

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

Louise Carroll, Commissioner



WHAT WE DO

The New York City Department of Housing Preservation and Development (HPD) is the largest municipal housing preservation and development agency in the nation. The agency promotes the construction, rehabilitation and preservation of affordable, high-quality housing for low and moderate-income families in thriving and diverse neighborhoods in every borough by enforcing housing quality standards, financing affordable housing development and preservation, and ensuring sound management of the City's affordable housing stock.

FOCUS ON EQUITY

Using a variety of preservation, development, enforcement, and contracting strategies, HPD strives to improve the availability, affordability and quality of housing in all neighborhoods of New York City, while creating opportunities for economic advancement. By enforcing the Housing Maintenance Code, HPD works to ensure that New Yorkers live in safe and habitable neighborhoods and homes. By developing affordable housing, HPD seeks to serve households of a wide range of incomes, in all neighborhoods, with special attention to those with extremely low incomes, special needs, seniors, and the formerly homeless. Through the Housing Connect lottery, marketing and outreach efforts, HPD has expanded the number and diversity of households applying to live in affordable housing and ensures that eligible applicants have an equal and fair chance of receiving housing. Using a targeted, neighborhood-based approach to preservation, HPD is working to protect the ability of low-income families to remain in their current neighborhoods if they wish to do so, even as rents increase.

At the same time, the Department's development and preservation initiatives seek to open up new housing opportunities for households at a range of incomes, with an increasing focus on the lowest-income and most vulnerable households. HPD also partners with other City agencies to work with communities across the five boroughs to ensure our planning and development efforts, particularly on public sites contribute to broad community objectives that strengthen the social, economic, and physical health of neighborhoods, anchored by affordable housing. In addition, HPD creates and promotes economic opportunities for Minority- and Women-Owned Business Enterprises (M/WBEs) on affordable housing projects and agency contracts.

OUR SERVICES AND GOALS

SERVICE 1 Enforce the Housing Maintenance Code.

- Goal 1a Resolve housing maintenance complaints efficiently.
- Goal 1b Improve compliance with the Housing Maintenance Code.

SERVICE 2 Preserve and create quality affordable housing.

- Goal 2a Increase affordable housing opportunities through construction and preservation.

SERVICE 3 Effectively manage HPD affordable housing assets.

- Goal 3a Improve financial and physical stability of existing affordable housing.

SERVICE 4 Provide affordable housing opportunities for the lowest income New Yorkers and maximize federal rent subsidies.

- Goal 4a Maximize federal rent subsidies to make housing affordable for low-income New Yorkers.
- Goal 4b Target HPD financed housing to the lowest income New Yorkers.

HOW WE PERFORMED IN FISCAL 2019

SERVICE 1 Enforce the Housing Maintenance Code.

Goal 1a Resolve housing maintenance complaints efficiently.

HPD saw a decrease in the number of reported emergency complaints, which decreased by 26 percent to 261,339 complaints. Compared to Fiscal 2019, heat and hot water complaints decreased by 15 percent, while lead complaints decreased by 39 percent. The decrease in complaints reported in Fiscal 2020 is attributed to mid-March through June of the fiscal year when the City was under quarantine because of the COVID-19 outbreak. HPD closed emergency complaints in 10.9 days, a half-day slower than Fiscal 2019, but more than a day faster than the 12-day target. The slower response time can also be attributed to the COVID-19 outbreak. Seventy-two percent of all emergency complaints were closed within 12 days of receipt.

The average time to close nonemergency complaints was slower than in Fiscal 2019, increasing by more than three days to 21.4 days, which is about one day slower than HPD's target of 20 days. HPD prioritized inspections for emergency complaints in order to address pressing heat and hot water, lead, and other emergencies during the last few months of Fiscal 2020 and prioritize the safety of both tenants and housing inspectors working on-site during the COVID-19 outbreak. Overall, 69 percent of nonemergency complaints were closed within 20 days, which is nearly 12 percent lower in comparison to the first four months of Fiscal 2020, lower than the agency was achieving in the months prior to the COVID-19 outbreak.

The agency completed more than 570,000 inspections, which include complaint inspections, proactive inspections initiated by HPD and reinspections of open violations.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Total complaints reported	549,640	541,858	530,619	570,476	418,785	*	*	Down	*
★ – Emergency complaints reported	337,791	334,242	327,359	351,133	261,339	*	*	Down	*
Inspections completed	692,943	698,948	706,664	737,216	571,622	675,000	*	Down	*
Inspection visits per team per day	12.6	12.3	12.4	12.3	12.5	*	*	Neutral	Up
Ratio of completed inspections to attempted inspections (%)	78%	80%	79%	80%	81%	*	*	Neutral	Up
Total complaints closed	558,417	541,216	532,571	568,822	415,228	*	*	Down	*
– Emergency complaints closed	339,524	334,143	328,180	350,676	260,097	*	*	Down	*
– Heat and hot water	110,007	115,262	114,641	121,757	104,225	*	*	Neutral	*
– Lead	32,170	28,356	27,938	30,362	18,637	*	*	Down	*
– Other emergency	197,347	190,525	185,601	198,557	137,235	*	*	Down	*
★ Average time to close emergency complaints (days)	11.3	12.4	11.4	10.4	10.9	12.0	↓	Neutral	Down
★ Average time to close nonemergency complaints (days)	23.3	21.0	17.5	17.7	21.4	20.0	↓	Down	Down
★ Emergency complaints closed within 12 days of receipt (%)	71%	71%	71%	72%	72%	↑	↑	Neutral	Up
Nonemergency complaints closed within 20 days of receipt (%)	75%	73%	77%	78%	69%	*	*	Neutral	Up

★ Critical Indicator "NA" Not Available ↑↓ Directional Target * None

Goal 1b Improve compliance with the Housing Maintenance Code.

The agency uses various tools to enforce the Housing Maintenance Code in order to ensure housing quality and compliance with legal and regulatory obligations. Enforcement and Neighborhood Services (ENS) works closely with other HPD divisions and community partners to identify buildings with housing quality issues, assess conditions and develop appropriate strategies to address those properties. ENS also works closely with responsible owners to develop plans to improve conditions. If HPD finds violations during inspections, the agency directs the landlord to perform repairs within a timeframe specified by law.

In Fiscal 2020, HPD issued 474,619 violations, a 21 percent decrease compared to Fiscal 2019, with nonemergency violations accounting for much of this decrease. Due to COVID-19, the number of complaints decreased and inspections were suspended or delayed during the months of March, April, May and June, reducing the number of violations issued.

The agency's percent of violations issued and removed in the same fiscal year was 44 percent, better than the agency's target of 40 percent.

HPD's Housing Litigation Division (HLD) initiates cases in Housing Court to enforce compliance with the housing quality standards contained in the New York State Multiple Dwelling Law and the New York City Housing Maintenance Code. HLD seeks correction of conditions; civil penalties for failure to correct violations, filing false certifications of violations and failure to register a multiple dwelling building; the appointment of a 7A administrator; or access warrants. In Fiscal 2020, HLD initiated 3,656 cases, a 26 percent decrease from Fiscal 2019. During the last months of Fiscal 2020, Housing Court only addressed immediate emergency cases and normal HPD activities like initiating cases were suspended or severely curtailed. In Fiscal 2020, 2,164 cases were settled, and 349 judgments related to cases initiated by HPD were entered in Court.

Annually, HPD designates severely distressed multiple dwellings for participation in the Alternative Enforcement Program (AEP). Selection criteria include the number of hazardous (class "B") and immediately hazardous (class "C") Housing Maintenance Code violations along with the cost of emergency repair charges incurred as a result of work performed by HPD. AEP allows HPD to issue orders to correct violations and replace building systems. If a property owner fails to comply with AEP requirements for discharge from the program within the first four months, HPD issues Orders to Correct, conducts regular inspections and imposes significant fees. Since its inception in Fiscal 2008, AEP has successfully discharged 2,259 buildings. As of June 30, 2020, 628 buildings remained active in the AEP program, up 28 percent from the prior year. In the last quarter of Fiscal 2020 due to COVID-19, the City suspended reinspections, an often-used mechanism for buildings in AEP to get their violations dismissed and get discharged from the program. Reinspections are expected to be completed during the first quarter of Fiscal 2021, resulting in discharges being reflected during the first half of Fiscal 2021.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Total violations issued	440,849	481,085	522,199	604,068	474,619	*	*	Up	*
– Emergency violations issued	72,000	81,750	76,887	86,258	89,614	*	*	Up	*
– Heat and hot water	8,858	10,340	11,143	11,481	9,838	*	*	Up	*
– Lead	11,625	12,774	10,990	13,770	9,619	*	*	Neutral	*
– Other emergency	51,517	58,636	54,754	61,007	70,157	*	*	Up	*
– Nonemergency violations issued	368,849	399,335	445,312	517,810	385,005	*	*	Up	*
★ Violations issued and removed in the same fiscal year (%)	45%	42%	43%	41%	44%	40%	40%	Neutral	Up
★ Emergency violations corrected by owner (%)	57%	55%	57%	57%	53%	55%	55%	Neutral	Up
Emergency violations corrected by HPD (%)	11%	10%	9%	8%	8%	*	*	Down	Down
Violations closed	489,900	485,251	510,713	539,777	467,785	*	*	Neutral	Up
Violations certified as corrected by owner	170,109	193,461	219,318	258,035	216,473	*	*	Up	*
Housing Court cases initiated by HPD	5,659	6,371	7,093	4,957	3,656	*	*	Down	*
Housing Court cases initiated by HPD that were disposed	5,633	6,222	6,938	5,245	2,970	*	*	Down	*
– Cases settled	4,308	5,056	5,546	3,901	2,164	*	*	Down	*
– Cases resulting in judgments	842	578	671	563	349	*	*	Down	*
Total dollars spent on emergency repairs (excluding demolition and AEP) (\$)	\$10,139,937	\$10,009,946	\$10,680,843	\$9,500,718	\$9,500,718	*	*	Neutral	*
Alternative Enforcement Program - Buildings currently active	609	579	553	491	628	*	*	Neutral	*
– Buildings discharged (cumulative)	1,278	1,558	1,834	2,146	2,259	*	*	Up	*
– Buildings discharged from program (%) (cumulative)	64%	73%	73%	78%	80%	*	*	Up	Up
Total dollars spent on emergency repairs in the Alternative Enforcement Program (\$)	\$3,308,416	\$2,738,310	\$2,322,680	\$2,353,336	\$2,678,697	*	*	Down	*
★ Critical Indicator	"NA" Not Available		↕ Directional Target	* None					

SERVICE 2 Preserve and create quality affordable housing.

Goal 2a Increase affordable housing opportunities through construction and preservation.

In Fiscal 2020, under Housing New York 2.0, the City financed the creation and preservation of 30,023 affordable units (homes), exceeding its goal and remaining on track to build or preserve 300,000 affordable homes by 2026. The City has now created or preserved more than 25,000 affordable homes annually for the last three years. In the sixth full fiscal year of the Mayor’s 12-year plan, the City preserved 23,520 units, nearly 9,000 more units than its preservation target and 6,503 new construction units, about 3,000 units short of its new construction target. The City exceeded its total production target by more than 5,000 units.

The agency completed 15,391 units in Fiscal 2020, about 3,000 units short of its preservation completions target and less than 400 units short of its new construction target. The restrictions enacted in response to the COVID-19 outbreak halted construction and stalled inspections of occupied units, affecting the completions for the fiscal year. Additionally, for both new construction and preservation projects, HPD continues its efforts to improve project tracking for completions and aggressively follow up to ensure that projects continue to stay on schedule.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
★ Total housing starts under Housing New York (HNY) (units)	23,623	24,350	32,285	25,321	30,023	25,000	*	Up	*
– New construction starts	6,351	7,763	9,312	9,141	6,503	10,000	*	Neutral	*
– Preservation starts	17,272	16,587	22,973	16,180	23,520	15,000	*	Up	*
HNY units started for homeless individuals and families	1,883	2,625	2,264	2,682	1,389	2,400	*	Down	*
HNY units started that serve senior households	1,365	929	1,889	1,961	698	2,000	*	Neutral	*
★ Total housing completions (New Housing Marketplace Plan and HNY) (units)	20,660	23,373	27,508	19,266	15,391	18,787	*	Down	*
– New construction completions	4,482	5,413	5,747	9,573	5,501	5,900	*	Up	*
– Preservation completions	16,178	17,960	21,761	9,693	9,890	12,887	*	Down	*

★ Critical Indicator “NA” Not Available ↑↓ Directional Target * None

SERVICE 3 Effectively manage HPD affordable housing assets.

Goal 3a Improve financial and physical stability of existing affordable housing.

HPD’s Division of Asset Management is responsible for ensuring the longevity and affordability of units that the agency has created or preserved. In Fiscal 2020 HPD increased the rental buildings in its portfolio by ten percent, while the co-op buildings in its portfolio increased by two percent from the previous fiscal year. The Asset Management portfolio of rental buildings has grown as additional affordable housing units financed by HPD are leased up and transferred to Asset Management. More growth is expected in future years, based on additional development projects under the Housing New York plan.

The agency tracks information on the physical and financial condition of properties it has financed, and oversees regulatory agreements ensuring the affordability of properties financed or receiving tax exemptions. This tracking is intended to be used as an early warning system to detect and mitigate potential risks to buildings and affordability. For Fiscal 2020, 41 percent of rental buildings and 53 percent of co-op buildings in the Asset Management portfolio were at medium or high risk of physical deterioration, financial distress, or noncompliance with federal requirements. Staff use these risk metrics to prioritize outreach and intervention efforts in collaboration with owners, partners and multiple divisions of HPD. Through interventions such as financial assistance, management changes and ownership changes, the agency works to proactively identify and address at-risk projects before physical or financial distress escalates.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Asset management - Rental buildings in portfolio	3,604	3,843	3,914	4,155	4,571	*	*	Up	*
– Medium/high risk rental buildings in portfolio (%)	NA	32.0%	38.0%	36.6%	41.4%	*	*	NA	Down
Asset management - Co-op buildings in portfolio	1,217	1,231	1,199	1,174	1,193	*	*	Neutral	*
– Medium/high risk co-op buildings in portfolio (%)	NA	54.0%	55.0%	58.1%	52.8%	*	*	NA	Down
★ Critical Indicator	“NA” Not Available		↑↓ Directional Target	* None					

SERVICE 4 Provide affordable housing opportunities for the lowest income New Yorkers and maximize federal rent subsidies.

Goal 4a Maximize federal rent subsidies to make housing affordable for low-income New Yorkers.

The Housing Choice Voucher program, also known as Section 8, provides federal funding for subsidies for eligible low-income families to rent quality, safe, and affordable housing in neighborhoods of their choice. Families pay a reasonable share of their income toward rent and the subsidy, paid by HPD directly to the landlord, makes up the difference within specified limits. The dwelling unit must also meet federal Housing Quality Standards (HQS) and is inspected prior to move in and then biennially.

In Fiscal 2020 the overall voucher utilization rate was 97.2 percent, less than one percentage point below the target of 98 percent. The number of vouchers issued decreased by nine percent, to 2,951. While there was a decrease in vouchers issued because of a significant drop in application submission and an adjustment in client-facing operations at the height of the COVID-19 outbreak, all of HPD’s vouchers remain committed per the preference categories in HPD’s administrative plan. The timing of issuing those committed vouchers was impacted, but voucher issuance increased at the start Fiscal 2021. In total, the number of households receiving a rent subsidy through all the voucher programs increased by two percent to 40,636.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
★ Section 8 - Voucher utilization rate	94.5%	96.6%	96.4%	96.6%	97.2%	98.0%	98.0%	Neutral	Up
– Vouchers issued	2,999	2,334	1,679	3,227	2,951	*	*	Up	Up
– Households assisted	39,058	39,694	39,526	39,906	40,636	*	*	Neutral	Up
Section 8 subsidized units in abatement (%)	2%	3%	2%	3%	2%	*	*	Up	Down
★ Critical Indicator	“NA” Not Available		↑↓ Directional Target	* None					

Goal 4b Target HPD financed housing to the lowest income New Yorkers.

A little more than half of the units started in Fiscal 2020 under Housing New York 2.0 are for extremely and very low income families earning less than \$51,200 a year for a three-person family. More than 2,300 of these units, or nearly 8 percent of the Fiscal 2020 total production are for extremely low income families earning up to \$30,720 for a family of three. The agency is on track to exceed the plan’s goal of creating or preserving 75,000 units, or 25 percent of the entire Housing New York plan, for extremely low and very low income households.

HPD also started nearly 1,400 units for homeless households and almost 700 units that serve seniors. Budget shortfalls caused by COVID-19 resulted in fewer units for homeless and senior households.

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Housing New York units started – Extremely low income (0-30% AMI)	3,793	4,014	6,130	5,341	2,322	*	*	Down	*
Housing New York units started – Very low income (31%-50% AMI)	3,056	6,452	12,236	8,487	12,786	*	*	Up	*
★ Critical Indicator "NA" Not Available ⇅ Directional Target * None									

AGENCY CUSTOMER SERVICE

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Customer Experience									
E-mails responded to in 14 days (%)	55%	67%	67%	46%	21%	58%	*	Down	Up
Letters responded to in 14 days (%)	53%	45%	49%	25%	15%	52%	*	Down	Up
Average customer in-person wait time (minutes)	27	19	15	15	17	29	29	Down	Down
Visitors to the Division of Tenant Resources, Client and Owner Services rating customer service as good or better (%)	83%	89%	86%	87%	89%	95%	95%	Neutral	Up
Completed customer requests for interpretation	1,202	969	860	1,071	1,534	*	*	Up	*
CORE customer experience rating (0-100)	97	98	93	NA		85	85	NA	Up
★ Critical Indicator "NA" Not Available ⇅ Directional Target * None									

Performance Indicators	Actual					Target		Trend	
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	5-Year	Desired Direction
Response to 311 Service Requests (SRs)									
Percent meeting time to close - Heating (5 days)	82%	88%	79%	95%	97%	85%	90%	Up	*
Percent meeting time to close - Pests (30 days)	59%	59%	61%	65%	57%	59%	60%	Neutral	*
Percent meeting time to close - Paint/Plaster - Ceiling (17 days)	74%	74%	74%	76%	72%	71%	70%	Neutral	*
Percent meeting time to close - Paint/Plaster - Walls (17 days)	66%	64%	67%	69%	63%	69%	*	Neutral	*
Percent meeting time to close - Plumbing - Water-Leaks (17 days)	66%	64%	66%	69%	62%	68%	*	Neutral	*
★ Critical Indicator "NA" Not Available ⇅ Directional Target * None									

AGENCY RESOURCES

Resource Indicators	Actual ¹					Plan ²		5yr Trend
	FY16	FY17	FY18	FY19	FY20	FY20	FY21	
Expenditures (\$000,000) ³	\$850.0	\$1,026.6	\$1,000.8	\$1,090.4	\$1,366.4	\$1,293.2	\$1,055.5	Up
Revenues (\$000,000)	\$61.3	\$79.1	\$93.9	\$72.7	\$72.2	\$64.3	\$39.0	Neutral
Personnel	2,246	2,278	2,295	2,380	2,429	2,609	2,559	Neutral
Overtime paid (\$000,000)	\$2.2	\$2.4	\$2.9	\$4.0	\$3.8	\$2.0	\$2.0	Up
Capital commitments (\$000,000)	\$634.3	\$880.0	\$1,231.4	\$1,508.5	\$699.8	\$1,485.4	\$741.5	Up

¹Actual financial amounts for the current fiscal year are not yet final. Final fiscal year actuals, from the Comptroller's Comprehensive Annual Financial Report, will be reported in the next PMMR. Refer to the "Indicator Definitions" at nyc.gov/mmr for details. ²Authorized Budget Level ³Expenditures include all funds "NA" - Not Available * None

SPENDING AND BUDGET INFORMATION

Where possible, the relationship between an agency's goals and its expenditures and planned resources, by budgetary unit of appropriation (UA), is shown in the 'Applicable MMR Goals' column. Each relationship is not necessarily exhaustive or exclusive. Any one goal may be connected to multiple UAs, and any UA may be connected to multiple goals

Unit of Appropriation	Expenditures FY19 ¹ (\$000,000)	Modified Budget FY20 ² (\$000,000)	Applicable MMR Goals ³
Personal Services - Total	\$175.8	\$193.2	
001 - Office of Administration	\$43.1	\$47.0	All
002 - Office of Development	\$30.2	\$34.8	2a, 3a, 4a, 4b
004 - Office of Housing Preservation	\$62.4	\$68.8	1a, 1b
006 - Housing Maintenance and Sales	\$40.1	\$42.6	2a, 3a, 4a, 4b
Other Than Personal Services - Total	\$914.6	\$1,173.2	
008 - Office of Administration	\$11.8	\$10.3	All
009 - Office of Development	\$673.8	\$633.2	1b, 2a, 4a, 4b
010 - Housing Management and Sales	\$14.3	\$17.5	1a, 1b, 2a, 3a, 4b
011 - Office of Housing Preservation	\$73.9	\$92.9	1a, 1b, 2a, 4b
012 - City Assistance to NYC Housing	\$140.8	\$419.3	All
Agency Total	\$1,090.4	\$1,366.4	

¹Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2019. Includes all funds. ²City of New York Adopted Budget for Fiscal 2020, as of June 2020. Includes all funds. ³Refer to agency goals listed at front of chapter. "NA" Not Available *None

NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

- As part of its routine updates and data clean-up efforts, HPD revised previously reported housing data for the below fiscal years:
 - Housing unit starts data for HNY increased slightly in each of the last three fiscal years, rising to 24,374 in Fiscal 2017; 32,343 in Fiscal 2018; and 25,321 in Fiscal 2019.
 - Total housing completions (New Housing Marketplace Plan and HNY) increased by 2,835 units to 23,495 in Fiscal 2016, by 8 units to 23,381 in Fiscal 2017, and by 851 units to 19,266 in Fiscal 2019.
 - Very low income unit starts decreased by 145 units in Fiscal 2017 to 6,307, but increased by 14 units to 12,250 in Fiscal 2018.
 - Extremely low income increased by 145 units in Fiscal 2017 to 4,159.
 - Units starts that serve senior households increased by 9 to 1,374 in Fiscal 2016, decreased by 1 to 928 in Fiscal 2017, increased by 5 to 1,894 in Fiscal 2018, and decreased by 7 to 1,961 in Fiscal 2017.
- “*” appears as the Fiscal 2021 target for indicators related to the Housing New York (HNY) plan and Housing Maintenance Code complaints and inspections due to ongoing budget considerations.
- As part of its routine updates, HPD adjusted Fiscal 2021 targets for Housing Maintenance Code complaints.
 - The target percent meeting time to close heat complaints within five days increased from 85 percent to 90 percent. HPD will prioritize resources to ensure that heat complaints are answered in a timely manner.
 - The target percent meeting time to close pest complaints within 30 days increased from 59 percent to 60 percent.
 - The target percent meeting time to close paint/plaster ceiling complaints within 17 days decreased from 71 percent to 70 percent.

ADDITIONAL RESOURCES

For additional information on items referenced in the narrative, go to:

- Housing New York: A Five-Borough, Ten-Year Plan:
<http://www.nyc.gov/html/housing/pages/home/index.shtml>
- The Housing New York 2.0 plan:
<https://www1.nyc.gov/assets/hpd/downloads/pdfs/about/housing-new-york-2-0.pdf>

For more information on the agency, please visit: www.nyc.gov/hpd.