

FY 2025 Borough Budget Consultations

Manhattan – Department of Housing Preservation and Development

Meeting Date:

The purpose of holding the Borough Budget Consultations is to provide Community Boards with important information to assist in drafting their statement of District Needs and Budget Priorities for the upcoming fiscal year. Community Board Members do not have expertise about funding sources and the process within agencies regarding funding of various programs and initiatives. However, Community Board members are very knowledgeable about local service needs. This year’s Manhattan agendas have three sections:

I. General questions about program funding.

1. What programs will see a significant increase or decrease in funding overall? To what extent, if any, is the increase or decrease in funding related to non-recurring federal funding allocations?

Almost all city funding for HPD-managed programs and services is baselined in the budget, meaning that it is scheduled in each year of the financial plan. The change between FY24 and FY25 is largely driven by City Council discretionary contracts, sheltering asylum seekers, and pass-through funding for NYCHA. Setting these aside, the amount of city funding in HPD’s budget will increase by \$13.5 million, with the NYC 15/15 Rental Assistance program receiving the most significant increase.

Additionally, HPD’s financial plan forecasts federal funding based on previous awards, and adjustments can be made throughout the fiscal year to account for changes in appropriations and the roll of unspent grant funds from prior years. None of the changes in federal funding are the result of non-reoccurring allocations.

2. Which programs will be new or eliminated entirely?

In FY23, the following programs received additional funding or staff lines

- Anti-Harassment Unit, Office of Enforcement & Neighborhood Services: to screen/intake complaints, monitor compliance, prepare referrals, perform tenant interviews, and support overall litigation needs.
 - \$1,163M in FY24
- Enforcement Training, Office of Enforcement and Neighborhood Services: addition field audit review trainings and administrative support.
 - \$345k in FY24
- Homeowner Help Desk, Office of Neighborhood Strategies: citywide expansion of this program.

- \$1,703M in FY24
- HomeFirst, Office of Development: support for first-time homebuyer downpayment assistance program.
 - \$5,333M in FY24
- HomeFix 2.0, Office of Development: expansion of the small homes repair program.
 - \$4,116M in FY24
- Local Law 63 Self-Closing Doors, Office of Enforcement and Neighborhood Services: housing inspectors and project managers as a result of changes to the City’s Administrative Code in relation to self-closing doors
 - \$803k in FY24
- Partners in Preservation, Office of Neighborhood Strategies: facilitate proactive and collaborative support of tenants facing harassment in rent-regulated buildings
 - \$4,102M in FY24
- Shelter Management System Project: development of technology system to track homeless households across all city agencies and increase permanent homeless housing placements.
- Source of Income Discrimination: contract procurement to help launch a coordinated enforcement and outreach effort to combat source-of-income discrimination
 - \$770k in FY24
- Unlocking Doors Pilot Program, Office of Development: a new strategy to increase shelter move-outs by increasing availability of housing options for DHS clients
 - \$308k in FY24
- Moving On Program, Office of Development: to help households “graduate” out of supportive housing
 - \$800k in FY24
- Hurricane Ida Disaster Relief, Office of Development: disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation
 - \$704k in FY24

3. What are your benchmarks for new and existing programs and what are your benchmarks/key performance indicators for measuring success?

The Mayor’s Management Report (MMR) publishes agency indicators that measure agency performance and tracks progress over time. As laid out in the housing blueprint, the Mayor is prioritizing the impacts of our housing investments on residents. In the FY2023 MMR includes new metrics that reflect this approach, such as the amount of time it takes for New Yorkers to move into new affordable housing; census and length of stay for HPD emergency shelters; the percent of housing production in low affordability areas; and the economic impact of the

M/WBE Build Up program.

4. What are your priorities, operational goals, and capital goals for FY25 and projected priorities, operational goals, and capital goals for FY26?

Last year, the Mayor released *Housing Our Neighbors*, blueprint that outlines upcoming priorities with regard to housing. The blueprint focuses on:

- Improving services and creating supportive housing for New Yorkers experiencing homelessness.
- Creating and preserving affordable housing to meet the need for more housing.
- Improving housing quality, sustainability, and resiliency to keep New Yorkers healthy and safe.
- Removing administrative burdens so New Yorkers can get the help they need.
- Focusing on equity—from increasing homeownership opportunities to supporting M/WBEs

To date, HPD has...

- Released Preservation Design Guidelines in February 2023
- Added resiliency screening to the new Integrated Physical Needs Assessment (IPNA) Tool that screens for flood and heat risk
- Dedicated webpage on faith-based partnerships on HPD website
- Launched social media campaigns, organized 55 in-person outreach events with FDNY, and produced flyers targeting tenants and property owners in 10 languages to increase fire safety awareness
- Eliminated Absent Parent Form
- Released Partners in Preservation RFP and HomeFirst RFQ

II. Considering the current migrant crisis in NYC, what do the impacted agencies expect regarding continued influx in FY25 and what are plans to accommodate this. What are the budget and economic impacts on existing infrastructures and businesses of accommodations needed to welcome and sustain the new migrants.

HPD - HPD will be providing a written answer.

III. What are the plans to accommodate a possible extension of PEGs into FY25?

We've not received notice of a proposed PEG for FY25.

IV. Lastly, the agendas may include Boards' requests on district-specific budget questions that will not be included in district level consultations. We request that the agency respond in writing, but have any further discussions on these items with the Community Boards outside of the consultation.

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

Please see the attached presentation.

AGENDA ITEM [1]: Housing Preservation

1. As reported in the Mayor's Management Report, last year a significant percent of rental projects and home ownership projects were at high risk of falling out of compliance. This resulted in different types of HPD's interventions and financial assistance. How does this compare to previous fiscal years and has the Department budgeted for similar situations in fiscal year 2024 and 2025? Were any of these projects in Manhattan?
2. Over the last 25 years many projects with an affordable housing component were developed using financing that does not require permanent affordability. As these units expire, does HPD have a plan to extend the affordability of these units and or conduct enhanced oversight during this process?

AGENCY RESPONSE:

1. In terms of comparison to previous fiscal years, risk for rental projects has increased from FY22 when it was at 8.5%, but has started to decrease over the past two quarters. Risk for coop projects have remained mostly stable over time. It appears that physical risk (violations and ERP charges) have increased for rental projects over the past fiscal year. A budget is not needed for these situations as they are driven by applicable solutions for the issues which could be a HPD, local, federal, program or another solution. There were several projects on the list in Manhattan for Fiscal Year 2023.

2. All HPD programs require varying degrees and lengths of affordability.

HPD has a variety of programs that not only ensure deep and long term affordability, but also a number of programs that offer attractive financing for existing buildings in exchange for the instatement or extension of affordability requirements within buildings.

HPD provides a variety of financing programs for buildings with expiring financing and affordability, each of which is tailored to specific types of owners and situations. [Term Sheets - HPD \(nyc.gov\)](#)

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [2]: New-Build Affordable Housing & Placement

1. With the New York State Affordable Housing Tax Abatement Program expired, have additional funds been allocated to other HPD New-Build Affordable Housing Programs in FY2024 and FY2025? If so, please elaborate on these programs. If not, does HPD know the impact the loss of 421a/Affordable New York will have on the creation of new affordable units in the next couple of years?
2. Understanding that the Department has increased the number of rental projects in its portfolio compared to years past, will HPD's current staff levels be adequate to keep this pace in fiscal year 2024 and 2025?
3. Please provide a breakdown of the number of new-build projects by Manhattan Community District.
4. Once a unit has received its Temporary Certificate of Occupancy what is the average time for HPD to approve the unit for the lottery program?
5. As reported by the City's Performance Reporting, the average number of days to approve an applicant for a lottery unit is 176 days, compared to 88 days in previous fiscal years. And the average number of days to approve an applicant for a homeless set-aside unit is 203 days, compared to 106 days in previous fiscal years. What resources is HPD planning on using to improve the placement process and will this require funding?
6. What HPD programs are planned to develop affordable housing from office conversion. What funding is necessary to achieve these goals?
7. How can community boards best advocate for increased City funding for affordable housing, including as a budget priority?

AGENCY RESPONSE:

1. In the most recent budget, HPD advanced \$539M in City capital into FY2024, which will allow the department to finance a significant number of units of affordable housing throughout the city. 421-a is a state-level tax abatement which requires state legislative action. While the City is exploring alternatives, the City is looking to the State legislature to act on a new tax abatement to create new affordable housing.

HPD has a wide range of financing programs that use direct capital subsidy and/or real estate tax exemptions to facilitate the acquisition of property, new construction, rehabilitation, and preservation of affordable housing. HPD Term Sheets are available online at HPD’s website: <https://www1.nyc.gov/site/hpd/services-and-information/term-sheets.page>

2. HPD has funded a sufficient number of positions to address the existing workload. HPD continues attending job fairs and is actively hiring for a number of vacancies.

3. HON New Construction Affordable Housing Starts and Projects

Community Board	Number of Projects	HON Affordable Unit Starts
3	1	8
4	2	136
7	1	1
8	2	10
9	3	74
10	7	191
11	3	16
12	6	988
Grand Total	25	1,424

4. HPD’s Marketing Handbook advises Owners and their Marketing Agents to submit their Notice of Intent to Market (NOI) 7 to 9 months before expected TCO to ensure the pre-marketing process is completed for the lottery prior to TCO.

5. HPD is dedicated to removing administrative burdens and expediting the leasing of lottery and homeless units alike.

HPD has existing funding to make enhancements to Housing Connect, our online housing lottery portal, to continue to make improvements in the system’s ability to expedite lottery approvals.

The City also recently engaged with a third-party consultant who evaluated our homeless placement process to identify barriers and suggest ways to decrease the amount of time it takes for a homeless household to move into a homeless set-aside unit. HPD and our partner agencies will be reviewing their recommendations and determining the implementation plan. It is still undetermined at this time if any of these initiatives would require additional funding.

6. While legislative action is necessary to fully facilitate office to residential conversions, the city is proactively addressing the underutilization of office space.

7. HPD appreciates the Community Boards' support of all of budget items. This mayor has committed an unprecedented level of city resources to fund the *Housing Our Neighbors* blueprint, and the agency values the support it receives from all levels of government. To that end, we ask that you continue to advocate your state and federal elected officials to ensure adequate funding is available so that all New Yorkers have access to safe, affordable housing.

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [3]: Community Education Programs

1. How many events has HPD's Owner Engagement and Events (OEE) program hosted in FY2023 and how does it compare to past fiscal years? Which subjects and event type (in-person or virtual) does HPD find to have the most participation?
2. Is OEE's previous budget of \$475,000, which supports the salaries for five staff, sufficient to meet its goals?

AGENCY RESPONSE:

1. Owner Engagement and Events (OEE) hosted 152 events in FY23, consisting of Resource Fairs, Tabling Events, and Classes. The most attended events were our tabling events, which had 9,149 attendees. The Pest Management (virtual) had the most participation with 217 attendees.

In FY22, OEE hosted 59 events consisting of Resource Fairs, Tabling Events, and Classes. The most attended events were our tabling events, which had 4,051 attendees. The Property Management virtual class had the most participation with 183 attendees. There was a large increase in participation from FY22 to FY23.

2. The team is currently hiring one additional staff person. The budget for the team has increased to \$547k and is sufficient to meet its goals.

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [4]: Inspection Staffing and Response

1. What are the current and previous fiscal year funding levels and vacancies in the housing code inspection division?

2. As of last year, response rates had decreased due to COVID-19. What are the current response rates and closure rates for both emergency and nonemergency complaints?

AGENCY RESPONSE:

Currently, there are 52 inspectors and 6 associate inspectors in Manhattan. That is an increase from the 31 inspectors and 6 associate inspectors reported last fiscal year.

As of June 30, 2023, HPD had 44 vacancies for housing inspectors and 16 for associate inspectors citywide. The previous fiscal year’s vacancy rate was 129 for housing inspectors and 18 for associate inspectors citywide.

The vacancy rate for Manhattan in FY23 is 33. In FY22, there were 61 vacancies in Manhattan.

HPD recently hired and trained 26 housing inspectors. The agency will continue to hire additional inspectors to monitor building complaints and has several existing vacancies that we are working to fill as quickly as possible.

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

Performance Indicator	FY2021	FY2022	FY2023
Avg time to close emergency complaints (days)	13.3	16.4	14.4
Avg time to close nonemergency complaints (days)	25.6	28.6	32.8

MEETING NOTES:

HPD - HPD will be providing clarification.

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [5]: Senior Housing

1. What is the status of funding for the Senior Affordable Rental Assistance Program (SARA)?
2. How many SARA projects are in pipeline in Manhattan by Community District?

AGENCY RESPONSE:

As of FY2024 Executive Capital Plan there is \$453M in city capital from FY24 – FY33. For appropriations purposes city capital funding was moved from SARA in FY24 into other program areas that required it. SARA is primarily funded via the Federal HOME grant and we maintain a \$40M baseline across the Ten-year plan starting in FY24. HPD has the flexibility to allocate capital to any program area including SARA as the need arises.

HPD is actively working with various communities throughout Manhattan on several potential sites where SARA projects could be feasible.

SARA is a critical program to develop more affordable, senior housing throughout the city, and HPD remains committed to working with communities to ensure that seniors have a safe and affordable place to live.

The agency does not publicly share pipeline data with project status and expected closing, in order to remain flexible with closing projects based on need, project readiness, and funding availability.

However, we are happy to share the list of projects after closing, which is also available on the NYC Open Data Website.

Here is the link to the NYC Open Data website for Housing New York Units by Building:

<https://data.cityofnewyork.us/Housing-Development/Housing-New-York-Units-by-Building/hg8x-zxpr>

Here is the link to the NYC Open Data website for Housing New York Units by Project:

<https://data.cityofnewyork.us/Housing-Development/Housing-New-York-Units-by-Project/hq68-rnsi>

We also provide various summary tables of unit production under Housing New York on our website:

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

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [6]: Certificate of No Harassment Program

1. The CONH pilot program will be active until 2026. Does HPD still support the continuation of this program? Last year the CONH program was funded for ten staff. Has that funding been secured or increased for Fiscal year 2024 and Fiscal Year 2025.

AGENCY RESPONSE:

Established initially as a three-year pilot program under Local Law 1 of 2018, amended by Local Law 140 of 2021 extending the program until September 27, 2026. A new Pilot Building List was published in 2022. Currently, the CONH program is funded for 13 staff and \$979,649. Last year, the CONH program was funded for 10 staff at \$866,000.

The CONH program is an important tool that the City utilizes to combat tenant harassment as it applies to SRO buildings citywide, multiple dwellings in Special Districts and multiple dwellings in the Pilot program. As required by statute, HPD will review the Pilot at the end of its term and issue recommendations for the next iteration of the program.

MEETING NOTES:

HPD - HPD will be providing a written answer.

NEW INFORMATION:

FOLLOW UP COMMITMENTS:

AGENDA ITEM [7]: Supportive Housing

1. What funding was allocated for the development/inclusion of Supportive Housing in Manhattan during FY23? Projected for FY24?
2. How many supportive housing units are in pipeline in Manhattan? Please provide detailed list by Community District.

AGENCY RESPONSE:

The capital budget is not borough specific but as of FY2024 Executive Capital Plan we are projecting approximately \$185M in funding for supportive housing programs in FY24. In FY23 HPD committed approximately \$142M across supportive housing programs.

HPD is actively working with various communities throughout Manhattan on several potential sites where supportive housing projects could be feasible.

Supportive housing is a critical program to develop more affordable, senior housing throughout the city, and HPD remains committed to working with communities to ensure that underserved and vulnerable populations have a safe and affordable place to live.

The agency does not publicly share pipeline data with project status and expected closing, in order to remain flexible with closing projects based on need, project readiness, and funding availability. However, we are happy to share the list of projects after closing, which is also available on the NYC Open Data Website.

Here is the link to the NYC Open Data website for Housing New York Units by Building:

<https://data.cityofnewyork.us/Housing-Development/Housing-New-York-Units-by-Building/hg8x-zxpr>

Here is the link to the NYC Open Data website for Housing New York Units by Project:

<https://data.cityofnewyork.us/Housing-Development/Housing-New-York-Units-by-Project/hq68-rnsi>

We also provide various summary tables of unit production under Housing New York on our website:

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

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS:

AGENDA ITEM [8]: Community Land Trusts

1. What funding is available for CLTs and is this baselined? What are projected funding/programing plans?

AGENCY RESPONSE:

HPD has financed or plans to finance over 1,200 units of housing on CLTs. The city has also committed to continue to provide technical assistance and operational support for CLTs that are establishing themselves across the city, identify additional public sites that are suitable for transfer to CLTs, launch new programs and tools to help CLTs acquire private sites, and explore pathways to leverage CLTs to stabilize private owners in financial distress so that they can stay in their homes and avoid foreclosure or displacement.

CLTs and their development partners may access HPD capital financing through HPD's term sheet programs. Capital financing and unit production is tracked through the individual term sheet programs.

HPD is also responsible for disbursing funding allocated by the New York City Council to help support CLT operations and other activities. HPD has collaborated with partners, including Enterprise Community Partners and the Change Capital Fund, to make available other funding sources to help support CLT operations and technical assistance. The funding for the Community Land Trust initiative is \$1,480,000.

MEETING NOTES:

NEW INFORMATION:

FOLLOW-UP COMMITMENTS: