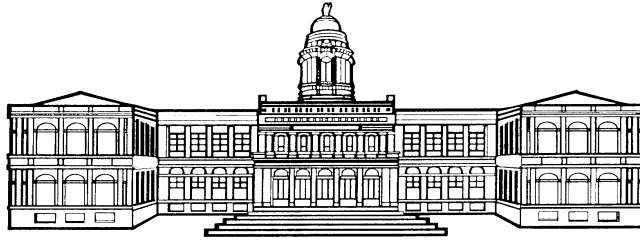


New York City Council



# BUDGET REPORT

Finance Division

March 2009

***Analysis of the  
Fiscal 2010 Preliminary Budget  
and  
Fiscal 2009 Preliminary Mayor's Management Report  
for the  
Department of Housing Preservation and  
Development***

***Monday, March 9, 2009***

**Hon. Christine C. Quinn**  
Speaker

**Hon. David I. Weprin**, Chair  
Committee on Finance

**Hon. Erik Martin-Dilan**, Chair  
Committee on Housing and Buildings

**Preston Niblack**, Director

**Jeffrey Rodus**, First Deputy Director

**Jonathan Rosenberg**, Deputy Director

**Anthony Brito**, Legislative Financial  
Analyst

## PREFACE

On March 9, 2009, at 1p.m., the Committee on Housing and Buildings, chaired by the Hon. Erik Martin-Dilan will hold a hearing on the Mayor's Fiscal 2010 Preliminary Budget and Fiscal 2009 Preliminary Mayor's Management Report for the Department of Housing Preservation and Development.

Section 236 of the New York City Charter requires the Mayor to submit by January 16<sup>th</sup> a preliminary budget for the upcoming fiscal year.<sup>a</sup> In addition, under section 12 of the City Charter, the Mayor must make public and submit to the Council by January 30<sup>th</sup> the Preliminary Mayor's Management Report (PMMR) for the current fiscal year.<sup>b</sup> Among other things, the PMMR must contain "proposed program performance goals and measures for the next fiscal year reflecting budgetary decisions made as of the date of submission of the preliminary budget."<sup>c</sup> The Charter also requires the Council to hold hearings on the preliminary budget and to submit recommendations to the Mayor by March 25<sup>th</sup>.<sup>d</sup> This year, the Council will hold joint hearings on the Fiscal 2010 Preliminary Budget and the Fiscal 2009 Preliminary Mayor's Management Report.

Beginning with the Fiscal Year 2008 Adopted Budget, the Council and the Mayor's Office of Management and Budget agreed to an additional budget presentation, referred to by OMB as the budget function analysis, and by the Council as the program budget. Two agencies were initially presented in the program budget form. Beginning with the January 2008 Financial Plan (Fiscal 2009 Preliminary Budget), a total of 16 agencies are now in program budget form. The Department of Housing Preservation and Development is a program budget agency.

This report was prepared by Anthony Brito, Legislative Financial Analyst, under the supervision of Deputy Director Jonathan Rosenberg.

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<sup>a</sup> The Charter prescribes specific actions that are required as part of the annual budget submission process during a fiscal year. The Charter allows for changes, via local law, in the dates in the submission of the PMMR, as well as an extension for subsequent steps in the budget process. This year, Local Law 03 of 2009 changed the date for the submission of the Preliminary Budget to January 30th, and the date for the Council's Response to the Preliminary Budget to April 8<sup>th</sup>.

<sup>b</sup> Local Law 03 of 2009 changed the date of submission of the PMMR to February 13, 2009.

<sup>c</sup> New York City Charter, §12(b)(2).

<sup>d</sup> *See id.* at §247.

## Department of Housing Preservation and Development (806)

The Department of Housing Preservation and Development (HPD) works to maximize the production of affordable housing in New York City by encouraging cost-effective development. The Department also promotes the preservation and improvement of existing housing stock by providing loan assistance, education, and code enforcement. In conjunction with these housing objectives, the Department supports a comprehensive community development agenda by conveying City-owned properties, both occupied and vacant, to responsible private owners, while promoting retail development, homeownership initiatives, and productive community partnerships.

### PROGRAM TO ELIMINATE THE GAP

Since the Fiscal 2009 Budget was adopted in June, the Office of Management and Budget has twice asked agency heads to submit Programs to Eliminate the Gap (PEGs) proposals. In the first round, in September, OMB sought PEG submissions equal to five percent of agency City tax-levy budgets for Fiscal 2010, with a further seven percent sought in December.

PEGs reduce the City's budget gap either by reducing an agency's City tax-levy Expense Budget spending, or by increasing City revenues. The chart below indicates the proposed PEG amounts for the HPD based on the Fiscal 2010 forecast at the time the Fiscal 2009 Budget was adopted (June 2008).

<b>November and January Plan PEGs for Fiscal 2010</b> <i>(in 000s)</i>	
<b>Fiscal 2010 Forecast at Fiscal 2009 Adoption (June 2008)</b>	<b>\$61,993</b>
Expense PEGs	(\$5,633)
Revenue PEGs	---
<b>Total Fiscal 2010 PEGs</b>	<b>(\$5,633)</b>
PEGs as a Percent of the Fiscal 2010 Forecast	(9%)

### PRELIMINARY BUDGET HIGHLIGHTS

HPD's Fiscal 2010 Preliminary Budget is nine percent less than the Fiscal 2009 Adopted Budget. Planned spending will decrease primarily in Code Enforcement (approximately \$12.7 million) and Management and Disposition (approximately \$25.8 million). The decrease in funding between the Fiscal 2009 Adopted Budget and the Fiscal 2009 Current Modified Budget is primary attributable to the fact that some Federal and other categorical funding are not reflected in the budget until mid-fiscal year such as Battery Park City Revenue and Community Development Block Grant Funds. These actions do not represent a decrease in funds that are actually anticipated to be available in Fiscal 2010.

The decrease in City funding in the Fiscal 2010 Preliminary Budget is partially due to the elimination of funding secured by the Council in the Fiscal 2009 Adopted Budget including funds for: Anti-eviction Legal Services, Community Consultant Contracts, Neighborhood Preservation Consultant Contracts, Anti-Predatory Lending Contracts, the Mortgage Foreclosure Initiative, and the Housing Preservation Initiative. Other major changes in City funding include decreases in HPD's demolition activities of

residential property that were deemed unsafe or uninhabitable by the Department of Buildings (DOB). Additional funding for demolition was included in Fiscal 2009 in anticipation of an increase in orders to demolish unsafe buildings resulting from staff increases at the DOB.

HPD’s Fiscal 2010 Preliminary Budget includes a headcount reduction of 97 positions. The headcount reduction is comprised of the elimination of 51 existing vacancies and future attrition and 39 vacancy eliminations from prior fiscal years that will reach their full value in Fiscal 2010. The remaining seven positions are funded through federal community development grants which will be reflected after the budget is adopted. The total savings from the personnel reductions will be approximately \$2.6 million for the remainder to Fiscal 2009, \$4.4 million for Fiscal 2010, and \$5.7 million in Fiscal 2011 and the out years.

New York City expects to receive \$142 million for housing related initiatives, \$67 million of which will be utilized by HPD as part of the Federal stimulus funding that will be allocated to states and localities. . The breakdown of the \$67 million is as follows: \$50 million from Community Development Block Grant, \$12.4 million Neighborhood Stabilization, and \$5 million in Lead Paint Hazard Reduction. The exact utilization of these funds will be reflected in the Executive Budget and is expected to reduce the amount of budget cuts the agency will have to undertake in Fiscal 2010.

### **PROGRAM FUNDING OVERVIEW**

Program budgets, as the name suggests, presents an agency’s budget and headcount by discrete program areas, in contrast to the broader unit of appropriation breakouts which exist for every agency (see unit of appropriation table below). The tables below present an overview of the HPD budget by those programmatic functions performed by the agency.

<b>Program Funding</b>	<b>2008 Actual Expenses</b>	<b>2009 Adopted Budget</b>	<b>2009 Current Modified</b>	<b>2010 Preliminary Budget</b>
Administration	\$35,084,365	\$33,093,395	\$32,142,128	\$29,941,598
Administration Program	\$14,736,825	\$9,652,177	\$13,715,598	\$10,909,449
Development	\$59,713,336	\$19,526,400	\$50,753,489	\$15,402,385
Housing Operations - Section 8 Programs	\$304,985,376	\$246,076,034	\$321,911,117	\$245,185,416
Housing Operations- Emergency Housing	\$16,739,134	\$22,141,133	\$19,856,377	\$20,943,910
Housing Operations- Mgmt & Disposition	\$55,327,723	\$75,729,299	\$83,628,895	\$49,832,239
Preservation - Anti-Abandonment	\$12,003,356	\$10,523,030	\$10,828,510	\$7,487,115
Preservation - Code Enforcement	\$28,802,497	\$53,631,925	\$53,873,325	\$40,834,216
Preservation - Emergency Repair	\$29,896,973	\$28,159,919	\$32,819,604	\$32,249,717
Preservation - Lead Paint	\$21,526,717	\$19,921,027	\$25,378,770	\$21,502,736
Preservation - Other Agency Services	\$19,178,124	\$21,964,444	\$22,754,014	\$14,489,060
<b>Total</b>	<b>\$597,994,425</b>	<b>\$540,418,783</b>	<b>\$667,661,827</b>	<b>\$488,777,841</b>

## **PROGRAM FUNDING ANALYSIS**

Several of HPD's program areas have experienced only minimal changes between the 2009 Adopted Budget and the 2010 Preliminary Budget. These program areas include: Administration, Section 8 Programs, Anti-Abandonment, Emergency Housing and Lead Paint. These reductions are primarily due to accruals in personal costs, cuts in contractual services and other miscellaneous reductions in the Preliminary Budget such as cutting the costs of advertising land dispositions and restructuring contracts with vendors to increase savings. The following program areas have experienced more significant changes since the Fiscal 2009 Adopted Budget.

### **Development**

HPD works to identify privately-owned sites suitable for housing development, facilitates the procurement of funds for property acquisition, collaborates with other agencies with land and buildings suitable for housing development and creates the appropriate programs and policies to facilitate housing development. New housing development is a major activity for HPD, but much of the spending for this program area takes place in the capital budget.

The Fiscal 2009 modified budget includes an additional \$22.6 million in funds for the Mayor's New Housing Market Place Plan. These funds were not included as part of HPD's 2009 Adopted Budget. The \$22.6 million is a portion of the \$130 million commitment of Battery Park City (BPC) funds. The BPC funds are generated by revenues from the Battery Park City Authority and are allocated to the New York City Housing Trust Fund. The fund in turn provides a flexible funding source for HPD programs such as Mixed Income Rental Program and the funding of large-scale acquisition and renovation of loans or properties. This is the first tranche of money to be reflected in the budget other than \$410,000 for personnel. It is anticipated that approximately \$30 million of the BPC funds will be modified into the Fiscal 2010 budget.

The Preliminary Mayor's Management Report states that there were 17,008 total new construction and preservation housing starts under the New Marketplace Plan in Fiscal 2008. The total completed units financed under the plan thus far in Fiscal 2009 are 4,819 with an ultimate target of 15,694. The Fiscal 2010 target is 12,380 units which is a reduction from Fiscal 2009 which is due to the decline in the local and national economy and the softening of the housing market.

## **Housing Operations**

The Office of Housing Operations is charged with the maintenance of occupied privately-owned and city-owned buildings. The Office is comprised of four divisions. The Division of Property Management manages city-owned residential and commercial properties. The Division also provides emergency shelter for households displaced as a result of fire or emergency vacate orders. The Division of Alternative Management Programs is charged with returning buildings that are currently in city ownership to responsible private owners. The Division of Tenant Resources provides low income families with affordable housing through the use of Section 8 vouchers that subsidize monthly rent payments. The housing operations program area includes three main programs: management and disposition, emergency housing, and Section 8 rental assistance.

The large variance in the Office's management and disposition program area are a result of the inclusion of a one-time expenditure of \$25 million in contracts for demolition of properties at Hudson Yards in HPD's Fiscal 2009 Adopted Budget. In addition, the agency utilized a combination of budget cuts and swapping of federal funds for city funds in order to incur greater savings. The following highlight some of these actions:

- Shelter Revenue: The Fiscal 2010 Preliminary Budget includes a reduction of \$22,000 and a baseline of \$234,000 starting in Fiscal 2011. These savings come from a realignment of the budget for the shelter system by accurately reflecting the federal and state matching funds to the shelter program. Previously, the City was over budgeting tax levy funds because it was not clear what the state and federal reimbursements were going to be.
- Section 8 Funding Swap-CUCS: The Center for Urban Community Services, a non-profit that provides Supportive Housing services, contracts with HPD to move long-term shelter occupants into permanent housing. HPD had been providing this service with City funds but will now use Section 8 funding which will result in a savings \$165,000 starting 2010.
- Section 8 Funding Swap-Supplies: The Fiscal 2010 Preliminary Budget projects a \$90,000 savings in City funds by identifying office supply materials which can be funded through federal Section 8 funds.

The Mayor's Preliminary Management Report shows that the total number of units sold to responsible owners from City management has been 59 thus far in Fiscal 2009 with a target of 385. The Fiscal 2010 target is 438.

## **Preservation**

HPD is charged with preserving the quality of the city's housing stock by enforcing the city's Housing Maintenance Code. The city's preservation initiatives focus on education, investment and enforcement in privately-owned buildings. The preservation program area includes six main areas of responsibility: anti-abandonment activities, housing code enforcement, the emergency repair program, lead-based paint control, the housing litigation division, and demolition.

The budget for code enforcement has decreased since the Fiscal 2009 Adopted Budget in order to reflect new projections of units that will be affected by the Alternate Enforcement Program (AEP). This program, established by the New York City Safe Housing Law, is intended to improve conditions in

buildings with the most serious physical deterioration. The AEP ensures that emergency conditions are corrected and underlying physical conditions related to housing code violations are addressed either by the owner or through HPD's emergency repair program. The program calls for the designation each year of 200 different multiple dwellings, each to be chosen based on specific criteria set forth in the Safe Housing Law. In Fiscal 2009 the agency frontloaded more funds for AEP, approximately \$21 million, with the expectation that Round's I and II of the program would be implemented. The agency will allocate approximately \$10 million for Round III of the program which is expected to target a fewer number of buildings. This program will be funded primarily through federal Community Development Block Grant funds.

In addition, the agency further reduced its code enforcement budget in the Fiscal 2010 Preliminary Budget which shows a baseline reduction of \$286,000 in the Division of Code Enforcement for two senior level positions. Previously these two senior positions were funded entirely by tax levy funds, however HPD determined that approximately 80 percent of the work assigned to these positions are eligible to be funded by federal Community Development Block Grant funding. The remaining 20 percent of the salaried positions will be covered through tax levy funds and the net reduction in City funds will be \$286,000.

The Fiscal 2010 Preliminary Budget also includes reductions in anti-abandonment and in other agency services which are primarily Council secured funds for initiatives that are not baselined in the Adopted Budget. The Emergency Repair program area is the only area that has increased in Fiscal 2010. Emergency repair is budgeted an additional \$4 million in Fiscal 2010 to repair more units in the upcoming fiscal year than in years past.

According to the Preliminary Mayors Management Report, the total number of complaints related to heat and hot water and lead was 597,201 in Fiscal 2008 with the projected totals for Fiscal 2009 at approximately 586,000. These figures represent a six percent decline in total complaints reported since Fiscal 2007 and a projected two percent decline from Fiscal 2008. The total number of violations issued by HPD has declined from 582,038 in Fiscal 2006 to 483,578 in Fiscal 2008, while the total number of violations removed by the agency has increased from 643,164 in Fiscal 2006 to 721,629 in Fiscal 2008. The average cost of repair work performed by HPD increased from \$813 in Fiscal 2007 to \$901 in Fiscal 2008 and is projected to increase slightly in Fiscal 2010. The funding for emergency repair work will increase by approximately \$4 million from the Fiscal 2009 Adopted Budget to the 2010 Preliminary Budget to accommodate the increased cost of emergency repair work.

### PROGRAM HEADCOUNT OVERVIEW

Headcount by Program	2009 Adopted Budget	2009 Current Modified	2010 Preliminary Budget
Administration	492	467	443
Administration Program	97	90	90
Development	272	271	237
Housing Operations - Section 8 Programs	220	228	220
Housing Operations- Emergency Housing	61	61	61
Housing Operations- Management & Disposition	448	445	428
Preservation - Anti-Abandonment	103	111	108
Preservation - Code Enforcement	540	526	521
Preservation - Emergency Repair	132	156	156
Preservation - Lead Paint	350	362	355
Preservation - Other Agency Services	107	121	106
<b>Total</b>	<b>2,822</b>	<b>2,838</b>	<b>2,725</b>

### AGENCY FUNDING OVERVIEW

Agency Funding Sources	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget
City	\$79,004,188	\$78,839,188	\$61,317,320
Other Categorical	\$22,886,131	\$51,560,473	\$1,534,606
Capital IFA	\$15,620,446	\$15,620,446	\$16,477,785
State	\$1,306,726	\$1,364,771	\$1,967,852
Community Development	\$163,786,548	\$167,842,777	\$149,219,021
Federal-Other	\$256,824,751	\$350,873,407	\$257,271,264
Intra-City	\$989,993	\$1,560,765	\$989,993
<b>Total</b>	<b>\$540,418,783</b>	<b>\$667,661,827</b>	<b>\$488,777,841</b>

### HEADCOUNT OVERVIEW

Headcount (Uniform and Civilian)	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget
City	740	744	678
Non-City	2,082	2,094	2,047
<b>Total</b>	<b>2,822</b>	<b>2,838</b>	<b>2,725</b>



## UNITS OF APPROPRIATION

The operating budget of an agency is structured into several levels, each of which provides varying levels of detail on an agency's spending plans. The City Charter requires that U/A's represent the amount appropriated for personal services (i.e. salaries) or Other Than Personal Services (i.e. supplies) for a particular program, purpose, activity or institution. The table below presents the HPD budget, comparing the Fiscal 2009 Adopted Budget to the Fiscal 2010 Preliminary Budget. The Fiscal 2009 Modified Budget reflects this year's budget at the time this financial plan was released.

U/A#	U/A Name	Fiscal 2009 Adopted Budget	Fiscal 2009 Modified as of 1/30/2009	Fiscal 2010 Preliminary Budget	Percent Change from Adoption
001	Office of Administration	\$25,297,308	\$25,497,563	\$25,671,329	1.48%
002	Office of Development	\$17,044,054	\$16,522,001	\$16,359,473	-4.02%
004	Office of Housing Preservation	\$67,239,723	\$67,580,730	\$69,087,082	2.75%
006	Housing Maintenance & Sales	\$39,734,096	\$37,365,343	\$37,828,489	-4.80%
	<b>Total PS</b>	<b>\$149,315,181</b>	<b>\$146,965,637</b>	<b>\$148,946,373</b>	<b>-0.25%</b>
008	Office of Administration	\$35,603,614	\$36,317,130	\$34,133,757	-4.13%
009	Office of Development	\$222,768,495	\$338,885,730	\$215,500,245	-3.26%
010	Housing Management & Sales	\$51,719,384	\$59,374,348	\$25,838,482	-50.04%
011	Office of Housing Preservation	\$81,012,109	\$86,118,982	\$64,358,984	-20.56%
	<b>Total OTPS</b>	<b>\$391,103,602</b>	<b>\$520,696,190</b>	<b>\$339,831,468</b>	<b>-13.11%</b>
	<b>Total Agency</b>	<b>\$540,418,783</b>	<b>\$667,661,827</b>	<b>\$488,777,841</b>	<b>-9.56%</b>

## PRELIMINARY BUDGET ACTIONS (in 000s)

The following table is a summary of the Preliminary Plan actions for Fiscal 2009 and Fiscal 2010 that are described in the Program Budget section above. The Non-City actions include State, Federal, Other Categorical, Intra-City and Capital Inter-Fund Agreement (IFA) funding changes for the HPD.

Description	Fiscal 2009			Fiscal 2010		
	City	Non-City	Total	City	Non-City	Total
<b>Agency Budget as per the November Plan</b>	<b>\$78,323</b>	<b>\$572,493</b>	<b>\$650,816</b>	<b>\$60,685</b>	<b>\$421,736</b>	<b>\$482,421</b>
<b>January Plan Programs to Eliminate the Gap (PEGs)</b>						
Advertising Reduction	\$0	\$0	\$0	(\$250)	\$0	(\$250)
OTPS Redutions	\$0	\$0	\$0	(\$187)	\$0	(\$187)
Cost Allocated of Code Senior Staff Management	\$0	\$0	\$0	(\$286)	\$0	(\$286)
Council Add-Ons Reduciton	\$146	\$0	\$146	\$0	\$0	\$0
CUCS Funding Swap	\$0	\$0	\$0	(\$165)	\$0	(\$165)
Greenpoint/Williamsburg Reduction	\$300	\$0	\$300	\$0	\$0	\$0
Personnel Reductions	\$0	\$0	\$0	(\$1,338)	\$0	(\$1,338)
Print Shop Equipment Lease Reduction	\$0	\$0	\$0	(\$100)	\$0	(\$100)
PS Accruals	(\$500)	\$0	(\$500)	\$0	\$0	\$0
Section 8 Supply Swap	\$0	\$0	\$0	(\$90)	\$0	(\$90)
Security Contract Reduction	\$0	\$0	\$0	(\$68)	\$0	(\$68)
Shelter Revenue Maximization	\$209	\$0	\$209	(\$22)	\$0	(\$22)
<b>Total PEGs</b>	<b>\$155</b>	<b>\$0</b>	<b>\$155</b>	<b>(\$2,506)</b>	<b>\$0</b>	<b>(\$2,506)</b>
<b>January Plan New Needs</b>						
Property Management	\$168	\$0	\$168	\$0	\$0	\$0
<b>Total New Needs</b>	<b>\$168</b>	<b>\$0</b>	<b>\$168</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>January Plan Other Adjustments</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Brooklyn Housing & Family Services	(\$25)	\$0	(\$25)	\$0	\$0	\$0
CBA Multiple Components	\$0	\$1,190	\$1,190	\$0	\$1,509	\$1,509
CD DC37 Collective Bargaining	\$0	\$1,594	\$1,594	\$0	\$2,425	\$2,425
CEO Family Self-Sufficiency Funding	\$0	\$0	\$0	\$1,100	\$0	\$1,100
Comments	\$0	\$3,585	\$3,585	\$0	\$0	\$0
East River Development Alliance, Inc.	(\$200)	\$0	(\$200)	\$0	\$0	\$0
EDC-PlaNYC Brownfields Transfer to HPD	\$478	\$0	\$478	\$0	\$0	\$0
FY10 January Hotels Realignment	\$0	\$936	\$936	\$0	\$936	\$936
Good Old Lower East Side, Inc.	\$60	\$0	\$60	\$0	\$0	\$0
Hudson Yards Demolition	\$0	\$5,739	\$5,739	\$0	\$0	\$0
HPD Housing Vacancy Survey	\$0	\$45	\$45	\$0	\$0	\$0
MacArthur Foundation	\$0	\$53	\$53	\$0	\$0	\$0
Plan January 10 IFA	\$0	\$562	\$562	\$0	\$855	\$855
Allocate Funds for HOME	\$0	\$2,667	\$2,667	\$0	\$0	\$0
Bring up Funds for M/R	\$0	\$237	\$237	\$0	\$0	\$0
To Reallocate Funds for S&C	\$0	\$788	\$788	\$0	\$0	\$0
To Roll CD Funds	\$0	\$3,103	\$3,103	\$0	\$0	\$0
To Schedule funds HDC	\$0	\$99	\$99	\$0	\$0	\$0
To Schedule Funds for SC	\$0	\$401	\$401	\$0	\$0	\$0
To Schedule Mayor's funds	\$0	\$80	\$80	\$0	\$0	\$0
Various CBA Adjustments	\$1,109	\$0	\$1,109	\$1,621	\$0	\$1,621
<b>Total Other Adjustments</b>	<b>\$1,422</b>	<b>\$21,079</b>	<b>\$22,501</b>	<b>\$2,721</b>	<b>\$5,725</b>	<b>\$8,446</b>
<b>Total January Plan Budget Changes</b>	<b>\$1,745</b>	<b>\$21,079</b>	<b>\$22,824</b>	<b>\$215</b>	<b>\$5,725</b>	<b>\$5,940</b>
<b>Agency Budget as per the January Plan</b>	<b>\$80,068</b>	<b>\$593,572</b>	<b>\$673,640</b>	<b>\$60,900</b>	<b>\$427,461</b>	<b>\$488,361</b>

## **Fiscal 2010 Capital Plan**

### **Agency Overview**

The Department of Housing Preservation and Development (HPD) preserves, upgrades, and assists in the expansion of the City's affordable housing stock. Its primary goals are: to spur the preservation and development of affordable housing through direct investment, the provision of loans, and/or other financial assistance; to maximize neighborhood ownership and management of housing by generating local participation in disposition and development programs; and to enforce compliance with housing quality standards.

In its efforts to accomplish these goals, HPD implements a wide array of programs and initiatives, which in terms of its capital program generally fall into five categories. Assistance to private owners is provided through such programs as the Participation Loan Program, the Article 8A Loan Program, and the Small Homes Private Loan Program. A related, but distinct, housing preservation initiative is the Third Party Transfer Program where tax delinquent distressed properties are conveyed directly to new private owners and HPD provides low-interest rehabilitation loans. Rehabilitation and disposition of the City owned in-rem stock is accomplished primarily through the Tenant Interim Lease Program, the Neighborhood Entrepreneurs Program, and the Neighborhood Redevelopment Program. The construction of new housing as well as retail and commercial development is achieved through the Partnership Housing Program, the Nehemiah Program, the Anchor program, and large scale neighborhood initiatives. Finally, HPD assists in the development of housing for homeless families, supportive housing for homeless adults, the homeless mentally ill, and people suffering from AIDS through the Permanent Housing for Homeless Families, the Supportive Housing Loan Program, and the New York/New York II program.

## **Current Budget Summary**

The January 2009 Capital Commitment Plan includes \$2.58 billion in Fiscals 2009-2013 for the Department of Housing Preservation and Development (including City and Non-City funds). This represents 5.1 percent of the City's total \$50.55 billion January Plan for Fiscals 2009-2013. The agency's January Commitment Plan for Fiscals 2009-2013 is approximately the same as the \$2.58 billion in the September Commitment Plan.

Over the past five years, HPD has committed an average of 56.2 percent of its annual city funded capital plan. Therefore it is assumed that a portion of the agency's Fiscal 2009 capital plan will be rolled into Fiscal 2010 increasing the size of the Fiscal 2010-2014 capital plan. Since adoption last June, the Capital Commitment Plan for Fiscal 2009 has increased from \$840.1 million to \$840.6 million, an increase of \$500,000 or less than one percent.

Currently HPD's appropriations total \$1.15 billion in city-funds for Fiscal 2009. These funds are to be used to finance HPD's \$646.3 million city-funded capital commitment program. The agency has nearly double the city funding it needs to meet its capital commitment program for the current fiscal year.

In January the Mayor announced his intention to reduce the City's capital plan by 30 percent. The objective of the capital cut is to reduce the amount of debt service as a percentage of total revenues. The 30 percent reduction in the Ten-Year Capital Plan Fiscal 2010 – Fiscal 2019 would reduce the long-term average annual growth in debt service costs to 3.4 percent, equal to the level of forecast growth in City revenues. The capital cut would eliminate nearly \$7 billion worth of planned commitments from the current Plan.

The Housing Preservation & Development's capital commitments for the last five years are shown below:

**FIVE YEAR HISTORY - CAPITAL BUDGET**  
 (\$ in millions)

	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>
CITY	\$214	\$275	\$260	\$237	\$375
NON-CITY	68	148	118	81	102
<b>TOTAL</b>	<b>\$282</b>	<b>\$423</b>	<b>\$378</b>	<b>\$319</b>	<b>\$477</b>

The Adopted Five-Year Capital Plan is shown below:

**ADOPTED FIVE YEAR CAPITAL BUDGET – NOVEMBER 2008**  
 (\$ in millions)

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY's 09-13</b>
CITY	\$653.7	\$356.3	\$283.2	\$260.1	\$399.3	\$1,952.7
NON-CITY	186.4	123.1	118.5	100.2	101.3	629.7
<b>TOTAL</b>	<b>\$840.1</b>	<b>\$479.4</b>	<b>\$401.8</b>	<b>\$360.3</b>	<b>\$500.6</b>	<b>\$2,582.4</b>

The Preliminary Five-Year Capital Plan is shown below:

**PRELIMINARY FIVE YEAR CAPITAL PLAN – JANUARY 2009**  
 (\$ in millions)

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY's 09-13</b>
CITY	\$653.6	\$357.6	\$282.6	\$260.1	\$398.8	\$1,952.9
NON-CITY	187.0	128.4	112.6	97.0	104.5	629.7
<b>TOTAL</b>	<b>\$840.6</b>	<b>\$486.0</b>	<b>\$395.3</b>	<b>\$357.1</b>	<b>\$503.3</b>	<b>\$2,582.6</b>

## PRELIMINARY BUDGET ISSUES

### Overview

HPD's Capital Commitment Plan should be assessed in the context of the Mayor's "New Marketplace" housing initiative which is a \$7.5 billion plan to create and preserve more than 165,000 homes citywide between Fiscal 2004 and Fiscal 2013. Funding for the plan comes from City capital funds, New York City Housing Development Corporation (HDC) reserves, Federal Home funds, Federal Community Development Block Grant funds (which appear in the City's expense budget), and off-budget Low Income Housing Tax Credit dollars.

### Preliminary Ten-Year Capital Strategy

HPD's Fiscal 2010–2019 Preliminary Ten-Year Capital Strategy which totals \$4.1 billion is divided into four program areas: New Construction, Preservation, Special Needs, Occupied In-Rem Rehabilitation, and Other Housing Support Investment. City funding comprises 89 percent (or \$3.6 billion) of total funding and the remaining 11 percent (or \$ 433 million) consist of leveraged federal funds. The following are some of the highlights of the ten-year capital strategy in the different program areas:

- **New Construction:** \$1.53 billion is allocated for the construction of 51,000 units of affordable housing to low, moderate, middle income homeowners and renters through existing programs.
- **Preservation:** \$1.29 billion is allocated for the rehabilitation and preservation of approximately 50,000 units in privately owned multiple dwellings and one-to four unit homes. These funds are allocated in the following programs: Third Party Transfer, Article 7A, Article 8A, Participation Loan Program, Home Improvement, Senior Citizen's Home Assistance, Housing and Urban Development HUD Multifamily, LIHTC Year 15 Preservation and Primary Prevention lead abatement loan programs.
- **Occupied In Rem Rehabilitation:** \$416.0 million is allocated for the rehabilitation and disposition of over 1,750 City-owned housing units between Fiscal 2010 and Fiscal 2019 through a variety of programs including the Tenant Interim Lease Program, Neighborhood Redevelopment Program, Neighborhood Homes Program, and Neighborhood Entrepreneurs Programs.

- **Special Needs Housing & Other Housing Support Investment:** \$334.5 million is allocated for the construction and preservation of over 2,700 units of supportive housing throughout the City. Most of the capital funding in this area goes towards fulfilling the terms of the NY/NY III agreement between the City and the State which has as its goal to end chronic homelessness. In addition, this program area covers a variety of projects that supports the construction and preservation of affordable housing such as the demolition of unsafe buildings, computer-based productivity initiatives.

## **Preliminary Five Year Capital Plan – January 2009**

The January 2009 Capital Commitment Plan reflects increases and re-allocations of funding necessary to achieve the production targets in the Mayor’s Housing Plan and to provide subsidies for selected programs to increase affordability. The January Plan is similar to the September 2008 Capital Commitment Plan in which the agency reduced its four year capital plan by 20 percent. In the September Plan there was a significant roll of funds from Fiscal 2008 to Fiscal 2009 for the Hunter’s Point South development (also known as Queens West). Specifically, \$180 million of acquisition and infrastructure costs which were budgeted for Hunters Point South in Fiscal 2008 were pushed to Fiscal 2009, obscuring the overall cut to HPD’s capital budget. Excluding Hunters Point South, the overall reduction in the five year capital commitment plan from Fiscal 2009 through Fiscal 2013 is \$119 million. The major reductions were in the areas of new construction finance, preservation finance, and special needs housing. Significant changes in the Preliminary Capital Five-Year Capital Plan include:

### **New Construction Finance**

- **Low-Income Rental Programs:** HPD funds various initiatives for the construction and rehabilitation of low-income rental projects such as the Low-Income Affordable Marketplace Program in which incomes must be less than 60 percent of the Area Median Income (AMI). The January Plan includes a 13 percent reduction of \$43.7 from \$338.4 million to \$294.7 million in city and non-city funds between Fiscals 2009-2013 for these programs.
- **Multifamily Moderate/Middle Income Rental Programs:** HPD funds initiatives to construct and rehabilitate rental housing for moderate and middle income families with incomes ranging from 80 to 175 percent of AMI. The January Plan includes a 10 percent reduction of \$14 million from \$141.6 million to \$127.5 million in city and non-city funds between Fiscals 2009-2013 for these programs.
- **Multifamily Homeownership Programs:** HPD funds initiatives such as the Cornerstone Program to construct and rehabilitate housing for moderate and middle income families with incomes ranging from 80 to 175 percent of AMI. The January Plan includes a 21 percent reduction of \$16.9 million from \$78.3 million to \$65.3 million in city and non-city funds between Fiscals 2009-2013 for these programs.

## Preservation Finance

- **Article 8a Loan Program:** The Article 8A program provides rehabilitation loans to correct substandard or unsanitary conditions and to prolong the useful life of multiple dwellings in New York City. The January Plan includes a 20 percent reduction of \$35.8 million from \$180.3 million to \$144.4 million in city and non-city funds between Fiscals 2009-2013 for these programs.
- **HUD Multi-Family Program:** This program addresses the needs of HUD multifamily projects that face foreclosure proceedings because the properties have fallen into disrepair due to neglectful owners. In lieu of foreclosure, HUD, HPD and HDC work jointly together to find suitable management teams to improve the physical and financial conditions of the buildings. These projects are generally 20-30 year old rehab or new construction buildings containing approximately 100 units and often require substantial rehabilitation and repairs. The January Plan includes a 44 percent increase of \$45.8 million from \$58.1 million to \$103.9 million in city and non-city funds between Fiscals 2009-2013 for these programs.
- **Preservation Participation Loan Program:** This program provides low-interest loans to private residential building owners for the moderate-to-gut rehabilitation of housing for low-to-moderate income households. City capital funds, loaned at below-market interest with a thirty year term, and/or Federal HOME Grant funds are combined with bank financing to produce a below market interest rate loan. Funds may also be used for refinancing or acquisition in conjunction with rehabilitation. A small percentage of the loan may be for payment of property tax arrears. The January Plan includes a 33 percent reduction of \$43.3 million from \$130.9 million to \$87 million in city and non-city funds between Fiscals 2009-2013 for these programs.
- **Third Party Transfer Program (TPT):** Under this program, HPD transfers tax-delinquent distressed properties to new private for-profit and not-for-profit owners rather than taking them into City ownership. HPD provides low-interest rehabilitation loans to the new owners by blending capital dollars with private financing. The January Plan includes a 25 percent reduction of \$78.4 million from \$312.2 million to \$233.7 million in city and non-city funds between Fiscals 2009-2013 for these programs.

## Special Needs Housing

- **Supportive Housing Program-New Construction & Rehabilitation:** This program provides funding for new construction and rehabilitation of supportive housing for homeless single adults, including people suffering from disabilities such as mental illness and AIDS, families with special needs and youth aging out of foster care. The January Plan includes a 6 percent reduction of \$22.1 million from \$394 million to \$372 million in city and non-city funds between Fiscals 2009-2013 for these programs.
- **HUD Section 202 Program:** Under the Section 202 Supportive Housing Program for the Elderly, not-for-profit sponsors selected by HUD purchase land from the City or from private owners and construct residential buildings (or rehabilitate existing vacant buildings). The completed buildings provide rental housing for low-income elderly persons receiving operating subsidies from HUD through a



project rental assistance contract. For several years HUD has been providing capital subsidies of approximately \$130,000 per unit, however the actual cost per unit in New York City is roughly \$250,000. The funding gap has been filled in previous years with Council Reso A funds, however the Administration has made it a priority to enhance funding for the Section 202 program. The January Plan includes a 47 percent increase of \$38.8 million from \$43.8 million to \$82.7 million in city funds between Fiscals 2009-2013 for these programs.

### **Other Notable Projects**

- **Hunters Point South at Queens West in Long Island City:** The January Plan includes funding for a mixed-use, middle-income housing development in Long Island City, Queens. This project will consist of approximately 5,000 units of housing designed to be affordable to families earning from \$60,000 to \$145,000 for a family of four. The City purchased the rights to the land to build the project from the Port Authority for \$100 million. In addition, the City will fund the Port Authority's remaining obligations for infrastructure and related costs at the site. The January Plan for this project includes \$180 million in Fiscals 2009-2013.
- **Low-Income Housing Tax Credit 15-Year Preservation Program:** The Federal Low-Income Housing Tax Credit (LIHTC) program provides funding for affordable housing units throughout New York City by offering investors a tax credit for ten years in return for providing equity to affordable housing developments. Thousands of affordable housing developments in New York City that were financed with LIHTC are reaching the end of their 15-year compliance period within the next year. In order to preserve affordability and maintain these properties in good condition the January Plan includes \$92.9 million between Fiscals 2009-2013 to fund the preservation of affordable housing developments that were financed through LIHTC.
- **The Affordable Housing Recovery Program:** In April of 2008 City Council Speaker Christine Quinn established an affordable housing task force comprised of affordable housing advocates with the goal of creating a new middle income housing program. This new initiative, The Affordable Housing Recovery Program ("AHRP") will offer to developers of unsold condominium or cooperative developments, the opportunity to sell their units at prices substantially reduced from their original anticipated sales prices in return for subsidies that will make the new sales prices affordable to middle income New Yorkers with incomes ranging from 100% to 150% of median income. The Council and the Administration will work closely together to implement this new program which is expected to receive capital funding in Fiscal 2010.

# Housing Preservation and Development

2010 January Plan

The Department of Housing Preservation and Development (HPD) works to maximize the production of affordable housing in New York City by encouraging cost-effective development. The Department also promotes the preservation and improvement of existing housing stock by providing loan assistance, education, and code enforcement. In conjunction with these housing objectives, the Department supports a comprehensive community development agenda by conveying City-owned properties, both occupied and vacant, to responsible private owners, while promoting retail development, homeownership initiatives, and productive community partnerships.

	2008 Actuals	2009 Adopted Budget	2009 November Plan	2009 January Plan	2010 January Plan
<b>Spending by Program</b>					
Administration	\$35,084,365	\$33,093,395	\$31,778,064	\$32,322,218	\$29,941,598
Administration Program	\$14,736,825	\$9,652,177	\$14,043,895	\$14,167,670	\$10,909,449
Development	\$59,713,336	\$19,526,400	\$44,445,025	\$51,462,000	\$15,402,385
Housing Operations - Section 8 Programs	\$304,985,376	\$246,076,034	\$320,493,929	\$321,919,117	\$245,185,416
Housing Operations- Emergency Housing	\$16,739,134	\$22,141,133	\$20,142,455	\$21,073,853	\$20,943,910
Housing Operations- Management & Disposition	\$55,327,723	\$75,729,299	\$76,954,241	\$84,285,595	\$49,832,239
Preservation - Anti-Abandonment	\$12,003,356	\$10,523,030	\$11,005,815	\$11,047,580	\$7,487,115
Preservation - Code Enforcement	\$28,802,497	\$53,631,925	\$53,650,678	\$54,857,430	\$40,834,216
Preservation - Emergency Repair	\$29,896,973	\$28,159,919	\$31,567,381	\$33,159,528	\$32,249,717
Preservation - Lead Paint	\$21,526,717	\$19,921,027	\$25,487,062	\$26,151,840	\$21,502,736
Preservation - Other Agency Services	\$19,178,124	\$21,964,444	\$21,247,454	\$23,194,120	\$14,489,060
<b>Total</b>	<b>\$597,994,425</b>	<b>\$540,418,783</b>	<b>\$650,815,999</b>	<b>\$673,640,951</b>	<b>\$488,777,841</b>
<b>Funding</b>					
Capital- IFA	NA	\$15,620,446	\$15,622,647	\$16,185,108	\$16,477,785
City Funds	NA	\$79,004,188	\$78,323,617	\$80,069,094	\$61,317,320
Federal - Community Development	NA	\$163,786,548	\$164,767,229	\$170,654,285	\$149,219,021
Federal - Other	NA	\$256,824,751	\$343,196,231	\$351,148,833	\$257,271,264
Intra City	NA	\$989,993	\$1,515,965	\$1,560,765	\$989,993
Other Categorical	NA	\$22,886,131	\$46,025,539	\$51,996,969	\$1,534,606
State	NA	\$1,306,726	\$1,364,771	\$2,025,897	\$1,967,852
<b>Total</b>	<b>NA</b>	<b>\$540,418,783</b>	<b>\$650,815,999</b>	<b>\$673,640,951</b>	<b>\$488,777,841</b>
<b>Full-Time Positions</b>	<b>2,623</b>	<b>2,822</b>	<b>2,831</b>	<b>2,831</b>	<b>2,725</b>
<b>Contracts</b>	<b>NA</b>	<b>202</b>	<b>200</b>	<b>200</b>	<b>204</b>

**Administration**

The HPD Administration program area encompasses a wide range of activities, including the support services necessary to run a major agency such as human resources and the budget office, funding pass-throughs for the New York City Housing Authority (NYCHA) and City Council initiatives, and administration of the Senior Citizen Rent Increase Exemption for households living in subsidized housing.

	<b>2008 Actuals</b>	<b>2009 Adopted Budget</b>	<b>2009 November Plan</b>	<b>2009 January Plan</b>	<b>2010 January Plan</b>
<b>Spending</b>					
Personal Services	\$27,869,620	\$25,514,583	\$23,983,065	\$24,425,710	\$23,793,643
Other Than Personal Services	\$7,214,745	\$7,578,812	\$7,794,999	\$7,896,508	\$6,147,955
<b>Total</b>	<b>\$35,084,365</b>	<b>\$33,093,395</b>	<b>\$31,778,064</b>	<b>\$32,322,218</b>	<b>\$29,941,598</b>
<b>Funding</b>					
Capital- IFA	NA	\$1,253,797	\$1,255,119	\$1,295,548	\$1,316,706
City Funds	NA	\$23,366,448	\$23,654,140	\$23,868,633	\$21,851,498
Federal - Community Development	NA	\$6,436,873	\$4,774,483	\$4,884,715	\$4,737,117
Federal - Other	NA	\$1,973,793	\$1,973,793	\$1,973,793	\$1,973,793
Intra City	NA	\$62,484	\$62,484	\$62,484	\$62,484
Other Categorical	NA			\$179,000	\$0
State	NA	\$0	\$58,045	\$58,045	\$0
<b>Total</b>	<b>NA</b>	<b>\$33,093,395</b>	<b>\$31,778,064</b>	<b>\$32,322,218</b>	<b>\$29,941,598</b>
<b>Full-Time Positions</b>	<b>403</b>	<b>492</b>	<b>467</b>	<b>467</b>	<b>443</b>
<b>Contracts</b>	<b>NA</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>11</b>
Cleaning Services	NA	1	1	1	1
Contractual Services - General	NA	1	1	1	1
Data Processing Equipment Maintenance	NA	1	1	1	1
Financing Costs	NA	0	1	1	
Maintenance and Repairs - General	NA	2	1	1	2
Office Equipment Maintenance	NA	2	2	2	2
Prof. Services - Other	NA	1	1	1	
Telecommunications Maintenance	NA	1	1	1	1
Temporary Services	NA	1	1	1	1
Training Program for City Employees	NA	2	2	2	2

**Administration Program**

Unlike Administration which encompasses support services, this program includes administrative functions that are directly related to the Department's programs.

	<b>2008 Actuals</b>	<b>2009 Adopted Budget</b>	<b>2009 November Plan</b>	<b>2009 January Plan</b>	<b>2010 January Plan</b>
<b>Spending</b>					
Personal Services	\$5,546,525	\$5,835,424	\$5,896,699	\$5,911,468	\$5,921,696
Other Than Personal Services	\$9,190,300	\$3,816,753	\$8,147,196	\$8,256,202	\$4,987,753
<b>Total</b>	<b>\$14,736,825</b>	<b>\$9,652,177</b>	<b>\$14,043,895</b>	<b>\$14,167,670</b>	<b>\$10,909,449</b>
<b>Funding</b>					
City Funds	NA	\$6,316,542	\$6,734,225	\$6,734,225	\$6,267,601
Federal - Community Development	NA	\$2,015,106	\$4,290,064	\$4,315,543	\$3,196,319
Federal - Other	NA	\$828,438	\$1,626,543	\$1,626,543	\$828,438
Intra City	NA	\$492,091	\$1,018,063	\$1,062,863	\$492,091
Other Categorical	NA		\$375,000	\$428,496	\$125,000
<b>Total</b>	<b>NA</b>	<b>\$9,652,177</b>	<b>\$14,043,895</b>	<b>\$14,167,670</b>	<b>\$10,909,449</b>
<b>Full-Time Positions</b>	<b>99</b>	<b>97</b>	<b>90</b>	<b>90</b>	<b>90</b>
<b>Contracts</b>					
Community Consultants	NA	3	4	4	4
Contractual Services - General	NA	1	1	1	1
In-Rem Maintenance Costs	NA	0	1	1	1
Maintenance and Repairs - General	NA	1	1	1	1
Prof. Services - Other	NA	0	0		
	NA	1	1	1	1

**Development**

Development's primary function is building the pipeline for affordable housing development by identifying privately-owned sites and assemblages for housing development, arranging for acquisition funding when necessary, collaborating with other agencies with land and buildings suitable for housing development and creating the appropriate programs and policies to facilitate housing development. New housing development is a major activity for HPD, but much of the spending for this program area takes place in the capital budget. As a result, development accounts for only 3 percent of HPD's expense budget spending. There are four programs within the development program area: housing finance, homeownership, special needs housing, and planning.

	2008 Actuals	2009 Adopted Budget	2009 November Plan	2009 January Plan	2010 January Plan
<b>Spending</b>					
Personal Services	\$12,574,790	\$15,807,360	\$13,168,148	\$13,395,135	\$12,983,345
Other Than Personal Services	\$47,138,546	\$3,719,040	\$31,276,877	\$38,066,865	\$2,419,040
<b>Total</b>	<b>\$59,713,336</b>	<b>\$19,526,400</b>	<b>\$44,445,025</b>	<b>\$51,462,000</b>	<b>\$15,402,385</b>
<b>Funding</b>					
Capital- IFA	NA	\$2,413,471	\$2,414,350	\$2,461,693	\$2,486,380
City Funds	NA	\$8,107,495	\$7,510,726	\$8,228,370	\$6,419,580
Federal - Community Development	NA	\$3,698,745	\$1,297,423	\$1,297,423	\$1,189,736
Federal - Other	NA	\$4,897,083	\$10,212,920	\$16,464,908	\$4,897,083
Other Categorical	NA	\$409,606	\$23,009,606	\$23,009,606	\$409,606
<b>Total</b>	<b>NA</b>	<b>\$19,526,400</b>	<b>\$44,445,025</b>	<b>\$51,462,000</b>	<b>\$15,402,385</b>
<b>Full-Time Positions</b>	<b>206</b>	<b>272</b>	<b>271</b>	<b>271</b>	<b>237</b>
<b>Contracts</b>	<b>NA</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Contractual Services - General	NA	1	1	1	1

**Performance Measures**

	Type of Measure	2006 Annual Target	2006 Annual Actual	2007 Annual Target	2007 Annual Actual	2008 Annual Target	2008 Annual Actual	2009 Annual Target	2010 Annual Target
New construction completions- HPD and HDC	Output	3,982	3,407	4,440	4,815	5,302	5,077	5,074	4,851
New construction starts- HPD and HDC	Output	6,562	6,354	5,279	5,225	8,568	6,682	5,063	5,409
Total completions financed or assisted under the New Housing Marketplace Plan (units)	Output	12,851	13,190	13,714	15,550	12,683	12,543	15,694	12,380
Total starts financed or assisted under the New Housing Marketplace Plan (units)	Output	15,099	17,393	17,055	18,465	16,944	17,008	12,947	13,900

**Housing Operations - Section 8 Programs**

HPD administers federal rental assistance for over 25,000 households in New York City. The bulk of the rental subsidies are Section 8 vouchers and project-based Section 8, although HPD also handles Shelter Plus Care funding and other rental subsidies targeted to homeless individuals and households. HPD's Section 8 program is substantially smaller than that operated by the New York City Housing Authority. HPD generally targets its Section 8 assistance to very specific categories of New Yorkers, including homeless households; households that are residing in a building owned by the city which is in need of substantial renovation, in which case the voucher will be issued to allow the applicant to locate permanent, alternate housing; and households residing in buildings that have been developed with financial assistance from HPD or buildings for which HPD maintains regulatory responsibility.

	<b>2008 Actuals</b>	<b>2009 Adopted Budget</b>	<b>2009 November Plan</b>	<b>2009 January Plan</b>	<b>2010 January Plan</b>
<b>Spending</b>					
Personal Services	\$9,852,014	\$8,693,453	\$9,070,449	\$9,048,449	\$8,761,880
Other Than Personal Services	\$295,133,362	\$237,382,581	\$311,423,480	\$312,870,668	\$236,423,536
<b>Total</b>	<b>\$304,985,376</b>	<b>\$246,076,034</b>	<b>\$320,493,929</b>	<b>\$321,919,117</b>	<b>\$245,185,416</b>
<b>Funding</b>					
City Funds	NA	\$1,974,924	\$2,043,351	\$2,043,351	\$1,084,306
Federal - Other	NA	\$244,101,110	\$318,286,170	\$319,711,358	\$244,101,110
Other Categorical	NA	\$0	\$164,408	\$164,408	\$0
<b>Total</b>	<b>NA</b>	<b>\$246,076,034</b>	<b>\$320,493,929</b>	<b>\$321,919,117</b>	<b>\$245,185,416</b>
<b>Full-Time Positions</b>	<b>257</b>	<b>220</b>	<b>228</b>	<b>228</b>	<b>220</b>
<b>Contracts</b>					
Contractual Services - General	NA	1	5	5	1
Security Services	NA	0	1	1	
Telecommunications Maintenance	NA	0	1	1	
Temporary Services	NA	0	1	1	
Training Program for City Employees	NA	0	0		

**Housing Operations- Emergency Housing**

The Emergency Housing Services Bureau provides emergency relocation services to tenants displaced as a result of fires or vacate orders issued by the Department of Buildings, Fire Department or HPD Code Enforcement. In addition, HPD operates the Article 7A program, in which administrators are appointed by the Court (pursuant to New York State Law) to operate privately owned buildings that have been abandoned by their owners, resulting in conditions that are dangerous to the tenants' life, health and safety. The administrators act under Court Order to collect rents and use the money to provide essential services to the tenants and make necessary repairs. Housing in the Article 7A program remains in private ownership, but the program is managed along with those targeting city-owned units.

	2008 Actuals	2009 Adopted Budget	2009 November Plan	2009 January Plan	2010 January Plan
<b>Spending</b>					
Personal Services	\$3,624,087	\$3,390,926	\$3,392,248	\$3,462,850	\$3,490,607
Other Than Personal Services	\$13,115,046	\$18,750,207	\$16,750,207	\$17,611,003	\$17,453,303
<b>Total</b>	<b>\$16,739,134</b>	<b>\$22,141,133</b>	<b>\$20,142,455</b>	<b>\$21,073,853</b>	<b>\$20,943,910</b>
<b>Funding</b>					
City Funds	NA	\$3,767,226	\$1,768,548	\$1,667,784	\$3,422,769
Federal - Community Development	NA	\$14,194,753	\$14,194,753	\$14,290,363	\$12,405,435
Federal - Other	NA	\$1,826,406	\$1,826,406	\$2,101,832	\$2,101,832
Intra City	NA	\$46,018	\$46,018	\$46,018	\$46,018
Other Categorical	NA	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
State	NA	\$1,306,730	\$1,306,730	\$1,967,856	\$1,967,856
<b>Total</b>	<b>NA</b>	<b>\$22,141,133</b>	<b>\$20,142,455</b>	<b>\$21,073,853</b>	<b>\$20,943,910</b>
<b>Full-Time Positions</b>	<b>72</b>	<b>61</b>	<b>61</b>	<b>61</b>	<b>61</b>
<b>Contracts</b>	<b>NA</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
Community Consultants	NA	4	4	4	4
Contractual Services - General	NA	5	5	5	5

**Housing Operations- Management & Disposition**

HPD has the responsibility for managing, operating and disposing of city-owned dwelling units. In recent years, HPD has made it a priority to dispose these properties to the private market by initiating programs that target occupied and vacant city-owned buildings for rehabilitation and sale to community-based owners, such as local entrepreneurs, neighborhood nonprofit housing organizations, or qualified tenant groups.

	<b>2008 Actuals</b>	<b>2009 Adopted Budget</b>	<b>2009 November Plan</b>	<b>2009 January Plan</b>	<b>2010 January Plan</b>
<b>Spending</b>					
Personal Services	\$25,301,562	\$25,484,191	\$24,952,089	\$25,596,654	\$25,418,033
Other Than Personal Services	\$30,026,160	\$50,245,108	\$52,002,152	\$58,688,941	\$24,414,206
<b>Total</b>	<b>\$55,327,723</b>	<b>\$75,729,299</b>	<b>\$76,954,241</b>	<b>\$84,285,595</b>	<b>\$49,832,239</b>
<b>Funding</b>					
Capital- IFA	NA	\$11,464,144	\$11,464,144	\$11,935,598	\$12,180,744
City Funds	NA	\$8,346,644	\$9,744,790	\$10,189,536	\$6,976,572
Federal - Community Development	NA	\$31,467,865	\$31,294,661	\$31,970,881	\$27,700,802
Federal - Other	NA	\$2,974,121	\$2,974,121	\$2,974,121	\$2,974,121
Other Categorical	NA	\$21,476,525	\$21,476,525	\$27,215,459	\$0
<b>Total</b>	<b>NA</b>	<b>\$75,729,299</b>	<b>\$76,954,241</b>	<b>\$84,285,595</b>	<b>\$49,832,239</b>
<b>Full-Time Positions</b>	<b>405</b>	<b>448</b>	<b>438</b>	<b>438</b>	<b>428</b>
<b>Contracts</b>	<b>NA</b>	<b>64</b>	<b>63</b>	<b>63</b>	<b>65</b>
Cleaning Services	NA	2	2	2	2
Community Consultants	NA	4	4	4	4
Contractual Services - General	NA	2	2	2	1
In-Rem Maintenance Costs	NA	3	3	3	5
Maintenance and Repairs - General	NA	44	44	44	44
Prof. Services - Engineering and Architectural Ser	NA	1	1	1	1
Prof. Services - Legal Services	NA	3	3	3	3
Security Services	NA	3	3	3	3
Telecommunications Maintenance	NA	1	0		1
Temporary Services	NA	1	1	1	1
Training Program for City Employees	NA	0	0		



**Preservation - Anti-Abandonment**

HPD’s anti-abandonment initiatives are intended to address the City’s at-risk housing stock. In particular, these initiatives include assessing the physical and financial needs of distressed properties, reaching out to building owners to encourage code and tax compliance, and providing education and support services for owners. An example of an anti-abandonment program are the Neighborhood Preservation Consultants, in which nonprofit organizations contracted with HPD provide early intervention, preservation and anti-abandonment services throughout the five boroughs. The NPCs also assist HPD in identifying and assessing at-risk buildings.

	2008 Actuals	2009 Adopted Budget	2009 November Plan	2009 January Plan	2010 January Plan
<b>Spending</b>					
Personal Services	\$6,093,241	\$5,682,872	\$6,165,657	\$6,375,914	\$6,345,207
Other Than Personal Services	\$5,910,115	\$4,840,158	\$4,840,158	\$4,671,666	\$1,141,908
<b>Total</b>	<b>\$12,003,356</b>	<b>\$10,523,030</b>	<b>\$11,005,815</b>	<b>\$11,047,580</b>	<b>\$7,487,115</b>
<b>Funding</b>					
City Funds	NA	\$3,644,550	\$3,715,280	\$3,490,280	\$514,257
Federal - Community Development	NA	\$6,878,480	\$7,290,535	\$7,557,300	\$6,972,858
<b>Total</b>	<b>NA</b>	<b>\$10,523,030</b>	<b>\$11,005,815</b>	<b>\$11,047,580</b>	<b>\$7,487,115</b>
<b>Full-Time Positions</b>	<b>109</b>	<b>103</b>	<b>111</b>	<b>111</b>	<b>108</b>
<b>Contracts</b>					
Community Consultants	NA	22	21	21	54
Contractual Services - General	NA	2	1	1	1

**Performance Measures**

	Type of Measure	2006 Annual Target	2006 Annual Actual	2007 Annual Target	2007 Annual Actual	2008 Annual Target	2008 Annual Actual	2009 Annual Target	2010 Annual Target
Properties assessed and determined to be at risk of abandonment	Demand	NA	1,851	NA	1,353	NA	1,003	NA	NA
At-risk properties with treatment commenced (%)	Service Quality	NA	NA	NA	58%	NA	33%	NA	NA

**Preservation - Code Enforcement**

HPD is responsible for enforcing the New York City Housing Maintenance New York State Multiple Dwelling Law. In order to enforce this law, HPD sends inspectors to respond to buildings with maintenance deficiencies, and issue violations where appropriate.

	2008 Actuals	2009 Adopted Budget	2009 November Plan	2009 January Plan	2010 January Plan
<b>Spending</b>					
Personal Services	\$24,175,801	\$27,585,820	\$27,255,205	\$28,237,988	\$28,030,861
Other Than Personal Services	\$4,626,696	\$26,046,105	\$26,395,473	\$26,619,442	\$12,803,355
<b>Total</b>	<b>\$28,802,497</b>	<b>\$53,631,925</b>	<b>\$53,650,678</b>	<b>\$54,857,430</b>	<b>\$40,834,216</b>
<b>Funding</b>					
City Funds	NA	\$10,691,464	\$10,331,660	\$10,339,660	\$9,313,735
Federal - Community Development	NA	\$42,940,461	\$43,319,018	\$44,517,770	\$31,520,481
<b>Total</b>	<b>NA</b>	<b>\$53,631,925</b>	<b>\$53,650,678</b>	<b>\$54,857,430</b>	<b>\$40,834,216</b>
<b>Full-Time Positions</b>	<b>464</b>	<b>540</b>	<b>526</b>	<b>526</b>	<b>521</b>
<b>Contracts</b>	<b>NA</b>	<b>8</b>	<b>5</b>	<b>5</b>	<b>7</b>
Cleaning Services	NA	1	1	1	1
Contractual Services - General	NA	2	2	2	1
Maintenance and Repairs - General	NA	1	1	1	1
Maintenance and Repairs - Motor Vehicle Equip	NA	1	0		1
Office Equipment Maintenance	NA	1	0		1
Prof. Services - Other	NA	1	1	1	1
Temporary Services	NA	1	0		1
Training Program for City Employees	NA	0	0		

**Performance Measures**

	Type of Measure	2006 Annual Target	2006 Annual Actual	2007 Annual Target	2007 Annual Actual	2008 Annual Target	2008 Annual Actual	2009 Annual Target	2010 Annual Target
Total complaints reported	Demand	NA	627,928	NA	632,064	NA	597,201	NA	NA
Total emergency complaints	Demand	NA	404,879	NA	412,483	NA	396,260	NA	NA
Total violations issued	Output	NA	582,038	NA	521,547	NA	483,578	NA	NA
Average time to close an emergency complaint (hours)	Service Quality	NA	NA	NA	14.7	NA	16.4	NA	NA
Average time to respond to an emergency complaint (hours)	Service Quality	NA	11.0	NA	15.8	NA	NA	NA	NA

**Preservation - Emergency Repair**

If an emergency condition is verified by a code inspector, the owner and/or managing agent of the property will be notified of the emergency condition and instructed to repair it. If the owner fails to make the necessary repairs in a timely manner, HPD's Emergency Repair Program (ERP) may repair the condition. If ERP repairs the emergency condition, the City will bill the owner for the cost of repairs. If the owner fails to pay the bill within 60 days, a lien is placed on the property.

	<b>2008 Actuals</b>	<b>2009 Adopted Budget</b>	<b>2009 November Plan</b>	<b>2009 January Plan</b>	<b>2010 January Plan</b>
<b>Spending</b>					
Personal Services	\$7,185,110	\$7,060,897	\$7,600,479	\$7,937,759	\$8,106,373
Other Than Personal Services	\$22,711,863	\$21,099,022	\$23,966,902	\$25,221,769	\$24,143,344
<b>Total</b>	<b>\$29,896,973</b>	<b>\$28,159,919</b>	<b>\$31,567,381</b>	<b>\$33,159,528</b>	<b>\$32,249,717</b>
<b>Funding</b>					
City Funds	NA	\$87,357	\$325,745	\$227,236	\$87,357
Federal - Community Development	NA	\$28,072,562	\$31,241,636	\$32,932,292	\$32,162,360
<b>Total</b>	<b>NA</b>	<b>\$28,159,919</b>	<b>\$31,567,381</b>	<b>\$33,159,528</b>	<b>\$32,249,717</b>
<b>Full-Time Positions</b>	<b>157</b>	<b>132</b>	<b>156</b>	<b>156</b>	<b>156</b>
<b>Contracts</b>	<b>NA</b>	<b>39</b>	<b>40</b>	<b>40</b>	<b>40</b>
Contractual Services - General	NA	5	5	5	6
In-Rem Maintenance Costs	NA	14	14	14	14
Maintenance and Repairs - General	NA	16	16	16	16
Maintenance and Repairs - Motor Vehicle Equip	NA	2	2	2	2
Office Equipment Maintenance	NA	1	1	1	1
Temporary Services	NA	0	1	1	
Training Program for City Employees	NA	1	1	1	1

<b>Performance Measures</b>		<b>2006 Annual Target</b>	<b>2006 Annual Actual</b>	<b>2007 Annual Target</b>	<b>2007 Annual Actual</b>	<b>2008 Annual Target</b>	<b>2008 Annual Actual</b>	<b>2009 Annual Target</b>	<b>2010 Annual Target</b>
Emergency violations corrected by HPD (%)	Output	NA	17.0%	NA	16.0%	NA	16.0%	NA	NA
Average cost of repair work performed by HPD (\$)	Unit Cost	NA	\$966	NA	\$813	NA	\$901	NA	NA

**Preservation - Lead Paint**

HPD helps ensure that developers and property owners comply with the City's Lead Paint law, which concerns the prevention of childhood lead poisoning through the remediation of lead paint hazards in housing and day care facilities.

	2008 Actuals	2009 Adopted Budget	2009 November Plan	2009 January Plan	2010 January Plan
<b>Spending</b>					
Personal Services	\$17,008,577	\$17,827,244	\$18,353,688	\$19,122,791	\$19,195,953
Other Than Personal Services	\$4,518,140	\$2,093,783	\$7,133,374	\$7,029,049	\$2,306,783
<b>Total</b>	<b>\$21,526,717</b>	<b>\$19,921,027</b>	<b>\$25,487,062</b>	<b>\$26,151,840</b>	<b>\$21,502,736</b>
<b>Funding</b>					
Capital- IFA	NA	\$129,408	\$129,408	\$129,408	\$129,408
City Funds	NA	\$1,545,969	\$1,469,590	\$1,426,590	\$1,682,820
Federal - Community Development	NA	\$17,632,450	\$17,202,386	\$17,910,164	\$18,906,221
Federal - Other	NA	\$223,800	\$6,296,278	\$6,296,278	\$394,887
Intra City	NA	\$389,400	\$389,400	\$389,400	\$389,400
<b>Total</b>	<b>NA</b>	<b>\$19,921,027</b>	<b>\$25,487,062</b>	<b>\$26,151,840</b>	<b>\$21,502,736</b>
<b>Full-Time Positions</b>	<b>333</b>	<b>350</b>	<b>362</b>	<b>362</b>	<b>355</b>

<b>Contracts</b>	<b>NA</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
Community Consultants	NA	0	0		
Contractual Services - General	NA	0	0		
Maintenance and Repairs - General	NA	1	2	2	1
Maintenance and Repairs - Motor Vehicle Equip	NA	3	3	3	3
Temporary Services	NA	1	1	1	1
Training Program for City Employees	NA	3	2	2	3

	Type of Measure	2006	2006	2007	2007	2008	2008	2009	2010
		Annual Target	Annual Actual	Annual Target	Annual Actual	Annual Target	Annual Actual	Annual Target	Annual Target
Total lead paint complaints	Demand	NA	47,720	NA	46,033	NA	43,021	NA	NA
Total lead paint violations issued	Output	NA	44,859	NA	33,605	NA	29,510	NA	NA
Average cost of lead paint repair work performed by HPD (\$)	Unit Cost	NA	\$1,575	NA	\$2,111	NA	\$2,431	NA	NA

**Preservation - Other Agency Services**

This includes other Preservation programs.

	2008 Actuals	2009 Adopted Budget	2009 November Plan	2009 January Plan	2010 January Plan
<b>Spending</b>					
Personal Services	\$6,536,137	\$6,432,411	\$6,886,855	\$7,322,995	\$6,898,775
Other Than Personal Services	\$12,641,986	\$15,532,033	\$14,360,599	\$15,871,125	\$7,590,285
<b>Total</b>	<b>\$19,178,124</b>	<b>\$21,964,444</b>	<b>\$21,247,454</b>	<b>\$23,194,120</b>	<b>\$14,489,060</b>
<b>Funding</b>					
Capital- IFA	NA	\$359,626	\$359,626	\$362,861	\$364,547
City Funds	NA	\$11,155,569	\$11,025,562	\$11,853,429	\$3,696,825
Federal - Community Development	NA	\$10,449,253	\$9,862,270	\$10,977,834	\$10,427,692
State	NA	(\$4)	(\$4)	(\$4)	(\$4)
<b>Total</b>	<b>NA</b>	<b>\$21,964,444</b>	<b>\$21,247,454</b>	<b>\$23,194,120</b>	<b>\$14,489,060</b>
<b>Full-Time Positions</b>	<b>118</b>	<b>107</b>	<b>121</b>	<b>121</b>	<b>106</b>
<b>Contracts</b>	<b>NA</b>	<b>35</b>	<b>32</b>	<b>32</b>	<b>4</b>
Community Consultants	NA	25	25	25	
Contractual Services - General	NA	8	7	7	2
Maintenance and Repairs - General	NA	0	0		
Maintenance and Repairs - Motor Vehicle Equip	NA	0	0		
Prof. Services - Legal Services	NA	0	0		
Temporary Services	NA	2	0		2
Training Program for City Employees	NA	0	0		

**Performance Measures**

	Type of Measure	2006 Annual Target	2006 Annual Actual	2007 Annual Target	2007 Annual Actual	2008 Annual Target	2008 Annual Actual	2009 Annual Target	2010 Annual Target
Preservation completions- HPD and HDC	Output	8,869	9,783	9,274	10,735	7,381	7,466	10,620	7,529
Preservation starts- HPD and HDC	Output	8,262	10,905	11,551	12,970	8,051	9,953	7,634	8,316