 percent of NYCHA’s General Fund revenue and all of NYCHA’s Section 8 HCV Program revenue.

Appropriations have, however, generally fallen short of the funding levels required to fully fund public housing operations in accordance with HUD’s eligibility formula. While HUD’s formula takes location into account, NYCHA has long advocated that the system is inequitable-the City’s uniquely high construction and employment costs, which NYCHA must consider (in comparison to other Public Housing Authorities) is not considered in HUD’s eligibility formula.

The 2026 Financial Plan assumes a proration level of 99 percent based on estimated eligibility using NYCHA’s projected proportional funding allocation (24 percent when compared to nationwide funding) for the past 5 years (2021-2025) and adjusted to reflect anticipated congressional appropriation for FY’26. Based on this approach, estimated funding eligibility for FY’26 is at 1.3 billion.



Note: 2020 Proration includes \$150 Million in Care ACT bringing up the Proration from 97% to 112% and 2024 includes Pel Appeal \$184 taking Proration from 93.5% to 97.12%

Historical data (2001 to 2025), as shown in the previous page, illustrates a cumulative operating funding loss of nearly \$1.5 billion due to proration.

HUD AGREEMENT & COMPLIANCE PILLARS

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 toward compliance with federal requirements. During the term of the 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 investment in workforce since 2019 as well as some recent updates & achievements.

Investment in Workforce (Year-over-Year)

EVP / Department	Inception to '20	Inception to '21	Inception to '22	Inception to '23	Inception to '24	Inception to '25	Inception to '26	Cummulative % Change '19 vs. '26
Elevator Services and Repair	58	106	111	109	109	114	114	27%
Heating Management Services	81	83	130	218	220	216	213	43%
Lead Hazard Control	60	60	63	50	58	61	43	57%
Mold Hazard Control	22	37	37	37	62	57	48	533%
Pest / Waste Management	76	77	81	100	223	262	252	764%
Environmental Health & Safety	48	49	51	51	52	52	51	5100%
Compliance	61	69	77	88	88	82	81	386%
Quality Assurance	20	25	32	36	36	31	31	3100%
Total	426	506	582	689	848	875	833	79%

Elevator Services and Repairs Department (ESRD)

HUD Agreement Main Objectives

- **Reduce "No-Service" Conditions:** Ensure that 85% of buildings with more than one elevator experience no more than one instance per year where all elevators are out of service simultaneously.
- **Improve Response Time:** Reduce the duration of service outages by 10% and ensure 75% of non-service conditions are resolved within 18 hours of notification.
- **Enhance Notification:** Institute a remote monitoring system (REMS) and provide residents with notice of unplanned outages within two hours.

Major Accomplishments & Progress

- **Reduced Outages:** In 2025, NYCHA recorded 21,415 elevator outages, a 10.8% reduction from the 23,165 outages in 2024, attributed to a enhanced focus on preventive maintenance.
- **Faster Resolutions:** The average outage duration increased to 6.01 hours in 2024 from 5.76 hours in 2024 but still an improvement from 7.37 in 2023. Furthermore, 73.25% of unplanned no-service outages were resolved within four hours in 2025, an increase of less than 1 % for the same time-period in 2024 (there had been 10,210 outages that resulted in a no-service condition).

- **Backlog Reduction:** ESRD achieved a 34% decrease in open elevator deficiencies, reducing the total from 147 at the end of 2024 to 50 by the end of 2025.

Heating Management Services Department (HMSD)

Major Accomplishments & Progress

- **Ongoing Initiatives:** HMSD is focused on continuous improvement through technological and process upgrades, including:
 - Enhancing the Heat Dashboard for better work order management.
 - Improving boiler inspection protocols and data accuracy.
 - Launching a Heat Training Lab in 2024 to further build staff expertise.

Lead Hazard Control Department (LHCD)

Major Accomplishments & Progress

- **Addressing Elevated Blood Lead Levels (EBLL):** The dedicated EBLL team conducted hundreds of risk assessments and remediations in resident units and public spaces. In 2025, the EBLL team conducted 206 CU6 Risk Assessments and 223 CU6 remediation's. The team also conducted risk assessments in 53 public spaces and remediation's in 52 public spaces. In addition, 26 abatements and 9 DUST COTA cleanings were completed; 9 orders of the Commissioner complaints were also received and completed.
- **Inspections & Abatement effort** The Lead Hazard Control Department (LHCD) conducted
 - 134,947 XRF inspections as of end of December 2025 at the 0.5 standard.
 - As of December 2025, NYCHA's LHCD has abated 17,756 units.
 - The visual assessment team completed 6,951 CU6 inspections and 28,682 non-CU6 inspections during the 2025 visual assessments.
- **Ongoing Initiatives** LHCD will continue its efforts with regards to XRF inspections, annual visual assessments, any cases of EBLLs 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 Objectives

- **Reduce Recurrence:** Address second mold complaints in the same unit or common area within a 12-month period.
- **Timely Remediation:** Remediate confirmed mold within 7 days for maintenance staff repairs and within 15 days for repairs requiring skilled trades.

Major Accomplishments & Progress

NYCHA has launched a multi-faceted, initiative-driven approach to combat mold:

- **Enhanced Oversight Program (EOP):** This program, launched in rounds at targeted sites, has led to improved performance scores at all participating developments by identifying root causes and prioritizing work.
- **Mold and Leaks: Restore and Renew Program (MLRR):** Launched in August 2025, MLRR is a \$20 million 2-year investment in a new skilled trades team to address leak and mold work orders open for 100 days or more. As of March 2026, NYCHA has completed MLRR programs at 2 consolidations (Sotomayor and Whitman). 2 more engagements at Ingersoll and Red Hook East are ongoing, As of March 2026, NYCHA has completed 1,629 work orders through MLRR.
- **Leak Standard Procedure** was published in May 2025 to establish a consistent approach authority-wide to addressing leaks and excessive moisture in residential buildings and to follow operational best practices. The initiative includes staff training, IT system upgrades, and performance monitoring. NYCHA began its rollout of the Leak SP in July of 2025, and the rollout will continue until the Spring of 2027.

- **Enhanced Oversight Program (“EOP”)**: Launched in June 2022, the Independent Mold Analyst (IMA), and the Ombudsperson Call Center engage consolidations struggling with mold and leak issues during weekly check-ins to address issues such as large work order backlogs, lack of managerial oversight, scheduling disruptions, procurement delays, material shortages and training needs. In February 2026, OMAR launched Round XII of EOP. All but 3 of the 31 prior EOP sites (Washington, Round VI; Throggs Neck, Round X; Tompkins, Round X) 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. Since its launch in November 2019, the OCC has served nearly 33,500 NYCHA households (over 29,000 unique apartments) processing 21,781 resident-reported complaints associated with 17,309 unique apartments.
- **Specialized Initiatives:**
 - **Mold Inspection Initiative (MII)**: Deployed to address backlogs and since its launch, the MII team has completed 3,728 mold inspections as of March 2026.
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 - **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 34,550 work orders as part of this effort as of March 2026. Phase VII (ongoing), targets 4,578 OMC WOs launched in January 2026.
 - **Mold Cleaning Initiative**: Launched in May 2022, which deploys a specialized team to address NYCHA’s mold cleaning backlog and has since closed 7,461 mold cleaning work orders as of March 2026.
 - **Mold Resistant Paint Initiative**: Launched in 2023. As of March, this program deploys a specialized painter team to address NYCHA’s mold resistant painter backlog and has closed 2,079 MR Paint work orders as of March 2026.

- **Operation Dry Out:** Launched in April 2023, this initiative is to address aging plumbing and tub enclosure work orders. Since its inception to March 2026, NYCHA addressed 7,202 tub enclosure work orders and 10,027 plumbing work orders. ODO is currently in Phase IV which launched in January 2026 to address 6,439 ODO WOs.
- **Building Line Initiative (BLI):** Focuses on fixing root causes like aging infrastructure at properties like Red Hook East and Tompkins to prevent mold recurrence.
 - Completed its first BLI project at Red Hook East (6 apartments) in January 2023.
 - Completed its second BLI project at Tompkins (15 apartments and 1 storage space) in January 2026.
 - Launched its third BLI project at Red Hook East (6 apartments in the B Line and 6 bathrooms in the A line) in May 2025, estimated to be completed December 2026.
 - Launched its fourth BLI project at Carlton Manor (10 apartments) in Summer 2025. This project is ongoing, estimated to be completed by Spring of 2027.
- **Ventilation Project:** Cleaned lateral ducts in a total of ~73,0000 units to improve moisture control starting in 2023 and as of March 2026, a total of ~ 38,000 dampers have been installed, representing 41% of the total target. installations.

Office of Pest & Waste Management

Pest Management Accomplishments & Progress

- **Improved Response Times:** A specialized rat response team launched in October 2023 which in 2025 met the agreement of 90% responds to interior rat complaints within 2 days and 100% within 5 days. Exterior rat complaints were responded to in less than 10 days.
- **Data-Driven Approach:** NYCHA is working with the Monitor to establish a reliable NYCHA Pest Population Index (NPPI) through thousands of inspections to better measure and reduce pest populations.

Waste Management Accomplishments & Progress

- **Accountability Tool:** The Scorecard 1.5 Measurement Application (formerly the Waste Management Measurement App (aka WAMMA)) is an effective tool that the Waste Management Department (WMD) has been using to objectively measure development cleanliness levels thereby increasing accountability among staff and drive improvements in overall cleanliness. Onsite inspections reveal significant improvements in trash collection and maintenance.
- **Enhanced Services:** Efforts include expanded use of bulk vendor services (including Saturday pickup), and the purchase of new compactor trucks to improve curbside pickup efficiency.

Environmental Health and Safety (EH&S)

HUD Agreement Main Objective

Analyze, oversee, and improve environmental health and safety at NYCHA, which shall include but not limited to lead-based paint, mold, heating, pests, elevators, air quality, and other aspects of NYCHA's physical environment that affect residents' or safety.

Accomplishments since Implementation

EHS' ongoing commitment to safeguarding NYCHA's residents and employees, increasing regulatory compliance, and enhancing safety culture across NYCHA align with HUD Agreement.

Compliance

HUD Agreement Main Objective

Overseeing NYCHA's regulatory compliance regarding federal, state, and local obligations.

Conclusion

NYCHA's ongoing commitment to the HUD Agreement is evidenced by the creation of specialized departments, hundreds of millions of dollars in operating and capital investments, and the implementation of targeted, data-driven initiatives. The Authority continues to build on this progress, focusing on systemic solutions and continuous improvement to provide safe, healthy, and compliant homes for its residents.

SITE VISITS

Connecting Strategy to Service Delivery: A Firsthand Look at Transformation

The SVP and executive leadership team will conduct a series of targeted site visits throughout the fiscal year to monitor the tangible outcomes of the Operating Plan. These visits serve as a vital feedback mechanism, moving beyond spreadsheet projections to assess the real-world effectiveness of our initiatives.

The schedule will prioritize three key areas:

1. **PACT in Action:** Touring developments at various stages of the PACT pipeline—from pre-construction resident engagement to recently completed renovations—to evaluate construction quality, the integration of new property management, and the delivery of on-site social services.
2. **HUD Agreement Milestones:** Visiting properties that are benchmarks for success in pillar areas such as elevator modernization, boiler plant upgrades, and mold remediation programs. These visits will assess the durability of repairs and the effectiveness of new maintenance protocols.
3. **Neighborhood Model Implementation:** Observing the decentralized management structure in practice within selected "Neighborhoods" to evaluate improvements in work order response times, resident communication, and local staff empowerment.

Findings from these visits will be documented and presented to the Board, directly informing budgetary adjustments and strategic refinements.

Neighborhood Site Visits

Overview

In FY25, the Financial Planning & Analysis (FP&A) Department conducted a comprehensive series of Neighborhood Site Visits as part of its Service Level Agreement commitment to provide direct, on-site financial support to NYCHA Operations. Between **March 2025 and July 2025**, Finance staff visited **29 neighborhoods and 4 borough offices** across the Authority. These visits were designed to strengthen collaboration between Finance and field staff, enhance financial literacy at the property level, and identify recurring operational and budgetary challenges that impact fiscal performance.

The initiative emphasized face-to-face engagement to ensure that financial guidance was practical, accessible, and responsive to the day-to-day realities of property management. By conducting meetings directly within neighborhoods, Finance was able to provide real-time system access, immediate troubleshooting, and hands-on demonstrations that are not always achievable through virtual or centralized training sessions..



Purpose and Objectives

The Neighborhood Site Visits were structured around several core objectives:

- **Empower Neighborhood Administrators (NAs)** to shape meeting agendas based on site-specific operational and financial needs.
- **Provide direct, real-time access to financial systems**, including the Budget Web Portal, OBIEE reports, and Operations Dashboards.
- **Strengthen working relationships** between Finance staff and field leadership through collaborative problem-solving.
- **Deliver hands-on guidance** on budget execution, procurement processes, and financial reporting requirements.
- **Gain deeper insight into operational pain points** affecting budget control, vendor payments, and year-end closeout.
- **Document systemic issues** and develop actionable recommendations for senior leadership.

This approach reinforced Finance’s role as a strategic partner to Operations, rather than solely a compliance or oversight function.

Engagement Structure and Topics Covered

Each visit followed a flexible agenda tailored to the needs of the hosting neighborhood. While discussions varied based on site conditions, staffing, and budget profiles, several key topics consistently emerged across visits:



Budget Web Portal and Financial Reporting

Finance staff conducted live walkthroughs of the Budget Web Portal, focusing on how to access, interpret, and apply financial reports to support operational decision-making. Emphasis was placed on understanding budget balances, commitments, expenditures, and variances in order to proactively manage resources throughout the fiscal year.

Prior-Year Open Encumbrances

Step-by-step demonstrations were provided on generating and reviewing OBIEE open encumbrance reports. Finance staff worked directly with property teams to explain the causes of aged encumbrances, outline resolution paths, and clarify distinctions between cancellations, receipts, and invoice reconciliation—particularly for prior-year items.

Overtime Expenditures and Coding Accuracy

Discussions focused on the importance of consistent overtime coding and adherence to updated coding guidance. Finance reinforced how coding accuracy supports transparency, audit readiness, and accurate reporting at both the property and Authority-wide levels.

Procurement Workflow and Timely Receipting

Finance reviewed the full procurement lifecycle, from requisition submission through receipt entry and vendor payment. The Operations Dashboard was used to highlight invoices pending receipt and demonstrate how delays in receipting or follow-up can result in unpaid invoices and lingering encumbrances.

Training Resources and Tools for Field Staff

Finance highlighted available training materials, including the Budget 101 Video, Advanced Budget Training Course, and newly enhanced guidance on the Income & Expense Report.

Particular attention was given to preparing Property Managers to communicate financial information clearly and confidently to Resident Leaders.

Key Findings from Field Staff Feedback

The in-person format encouraged candid discussion, resulting in consistent themes across neighborhoods:

Persistent Confusion Around Year-End Closeout

While Operations has increased its involvement in addressing open encumbrances, many field staff reported ongoing difficulty understanding the year-end closeout process across different scenarios. Prior-year open encumbrances remain a significant concern, particularly when resolution paths differ based on procurement type, invoice status, or delivery completion.

Knowledge Gaps in Procurement Procedures

A notable number of Property Managers and Superintendents—especially those who are newer to their roles—expressed uncertainty regarding the procurement hierarchy and requisition approval process. Inconsistent understanding of approval routing and responsibilities increases the risk of delays and administrative errors.

Uncertainty in the Vendor Payment Process

Many Property Managers believe their responsibility ends once a receipt is entered in the system. There is ongoing confusion regarding responsibility for ensuring vendor invoices are submitted and resolved, particularly in cases involving partial deliveries or invoice discrepancies. These gaps contribute to delayed payments and unresolved encumbrances.

Training Requires Reinforcement and Continuity

Although Operations has led multiple training initiatives, field staff emphasized the need for continued reinforcement through follow-up sessions, simplified reference materials, and on-demand resources that can be revisited as needed.

Finance Assessment and Observations

The FY25 Neighborhood Site Visits demonstrated that significant progress has been made in expanding financial tools and training, **process complexity and role clarity remain barriers** to consistent execution at the property level. The visits highlighted the value of in-person engagement in uncovering practical challenges that are not always evident through reports or centralized reviews.

Importantly, the feedback underscored that many issues stem not from lack of effort, but from unclear guidance, inconsistent onboarding, and fragmented understanding of shared responsibilities across Finance, Operations, and vendors.

Outcomes and Forward-Looking Impact

The insights gathered during the FY25 Neighborhood Site Visits informed a set of targeted Finance recommendations focused on strengthening procurement accountability and operational financial discipline. These recommendations emphasize:

- Clear, scenario-based guidance for year-end closeout and encumbrance resolution
- Improved onboarding and refresher training for procurement workflows
- Clarification of roles across the full vendor payment lifecycle
- Establishment of baseline financial accountability standards at the property level

Collectively, these efforts aim to improve budget execution, reduce aged obligations, enhance transparency, and support field staff in managing resources more effectively.



BLUEPRINT FOR CHANGE & TRANSFORMATION PLAN



The New York City Housing Authority's **Blueprint for Change** is a comprehensive framework outlining the strategic path forward to address decades of systemic underfunding and operational challenges. It represents a fundamental reimagining of how NYCHA delivers safe, decent, and affordable housing to its residents. The Blueprint is built on two interconnected pillars: the **Transformation Plan**, which focuses on internal organizational and operational reforms, and the **Stabilization Plan**, which focuses on securing new, sustainable funding streams through tools like the Public Housing Preservation Trust and the Permanent Affordability Commitment Together (PACT) program.

Transformation Plan

The **Transformation Plan** is the operational engine of the Blueprint for Change. Its primary objective is to reform NYCHA's business model, management structure, and service delivery to create a more efficient, effective, and resident-focused organization.

Key initiatives under this plan include:

- **Neighborhood Model:** This initiative decentralizes decision-making by reorganizing property management into smaller, more manageable geographic portfolios. This empowers local managers with greater autonomy and accountability, allowing for faster response to issues, deeper understanding of development-specific needs, and stronger connections with residents and community networks. The model is dynamically adapted to account for developments transitioning to Section 8 via PACT or the Trust.
- **Work Order Reform:** A critical effort to modernize and streamline the process for handling resident repair requests. The goal is to improve response times, increase transparency for residents on the status of their work orders, and ensure the efficient allocation of skilled trades staff and resources.
- **Investment in Frontline Staff:** To improve service delivery and comply with the HUD Agreement, the Transformation Plan has driven a significant increase in frontline staffing. Since 2019, NYCHA has added over 500 new positions, including Maintenance Workers,

Skilled Tradespersons, and Neighborhood Planners, moving critical resources from central offices directly to the borough and development level.

- **Pillar Area Compliance:** The Plan directs substantial resources toward the six core compliance areas outlined in the HUD/SDNY Agreement—elevators, heating, lead, mold, pests, and waste management. This includes the creation of new dedicated departments (e.g., Elevator Services and Repairs, Heating Management Services) and hundreds of millions of dollars in annual operating and capital investments to rectify long-standing physical condition issues.

Stabilization Plan

The **Stabilization Plan** component of the Blueprint for Change addresses the financial crisis by creating pathways to access billions of dollars in capital needed for comprehensive repairs.

This is achieved through:

- **Permanent Affordability Commitment Together (PACT):** This program leverages public-private partnerships and project-based Section 8 funding to finance and execute deep, building-wide renovations. PACT ensures residents retain all their rights and protections while benefiting from improved homes, enhanced property management, and on-site social services. To date, PACT has generated nearly \$7 billion for over 24,000 households, with a pipeline to address a total of 62,000 apartments.
- **NYC Public Housing Preservation Trust:** An innovative public entity designed to access more reliable and substantial federal subsidy (Tenant Protection Vouchers) and to issue bonds for capital repairs. Resident voice is central to the Trust model, requiring a resident vote for a development to join. The successful vote at Nostrand Houses marks a historic milestone, unlocking a new model for preserving public housing for future generations.

Conclusion

Together, the Blueprint for Change’s initiatives are designed to create a stronger, more resilient NYCHA. By simultaneously transforming internal operations and securing unprecedented capital investment, the Authority is building a sustainable foundation to fulfill its mission: providing safe, affordable, and connected communities for hundreds of thousands of New Yorkers.

PLANNING FOR PACT

PERMANENT AFFORDABILITY COMMITMENT TOGETHER (PACT)

The Permanent Affordability Commitment Together (PACT) program is a cornerstone of NYCHA's Blueprint for Change and a critical tool for addressing the Authority's immense capital needs. PACT leverages the federally funded Project-Based Section 8 program and public-private partnerships to unlock funding for comprehensive repairs at public housing developments that NYCHA itself could not finance through traditional federal subsidies.

Through PACT, NYCHA enters into partnerships with experienced development teams that finance, oversee, and execute building-wide renovations. These partnerships provide residents with much-needed apartment and building infrastructure improvements, enhanced property management, and on-site social services, all while preserving the fundamental rights and protections of public housing. Residents in PACT developments continue to pay 30 percent of their household income towards rent, their households are not re-screened during the conversion, and authorized family members retain succession rights.

The Project-Based Section 8 funding mechanism provides a more stable and predictable flow of federal subsidy, allowing NYCHA and its partners to raise external capital—through debt and equity—to address a development's full capital repair needs. This model has proven highly successful in transforming aging properties into sustainably rehabilitated homes. Once developments are converted, new professional property management entities assume responsibility for day-to-day operations and maintenance, often in partnership with non-profit organizations that provide critical resident services and case management.

Progress and Impact

Since its inception, the PACT program has been a powerful engine for capital investment in NYCHA's portfolio. To date, the program has generated nearly **\$7 billion** in capital funding for comprehensive renovations and building infrastructure improvements, impacting over **24,000 households**. Of this total, approximately **\$2.25 billion** in renovations have been fully completed, with an additional **\$4.68 billion** in major upgrades currently in progress across active construction sites.

The pipeline for future conversions remains robust. An additional **14,000 households** are part of active development projects in various stages of resident engagement or pre-development. In sum, NYCHA has more than **39,000 apartments** either completed, under construction, or in a stage of resident engagement or pre-development through the PACT program, representing significant progress toward the long-term goal of rehabilitating 62,000 apartments. All apartments converted through PACT will remain permanently affordable.

The following sections provide detailed updates on specific PACT initiatives, demonstrating the program's breadth and impact across the city's boroughs.

PACT Initiatives and Project Updates

The success of the PACT program is demonstrated through its ongoing and completed projects across New York City. The following highlights provide a snapshot of the capital investment, partnerships, and progress being made to rehabilitate NYCHA developments and improve residents' quality of life.

The Bronx

- **Twin Parks West, Bronx:** This \$46 million initiative is providing comprehensive repairs to 312 apartments. Repairs were executed in phases, with Phase I and Phase II scheduled completed in 2024. The partnership included developers Gilbane Development Company and Dantes Partners, general contractor Apex Building Group, and property manager Kraus Management, Inc., with social services provided by BronxWorks.
- **Highbridge-Franklin, Bronx:** A \$38 million project for 336 apartments across 14 buildings was completed in 2023. The development team included Gilbane Development Company, Dantes Partners, Apex Building Group, and The Kraus Organization, with BronxWorks providing social services.
- **Betances, Bronx:** This completed project provided \$145 million in comprehensive repairs to 1,088 apartments across 40 buildings. The partnership featured MDG Design + Construction (developer), The Wavecrest Management Team (property manager), and Catholic Charities Community Services (social services provider).
- **Baychester/Murphy, Bronx:** This conversion of 722 units across 14 developments was completed in 2022 with \$116 million in repairs. The partner team included MBD Community Housing Corporation (developer and social services provider), Camber Property Group, and L+M Partners (developer, general contractor, and property manager).
- **Edenwald, Bronx:** A major undertaking, this project will provide \$783.6 million in comprehensive repairs to 2,035 units across 42 buildings, with an expected completion date of 2027. 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).
- **Union Avenue Consolidated, Bronx:** This initiative will deliver \$247.4 million in repairs to 983 units across 6 developments, expected to be completed in 2026. The team includes The Arker Companies, Omni New York LLC, and Dabar Development Partners (developers), Renewal Chateau JV LLC (general contractor), and Progressive Management (property managers).

- **Sack Wern, Bronx:** This conversion will provide \$189.9 million in comprehensive repairs to 413 units across 7 buildings, anticipated for completion in 2028. The development team includes Asland Capital Partners, Breaking Ground, and Douglaston Development.
- **Boston Secor, Boston Road Plaza and Middletown Plaza, Bronx:** This project will provide \$419.6 million in repairs to 952 units across 6 buildings, expected to be completed in 2028. The team is led by Beacon Communities, Kalel Companies, and MBD Community Housing Corporation.
- **Morris Senior, Bronx:** This project, currently in pre-development, plans to construct approximately 150-200 units of senior affordable housing on a leased parcel.

Brooklyn

- **Hope Gardens, Brooklyn:** This \$280 million project for 1,321 apartments across 60 buildings was completed in 2023. The partnership included Pennrose Properties (developer), Procida Construction (general contractor), Pinnacle City Living (property manager), and Acacia Network (social services provider).
- **Brooklyn Mega Bundle II:** This large-scale initiative provided \$434 million in comprehensive repairs to 2,625 apartments across 38 buildings. Repairs, which began in 2020, were completed in 2022. The development joint venture included The Arker Companies, Omni NY LLC, Dabar Partners, and Bedford Stuyvesant Restoration Corporation.
- **Boulevard, Belmont-Sutter Area, and Fiorentino Plaza, Brooklyn:** These three properties will receive over \$483 million in renovations for 1,673 apartments and 29 buildings. Repairs began in 2022 and are anticipated for completion by the end of 2025. The PACT partners are led by Hudson Companies, Property Resources Corporation, and Duvernay + Brooks.
- **Linden and Penn-Wortman, Brooklyn:** These two developments will receive over \$430 million in renovations for 1,922 apartments across 22 buildings. Repairs began in 2022 and are anticipated for completion by the end of 2026. The development team is led by Douglaston Development, L+M Partners, Dantes Partners, and SMJ Development.
- **Williamsburg, Brooklyn:** Williamsburg Houses received \$490 million in comprehensive renovations to 1,621 apartments and 20 residential buildings. Repairs began in 2022 and were completed in 2024. The partnership was led by MDG Design and Construction (developer and general contractor) and Wavecrest Management (property manager).
- **Reid + Park Rock Consolidated, Brooklyn:** This project will provide \$635.6 million in comprehensive repairs to 1,696 units across 82 buildings, with an expected completion

date of 2027. The development team is comprised of BRP Companies, Fairstead, and Urbane Development Partners.

- **Bushwick II CDA (Group E), Brooklyn:** This project, which is currently underway, involves the construction of a senior housing development on a leased parcel.
- **Kingsborough Senior, Brooklyn:** This project, in pre-development, plans to construct a senior affordable housing development with around 150-200 units on a leased parcel.

Manhattan

- **PACT Manhattan Bundle:** This bundle provided \$383 million in comprehensive repairs to 1,718 units across 16 developments. Work began in 2020 is completed at most developments, and all repairs were finished in 2024. The development joint venture included Monadnock Development LLC, Community Preservation Corporation, and Community Development Trust.
- **Harlem River I & II, Manhattan:** These two developments are receiving \$236 million in renovations to 693 apartments. Repairs began in 2022 and are anticipated for completion by the end of 2025. The partnership is led by Settlement Housing Fund and West Harlem Group Assistance.
- **Audubon, Bethune Gardens and Marshall Plaza, Manhattan:** These three developments will receive \$137.6 million in renovations to 557 apartments. Repairs began in 2023 and are anticipated for completion by 2026. The PACT partners are led by Dantes Partners.
- **Frederick Samuel, Manhattan:** This conversion will provide \$383.6 million in comprehensive repairs to 664 units across 40 buildings, expected to be completed in 2028. The development team includes Genesis Companies and Lemor Development Group.
- **Manhattanville, Manhattan:** This project will provide \$444.9 million in repairs to 1,272 units across 6 buildings, anticipated for completion in 2028. The team is comprised of Apex Building Group, Gilbane Development Company, and West Harlem Group Assistance.

Queens

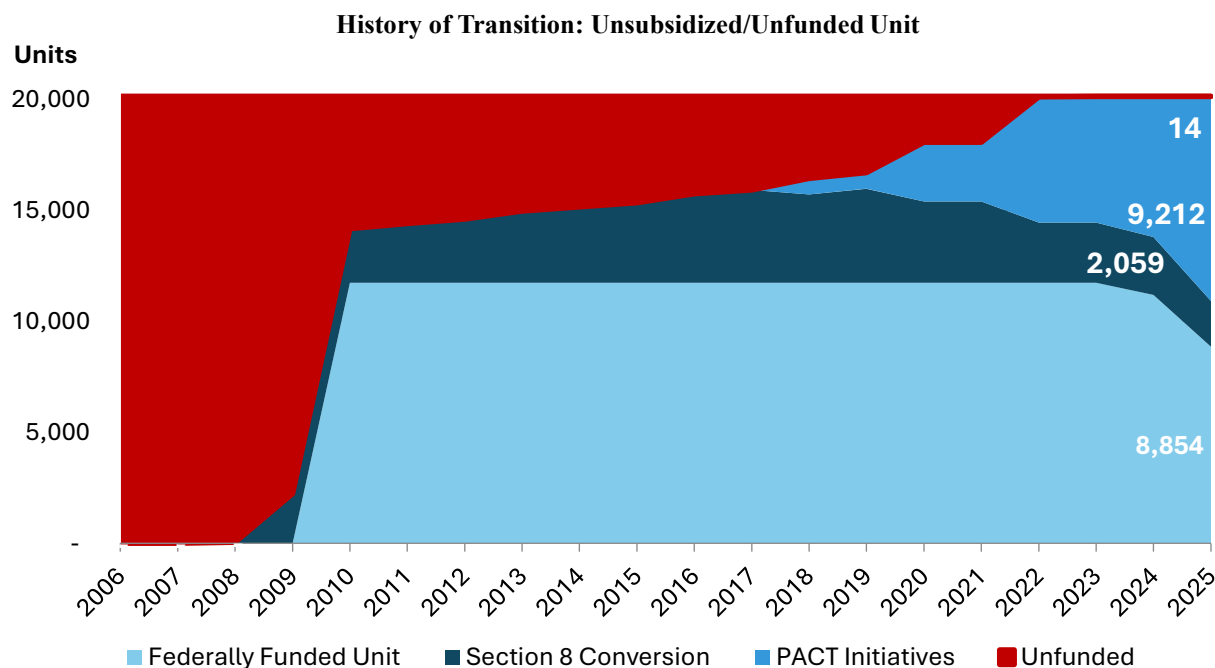
- **Ocean Bay (Bayside), Queens:** NYCHA's first RAD/PACT transaction, closed in 2016, provided \$317 million in comprehensive repairs to 1,395 apartments. Renovations were completed in 2019. The partnership included MDG Construction + Design (developer), The Wavecrest Management Team (property manager), and Catholic Charities of Brooklyn and Queens (social services provider).

Staten Island

- West Brighton, Staten Island:** This conversion will provide \$283.3 million in comprehensive repairs to 586 units across 16 buildings, with an expected completion date of 2028. The development team is comprised of BFC Development Partners, CB Emmanuel Realty, and Catholic Homes New York.

Conclusion

The PACT program is a central part of NYCHA’s Blueprint for Change, delivering billions in renovations while preserving affordability and residents’ rights. By pairing stable federal funding with public-private partnerships, PACT is transforming developments across the city, improving housing quality and community services. With more than 39,000 apartments already rehabilitated or in progress—and a long-term goal of 62,000—PACT is ensuring that NYCHA homes remain permanently affordable for generations to come.



REAL ESTATE & DEVELOPMENT INITIATIVES

Beyond the PACT program, NYCHA is proactively leveraging its real estate portfolio through innovative initiatives to generate critical capital for repairs, expand the city's affordable housing stock, and revitalize its campuses. These strategies are central to the Blueprint for Change and focus on maximizing the value of underutilized assets to benefit residents and the broader community.

Infill Development and 100% Affordable Housing

A key component of NYCHA's strategy is the judicious development of underused land on its existing campuses, known as "infill." This approach allows NYCHA to maintain ownership of the land through long-term ground leases while creating new, 100% affordable housing—with a significant portion dedicated to seniors. These projects are the result of extensive community engagement and planning with residents and advocates.

All new residential buildings developed through this initiative are subject to the City's Mandatory Inclusionary Housing (MIH) regulations, ensuring permanent affordability. Furthermore, NYCHA requires development partners to implement robust programs for training, hiring, and involving NYCHA residents throughout the construction process, with a preference for residents to occupy 25% of the new units.

Progress and Impact:

NYCHA has a strong track record of successful infill projects that have expanded affordable and senior housing options across the city. Completed projects include:

- **Mill Brook Terrace, Bronx:** A 159-unit senior housing development, completed and opened in 2019.
- **Stonewall House, Brooklyn:** A 146-unit LGBTQ-friendly senior development, opened in 2019 as the city's first of its kind.
- **Van Dyke III, Brooklyn:** A 180-unit family housing development, completed and opened in 2021.
- **East 165th Street – Bryant Ave, Bronx:** A 62-unit supportive housing development, opened in 2021.
- **Betances V, Bronx:** A 152-unit senior housing development, opened in 2022.
- **Melrose North, Bronx & Twin Parks Terrace, Bronx:** 171-unit and 182-unit family housing developments, respectively, both opened in 2023.

Several projects are currently underway, demonstrating a continued pipeline of activity:

- **The Atrium, Brooklyn:** A 190-unit senior housing development in construction.
- **Casa Celina, Bronx:** A 205-unit senior housing development in construction.
- **Betances VI, Bronx:** A 101-unit family housing development in construction.
- **Bushwick II CDA (Group E), Brooklyn:** A senior housing development in construction.

Additional projects are in the pre-development phase, including **Morris Senior** in the Bronx and **Kingsborough Senior** in Brooklyn, each planned for approximately 150-200 units of affordable senior housing.

Air Rights Transfers

NYCHA possesses a significant portfolio of unused development rights, commonly known as "air rights." By selling a portion of these rights to owners of adjacent private properties, NYCHA can generate substantial revenue dedicated solely to capital repairs without altering its own buildings or relocating residents.

This initiative has already proven successful. To date, NYCHA has completed air rights transfers at several developments, including Ingersoll Houses in Brooklyn, Hobbs Court in Manhattan, Manhattanville in Manhattan, and Campos Plaza in Manhattan. These transactions have collectively generated **\$74 million** in revenue to fund vital capital repairs at the adjacent NYCHA developments. The Authority continues to explore this opportunity across its portfolio, with a goal of generating up to **\$1 billion** for capital needs through this mechanism.

A Comprehensive Strategy for Sustainability

Together, the PACT program, infill development, and air rights transfers form a multi-faceted real estate strategy that allows NYCHA to address its capital crisis from several angles. These initiatives are not undertaken in isolation but are carefully coordinated to ensure they complement each other and align with the goal of preserving public housing, improving resident quality of life, and contributing to the city's overall affordable housing goals. By creatively leveraging its assets, NYCHA is building a more financially sustainable future while fulfilling its mission to provide safe, affordable housing for New Yorkers.



FINANCIAL REVIEW

CLOSING THE YEAR

2025 was another challenging year driven by a significant reduction in revenue from tenant rent and an increase in contract expense to meet HUD/SDNY guidelines as well as rise in cost of energy, it is anticipated that the Authority will balance the budget for the year with a favorable increase in federal subsidy and funding from the city.

Total Source	Adopted	Year-end Reforecast	Variance
Tenant Rental Revenue	\$ 1,045	\$ 887	\$ (159)
Operating Subsidy	1,292	1,319	27
Section 8 Program Subsidy	2,307	2,340	33
Capital Transfer / Mgmt Fee	256	258	2
City Funds	287	344	57
All Other	169	275	106
Total Source	\$ 5,356	\$ 5,423	\$ 67
USES			
<u>Personnel Services (P.S.):</u>			
Salaries	\$ 953	\$ 919	\$ 34
Overtime	182	196	(14)
Fringe	723	734	(11)
Total P.S.	\$ 1,858	\$ 1,849	\$ 9
<u>Other Than Personnel Services (O.T.P.S.):</u>			
Supplies	\$ 122	\$ 128	\$ (6)
Utilities	585	664	(79)
Contracts	410	354	56
Section 8 Landlord Payment	2,077	2,153	(76)
All Other OTPS	304	276	29
Total O.T.P.S.	\$ 3,498	\$ 3,574	\$ (76)
Total Uses (P.S. & O.T.P.S.)	\$ 5,356	\$ 5,423	\$ (67)
Surplus / (Deficit)			



FINANCIAL OUTLOOK 2026-2030

NAVIGATING CHALLENGES THROUGH STRATEGIC TRANSFORMATION

The New York City Housing Authority (NYCHA) Board adopted a balanced operating budget for Fiscal Year 2026 on November 19, 2025 with total expenditure of approximately **\$5.6 billion**. This funds the nation's largest public housing program (\$3.3 billion for over 154,000 units) and the largest Housing Choice Voucher (HCV) program (\$2.3 billion for over 107,000 households).

While NYCHA has been making significant efforts to control its expenses, given its aging housing stock, reduction in rental revenue since the pandemic, as well as regulatory obligations (HUD Agreement), the Authority will continue to be financially challenged without ongoing efforts to streamline its operations and without continued financial support from HUD, the City, and the State.

	2026	2027	2028	2029	2030
Sources					
Tenant Rental Revenue	\$ 858	\$ 838	\$ 840	\$ 843	\$ 846
Operating Subsidy	1,270	1,381	1,387	1,349	1,402
Section 8 Program Subsidy	2,581	2,589	2,666	2,729	2,798
Capital Transfer / Mgmt Fee	256	256	256	256	256
City Funds	337	358	368	370	370
All Other	267	80	90	68	64
Total Source	\$ 5,569	\$ 5,502	\$ 5,606	\$ 5,614	\$ 5,736
USES					
<u>Personnel Services (P.S.):</u>					
Salaries	\$ 956	\$ 953	\$ 951	\$ 951	\$ 951
Overtime	180	178	178	178	178
Fringe	718	758	758	758	758
Total P.S.	\$ 1,853	\$ 1,889	\$ 1,887	\$ 1,887	\$ 1,887
<u>Other Than Personnel Services (O.T.P.S.):</u>					
Supplies	\$ 129	\$ 130	\$ 129	\$ 129	\$ 129
Utilities	682	682	682	682	682
Contracts	344	351	349	349	349
Section 8 Landlord Payment	2,276	2,425	2,482	2,543	2,604
All Other OTPS	284	288	288	289	290
Total O.T.P.S.	\$ 3,715	\$ 3,876	\$ 3,931	\$ 3,992	\$ 4,055
Total Uses (P.S. & O.T.P.S.)	\$ 5,569	\$ 5,766	\$ 5,818	\$ 5,879	\$ 5,941
Surplus / (Deficit)	\$ 0	\$ (263)	\$ (212)	\$ (265)	\$ (206)

Key Revenue Trends and Pressures

Federal Operating Subsidy Uncertainty

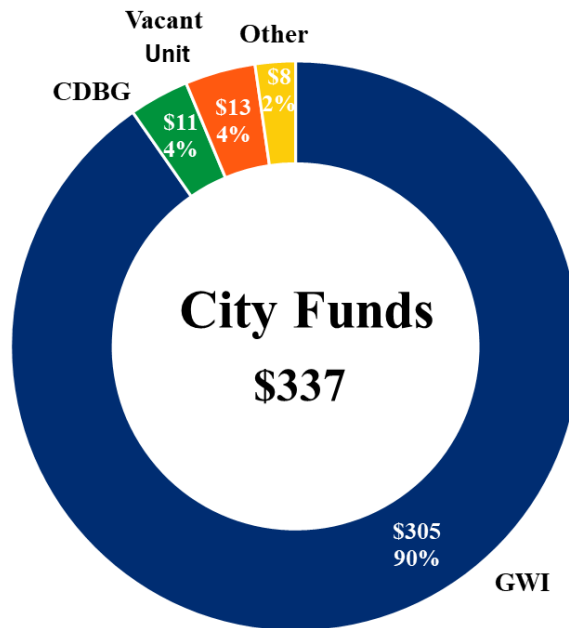
NYCHA's financial health remains heavily dependent on federal subsidies, which historically have been prorated. The plan assumes a proration rate of 99% for 2026, consistent with recent years but still resulting in a cumulative funding shortfall of nearly \$1.5 billion in the last 25 years. Subsidies are projected to grow modestly from \$1.27 billion in 2026 to \$1.40 billion in 2030, but this growth is insufficient to cover rising costs.

Tenant Rental Revenue

Projected rent paid to NYCHA by residents, or Tenant Rental Revenue, represents 15% of total revenues in 2026. 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 29% of the revenue used to cover the Authority's public housing expenditures reflected in the General Fund. Revenue from tenant rents is projected to reduce from \$858 million in 2026 to \$846 million in 2030.

City of New York Support

The City remains a critical partner, contributing **\$337 million** in 2026 primarily to cover general wage increases mandated by collective bargaining agreements and other initiatives like the Vacant Unit Readiness Program.



Major Expenditure Drivers and Cost Pressures

HUD/SDNY Agreement Compliance

- Increases in expenses driven by employee benefit expenditures, contracts, and supplies in HUD/SDNY Agreement compliance areas, however, will cause an anticipated deficit of \$263 million, \$212 million, \$265 million, and \$206 million from 2027 to 2030, respectively.
- Below NYCHA’s continuing commitment to meet agreement made with its stakeholder (HUD/SDNY) but more importantly to keep our promise to our residents.

Funding for capital needs related to the pillar areas is also provided in the proposed capital budget. In line with the HUD Agreement, the Transformation Plan proposes significant organizational changes at NYCHA.

Additional investment for next 5-Years Investment in Workforce

Future Investments from 2026 to 2030

5 Years Investments FY 2026 - FY 2030						
Funding	HC	FY26	FY27	FY28	FY29	FY30
Operating	1,881	\$ 368,301	\$ 378,001	\$ 357,534	\$ 379,873	\$ 380,878
Capital		\$ 903,180	\$ 518,797	\$ 269,612	\$ 204,858	\$ 178,619
Total	1,881	\$ 1,271,480	\$ 896,798	\$ 627,145	\$ 584,731	\$ 559,497

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

Overtime

The cost of + has been rising in recent years in part due to a decrease in workforce as well as various planned initiatives. The Authority is committed to making effort to manage overtime use through the following measures to help address critical needs.

All overtime at NYCHA must be properly coded by timekeepers. Any uncoded overtime will lead to progressive discipline for staff and supervisors. Senior management should track and correct uncoded overtime, as repeated issues will result in accountability at the borough or department level. Discretionary overtime for emergencies is allowed daily, but the emergency must be listed in the approved tasks, with VP approval required for unlisted activities.

Major emergencies require a written staffing plan within 12 hours, ensuring necessary but not excessive staffing. Overtime for apartment turnovers is allowed daily, with weekday work ending at 7:30 PM and weekends at 3:30 PM. Non-emergency work order overtime is restricted to specific days and times. Garbage handling overtime is limited, with caretakers allowed early morning overtime but afternoon/evening overtime strictly controlled, requiring prior written authorization for extended hours.

The Authority will continue to review and strengthen its process to contain its cost while ensuring critical needs are met.

Seasonal

The budget for Seasonal personnel services provides funding support for temporary staffing to help accommodate the seasonal needs of Operations. This line has historically been used to onboard temporary staff during the summer at the properties, which is known as “The Seasonal Program.” The staff works 40 hours a week for a 26-week period.

The seasonal budget has been expanded to address various measures to supplement full-time workforces. Below are some key funded initiatives in 2026:

- ***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 200 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 \$2.2 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 \$6.6 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 \$730,000.
- ***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 \$1.2 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 \$800,000.
- ***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 \$220,000.
- ***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 \$600,000.
- ***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 \$4.9 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. Total cost of this program is \$2.2 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) – Seasonals work to reduce rats by checking and resetting snap traps on grounds and in basements, using the RX machine to asphyxiate rats in burrows, dig out rat burrows so exterminators know which are active or not to treat, and declutter apartments with pest infestations. This program also includes a collaboratory effort with the New York City government in targeting city’s four most infested areas: The Grand Concourse area, Chinatown/East Village/ Lower East Side, Bushwick/Bedford-Stuyvesant and Harlem. Total cost of this program is \$0.6 million.

Utilities

Utility costs (electricity, gas, water) represent approximately 12.6% of the budget 2029. The outlook for U.S. utilities in 2026 is difficult given due to rising demand, potential cost implication of geopolitical risk. While the Authority remains committed to ensuring these critical services are delivered to our residents without interruption, the NYCHA will continue to be challenged with upward pressure as a result of external factors beyond control.

The Path to Sustainability: Strategic Initiatives

The 2026-2030 plan is not merely a status quo budget but is fundamentally tied to NYCHA's **Blueprint for Change**, a multi-pronged strategy to achieve long-term financial and operational sustainability.

PACT/RAD Conversions

The Permanent Affordability Commitment Together (PACT) program is the cornerstone of NYCHA's capital strategy. By converting public housing units to Project-Based Section 8, NYCHA unlocks private debt and equity to fund comprehensive renovations. The plan to transition of 62,000 apartments have already generated \$7 billion in capital for more than 24,000 households, and help to position these properties to transition onto a more stable and sustainable long-term funding platform.

The Public Housing Preservation Trust

A landmark achievement, the Trust allows NYCHA to access Tenant Protection Vouchers (worth double the current federal subsidy) and issue bonds for renovations. The successful resident vote at Nostrand Houses paves the way for this new model to scale, potentially covering 25,000 apartments.

Infill and Air Rights Development

NYCHA is leveraging underutilized land and air rights to generate capital for repairs. Air rights sales have already brought in **\$74 million**, and ground leases for 100% affordable and senior housing developments contribute to the city's housing goals while providing revenue streams.

Projected Financial Position and Risks

Despite a balanced budget in 2026, NYCHA projects operating deficits from **2027 through 2030**, forecasted at **\$263M, \$212M, \$265M, and \$206M** respectively.

Significant financial risks illustrated in this outlook:

- **Depleting Reserves:** Using cash reserves to fund capital projects (which are reimbursed by HUD after expenditure), and meeting payroll obligations further weakens NYCHA's ability to respond to emergencies and additionally could lead to cash flow concerns.
- **Persistent Tenant Arrears:** The nearly half billion-dollar arrears balance remains a severe drain on revenue collection, requiring continued intensive efforts in assistance applications and legal enforcement.

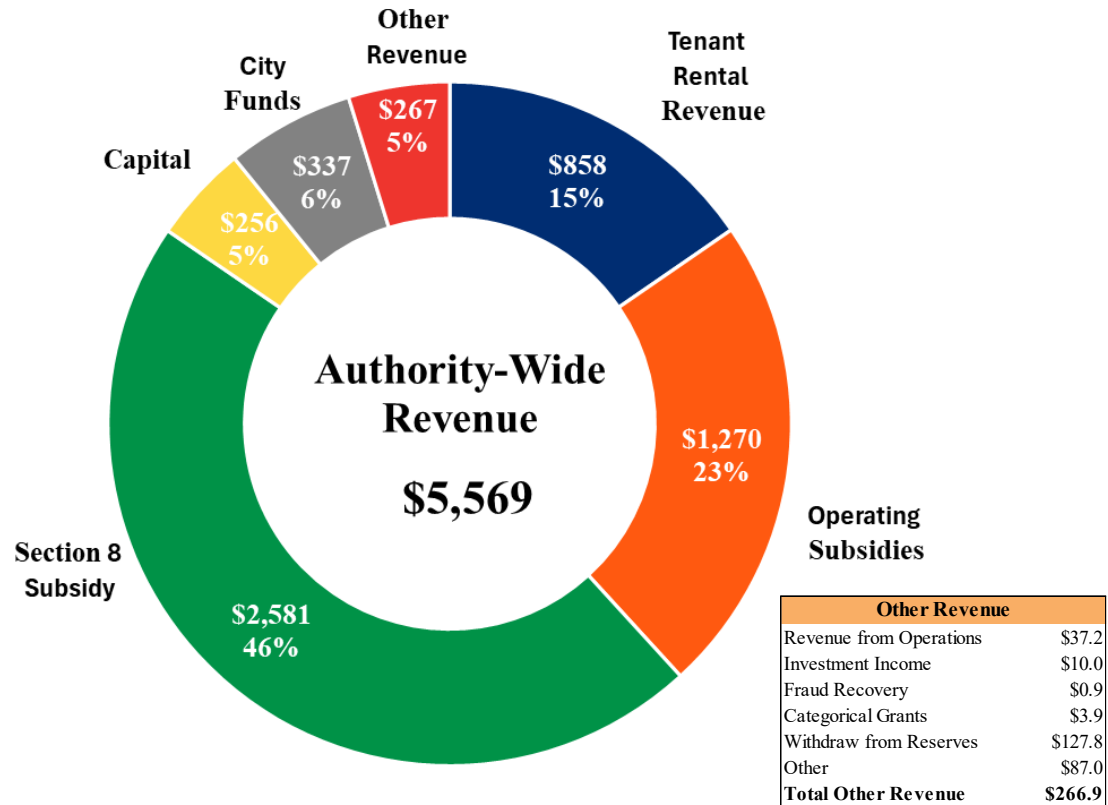
These risks factors illustrate why the Authority is steering towards PACT.

Conclusion

The NYCHA 2026-2030 Financial Outlook depicts an authority amidst a profound transition. While facing persistent structural deficits and rising costs, NYCHA is actively engaging and executing a bold strategy to transform its financial and physical reality through PACT, the Preservation Trust, and strategic real estate use. Success is contingent on continued strong partnerships with all levels of government, the successful scaling of its conversion initiatives, and the diligent management of significant underlying risks. The goal is to emerge from this period as a more financially stable organization capable of providing safe, decent, and affordable housing for New Yorkers for generations to come.

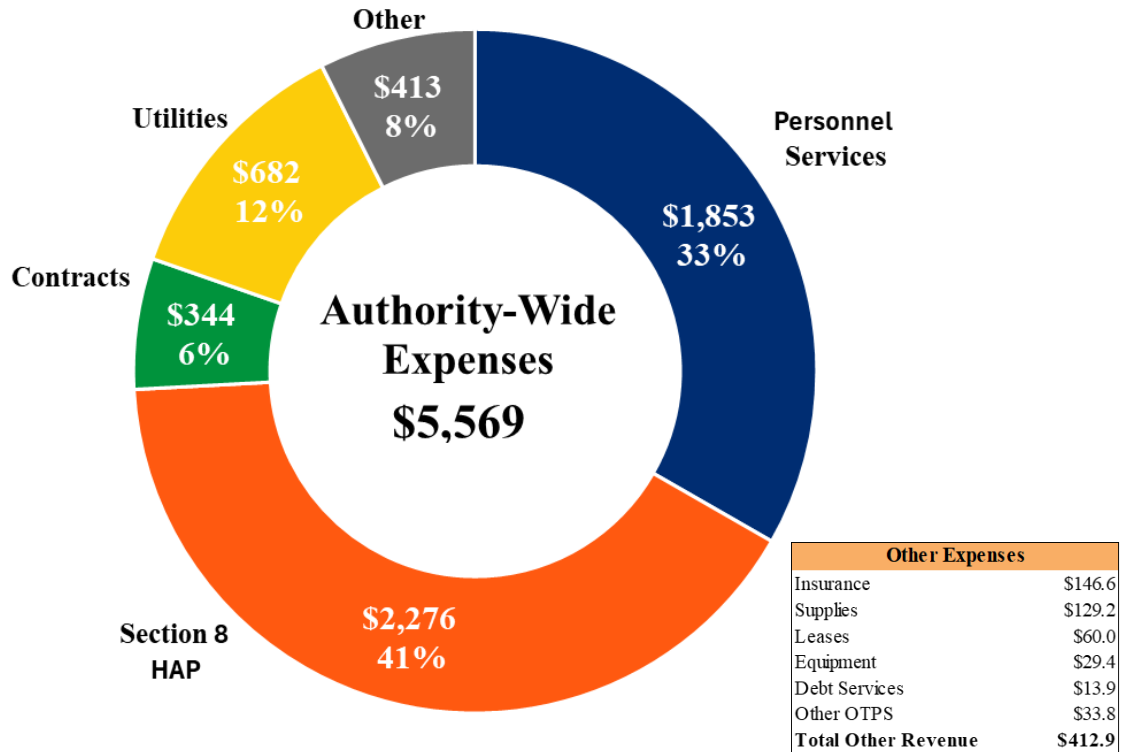
BUDGET LINE-ITEM HIGHLIGHTS: 2026-2030

Major Revenue Sources (2026)



- **Tenant Rental Revenue: \$858 Million** (15% of total revenue). This plan projects that the tenant rental revenue will decrease from \$0.858 billion in 2026 to \$0.846 billion in 2030, a compounded growth rate of -1.4 %. This is mainly attributed to the Authority's ongoing effort to transition portions of Public Housing units to Section 8 Units.
- **Federal Operating Subsidy: \$1,270 Million** (23% of total revenue). Projected at a 99% proration rate, however, plan reflects continuing funding challenges and support from federal government.
- **Section 8 Subsidy (HAP & Admin Fees): \$2,581 Million** (46% of total revenue). Projected to grow to \$2.8 billion by 2029 due to program growth and inflation.
- **City of New York Funds: \$337 Million** (6% of total revenue) Critical support, primarily for reimbursing general wage increases from collective bargaining agreements.

Major Expenditure Categories (2026)



- **Personnel Services (Salaries & Fringe): \$1,853 Million (33% of total expenses).**
 - **Salaries: \$955.6 Million** which includes salaries for workforce reflective of general wage increases and funding to support frontline services and HUD Agreement compliance. Plan also includes cost of seasonal program whose key programs are shown below:
 1. Seasonal Staffing Program (\$2.2M)
 2. Comprehensive Modernization support (\$6.6M)
 3. Playground Unit Inspections (\$0.7M)
 4. Fire Protection System testing (\$1.2M)
 5. Central Shop Skilled Trade Unit (\$0.8M)
 6. Seasonal Staff Realignment at Red Hook East & West (\$0.2M)
 7. Asbestos Testing Work Orders (\$0.6M)

8. Lead Visual Assessment and Dust Wipe Program (\$4.9M)
9. Mold Remediation initiatives (\$2.2M)
10. Rat Mitigation teams (\$0.6M)

Fringe Benefits: \$717.9 Million. Fringe benefit expense which is used to provide essential benefit to NYCHA's workforce, however, is a significant share of the personnel budget. This is a major cost driver, having increased over **30% in the past decade** and projected to rise to **\$757.7 million by 2030** driven by rising cost of health insurance and pension expenses.

1. **Overtime: \$181.6 Million.** The cost of overtime has been rising in recent years in part due to a decrease in workforce as well as various planned initiatives. Since 2025, NYCHA has been making effort to streamline spending in overtime and for 2026, the plan assumes overtime spending at 179.8 million which is decrease of 1% from last year and significant improvement as this include wage increase of over 3%.
- **Section 8 Housing Assistance Payments (HAP): \$2.3 Billion** (40.9% of total expenses). 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. Payments to landlords in the HCV program, projected to increase to **\$2.6 billion by 2030**.
 - **Utilities: \$682.4 Million** (12.3% of total expenses). Expense covers electricity, gas, water, steam, and fuel oil. While plan maintain current spending level, however, 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.
 - **Contracts: \$344.4 Million.** Expenses 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 at addressing lead, mold, pest management, heating management, elevator as well as other operational concerns. Contract expense is to increase from \$344.4 million in 2026 to \$349.1 million by 2030.

- **All Other Expenses – Insurance, Supplies, Leases, Equipment, Debt Services and OTPS Other**
 - 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. Plan assumes similar expense level for next 5 years.
 - Supplies include 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.
 - Leases, in addition to rental fees, NYCHA is generally responsible for operating costs which include taxes and utilities as well as rent escalation reflective of the lease agreement.
 - 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.

Total expense of Supplies, Equipment, Debt Service, and OTPS Other increase from \$412.9M in 2026 to \$419.2M by 2030.

Key Financial Context & Risks Highlighted

- **Structural Deficits:** The plan projects a balanced budget for 2026 but forecasts deficits from **2027 to 2030** (\$263M, \$212M, \$265M, and \$206M respectively).
- **HUD Agreement Costs:** Hundreds of millions have been invested in operating and capital expenses since 2019 to comply with the agreement across pillars like lead, mold, elevators, and heating.
- **Reliance on One-Time Funds:** The 2025 balance depends on one-time revenues such as developer fees from PACT deals to cover ongoing operating costs.

- **RAD/PACT Impact:** The conversion of properties to PACT is a central strategy. It moves units off NYCHA's books, reducing future operating expenses (salaries, contracts, utilities) but also corresponding revenue. This is reflected in the projected decreases in many line items from 2026 to 2030.

WORKFORCE & STAFFING

NYCHA's workforce is its most critical asset in fulfilling its mission to provide safe, quality affordable housing. The 2026–2030 Operating Plan reflects a strategic investment in personnel to address long-standing operational challenges, comply with the HUD/SDNY Agreement, and improve service delivery to residents through initiatives like the Neighborhood Model.

The Authority's staffing strategy is designed to bolster frontline operations, enhance specialized compliance functions, and provide robust support services. For 2026, the Plan budgets for a total of **11,865 positions**, representing NYCHA's commitment to provide staffing to support property management, skilled trades, and continuing emphasis to the specialized departments established under the HUD Agreement, such as Elevator Services, Heating Management, and Lead Hazard Control.

However, the overall staffing trajectory over the five-year plan is projected to gradually decline. This is not due to reductions in service but is a direct result of the successful conversion of developments to the Permanent Affordability Commitment Together (PACT) program. As properties transition to private management, the associated NYCHA headcount is reduced, reflecting the shift in operational responsibility.

	By Funding				
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
General Funds	11,089	11,056	11,033	11,033	11,033
Section 8	690	690	690	690	690
Grants	86	82	78	73	73
Total	11,865	11,828	11,801	11,796	11,796

Key Workforce Investments and Challenges

- **Frontline and Skilled Trades Staffing:** Significant resources are dedicated to hiring and retaining Maintenance Workers, Caretakers, and Skilled Tradespersons (e.g., Plumbers, Electricians, Carpenters) to directly address repair backlogs and improve daily living conditions for residents.
- **HUD Agreement Compliance:** The creation and expansion of departments like the Office of Mold Assessment and Remediation (OMAR) and the Lead Hazard Control Department (LHCD) require specialized staff, contributing to the increased headcount. These teams are essential for meeting the mandated compliance milestones.
- **Neighborhood Model Implementation:** The restructuring into smaller, more manageable neighborhood portfolios empowers local management and requires a strategic distribution of staff to ensure adequate oversight and quicker response times at the development level.
- **Rising Fringe Benefit Expenses:** A significant financial challenge is the escalating cost of fringe benefits, which include pensions, health insurance, and other mandated benefits. Over the past decade, while the workforce has grown by just over 2%, fringe expenses have surged by more than 30%. This increasing financial burden strains the operating budget and limits resources available for other critical needs.

Conclusion

The Authority remains committed to a workforce strategy that prioritizes direct service delivery, operational efficiency, and compliance. NYCHA will continue to explore innovative training programs, such as the Heating Plant Technician (HPT) Trainee Program, to build a pipeline of skilled talent from within NYCHA communities, ensuring a sustainable and capable workforce for the future.

CONCLUSION

The 2026-2030 Operating Plan represents a critical roadmap for the New York City Housing Authority during a period of profound transformation and persistent challenge. While the Authority has adopted a balanced budget for 2026, it continues to navigate a complex landscape defined by historical federal underfunding, rising operational costs, and the imperative to meet the stringent compliance standards of the HUD/SDNY Agreement.

This Plan underscores NYCHA's dual commitment: to achieve immediate financial stability and to execute a long-term strategic vision for preservation and improvement. The path forward is being forged through the **Blueprint for Change**, which leverages innovative tools like the **Permanent Affordability Commitment Together (PACT)** program and the **NYC Public Housing Preservation Trust** in securing essential capital investment. These initiatives are already delivering comprehensive renovations, enhanced property management, and vital social services to tens of thousands of residents, ensuring their homes remain permanently affordable.

Concurrently, NYCHA is fundamentally restructuring its own operations through the **Transformation Plan** and **Neighborhood Model**, empowering frontline staff and improving service delivery. Significant investments in the workforce and in the specialized departments for elevators, heating, lead, mold, and pest control demonstrate NYCHA's mission; provide quality housing for New Yorkers while fostering opportunities for economic mobility.

The Authority recognizes that its mission cannot be achieved alone. Success is dependent on continued and strengthened partnerships with the City of New York, New York State, and the federal government, as well as the ongoing engagement and trust of its residents. By diligently implementing this Plan, pursuing innovative financing, and maintaining its commitment to transparency and efficiency, NYCHA will continue to advance its core mission of providing safe, affordable, and quality housing for New Yorkers today and for generations to come.

GLOSSARY

Administrative Fees: Funds allocated by HUD to NYCHA to cover the costs of administering the Section 8 Housing Choice Voucher (HCV) program. These fees are subject to proration by HUD.

Air Rights / Transferable Development Rights (TDR): The legal right to develop or sell the potential unused square footage above a property. NYCHA leverages its extensive air rights to generate revenue for capital repairs by selling these rights to private developers.

Blueprint for Change: NYCHA's overarching strategic plan introduced in 2020. It outlines pathways for reorganizing the Authority, investing capital to stabilize properties, and includes both the Transformation Plan and the plan to create the Public Housing Preservation Trust.

Budgetary Funds: The three main component funds of NYCHA's operating plan: the General Fund, the Housing Choice Voucher (HCV) Program Fund, and the Categorical Grants Fund.

Capital Fund: Federal funding provided by HUD to PHAs for the development, financing, and modernization of public housing developments.

Capital Fund Reimbursements (CFRs): Reimbursements from the federal capital program to the operating budget for capital-related costs incurred, specifically for replacement reserves of NYCHA's mixed-finance portfolios.

Categorical Grants Fund: A budgetary fund that reflects grants NYCHA receives from federal, state, city, or private sources for specific community development and benefits programs.

City Funds: Financial support provided by the City of New York to help NYCHA offset federal underfunding.

Distinguished Budget Presentation Award: An award from the Government Finance Officers Association (GFOA) recognizing high-quality budget documents. NYCHA has received this award for consecutive years since 2015 for its commitment to financial transparency.

Elevator Services and Repairs Department (ESRD): The NYCHA department is responsible for elevator maintenance and repair, a key pillar of the HUD Agreement. Key objectives include reducing "no-service" conditions and outage response times.

Emergency Housing Voucher (EHV) Program: A program established by the American Rescue Plan Act (ARPA) to assist families experiencing homelessness or housing instability.

Energy Performance Contracts (EPCs): Contracts that provide funding for energy-efficient capital projects (like new boilers, windows, lighting) where the cost savings from reduced utility bills are used to pay for the work overtime.

Enhanced Oversight Program (EOP): A program launched by the Office of Mold Assessment and Remediation (OMAR) to intensively address mold, leaks, and related work order backlogs at specific, high-need developments.

Federal Operating Subsidy (Section 9): The primary federal subsidy for the operation and maintenance of public housing.

Fringe Benefits: Expenses related to employee benefits beyond salary, including health insurance, pensions, Social Security, and workers' compensation. These costs have risen significantly and represent a major financial challenge for NYCHA.

General Fund: The primary budgetary fund that reflects frontline operations, central office, and field support functions for NYCHA-owned and/or privately managed public housing.

Government Finance Officers Association (GFOA): An independent organization that reviews government budget documents. NYCHA submits its budget to the GFOA for review and has consistently won their Distinguished Budget Presentation Award.

Heating Management Services Department (HMSD): The NYCHA department responsible for boiler and heating system maintenance and repair, a key pillar of the HUD Agreement.

HOME-ARP (Home-American Rescue Plan): A HUD program authorizing funds to states for qualifying purposes.

Housing Assistance Payments (HAP): Payments made by NYCHA directly to landlords on behalf of tenants participating in the Section 8 voucher program.

Housing Choice Voucher (HCV) Program (Section 8): A federal program that provides rental subsidies to help low-income families rent housing in the private market. NYCHA administers the largest program in the nation, serving over 107,000 households.

HUD/SDNY Agreement (The Agreement): A legally binding agreement signed on January 31, 2019, between HUD, NYCHA, and New York City to remedy deficient physical conditions, ensure compliance with federal law, and reform NYCHA's management structure. It is monitored by an independent federal monitor and focuses on six pillars: Heating, Elevators, Mold, Lead, Pests, and Waste.

Infill Development: The strategy of building new 100% affordable housing (often for seniors) on underutilized land within existing NYCHA campuses. Proceeds from ground leasing this land are reinvested into the surrounding NYCHA development.

Lead Hazard Control Department (LHCD): The NYCHA department responsible for identifying and abating lead-based paint hazards, a key pillar of the HUD Agreement. Activities include XRF inspections, visual assessments, and abatements.

LLC I & LLC II Developments: Properties originally built by New York City and State with 20,139 historically unfunded units. Since 2008, NYCHA has been working to "federalize" or convert these units to Project-Based Section 8 funding to secure stable subsidies.

Mold Inspection Initiative (MII): An OMAR initiative that deploys inspectors to assist lower-performing developments in addressing their backlog of mold inspection work orders.

Mold Resistant Paint Initiative: An OMAR program that deploys specialized painters to address the backlog of work orders for applying mold-resistant paint.

Neighborhood Model: A NYCHA initiative to decentralize decision-making by creating smaller, more manageable geographic portfolios ("neighborhoods"). This empowers local managers to address site-specific needs more effectively and efficiently.

NYCHA (New York City Housing Authority): The largest public housing authority in North America, providing affordable housing to hundreds of thousands of low- and moderate-income New Yorkers.

Ocean Bay (Bayside): NYCHA's first RAD/PACT conversion in 2016, involving 1,395 apartments in Queens. It served as the model for the subsequent PACT program.

Office of Mold Assessment and Remediation (OMAR): The NYCHA department is responsible for assessing and remediating mold conditions, a key pillar of the HUD Agreement. Initiatives include the EOP, MII, and Operation Dry Out.

Office of Pest & Waste Management: The NYCHA department responsible for pest control (extermination) and waste management (trash collection), key pillars of the HUD Agreement.

Operating Plan: NYCHA's annual and five-year financial plan outlines its budget, priorities, and strategies for managing its public housing and Section 8 programs.

Operation Dry Out: An OMAR initiative launched in 2023 to address aging plumbing and tub enclosure work orders, which are a root cause of moisture and mold.

Other Post-Employment Benefits (OPEB): Non-pension benefits provided to retired employees, primarily health insurance. The operating plan only budgets for the "pay-as-you-go" cost, while the full liability is reported in NYCHA's audited financial statements.

PACT (Permanent Affordability Commitment Together): NYCHA's program to convert public housing developments to Project-Based Section 8 through public-private partnerships. This unlocks private debt and equity to fund comprehensive, building-wide renovations while preserving permanent affordability and tenant rights. The goal is to convert 62,000 apartments.

Project-Based Voucher (PBV): A type of Section 8 voucher that is attached to a specific housing unit rather than being held by a tenant. All PACT conversions use PBVs.

Property Based Budgeting Training: Training provided by NYCHA's Department of Financial Planning and Analysis (DFPA) to property managers to improve their understanding of property-level finances and the budgeting process.

Public Housing Preservation Trust (The Trust): A public-benefit corporation established by New York State to serve as a new landlord for a portion of NYCHA's portfolio. It can access more stable federal funding (Tenant Protection Vouchers) and issue bonds to finance comprehensive repairs. Transfers require a resident vote.

RAD (Rental Assistance Demonstration): The federal program that enables the PACT conversion. It allows PHAs to convert public housing subsidies to long-term Project-Based Section 8 contracts.

Rent Collection / Arrears: Rental revenue from tenants.

Section 8: See *Housing Choice Voucher (HCV) Program*.

Section 9: See *Federal Operating Subsidy*.

Tenant-Based Voucher (TBV): The traditional type of Section 8 voucher that allows a tenant to choose their own housing in the private market.

Tenant Protection Voucher (TPV): A type of Section 8 voucher used to protect tenants in cases where public housing is being demolished, disposed of, or, in the case of the Preservation Trust, converted. They provide higher subsidy value than traditional Operating Subsidy.

Transformation Plan: A component of the Blueprint for Change focused on restructuring NYCHA's business model and operations to improve delivery, including implementing the Neighborhood Model and Work Order Reform.

Unfunded/Unsubsidized Units: Approximately 20,139 units in developments originally built by NYC and NYS that did not receive federal operating subsidies. NYCHA has been working to convert these to Project-Based Section 8 funding since 2008.

Utilities: A major operating expense for NYCHA, covering electricity, gas, water, steam, and fuel oil which provides critical energy needs of the residents.

Voluntary Conversion Plan (VCP): The process, authorized by HUD in 2008, to convert the unfunded City and State units (LLC I & II) to Project-Based Section 8 funding.

ACRONYMS

- ARPA:** American Rescue Plan Act
- CFR:** Capital Fund Reimbursement
- CoC:** Continuum of Care
- DFPA:** Department of Financial Planning and Analysis
- EHV:** Emergency Housing Voucher
- EOP:** Enhanced Oversight Program
- EPC:** Energy Performance Contract
- ESRD:** Elevator Services and Repairs Department
- GAAP:** Generally Accepted Accounting Principles
- GFOA:** Government Finance Officers Association
- GWI:** General Wage Increase
- HAP:** Housing Assistance Payment
- HCV:** Housing Choice Voucher
- HMSD:** Heating Management Services Department
- HPD:** (NYC) Department of Housing Preservation and Development
- HUD:** (U.S.) Department of Housing and Urban Development
- LHCD:** Lead Hazard Control Department
- MI:** Mold Inspection Initiative
- NYCHA:** New York City Housing Authority
- OMAR:** Office of Mold Assessment and Remediation
- OPEB:** Other Post-Employment Benefits
- PACT:** Permanent Affordability Commitment Together
- PBA:** Project-Based Assignment (often used interchangeably with PBV)
- PBV:** Project-Based Voucher



PHA: Public Housing Authority

PNA: Physical Needs Assessment

RAD: Rental Assistance Demonstration

SDNY: Southern District of New York (U.S. Attorney's Office)

TBV: Tenant-Based Voucher

TPV: Tenant Protection Voucher

VCP: Voluntary Conversion Plan