

Proposed City Fiscal Year 2023 Community Development Program

Executive Summary

The Community Development Block Grant (CD or CDBG) is one of four formula Entitlement grants the City of New York receives annually from the U.S. Department of Housing and Urban Development (HUD). Prior to receiving these funds, grantees must release for public comment and submit to HUD a Consolidated Plan that outlines how the grantee will use the funds to address its identified needs.

The Consolidated Plan is prepared on a calendar year basis, while the City's fiscal year begins on July 1 and ends on June 30. This document reflects the proposed City Fiscal Year (CFY) 2023 allocation of CD funds based on the anticipated receipt of the City's Federal Fiscal Years (FFY) 2022 and 2023 grants. These allocations will affect, and be incorporated to, the CDBG portion of the 2022 and 2023 One-Year Action Plans. At the time of this publication, HUD had not yet released FFY 2022 award information. However, due to a cut to the national CDBG appropriation, the City is anticipating its grant will be less than the FFY 2021 award of \$176,648,890. The City is proposing reductions where possible now, but may need to make further adjustments in future budget plans.

The total Proposed CFY 2023 budget is \$258,695,000. In addition to the CDBG allocation, the budget is supported by program income and other supplemental revenue sources, which include those currently available, plus those expected to become available during the fiscal year. The sources of these supplemental funds are as follows:

- Prior year resources: Due to unanticipated circumstances, portions of prior years' CD program allocations go unspent. These unused funds are then reprogrammed into the current CD year.
- Program income and applicable credits: Several CD-funded programs generate revenue through repayment and close-out of loans, fees, and fines that are returned to the CD Program, as well as the sale of land in Federal Urban Renewal Areas.

This document consists of three chapters:

1. Budget Charts: The proposed CDBG budgets are presented for CFY 2023, Calendar Year 2022, and Calendar Year 2023.
2. Proposed City Fiscal Year 2023 CDBG Program: Chapter 2 provides details for programs receiving new allocations of CDBG funds in CFY 2023.
3. Prior Year Resources: The City sometimes allocates CD funds to projects that are not expected to be completed within a single year. Funding for such projects may "roll" from

year to year until the project is complete or funds are reallocated. Thus, the amount of CDBG funds available in a given year is often higher than the allocation of *new* funds made through the City fiscal year budget. Chapter 3 provides information on projects that are still spending funds awarded in prior years. For each open project, the City has provided a brief description and the remaining balance of the CDBG allocation. These balances are also reflected in the grand total of the Proposed Revised Calendar Year 2022 budget. In this proposal, prior year resources include portions of City's CDBG CARES (CDBG-CV) Act award from 2020 to prevent, prepare for, and respond to COVID-19.

Please note the budget charts and program entries are grouped by the Consolidated Plan goal associated with each program.

Programmatic Changes

Below is a summary of changes for CFY 2023/Calendar Year 2022:

- The CD program is subject to a 20 percent cap on activities categorized as Planning or Administration. In anticipation of a cut to the City's FFY 2022 grant, the City proposes the following reductions to its Planning and Administration budget:
 - The Department of City Planning will no longer receive CDBG funds for rent at the agency's borough offices or for staff that works on City Environmental Quality Reviews (CEQR). These costs will be covered with City tax levy, resulting in a reduction to the Community Planning program's CDBG budget.
 - The Department of Housing Preservation and Development will move several positions, currently CD-funded through the HPD Administration program, to another Federal grant. For several years, CDBG has funded staff working on the HOME Investment Partnerships Program. The national HOME appropriation has increased recently, allowing the City's HOME allocation to support more of its administrative staff.
- Senior Center Improvements: The City used the delays caused by the COVID-19 pandemic as an opportunity to perform a full review of this program including the application process, contract documents, etc. The Department for the Aging did not issue new grants during this time and a significant amount of funds built up. The City is reallocating surplus funds to support the overall CDBG budget. The program will receive a new allocation in CFY 2023 which it can use to award new grants.
- Similarly, the remaining CDBG funds for the following programs will be reallocated to support the overall CDBG budget:

- Schoolyards to Playgrounds: The funds had been intended to convert the schoolyard at I.S. 228 in Brooklyn into a playground, but the City withdrew the project following community opposition.
- DOE School Kitchen Renovations: The Department of Education received CDBG funds to install walk-in refrigerators at five schools. However, the School Construction Authority performed the work using other funding.
- The City has not allocated additional CD funds to the Food Pantry Services program for CFY 2023. This program received a one-year allocation of \$375,000 for CFY 2022: \$188,000 in Calendar Year 2021 and \$187,000 in Calendar Year 2022.

Chapter 1: Budget Charts

Chart 1: Proposed City Fiscal Year 2023 CDBG Budget

The City's CD Year is based on the calendar year, January through December. Therefore, the first half of CFY 2023 (July 1 – December 31, 2022) coincides with the last six months of Calendar Year 2022/CD 48, and the second half of CFY 2023 (January 1 – June 30, 2023) coincides with the first six months of Calendar Year 2023/CD 49.

The total Proposed CFY 2023 budget is \$258.695M. The City does not yet know the value of its Federal Fiscal Year 2022 Entitlement grant, but expects it will be less than the FFY 2021 award of \$176.649M. For the purposes of this report, the City forecasts an FFY 2022 award of \$174.604M, which is \$2.045M less than the FFY 2021 award. The City also expects the availability of \$84.091M to supplement the Entitlement.

Proposed City Fiscal Year 2023
Community Development Block Grant (CDBG) Budget
(Millions of Dollars)

Consolidated Plan Goals and Programs	CFY 2023
<i>Administer the overall CDBG entitlement grant program</i>	
CDBG Administration	2.519
<i>Conduct housing market analysis and planning</i>	
Housing Planning	6.101
<i>Further fair housing throughout the City</i>	
NYC Fair Housing	0.438
<i>Improve and preserve NYC's housing stock</i>	
Code Enforcement	47.181
Emergency Repair Program	42.369
Alternative Enforcement Program	10.356
Housing Rehabilitation Administration	1.497
Public Housing Rehabilitation Program	32.602
Maintenance, Operation, and Rehabilitation of Tax-Foreclosed Housing	19.593
HPD Administration	7.308

Proposed City Fiscal Year 2023
Community Development Block Grant (CDBG) Budget
(Millions of Dollars)

Consolidated Plan Goals and Programs	CFY 2023
<i>Make NYC more livable for people with disabilities</i>	
Project Open House	0.198
Services for People with Disabilities	0.167
City Educational Facilities: Accessibility Improvements	0.378
<i>Modernize and improve public facilities</i>	
City Educational Facilities: Health & Safety Improvements	6.908
Senior Center Improvements	1.935
Shelter Improvements: Shelter Renovations Project Support	0.308
<i>Preserve historic buildings and areas</i>	
Landmarks Historic Preservation Grant Program	0.114
<i>Provide recreation and greenspace</i>	
GreenThumb Gardens	1.260
Recreation Services	2.089

Proposed City Fiscal Year 2023
Community Development Block Grant (CDBG) Budget
(Millions of Dollars)

Consolidated Plan Goals and Programs	CFY 2023
<i>Provide safe shelters and services</i>	
Shelter Services	4.098
Emergency Relocation	25.463
Homeless Placement Services	1.120
<i>Provide safety and independence for the elderly</i>	
Senior Services	1.037
<i>Provide social and educational services</i>	
Education Services	4.524
Community Centers	5.614
Victims' Services	3.245
<i>Reduce threats to public health and safety</i>	
Demolition Program	10.272
<i>Support community development through planning</i>	
Community Planning	17.397
<i>Support economic development</i>	
Avenue NYC	2.604
<i>Total Uses</i>	258.695

Chart 2: Proposed Revised Calendar Year 2022/CD 48 Budget

In addition to reflecting programs and budgets on a City fiscal year basis, the City’s Community Development program must also identify its proposed programs and budgets on a calendar year basis to comply with the City’s Consolidated Plan process. The City’s CD program is in its 48th year. The Proposed Calendar Year 2022/CD 48 budget was originally published at this time last year in the “Proposed City Fiscal Year 2022 Community Development Program” document and was approved by the New York City Council.

The chart on the following page shows proposed changes to the current Calendar Year 2022/CD 48 budget that result from the City proposing its City Fiscal Year 2023 (7/1/22-6/30/23) budget. The changes to this budget are now necessary because the CD 48 program year overlaps two City fiscal years:

Calendar Year 2022/CD 48: January 1 – December 31, 2022	
Second half of CFY 2022: January 1 – June 30	First half of CFY 2023: July 1 – December 31

At the time the Calendar Year 2022/CD 48 budget was adopted, the spending pattern for the last six months was not known. Therefore, the CD 48 budget assumed the spending pattern set by the CFY 2022 CD program for the first six months of CD 48 (1/1/22 – 6/30/22) would be maintained for the entire CD 48 program year. However, revisions to the Calendar Year 2022/CD 48 budget are necessary to reflect the new CFY 2023 CD program.

The first column of numbers indicates the current CD 48 funding levels for the programs, the second column indicates the proposed changes to those funding levels, and the third column reflects the Proposed Revised 2022/CD 48 Budget.

As stated previously, the City does not yet know its FFY 2022 award, and has assumed an award of \$174.604M for the purposes of this budget. The City also expects the availability of \$85.329M to supplement the Entitlement.

Proposed Revised Calendar Year 2022 / CDBG Forty-Eight Budget
(Millions of Dollars)

Consolidated Plan Goals and Programs	Current 2022 / CD 48 Budget	Changes	Proposed Revised 2022 / CD 48 Budget
<i>Administer the overall CDBG entitlement grant program</i>			
CDBG Administration	2.718	-0.100	2.618
<i>Conduct housing market analysis and planning</i>			
Housing Planning	6.078	0.011	6.089
<i>Further fair housing throughout the City</i>			
NYC Fair Housing	0.436	0.001	0.437
<i>Improve and preserve NYC's housing stock</i>			
Code Enforcement	47.333	-0.077	47.256
Emergency Repair Program	42.298	0.036	42.334
Alternative Enforcement Program	10.329	0.014	10.343
Housing Rehabilitation Administration	1.484	0.007	1.491
Public Housing Rehabilitation Program	32.920	-0.158	32.762
Maintenance, Operation, and Rehabilitation of Tax-Foreclosed Housing	18.896	0.348	19.244
HPD Administration	8.004	-0.348	7.656

Proposed Revised Calendar Year 2022 / CDBG Forty-Eight Budget
(Millions of Dollars)

Consolidated Plan Goals and Programs	Current 2022 / CD 48 Budget	Changes	Proposed Revised 2022 / CD 48 Budget
<i>Make NYC more livable for people with disabilities</i>			
Project Open House	0.199	-0.001	0.198
Services for People with Disabilities	0.167	0.000	0.167
City Educational Facilities: Accessibility Improvements	0.378	0.000	0.378
<i>Modernize and improve public facilities</i>			
City Educational Facilities: Health & Safety Improvements	6.908	0.000	6.908
Senior Center Improvements	1.934	0.000	1.934
Shelter Improvements: Shelter Renovations Project Support	0.307	0.001	0.308
<i>Preserve historic buildings and areas</i>			
Landmarks Historic Preservation Grant Program	0.114	0.000	0.114
<i>Provide recreation and greenspace</i>			
GreenThumb Gardens	1.310	-0.024	1.286
Recreation Services	2.023	0.033	2.056

Proposed Revised Calendar Year 2022 / CDBG Forty-Eight Budget
(Millions of Dollars)

Consolidated Plan Goals and Programs	Current 2022 / CD 48 Budget	Changes	Proposed Revised 2022 / CD 48 Budget
<i>Provide safe shelters and services</i>			
Shelter Services	4.098	0.000	4.098
Emergency Relocation	25.446	0.008	25.454
Homeless Placement Services	1.109	0.006	1.115
<i>Provide safety and independence for the elderly</i>			
Senior Services	1.037	0.000	1.037
<i>Provide social and educational services</i>			
Education Services	4.524	0.000	4.524
Community Centers	5.606	0.004	5.610
Food Pantry Services	0.187	0.000	0.187
Victims' Services	3.245	0.000	3.245
<i>Reduce threats to public health and safety</i>			
Demolition Program	10.270	0.001	10.271
<i>Support community development through planning</i>			
Community Planning	19.024	-0.814	18.210
<i>Support economic development</i>			
Avenue NYC	2.602	0.001	2.603
<i>Total New Allocations for Calendar Year 2022</i>	260.984	-1.051	259.933

Proposed Revised Calendar Year 2022 / CDBG Forty-Eight Budget
(Millions of Dollars)

	Current 2022 / CD 48 Budget	Changes	Proposed Revised 2022 / CD 48 Budget
Consolidated Plan Goals and Programs			

Prior Year Funds Projected to be Spent in 2022:			
City Educational Facilities: Accessibility Improvements in City Schools	N/A	N/A	11.928
Day Care Center Environmental Health Improvements	N/A	N/A	3.968
Inspections in City Shelters	N/A	N/A	6.542
Parks Construction and Renovation Program	N/A	N/A	1.879
Public Housing Rehabilitation Program	N/A	N/A	143.637
Recreation Services Planning	N/A	N/A	2.000
Hurricane Ida Sheltering Program	N/A	N/A	5.000
Sub-Total			174.954
Total Calendar Year 2022 Budget			
			434.887

Prior Year COVID Re-allocated Funds Projected to be Spent in 2022:			
DOE Remote Learning - CV	N/A	N/A	21.542
HPD Stay Cool, Stay Safe Air Conditioner Program - CV	N/A	N/A	0.300
Pandemic Food Reserve Emergency Distribution - CV	N/A	N/A	26.614
Total			48.456

Prior Year COVID CARES Act Funds Projected to be Spent in 2022:			
DOE Remote Learning - CV	N/A	N/A	76.059
DOE Community Meals - CV	N/A	N/A	9.049
Connected NYCHA: Older Adults - CV	N/A	N/A	2.550
HPD Housing and Vacancy Survey - CV	N/A	N/A	5.209
Total			92.867

Chart 3: Proposed Calendar Year 2023/CD 49 Budget

The following is the proposed Calendar Year 2023/CD 49 budget (1/1/23 – 12/31/23). Please note that the spending pattern established in this budget is expected to be effective only for January 1, 2023 to June 30, 2023. Funds reserved for the last six months of CD 49 will be reallocated in accordance with the adopted City Fiscal Year 2024 CD budget.

The City does not yet know its FFY 2022 award, and likely will not learn its FFY 2023 award for several months. For the purposes of this exercise, the City has assumed its FFY 2023 award will be the same as the value projected for FFY 2022. However, there is a strong possibility that the actual values of both awards will be different. The City also expects the availability of \$77.091M to supplement the Entitlement.

Proposed Calendar Year 2023 / CDBG Forty-Nine Budget
(Millions of Dollars)

Consolidated Plan Goals and Programs	CD 49
<i>Administer the overall CDBG entitlement grant program</i>	
CDBG Administration	2.519
<i>Conduct housing market analysis and planning</i>	
Housing Planning	6.101
<i>Further fair housing throughout the City</i>	
NYC Fair Housing	0.438
<i>Improve and preserve NYC's housing stock</i>	
Code Enforcement	47.181
Emergency Repair Program	42.369
Alternative Enforcement Program	10.356
Housing Rehabilitation Administration	1.497
Public Housing Rehabilitation Program	25.602
Maintenance, Operation, and Rehabilitation of Tax-Foreclosed Housing	19.593
HPD Administration	7.308

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(Millions of Dollars)

Consolidated Plan Goals and Programs	CD 49
<i>Make NYC more livable for people with disabilities</i>	
Project Open House	0.198
Services for People with Disabilities	0.167
City Educational Facilities: Accessibility Improvements	0.378
<i>Modernize and improve public facilities</i>	
City Educational Facilities: Health & Safety Improvements	6.908
Senior Center Improvements	1.935
Shelter Improvements: Shelter Renovations Project Support	0.308
<i>Preserve historic buildings and areas</i>	
Landmarks Historic Preservation Grant Program	0.114
<i>Provide recreation and greenspace</i>	
GreenThumb Gardens	1.260
Recreation Services	2.089

Proposed Calendar Year 2023 / CDBG Forty-Nine Budget
(Millions of Dollars)

Consolidated Plan Goals and Programs	CD 49
<i>Provide safe shelters and services</i>	
Shelter Services	4.098
Emergency Relocation	25.463
Homeless Placement Services	1.120
<i>Provide safety and independence for the elderly</i>	
Senior Services	1.037
<i>Provide social and educational services</i>	
Education Services	4.524
Community Centers	5.614
Victims' Services	3.245
<i>Reduce threats to public health and safety</i>	
Demolition Program	10.272
<i>Support community development through planning</i>	
Community Planning	17.397
<i>Support economic development</i>	
Avenue NYC	2.604
<i>Total Uses</i>	251.695