THE COUNCIL OF THE CITY OF NEW YORK

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Speaker of the Council

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Chair, Committee on Housing and Buildings

Report on the Fiscal 2016 Preliminary Budget and the Fiscal 2015 Preliminary Mayor's Management Report

Department of Housing Preservation and Development

March 10, 2015

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Department of Housing Preservation and Development Overview

The Department of Housing Preservation and Development (HPD) works to maximize the production and preservation of affordable housing for low- and moderate-income families in New York City by enforcing housing quality standards, financing affordable housing development and preservation, and ensuring sound management of the City's affordable housing stock. 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.

This report provides a review of HPD's Fiscal 2016 Preliminary Budget. In the first section, the highlights of the Fiscal 2016 Expense Budget are presented, followed by a financial summary of HPD's budget. Highlights regarding the Agency's Revenue and Contract budget are also included, as well as a review of relevant performance indicators. The report then presents the Department's budget by program area and provides a review of the Fiscal 2016 Preliminary Capital Budget and Fiscal 2016-2025 Preliminary Ten-Year Capital Strategy. The report then provides analysis of significant changes and budget actions included in the Preliminary Budget and reviews all sections of the Preliminary Mayor's Management Report for Fiscal 2015.

Fiscal 2016 Preliminary Budget Highlights

HPD Expense Budget

	Actual	Actual	Adopted	Preliminary Plan		*Difference
Dollars in Thousands	**2013**	**2014**	**2015**	**2015**	**2016**	**2016 - 2015**
Personal Services	$129,964	$127,732	$137,238	$148,470	$146,944	$9,706
Other Than Personal Services	545,295	562,240	418,086	810,952	572,934	$154,848
Agency Total	**$675,260**	**$689,972**	**$555,324**	**$959,421**	**$719,878**	**$164,554**

**The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The City's Fiscal 2016 Preliminary Budget is $77.7 billion, $2.7 billion more than the Fiscal 2015 Adopted Budget of $75.0 billion. City funds (City tax and non-tax revenues, excluding Capital Budget transfers) total $57.0 billion, up $2.1 billion from $54.8 billion in the Adopted Budget. HPD's Preliminary Budget is $719.9 million for Fiscal 2016 (including City and Non-City funds). This represents about one percent of the City's total budget.

The Department's Fiscal 2016 Preliminary Budget is about $164.5 million more than the Fiscal 2015 Adopted Budget of $555.3 million. The increase is primarily due to: prior year adjustments; new staffing needs associated with administration; homeless placement services; the compliance unit; preservation unit; the division of neighborhood strategies, community partnership and planning and within the technology division; and funding for collective bargaining agreements.

Federal Operating funds are the largest source of operating support for the agency, and will comprise over $344.5 million of HPD's total expense budget in Fiscal 2016. Federal Community Development Block Grant funding is the second highest source of operating support for the agency with approximately $296 million in Fiscal 2016. Because the City's fiscal year and the federal fiscal year do not coincide, it is not clear exactly how much Federal funding HPD will receive until after the City's fiscal year begins. Therefore, HPD reports only baseline funding

and grants that it anticipates from the federal government at the beginning of each year and makes adjustments as additional funds are received. Accordingly, program areas that are primarily funded through non-City sources might initially show a decrease in Fiscal 2016, but then eventually align with the Fiscal 2015 Adopted Budget once the agency confirms these federal allocations. For example, the Fiscal 2015 Budget assumed $464.3 million in federal funds at adoption in June, 2015. The recently released Preliminary Plan nearly doubles this amount to $860.4 million for Fiscal 2015. This same plan however, assumes Federal funds drop in Fiscal 2016 to $640.6 million. In future financial plans, Council Finance expects the Administration to recognize more Federal funds for Fiscal 2016, though the amount and timing remain unknown.

HPD's Fiscal 2016 Preliminary Budget also reflects a $12.6 million reduction in City funds from the Fiscal 2015 Adopted Budget due to expenses that are not yet baselined. Historically, year to year funding is addressed at adoption and is often restored.

Key actions in HPD's Preliminary Budget include:

- **HPD New Needs Staffing and Related Other Than Personal Service.** City funds of $729,000 and $2.2 million in Fiscal 2015 and 2016, respectively, are added to HPD's budget for the hiring of 26 full-time employees. These new hires will support work related to: administration; homeless placement; compliance; preservation; neighborhood strategies; community partnership and planning; and the technology division. Funding for these employees is baselined in future years at a total cost of $2.2 million per year through Fiscal 2019.
- **Collective Bargaining.** A funding adjustment of $4 million in Fiscal 2015 and $3 million in Fiscal 2016 is added as a result of collective bargaining labor agreements**.** This funding grows to $4.7 million by Fiscal 2019.
- **Tax Incentive Program Fee Revenue**. HPD generates revenue from applications for real property tax exemptions for new construction on vacant lots, and for low-income housing developed with tax credits. HPD has estimated that the City will realize an additional $5.5 million above the already budgeted $6.5 million in Fiscal 2015 from the collection of 421-a tax incentive program fees.
- **Increase issuance of Section 8 vouchers.** Due to a more positive federal budget outlook and the use of administrative reserves in 2015, HPD issued 586 more Section 8 vouchers than in the same period last year and maintains a voucher utilization rate of 93 percent. As of October 2014 HPD completed 15,187 inspections of units with Section 8 rental subsidy as required by federal regulations. At the end of the reporting period, 3 percent of units with Section 8 rental subsidy failed housing quality inspections and rental subsidies were temporarily suspended until all conditions resulting in failure were corrected.

Other Highlights

- **Housing New York: A Five Borough, Ten-Year Plan.** HPD financed the creation and preservation of more than 17,300 affordable units during calendar year 2014. With 11,185 preserved units and 6,191 new construction units financed, the City exceeded its first year projections by more than 1,300 affordable units. Based on average household size, these new and preserved units are enough to affordably house nearly 42,000 New Yorkers. (For more information regarding the units constructed and preserved, see Pages 8-9).

- **2014 New York City Housing and Vacancy Survey.** According to findings from the U.S. Census Bureau's 2014 New York City Housing and Vacancy Survey (HVS), which were submitted to the City Council by HPD in February, the city-wide vacancy rate for the period between February and May 2014 was 3.45 percent. Under New York state law, a serious public emergency exists in the rental housing market when the citywide rental vacancy rate is less than five percent. In addition, the survey's initial findings reveal that the City's total housing stock rose to more than 3.4 million units, the largest housing stock for New York City since the start of the survey in 1965. HVS also confirms that 56 percent of City renters are rent-burdened, or pay more than one third of their income on rent and utilities. (For more information regarding the results of the HVS, see Page 9).
- **Six Neighborhood Rezonings with Mandatory Affordable Housing Requirements.** In his February State of the City address, Mayor Bill de Blasio announced six neighborhoods slated to be rezoned and studied for more residential capacity—East New York (Brooklyn, Council District 42), Long Island City (Queens, Council District 26), Jerome Avenue Corridor (Bronx, Council Districts 14 and 16), Flushing West (Queens, Council District 20), and Bay Street Corridor (Staten Island, Council District 49) and East Harlem (Manhattan, Council District 8). A Mandatory Inclusionary Housing policy will require all new housing built under rezoned areas to include affordable units. The first rezoning will enter the formal land use process in Spring 2015.

Financial Summary

HPD Financial Summary						
	Actual	Actual	Adopted	Preliminary Plan		*Difference
Dollars in Thousands	2013	2014	2015	2015	2016	2016 - 2015
Spending						
Personal Services	$129,964	$127,732	$137,238	$148,470	$146,944	$9,706
Other Than Personal Services	545,295	562,240	418,086	810,952	572,934	$154,848
Total	**$675,258**	**$689,972**	**$555,324**	**$959,421**	**$719,878**	**$164,554**
Budget by Program Area						
Administration	$32,320	$30,245	$32,368	$34,040	$34,785	$2,417
Administration Program	13,564	18,304	14,553	22,250	22,615	8,061
Development	24,883	40,681	15,499	264,893	178,251	162,753
Housing Operations - Section 8 Programs	455,498	452,700	331,553	467,991	337,581	6,029
Housing Operations- Emergency Housing	21,893	21,848	19,979	22,324	18,215	(1,764)
Housing Operations- Mgmt & Disposition	34,806	32,600	34,650	33,886	30,201	(4,449)
Preservation - Anti-Abandonment	7,505	7,601	6,534	8,503	4,836	(1,698)
Preservation - Code Enforcement	28,432	28,300	30,962	32,652	31,331	369
Preservation - Emergency Repair	19,800	19,996	24,445	27,151	29,021	4,576
Preservation - Lead Paint	14,558	13,825	14,307	15,748	15,104	797
Preservation - Other Agency Services	21,999	23,872	30,475	29,984	17,938	(12,537)
TOTAL	**$675,258**	**$689,972**	**$555,324**	**$959,421**	**$719,878**	**$164,554**
Funding						
City Funds	$45,884	$58,802	$69,744	$71,407	$57,123	($12,621)
Other Categorical	6,358	14,575	1,615	7,190	1,615	0
Capital- IFA	14,511	14,176	16,673	17,323	17,436	763
State	2,820	649	1,075	1,117	1,075	0
Federal - Community Development	107,993	133,644	122,765	379,516	296,141	173,376
Federal - Other	494,670	466,188	341,486	480,843	344,458	2,972
Intra City	3,023	1,939	1,968	2,026	2,030	62
TOTAL	**$675,258**	**$689,972**	**$555,324**	**$959,421**	**$719,878**	**$164,554**
Positions						
Full-Time Positions	2,015	1,964	2,206	2,293	2,269	63
TOTAL	**2,015**	**1,964**	**2,206**	**2,293**	**2,269**	**63**

**The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

In general, agency program areas can provide insight into which programs are priorities and how the budget impacts program outcomes. HPD's functions can be broken down into 11 program areas as illustrated in the chart above. These program areas are primarily funded through federal grants. Of the Department's program areas, funding for Housing Operations related to the Section 8 program comprises about $337.6 million of HPD's expense budget and nearly 47 percent of total agency funding in Fiscal 2016.

Contract Budget

The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services, which are defined as any technical, consultant, or personal service provided to the City by means of a contract. The Contract Budget is actually a subset of the Other Than Personal Services (OTPS) portion of the City's Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. In January, it is prepared with the Departmental Estimates, and in late April it is submitted to the Council with the Executive Budget.

The City's Contract Budget totals $12.4 billion in Fiscal 2016, an increase of $438 million or 3.7 percent when compared to the Fiscal 2015 Adopted Budget of $12 billion. HPD's Fiscal 2016 Preliminary Budget includes 206 registered City contracts, at a total cost of $93.8 million, including 81 contracts related to Council funded Community Consultant contracts valued at $14.4 million.

HPD Fiscal 2016 Preliminary Contract Budget				
Category	**Fiscal 2015 Adopted**	**Number of Contracts**	**Fiscal 2016 Preliminary**	**Number of Contracts**
Cleaning Services	$19,177	2	$19,177	2
Community Consultants	20,964,401	81	14,410,443	81
Contractual Services - General	27,438,098	16	$64,459,665	16
Data Processing Equipment Maintenance	366,800	2	402,112	3
Financing Costs	1,359	1	1,359	1
In-Rem Maintenance Costs	1,670,736	18	1,509,574	18
Maintenance and Repairs - General	11,847,807	58	9,812,382	58
Maintenance and Repairs - Motor Vehicle Equip	24,036	2	54,036	3
Office Equipment Maintenance	324,526	3	323,877	2
Prof. Services - Engineering and Architectural Services	1	1		0
Prof. Services - Legal Services	113,236	3	120,736	3
Prof. Services - Other	46,067	2	61,367	3
Security Services	808,500	4	669,049	4
Telecommunications Maintenance	21,586	1	21,586	1
Temporary Services	409,748	6	1,281,745	6
Training Program for City Employees	343,389	5	683,177	5
Fiscal 2016 Preliminary Contract Budget	**$64,399,467**	**205**	**$93,830,285**	**206**

Revenue

HPD collects revenue from the issuance of licenses and permits, charges for services such as tax exemption fees, inspection fees, tax credit fees; and from fines from housing court and heat and hot water violations. In Fiscal 2016, revenue generated from the Section 421(a) Tax Exempt Fee is projected to total $6.5 million, or 29 percent of the Department's total miscellaneous revenue. HPD will collect approximately $22.6 million in miscellaneous revenue in Fiscal 2016.

Miscellaneous Revenue Sources *Dollars in Thousands*	**Actual 2013**	**Actual 2014**	**Adopted 2015**	**Preliminary Plan**		***Difference**
				2015	**2016**	**2016 - 2015**
Licenses, Permits & Franchises						
Vending Machine Commission	$37	$51	$84	$84	$84	$0
Charges for Services						
420-c Fees for Tax-Exempt Program	386	523	20	300	20	$0
Tax Credit Fees	3,901	3,174	2,059	2,059	2,059	0
Inclusionary Housing Fee	359	804	675	675	675	0
J-51 Tax Exempt/Abatement Fees	1,219	1,557	1,600	1,600	1,200	(400)
Agreement Fees	22	25	43	43	43	0
Commitment Fees	5,587	1,886	1,167	1,167	1,167	0
CONH Fee	43	38	71	71	71	0
Section 421(a) Tax Exempt Fee	15,660	18,355	6,475	6,475	6,475	0
Mortgage Refinance Fee	236	377	476	476	476	0
Multiple Dwelling & Copy Fees	267	482	316	316	316	0
Heat/Hot Water Inspection Fee	10	32	10	10	10	0
Dismissal Request	360	410	240	240	240	0
Subtotal, Charges for Services	28,051	27,663	13,151	13,431	12,751	(400)
Rental Income						
Residential Rents	254	270	0	0	139	$139
Residential Rent Arrears-TLAU	1,228	681	0	0	322	322
Commercial Rent Resid Bldgs	49	67	0	0	14	14
Urban Renewal Commer Rent	1,761	311	0	0	51	51
Parking Lot Revenue	133	216	100	100	250	150
Willets Point	0	795	0	0	288	288
Waterside & Surcharges	7,608	8,765	5,508	5,508	5,508	0
Surcharges	430	350	600	600	600	0
Subtotal, Rental Income	11,464	11,455	6,208	6,208	7,172	964
Fines and Forfeitures						
Housing Court Fines	1,211	1,398	1,066	1,066	1,066	$0
Heat/Hot water Violations	23	21	40	40	40	0
Subtotal, Fines and Forfeitures	1,234	1,419	1,106	1,106	1,106	0
Other Misc.						
in-Rem Negotiated Sales	36,196	9,445	905	10,105	905	$0
RFP/BID Books/Employee Fines	1,410	2,026	565	565	565	0
Manhattan Plaza & Marseilles Housing	10	11	11	11	11	0
Article 8A Loan	90	26	80	80	40	(40)
Subtotal, Miscellaneous	37,706	11,509	1,561	10,761	1,521	(40)
TOTAL	**$78,491**	**$52,097**	**$22,110**	**$31,590**	**$22,634**	**$524**

**The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

Council Initiatives and Funding

In Fiscal 2015, the City Council funds provided approximately $8.3 million to HPD's annual operating budget. Most of this funding, about $7.3 million is allocated to local community-based organizations which are tasked with carrying out the goals of Council housing initiatives, including tenant advocacy and education, code enforcement advocacy, housing court assistance, and other housing-related public education. The remaining amount of $1 million was allocated directly to HPD to help subsidize the moving expenses of 1,000 Section 8 tenants who moved to smaller apartment units due to HPD's downsizing policy, and for the expansion of emergency repair work conducted in 250 of the most distressed multiple dwellings in HPD's Alternative Enforcement Program.

FY 2015 Council Changes at Adoption *Dollars in Thousands*	
Council Initiatives	
Anti Poverty	$187,500
Borowide	113,000
City-wide Task Force on Housing Court	550,000
Community Consultant Contracts (CCC)	1,000,000
Housing Preservation Initiative (HPI)	2,000,000
Mortgage Foreclosure Prevention Program	750,000
Stabilizing NYC	1,000,000
Subsidized Housing Information Project	100,000
Association for Neighborhood and Housing Development	100,000
HPD Alternative Enforcement Program	750,000
Ease Transition in Downsizing in Housing in HPD	250,000
Subtotal	**$6,800,500**
Local Initiatives	$1,497,250
TOTAL	**$8,297,750**

Federal & State Issues

Section 8 Program

For the federal 2016 Fiscal Year, HPD is seeking restoration of funding for Section 8 vouchers lost as a result of Sequestration, in addition to full funding for 2016, the first year after the Budget Control Act. Although the 2015 appropriations bill is expected to fund all of the vouchers currently in use, for HPD this will only equal 95% of the vouchers HPD is authorized to lease. Due to the sequester, HPD cut back on leasing in 2013 and was only able to begin rebuilding leasing levels in the second half of 2014. The restoration of pre-sequester funding could potentially provide an additional 1,700 Section 8 vouchers to homeless families. In order to restore the vouchers New York City lost, Congress would need to fund at least 40,000 new vouchers nationwide. HPD supports targeting these new vouchers to homeless families, which could help reduce NYC's homeless population. In addition, Housing Choice Voucher administrative fees have been underfunded for years and will only be funded at 74% proration in 2015. These funds support the core operations of HPD's Section 8 program.

State Issues

A number of important of critical and large State laws that support HPD's mission to build and preserve affordable housing are set to sunset in 2015. These include the 421(a) Housing Development Tax Exemption, the J-51 Preservation & Alteration Tax Program, and Rent Regulation laws. The renewal and reform of these programs will be critical to success of the Administration's *Housing New York* plan, and so Council Finance expects there to be substantive changes to most if not all of these programs. The Administration has not yet released details on what changes it plans to request the State to make when renewing these laws.

Changes to these programs will likely have some impact on HPD's budget, although it is expected to be small. Changes are possible in revenue assumptions from program fees for the 421(a) and J-51 programs, and administrative expenses in processing and enforcing the laws. Without specific details on the proposed changes, it is unclear how much these programs will impact the agency's budget, and therefore no changes associated with these programs are in the Preliminary Budget.

Other Issues

Housing New York Update

As of December 2014, HPD financed the creation and preservation of more than 17,300 affordable units during 2014, including 6,191 newly constructed units and the preservation of 11,185 units. More than 86 percent of the units financed in 2014 were for extremely low, very low, and low-income families, affordable to households with annual incomes of $67,120 and below. A further 2,400 units were financed for moderate and middle-income households. The Bronx had the most units constructed and preserved, for a total of 5,518 units in 2014 (see table below).

Housing New York- Units Preserved and Constructed in 2014					
Income Band	**Percentage of AMI**	**Monthly Rent Required to Prevent Rent-Burden**	**Annual Income (4-person household)**	**Number of 2014 Units**	**Percentage of total units**
Extremely Low Income	0-30%	Up to $629	<$25,150	823	5%
Very Low Income	31-50%	$630 - $1,049	$25,151 - $41,950	1,603	9%
Low Income	51-80%	$1,050 - $1,678	$41,951 - $67,120	12,411	72%
Moderate Income	81-120%	$1,679 - $2,517	$67,121 - $100,680	877	5%
Middle Income	121-165%	$2,158 - $3,461	$100,681 - $138,435	1,534	9%
TOTAL				**17,248**	**100%**
			**128 units house onsite superintendents, and are not included in this total.*		
By Borough					
Bronx				5,518	32%
Brooklyn				5,190	30%
Manhattan				5,022	29%
Queens				1,044	6%
Staten Island				602	3%
TOTAL				**17,376**	**100%**
By Project Type					
New Construction				6,191	36%
Preservation				11,185	64%
TOTAL				**17,376**	**100%**

2014 Housing Vacancy Survey

According to findings from the U.S. Census Bureau's 2014 New York City Housing and Vacancy Survey, the city-wide vacancy rate for the period between February and May 2014 was 3.45 percent. This figure was calculated by dividing the number of vacant non-dilapidated units available for rent (75,458 units) by the number of renter-occupied, non-dilapidated units available for rent (2,108,838 units). The rental vacancy rate for units with asking rents of less than $800 was just 1.8%, while the vacancy rate for units asking above $2,000 in rent was 6.26% (see table below).

2014 Housing Vacancy Survey	Vacant Units		Net Vacancy Rate	
Monthly Rent	**2011**	**2014**	**2011**	**2014**
Less than $800	4,924	6,658	1.15%	1.80%
$800- $999	8,540	10,387	2.77%	3.73%
$1,000 - $1,499	28,370	23,482	3.58%	3.13%
$1,500 - $1,999	13,082	11,642	4.30%	3.22%
$2,000 or more	12,902	23,290	4.38%	6.26%
All Rental Units	**67,818**	**75,458**	**3.12%**	**3.45%**

Performance Indicators

Housing Production

Total housing starts for the first four months of Fiscal 2015 were almost three times higher than in the same Fiscal 2014 period, 2,094 units compared to 725 units. HPD has made a significant effort to ramp up production under *Housing New York* in an effort to reach the goal of creating and preserving 200,000 affordable housing units by 2024.

Emergency Complaints

Although the overall number of emergency complaints reported decreased by more than nine percent, the number of emergency heat and hot water complaints rose, increasing by nearly 14 percent to 14,670. HPD closed 13,032 heat and hot water complaints, an increase of 20.7 percent, in an average of 4.2 days, on par with performance a year ago.

(For additional information on performance indicators, see Appendix B).

Program Areas

Administration

This program area budget serves all the other agency program areas.

Administration						
	Actual	Actual	Adopted	Preliminary Plan		*Difference
Dollars in Thousands	2013	2014	2015	2015	2016	2016 - 2015
Spending						
Personal Services						
Additional Gross Pay	$96	$931	$402	$486	$402	$0
Amounts to be Scheduled	0	0	0	0	0	0
Full-Time Salaried - Civilian	22,468	22,273	24,981	26,087	27,074	2,092
Full-Time Salaried - Holding Code	0	0	0	236	266	266
Other Salaried	219	214	67	67	67	0
Overtime - Civilian	249	257	167	117	117	(50)
P.S. Other	5	4	0	0	0	0
Unsalaried	180	159	449	449	449	0
Subtotal	**$24,082**	**$23,837**	**$26,066**	**$27,441**	**$28,374**	**$2,308**
Other Than Personal Services						
Contractual Services	$2,457	$1,377	$927	$975	$927	$0
Contractual Services - Financing	7	0	1	1	1	0
Contractual Services - Professional Services	250	143	31	136	31	0
Fixed & Misc. Charges	19	7	18	18	18	0
Other Services & Charges	4,188	3,705	3,743	3,712	3,524	(220)
OTPS Holding Code	0	0	0	26	78	78
Property & Equipment	317	321	317	303	317	0
Supplies & Materials	998	854	1,265	1,428	1,515	250
Subtotal	**$8,237**	**$6,408**	**$6,303**	**$6,599**	**$6,411**	**$(220)**
TOTAL	**$32,319**	**$30,245**	**$32,369**	**$34,040**	**$34,785**	**$2,417**
Funding						
City Funds			$23,356	$24,745	$25,630	$2,274
Capital- IFA			1,864	1,838	1,816	(48)
State			0	42	0	0
Federal - Community Development			5,248	5,498	5,439	191
Federal - Other			1,838	1,855	1,838	0
Intra City			62	62	62	0
TOTAL	**$32,319**	**$30,245**	**$32,369**	**$34,040**	**$34,785**	**$2,417**
Budgeted Headcount						
Full-Time Positions	298	293	340	353	353	13
TOTAL	**298**	**293**	**340**	**353**	**353**	**13**

**The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The Administration program area budget will increase approximately $2.4 million, from $32.4 million Fiscal 2015 Adopted Budget to $34.8 million in Fiscal 2016 Preliminary Budget. This is due to funding adjustments for collective bargaining agreements and the hiring of two administrative support staff.

Administration Program

This program area budget covers agency functions which are primarily administrative and not service related.

Administration Program						
	Actual	Actual	Adopted	Preliminary Plan		*Difference
Dollars in Thousands	2013	2014	2015	2015	2016	2016 - 2015
Spending						
Personal Services						
Additional Gross Pay	$220	$213	$90	$123	$90	$0
Amounts to be Scheduled	0	0	0	96	0	0
Full-Time Salaried - Civilian	6,013	7,124	6,505	8,244	6,550	45
Other Salaried	0	0	5	5	5	0
Overtime - Civilian	10	43	0	29.9	0	0
Unsalaried	0	21	6	5.69	5.69	0
Subtotal	**$6,244**	**$7,402**	**$6,606**	**$8,504**	**$6,651**	**$45**
Other Than Personal Services						
Contractual Services	$693	$3,172	$1,073	$4,607	$2,816	$1,743
Contractual Services - Professional Service	13	14	14	14	14	0
Fixed & Misc. Charges	2,034	1,431	2,212	2,009	1,584	(628)
Fixed & Misc. Charges - Section 8	2,344	231	0	269	0	0
Other Services & Charges	2,240	5,984	4,577	6,522	11,203	6,626
Property & Equipment	0	16	0	13	0	0
Supplies & Materials	0	53	72	312	347	275
Subtotal	**$7,324**	**$10,902**	**$7,948**	**$13,747**	**$15,964**	**$8,016**
TOTAL	**$13,568**	**$18,304**	**$14,553**	**$22,250**	**$22,615**	**$8,061**
Funding						
City Funds			$6,729	$6,605	$5,890	($839)
Federal - Community Development			$6,245	$13,796	$15,145	8900
Federal - Other			$1,321	$1,590	$1,321	0
Intra City			$259	$259	$259	0
TOTAL	**$13,568**	**$18,304**	**$14,553**	**$22,250**	**$22,615**	**$8,061**
Budgeted Headcount						
Full-Time Positions	95	110	119	122	119	0
TOTAL	**95**	**110**	**119**	**122**	**119**	**0**

**The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The Administration program area budget is $22.6 million in the Fiscal 2016 Preliminary Budget, an increase of approximately $8.1 million from the Fiscal 2015 Adopted Budget. This is primarily due to budget realignment of OTPS expenses that are not yet baselined.

Development

This program area budget provides funding for development related initiatives in the production and/or rehabilitation of residential projects citywide. 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.

Development						
	Actual	Actual	Adopted	Preliminary Plan		*Difference
Dollars in Thousands	2013	2014	2015	2015	2016	2016 - 2015
Spending						
Personal Services						
Additional Gross Pay	$530	$509	$75	$127	$75	$0
Amounts to be Scheduled	0	0	0	331	2,116	2,116
Full-Time Salaried - Civilian	10,590	11,773	14,099	18,370	17,046	2,947
Full-Time Salaried - Holding Code	0	0	0	194	213	213
Overtime - Civilian	19	209	0	159	0	0
Unsalaried	41	71	5	5	5	0
Subtotal	**$11,179**	**$12,562**	**$14,180**	**$19,185**	**$19,456**	**$5,277**
Other Than Personal Services						
Contractual Services	$13,536	$27,444	$919	$63,601	$39,660	$38,741
Contractual Services - Professional Services	165	0	0	0	0	0
Contractual Services - Social Services	0	0	0	2,800	0	0
Fixed & Misc. Charges	0	109	0	29,119	3,278	3,278
Other Services & Charges	0	0	0	49,787	115,857	115,857
Supplies & Materials	0	565	400	400	0	(400)
Subtotal	**$13,700**	**$28,119**	**$1,319**	**$245,707**	**$158,795**	**$157,476**
TOTAL	**$24,880**	**$40,681**	**$15,499**	**$264,893**	**$178,251**	**$162,753**
Funding						
City Funds			$5,481	$6,504	$7,653	$2,171
Other Categorical			410	4,871	410	0
Capital- IFA			5,518	5,744	5,802	283
Federal - Community Development			492	241,177	157,790	157,298
Federal - Other			3,597	6,597	6,597	3,000
TOTAL	**$24,880**	**$40,681**	**$15,499**	**$264,893**	**$178,251**	**$162,753**
Budgeted Headcount						
Full-Time Positions	158	190	263	330	317	54
TOTAL	**158**	**190**	**263**	**330**	**317**	**54**

**The difference of Fiscal 2015 Adopted compared to Fiscal 2016 Preliminary Budget.*

The Development program area budget reflects an increase of approximately $162.8 million, from $15.5 million in Fiscal 2015 Adopted Budget to $178.3 million in Fiscal 2016 Preliminary Budget. The increase is largely due to an increase in contractual services in the OTPS budget that are not baselined. Specifically, this program area includes Council funded initiatives such as the Community Consultant Contracts and the Mortgage Foreclosure Prevention program, which are not baselined in the Preliminary Plan. It is expected that the Council will be able to restore this funding at adoption of the Fiscal Year 2016 budget.

Housing Operations – Section 8 Programs

This program area budget includes federal funding for the Section 8 program, which provides rental subsidies to low-income households. 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 generally targets its Section 8 assistance to 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;
- Households residing in buildings that have been developed with financial assistance from HPD or buildings for which HPD maintains regulatory responsibility.

HPD also administers "enhanced vouchers," which are given to tenants when building owners pre-pay federal loans to opt out of project-based subsidy programs, or opt not to renew project-based Section 8 contracts. The Rental Assistance program also includes some limited social service and asset accumulation initiatives for households receiving Section 8, in particular the Family Self Sufficiency Program.

Housing Operations- Section 8 Programs						
	Actual	**Actual**	**Adopted**	**Preliminary Plan**		***Difference**
Dollars in Thousands	**2013**	**2014**	**2015**	**2015**	**2016**	**2016 - 2015**
Spending						
Personal Services						
Additional Gross Pay	$188	$242	$19	$19	$19	$0
Fringe Benefits	2	0	0	0	0	0
Full-Time Salaried - Civilian	12,442	11,427	12,547	12,547	12,547	0
Overtime - Civilian	69	109	0	0	0	0
Unsalaried	251	246	55	55	55	0
Subtotal	**$12,951**	**$12,023**	**$12,621**	**$12,621**	**$12,621**	**0**
Other Than Personal Services						
Contractual Services	$2,497	$5,729	$893	$2,918	$798	(95)
Contractual Services - Professional Services	1,071	172	0	185	15	15
Fixed & Misc. Charges - Section 8	438,388	434,120	317,174	451,553	323,282	6,108
Other Services & Charges	103	177	865	233	865	0
Property & Equipment	74	29	0	195	0	0
Supplies & Materials	413	451	0	285	0	0
Subtotal	**$442,547**	**$440,678**	**$318,932**	**$455,369**	**$324,960**	**$6,029**
TOTAL	**$455,498**	**$452,700**	**$331,553**	**$467,991**	**$337,581**	**$6,029**
Funding						
Federal - Community Development			$0	$5,406	$5,406	$5,406
Federal - Other			331,553	462,585	332,175	623
TOTAL	**$455,498**	**$452,700**	**$331,553**	**$467,991**	**$337,581**	**$6,029**
Budgeted Headcount						
Full-Time Positions	257	226	124	124	124	0
TOTAL	**257**	**226**	**124**	**124**	**124**	**0**

**The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The Section 8 programs area budget increased by approximately $6 million in the Fiscal 2016 Preliminary budget, from $331.6 million in the Fiscal 2015 Adopted Budget. However, the Preliminary Budget incorporates $130.4 million more in Fiscal 2015 than Fiscal 2016 for this program area. This difference is largely a function on unclear Federal funding for Fiscal 2016, but it is expected to be adjusted to show a smaller change once HPD receives a Section 8 funding approval letter from HUD.

Housing Operations – Emergency Housing

This program area budget includes funding for programs that provide emergency shelter to distressed households who suffer hardships from situations such as fires or vacate orders.

Housing Operations- Emergency Housing						
	Actual	Actual	Adopted	Preliminary Plan		*Difference
Dollars in Thousands	2013	2014	2015	2015	2016	2016 - 2015
Spending						
Personal Services						
Additional Gross Pay	$257	$281	$1	$144	$76	$75
Additional Gross Pay - Labor Reserve	11	12	0	0	0	0
Fringe Benefits	2	2	0	0	0	0
Full-Time Salaried - Civilian	3,202	3,540	3,784	3,931	3,941	156
Overtime - Civilian	55	40	0	0	0	0
Unsalaried	64	78	0	5	5	5
Subtotal	**$3,590**	**$3,952**	**$3,786**	**$4,081**	**$4,022**	**$236**
Other Than Personal Services						
Contractual Services	$18,270	$17,863	$16,193	$18,243	$12,765	($3,428)
Fixed & Misc. Charges	1	0	0	0	0	0
Other Services & Charges	0	0	0	0	1,428	1,428
Supplies & Materials	32	33	0	0	0	0
Subtotal	**$18,303**	**$17,896**	**$16,193**	**$ 18,243**	**$14,193**	**($2,000)**
TOTAL	**$21,893**	**$21,848**	**$19,979**	**$22,324**	**$18,215**	**$(1,764)**
Funding						
City Funds			$575	$575	$575	$0
Other Categorical			1,000	1,000	1,000	0
State			1,075	1,075	1,075	0
Federal - Community Development			15,019	15,256	13,192	(1,826)
Federal - Other			950	3,000	950	0
Intra City			1,360	1,418	1,422	62
TOTAL	**$21,893**	**$21,848**	**$19,979**	**$22,324**	**$18,215**	**($1,764)**
Budgeted Headcount						
Full-Time Positions	65	64	52	52	52	0
TOTAL	**65**	**64**	**52**	**52**	**52**	**0**

**The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The Emergency Housing program area budget decreased from the Fiscal 2015 Adopted Budget by approximately $1.7 million to $18.2 million in the Fiscal 2016 Preliminary Budget. This is primarily due to federal CDBG-DR funds that are not yet baselined. The baseline funding for the Emergency Housing program area budget will be adjusted for the Fiscal 2016 Adopted Budget.

Housing Operations – Management & Disposition

This program area budget includes funding for managing, operating and disposing of City-owned dwelling units. In recent years, HPD has made it a priority to dispose of 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. The programs that comprise the disposition programs include: the Neighborhood Entrepreneurs Program (NEP); the Neighborhood Redevelopment Program (NRP); the Tenant Interim Lease Apartment Purchase Program (TIL); the Tenant Interim Lease II Apartment Purchase Program; the Tenant Ownership Program; the Asset Sales Building Purchase Program; and the Neighborhood Homes Program. In addition, DAMP includes program staff for the 7A Program.

Housing Operations- Management & Disposition						
	Actual	**Actual**	**Adopted**	**Preliminary Plan**		***Difference**
Dollars in Thousands	**2013**	**2014**	**2015**	**2015**	**2016**	**2016 - 2015**
Spending						
Personal Services						
Additional Gross Pay	$986	$875	$720	$977	$869	$149
Amounts to be Scheduled	0	0	0	1	1	1
Full-Time Salaried - Civilian	14,668	13,118	15,768	16,041	16,040	272
Full-Time Salaried - Holding Code	0	0	0	508	585	585
Other Salaried	0	0	29	29	29	0
Overtime - Civilian	66	130	394	394	394	0
Unsalaried	14	14	26	26	26	0
Subtotal	**$15,734**	**$14,137**	**$16,937**	**$17,975**	**$17,944**	**$1,006**
Other Than Personal Services						
Contractual Services	$7,306	$5,779	$6,056	$7,545	$3,999	($2,057)
Contractual Services - Professional Services	(50)	11	113	121	121	7
Fixed & Misc. Charges	964	1,625	0	0	0	0
Other Services & Charges	3,869	4,109	4,318	1,755	2,073	(2,245)
Property & Equipment	2	11	33	14	11	(22)
Supplies & Materials	6,980	6,927	7,193	6,476	6,055	(1,139)
Subtotal	**$19,072**	**$18,462**	**$17,713**	**$15,911**	**$12,258**	**($5,455)**
TOTAL	**$34,806**	**$32,600**	**$34,650**	**$33,886**	**$30,201**	**$(4,449)**
Funding						
City Funds			$5,538	$5,445	$4,103	($1,435)
Other Categorical			205	1,319	205	0
Capital- IFA			9,229	9,675	9,751	523
Federal - Community Development			18,426	16,193	14,890	(3,536)
Federal - Other			1,253	1,253	1,253	0
TOTAL	**$34,806**	**$32,600**	**$34,650**	**$33,886**	**$30,201**	**($4,449)**
Budgeted Headcount						
Full-Time Positions	231	218	262	268	267	5
TOTAL	**231**	**218**	**262**	**268**	**267**	**5**

**The difference of Fiscal 2015 Adopted compared to Fiscal 2016 Preliminary Budget.*

The Management and Disposition program area budget will decrease approximately $4.5 million, from $34.7 million in the Fiscal 2015 Adopted Budget to $30.2 million in the Fiscal 2016 Preliminary Budget. The decrease is largely due to a decrease in contractual services with the Economic Development Corporation (EDC) and other charges and services in the OTPS budget that are not yet baselined.

Preservation – Anti-Abandonment

This program area budget includes funding for HPD's anti-abandonment initiatives which are intended to address the City's at-risk housing stock. 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. One such initiative is the Neighborhood Preservation Consultants (NPC) program, in which nonprofit organizations provide early intervention, preservation and anti-abandonment services throughout the five boroughs. NPC also assists HPD in identifying and assessing at-risk buildings.

Preservation- Anti-Abandonment						
	Actual	**Actual**	**Adopted**	**Preliminary Plan**		***Difference**
Dollars in Thousands	**2013**	**2014**	**2015**	**2015**	**2016**	**2016 - 2015**
Spending						
Personal Services						
Additional Gross Pay	$262	$253	$0	$111	$0	$0
Fringe Benefits	2	2	0	0	0	0
Full-Time Salaried - Civilian	3,701	3,105	3,353	3,489	3,505	152
Overtime - Civilian	82	4	0	0	0	0
Unsalaried	4	0	0	0	0	0
Subtotal	**$4,051**	**$3,364**	**$3,353**	**$3,601**	**$3,506**	**$152**
Other Than Personal Services						
Contractual Services	$3,454	$4,238	$3,180	$4,902	$1,330	$(1,850)
Subtotal	$3,454	$4,238	$3,180	$4,902	$1,330	($1,850)
TOTAL	**$7,505**	**$7,601**	**$6,534**	**$8,503**	**$4,836**	**$(1,698)**
Funding						
City Funds			$2,600	$4,322	$750	($1,850)
Federal - Community Development			3,934	4,181	4,086	152
TOTAL	**$7,505**	**$7,601**	**$6,534**	**$8,503**	**$4,836**	**($1,698)**
Budgeted Headcount						
Full-Time Positions	60	49	55	55	55	0
TOTAL	**60**	**49**	**55**	**55**	**55**	**0**

**The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The anti-abandonment program area budget will decrease approximately $1.7million from $6.5 million in Fiscal 2015 Adopted to $4.8 million in Fiscal 2016 Preliminary Budget. The decrease is largely due to a decrease in contractual services in the OTPS budget that are not yet baselined. These include Council funded contracts and local initiatives such as the Anti-poverty initiatives, Community Consultant Contracts, and the Housing Preservation Initiative.

Preservation – Code Enforcement

This program area budget provides funding for enforcing the New York City Housing Maintenance Code and the 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.

Preservation - Code Enforcement						
	Actual	Actual	Adopted	Preliminary Plan		*Difference
Dollars in Thousands	2013	2014	2015	2015	2016	2016 - 2015
Spending						
Personal Services						
Additional Gross Pay	$1,473	$1,417	$422	$626	$422	$0
Additional Gross Pay - Labor Reserve	13	16	0	0	0	0
Fringe Benefits	26	24	0	0	0	0
Full-Time Salaried - Civilian	19,942	19,848	21,873	22,177	22,287	414
Other Salaried	0	2	58	58	58	0
Overtime - Civilian	294	562	198	198	198	0
Unsalaried	281	263	250	263	262	12
Subtotal	**$22,029**	**$22,132**	**$22,800**	**$23,320**	**$23,227**	**$426**
Other Than Personal Services						
Contractual Services	$4,166	$3,968	$6,729	$6,084	$6,179	($550)
Contractual Services - Professional Services	0	1	1	1	1	0
Other Services & Charges	1,191	1,111	638	2,017	1,144	506
Property & Equipment	33	20	11	63	11	0
Supplies & Materials	1,013	1,068	783	1,167	770	(13)
Subtotal	**$6,403**	**$6,168**	**$8,162**	**$9,331**	**$8,105**	**($57)**
TOTAL	**$28,432**	**$28,300**	**$30,962**	**$32,652**	**$31,331**	**$369**
Funding						
City Funds			$5,331	$5,997	$4,882	($449)
Federal - Community Development			25,631	26,654	26,449	818
TOTAL	**$28,432**	**$28,300**	**$30,962**	**$32,652**	**$31,331**	**$369**
Budgeted Headcount						
Full-Time Positions	378	367	448	448	448	0
TOTAL	**378**	**367**	**448**	**448**	**448**	**0**

**The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The Code Enforcement program area budget will decrease by approximately $369,000 from the Fiscal 2015 Adopted Budget to $31.3 million in the Fiscal 2016 Preliminary Budget. The decrease is largely due to a decrease in contractual services in the OTPS budget.

Preservation – Emergency Repair

This program area budget includes funding for emergency repairs. 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.

Preservation- Emergency Repair						
	Actual	**Actual**	**Adopted**	**Preliminary Plan**		***Difference**
Dollars in Thousands	**2013**	**2014**	**2015**	**2015**	**2016**	**2016 - 2015**
Spending						
Personal Services						
Additional Gross Pay	$392	$378	$337	$621	$337	$0
Fringe Benefits	4	3	0	0	0	0
Full-Time Salaried - Civilian	6,944	6,613	8,250	8,587	8,653	403
Overtime - Civilian	60	86	0	0	0	0
Unsalaried	476	374	393	421	419	27
Subtotal	**$7,876**	**$7,455**	**$8,980**	**$9,629**	**$9,410**	**$430**
Other Than Personal Services						
Contractual Services	$6,254	$6,851	$12,301	$9,816	$14,837	$2,536
Contractual Services - Professional Services	80	17	0	0	0	0
Other Services & Charges	3,715	3,828	1,843	5,465	3,453	1,610
Property & Equipment	3	18	80	90	80	0
Supplies & Materials	1,873	1,827	1,241	2,150	1,241	0
Subtotal	**$11,924**	**$12,542**	**$15,465**	**$17,522**	**$19,611**	**$4,146**
TOTAL	**$19,800**	**$19,996**	**$24,445**	**$27,151**	**$29,021**	**$4,576**
Funding						
City Funds			$36	$36	$36	$0
Federal - Community Development			24,409	27,115	28,984	4576
TOTAL	**$19,800**	**$19,996**	**$24,445**	**$27,151**	**$29,021**	**$4,576**
Budgeted Headcount						
Full-Time Positions	135	124	145	145	145	0
TOTAL	**135**	**124**	**145**	**145**	**145**	**0**

**The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The Emergency Repair program area budget will increase by approximately $4.6 million from $24.4 million in Fiscal 2015 Adopted to $29 million in the Fiscal 2016 Preliminary Budget. The increase is largely due to an increase in OTPS costs associated with contractual services and other charges and services.

Preservation – Lead Paint

This program area budget includes funding for identifying lead-based paint hazards, issuing violations and remediating the condition when necessary. The two service areas within the lead-based paint program are inspections and emergency repairs.

Preservation- Lead Paint						
	Actual	Actual	Adopted	Preliminary Plan		*Difference
Dollars in Thousands	2013	2014	2015	2015	2016	2016 - 2015
Spending						
Personal Services						
Additional Gross Pay	$913	$897	$15	$289	$15	$0
Fringe Benefits	13	13	0	0	0	0
Full-Time Salaried - Civilian	12,539	11,795	12,912	13,236	13,225	313
Overtime - Civilian	104	223	0	0	0	0
Unsalaried	97	144	134	142	141	7
Subtotal	**$13,667**	**$13,072**	**$13,061**	**$13,666**	**$13,382**	**$321**
Other Than Personal Services						
Contractual Services	$801	$643	$997	$1,811	$1,200	$203
Other Services & Charges	27	24	94	222	306	212
Property & Equipment	1	0	2	2	17	15
Supplies & Materials	62	86	152	47	198	46
Subtotal	**$891**	**$754**	**$1,246**	**$2,082**	**$1,722**	**$477**
TOTAL	**$14,558**	**$13,825**	**$14,307**	**$15,748**	**$15,104**	**$797**
Funding						
City Funds			$85	$85	$85	$0
Federal - Community Development			12,962	13,687	14,410	1,448
Federal - Other			973	1,689	323	(650)
Intra City			287	287	287	0
TOTAL	**$14,558**	**$13,825**	**$14,307**	**$15,748**	**$15,104**	**$797**
Budgeted Headcount						
Full-Time Positions	224	214	242	242	241	(1)
TOTAL	**224**	**214**	**242**	**242**	**241**	**(1)**

**The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The Lead Paint program area budget will increase by approximately $797,000, from $14.3 million in Fiscal 2015 Adopted to $15.1 million in the Fiscal 2016 Preliminary Budget. The increase is largely due to an increase in federal community development block grant funding.

Preservation – Other Agency Services

This program area funds a variety of small agency initiatives aimed at preserving affordable housing.

Preservation - Other Agency Services						
	Actual	Actual	Adopted	Preliminary Plan		*Difference
Dollars in Thousands	2013	2014	2015	2015	2016	2016 - 2015
Spending						
Personal Services						
Additional Gross Pay	$488	$470	$118	$225	$124	$6
Fringe Benefits	1	1	0	0	0	0
Full-Time Salaried - Civilian	7,253	7,175	8,557	7,973	7,971	(586)
Full-Time Salaried - Holding Code	0	0	0	73	82	82
Overtime - Civilian	727	40	0	0	0	0
Unsalaried	91	112	173	176	176	2
Subtotal	**$8,560**	**$7,796**	**$8,848**	**$8,446**	**$8,352**	**$(496)**
Other Than Personal Services						
Contractual Services	$12,831	$14,005	$14,970	$11,398	$9,136	($5,835)
Other Services & Charges	440	1929	6476	9978	340	(6,136)
Property & Equipment	151	120	129	129	90	(39)
Supplies & Materials	17	22	51	32	19	(32)
Subtotal	**$13,440**	**$16,076**	**$21,626**	**$21,538**	**$9,585**	**($12,041)**
TOTAL	**$21,999**	**$23,872**	**$30,475**	**$29,984**	**$17,938**	**$(12,537)**
Funding						
City Funds			$20,012	$17,091	$7,520	($12,493)
Capital- IFA			62	66	67	5
Federal - Community Development			10,400	10,553	10,351	(49)
Federal - Other			0	2,274	0	0
TOTAL	**$21,999**	**$23,872**	**$30,475**	**$29,984**	**$17,938**	**($12,537)**
Budgeted Headcount						
Full-Time Positions	114	109	156	154	148	(8)
TOTAL	**114**	**109**	**156**	**154**	**148**	**(8)**

**The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The decrease of $12.5 million in the Fiscal 2016 Preliminary Budget in the other agency services program area budget is due to City funds not yet baselined, including Council funded contracts and costs associated with demolitions. These funds are anticipated to be restored at the Fiscal Year 2016 Budget adoption.

Capital Program

Capital Budget Summary

The Fiscal 2016 Preliminary Capital Commitment Plan includes $2.7 billion in Fiscal 2015-2018 for the Department of Housing Preservation and Development (including City and Non-City funds). This represents approximately 6.8 percent of the City's total $44.7 billion Preliminary Plan for Fiscals 2015-2018. The agency's Preliminary Commitment Plan for Fiscal 2015-2018 has a relatively miniscule reduction of $1.3 million (0.05percent) from the $2.7 billion the Adopted Capital Commitment Plan.

Since adoption last June, the citywide total Capital Commitment Plan for Fiscal 2015 has decreased from $17.8 billion in the Adopted Capital Commitment Plan to $17.3 billion in the Preliminary Capital Commitment Plan, a decrease of $500 million or 2.8 percent. The majority of the capital projects span multiple fiscal years and it is common practice for an agency to roll unspent capital funds into future fiscal years. Therefore, it is assumed that a significant portion of the agency's Fiscal 2015 Capital Plan will be rolled into Fiscal 2016, thus increasing the size of the Fiscal 2016-2019 Capital Plan.

HPD 2015-2018 Commitment Plan: Adopted and Preliminary Budget

Dollars in Thousands

	FY15	FY16	FY17	FY18	Total
Adopted					
Total Capital Plan	673,291	667,914	676,421	692,648	**2,710,274**
Prelim					
Total Capital Plan	672,023	667,914	676,421	692,648	**2,709,006**
Change					
Level	(1,268)	$0	$0	$0	**(1,268)**
Percentage	-0.19%	0.00%	0.00%	0.00%	**-0.05%**

Preliminary Capital Plan Highlights

The Preliminary Capital Plan for HPD for Fiscal 2015-2018 has decreased by $1.3 million to a total of $2.71 billion, which represents a decrease of less than one percent when compared to the Department's 2014 Adopted Plan.

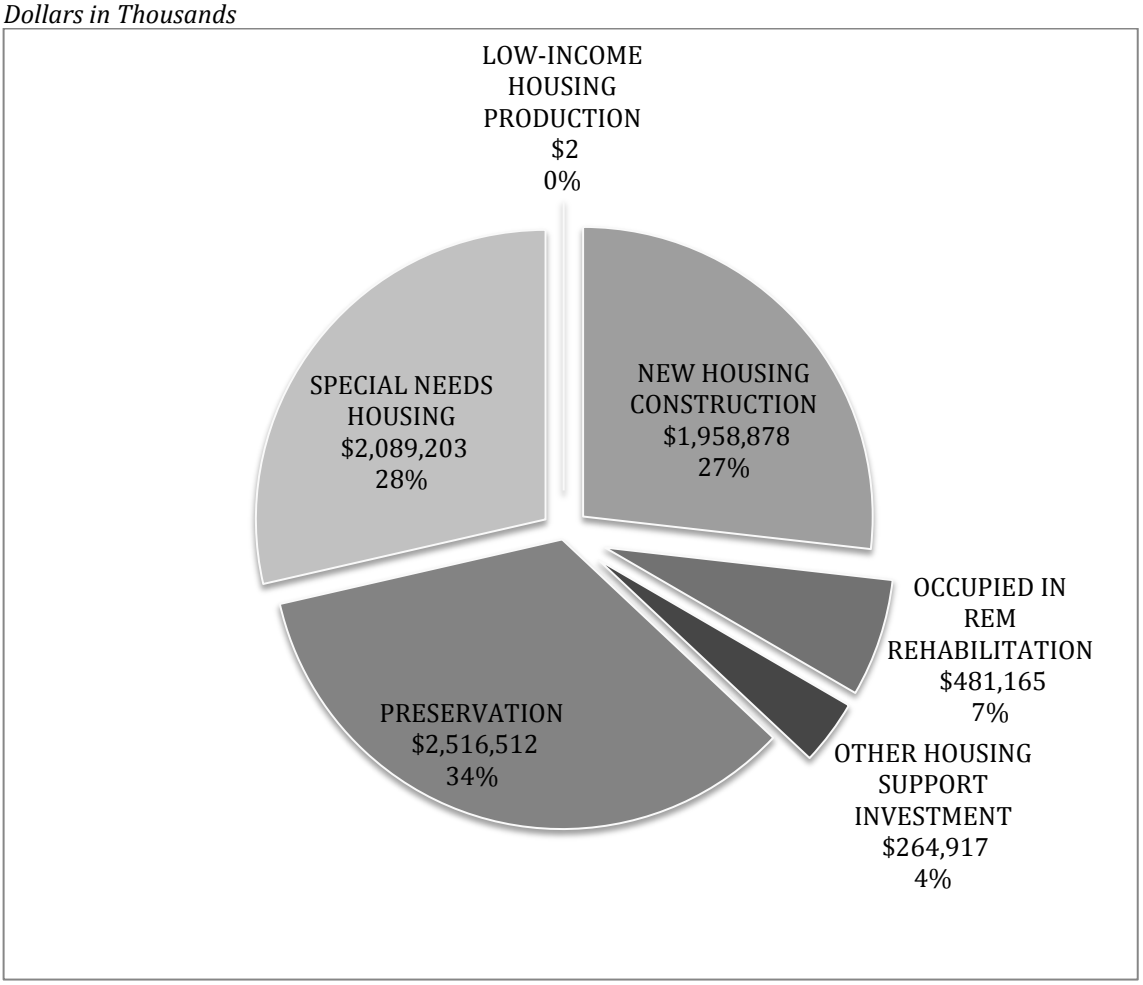
Major changes in the Preliminary Capital Plan for Fiscal 2015-2018 planned projects include:

- **$13.2 million added for the Single Room Occupancy Loan Program.** The HPD Division of Special Needs Housing through its Supportive Housing Loan Program (SHLP) makes low-interest loans to support the development of permanent supportive housing with on-site social services. SHLP loan funds may be used in conjunction with 4% ann 9% Low Income Housing Tax Credits and other loan and subsidy sources.

- **$31.2 million added for various Supportive Housing Projects**. These projects include Common Ground located at 411 E 178th Street, Jericho located at 2065 Walton Avenue, and UPS located at 1060 Rev. James Polite Avenue. This Supportive Housing 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. Projects developed with Supportive Housing loans must provide a 60% set aside of units for homeless, disabled individuals or homeless families with a disabled head-of-household. The remaining 40% can be rented to households earning up to 60% of the Area Median Income (AMI).
- **$1.2 million added for the Low Income Rental Program.** The Low Income Program funds the development of new construction, multi-family rental projects. HPD provides a loan subsidy of up to $70,000 a unit.
- **$1.1 million added for Multi-Family New Construction.** HPD's HUD Multifamily Program leverages public and private sector financing to rehabilitate and preserve privately-owned HUD-assisted rental housing throughout New York City. The Program's mission is to ensure long-term affordability, stabilize low-income properties and revitalize neighborhoods. The Program targets buildings that are most distressed due to physical neglect and financial mismanagement, as well as those properties that face expiring HUD use restrictions or are considered "at-risk" of opting out of subsidy programs and converting to market rate housing.
- **$2.3 million decrease for Mixed Rental Program.** The mixed income program funds the new construction and substantial rehabilitation of market-rate buildings with a significant component of low and middle income units. Specifically, 45 percent of the units financed must be affordable to households making between 40% to 60% of the AMI, 30 percent of units must be affordable at 80% to 130% of AMI and 50% units at market rate.
- **$1.3 million decrease in Small Homes Reconstruction Loans.** The Small Buildings Loan Program provides loans for the moderate-to-gut-rehabilitation of buildings containing between one and twenty units. Properties must be at least 50% residential and must be privately owned. City Capital funds, loaned at 1% 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.

2016-2025 Preliminary Ten-Year Capital Strategy

Dollars in Thousands



Capital Program Goals

Housing New York is a five-borough, ten year strategy to address the City's affordable housing crisis. The plan, which was created through coordination with 13 agencies and with input from over 200 individual stakeholders, outlines more than 50 initiatives to support HPD's goal of building or preserving 200,000 units of affordable housing to meet the needs of more than 500,000 New York City residents. To this end, HPD Capital Program goals include:

- Fostering diverse, livable neighborhoods;
- Preserving the affordability and quality of the existing housing stock;
- Building new affordable housing for all New Yorkers;
- Promoting homeless, senior, supportive and accessible housing; and
- Refining City financing tools and expanding funding sources for affordable housing

Preliminary Ten-Year Strategy

The City's Ten-Year Capital Strategy 2016-2025 totals $50.9 billion in all funds. For HPD, the Preliminary Ten-Year Capital Strategy provides $7.3 billion for HPD in City funding in support of its capital program goals from Fiscal 2016 to 2025. Of this amount, $6.8 billion represents Mayoral City Capital and Elected-official funding, while approximately $500 million will be federal funds. Additional funding will come from HDC and private sources in support of housing plan goals. The 10 year Capital strategy for the agency is provided below:

FY2016-2025 Preliminary Ten-Year Capital Strategy *Dollars in Thousands*	**Total**	**Percent of Total**
LOW-INCOME HOUSING PRODUCTION	$2	0%
NEW HOUSING CONSTRUCTION	$1,958,878	27%
OCCUPIED IN REM REHABILITATION	$481,165	7%
OTHER HOUSING SUPPORT INVESTMENT	$264,917	4%
PRESERVATION	$2,516,512	34%
SPECIAL NEEDS HOUSING	$2,089,203	28.6%
TOTAL	**$7,310,677**	**100%**

HPD Ten-Year Capital Strategy by Category

Fiscal 2016-2025 Preliminary Ten-Year Capital Strategy

Dollars in Thousands

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY2023	FY2024	FY2025	Total
Low-Income Housing Production	$2,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,000
New Housing Construction	156,885	168,478	183,660	244,496	191,080	194,903	198,800	202,777	206,832	210,967	$1,958,878
Occupied In Rem Rehabilitation	50,638	34,707	46,117	47,039	47,980	48,939	49,919	50,917	51,935	52,974	$481,165
Other Housing Support Investment	17,600	41,141	18,320	20,086	21,888	23,727	25,600	27,513	29,463	39,579	$264,917
Preservation	242,402	232,303	244,551	192,280	254,431	259,518	264,709	270,003	275,403	280,912	$2,516,512
Special Needs Housing	200,389	199,792	200,000	203,212	206,276	209,402	212,590	215,841	219,159	222,542	$2,089,203
Total	**$667,914**	**$676,421**	**$692,648**	**$707,113**	**$721,655**	**$736,489**	**$751,618**	**$767,051**	**$782,792**	**$806,974**	**$7,310,675**

Appendix A: Budget Actions in the November and the Preliminary Plans

Dollars in Thousands	FY 2015			FY 2016		
	City	Non-City	Total	City	Non-City	Total
HPD Budget as of the Adopted 2015 Budget	**$69,744**	**$485,581**	**$555,325**	**$52,088**	**$484,835**	**$536,923**
New Needs						
HPD New Needs Staffing and Related OTPS	$729	$0	$729	$2,185	$0	$2,185
Subtotal New Needs	**$729**	**$0**	**$729**	**$2,185**	**$0**	**$2,185**
Other Adjustments						
AfR CDBG-DR Contracting Needs	$0	$600	$ 600	$0	$0	$0
Allocate DR Funds	0	3,882	3,882	0	0	0
Atlantic Ave Ext Program- Economic Development Corporation	0	56	56	0	0	0
Bring Up Federal For Shelters	0	2,050	2,050	0	0	0
Bring Up Funds for Economic Development Corporation	0	97	97	0	0	0
Bring Up Funds For Willets PT	0	961	961	0	0	0
CDBG-DR Multi-Family Funding	0	59,443	59,443	0	41,409	41,409
CDBG-DR Single Family Funding	0	34,978	34,978	0	15,179	15,179
CDBG-DR Temporary Disaster Assistance Program	0	8,220	8,220	0	5,426	5,426
CDBG-DR Build it Back P&A FY15	0	900	900	0	0	0
Collective Bargaining	636	3,368	4,003	709	2313	3021
Division of Tenant Resources OTPS	0	173	173	0	0	0
Family Self-Sufficiency (FSS) Program	0	565	565	0	15	15
Funding Adjustment	608	0	608	1473	0	1,473
Housing Choice Voucher Administration	0	174	174	0	0	0
HomeFirst Down Payment Asst	0	3,000	3,000	0	3,000	3,000
Homeless Prevention	0	798	798	0	0	0
LGRMIF	0	42	42	0	0	0
Mortgage Assistance Program (MAP)	0	1,000	1,000	0	0	0
Member Item Reallocation	(53)	0	(53)	0	0	0
Project Open House	0	252	252	0	0	0
PS Adjustments	207	0	207	267	0	267
Reallocate funds for CODE Site	0	103	103	0	0	0
Reallocate Funds for Demo' 10	0	14	14	0	0	0
Rollover Section 8 Funds	0	255	255	0	0	0
Shelter Plus Care	0	2,100	2,100	0	0	0
SNAP/SPC Admin Supplies	0	1	1	0	0	0
SPC 500 W 159 St.	0	461	461	0	461	461
SPC 500 W 42nd St.	0	241	241	0	241	241
SPC Temp Stephen Erdman	0	22	22	0	0	0
SPC Temp Barry Thomas	0	23	23	0	0	0
To add funds for MF Sandy HPD	0	9,605	9,605	0	0	0
To Fund HOME TBRA	0	269	269	0	0	0

To Schedule Construction Funds	0	702	702	0	0	0
Vouchers B/C: 7651	0	126,116	126,116	0	0	0
Weatherization	0	661	661	0	0	0
Bring Up Funds for Sandy	0	2,273	2,273	0	0	0
CD Transfer for Non-Union Employees	0	172	172	0	216	216
CDBG-DR OTPS T1 T2 Bal	0	170	170	0	863	863
FY15 City Council Member Item Re-Allocation	(762)	0	(762)	0	0	0
HOME Grant Consultants	0	17	17	0	0	0
HPD Direct Resiliency DR Funds	0	17,484	17,484	0	13,113	13,113
HPD LMI Projects	0	77,600	77,600	0	60,285	60,285
HPD UN Projects	0	41,785	41,785	0	32,461	32,461
IFA Transfer for Non-Union Employees	0	90	90	0	115	115
Labor Transfer for Non-Union Employees	237	0	237	316	0	316
Budget Modification Number 3- Member Item Re-allocation	(2)	0	(2)	0	0	0
Schedule CDBG-DR	0	1,708	1,708	0	2,822	2,822
Transfer a PECO Staff Position from DOHMH	64	0	64	85	0	85
Subtotal Other Adjustments	**$934**	**$402,433**	**$403,367**	**$2,850**	**$177,919**	**$180,769**
Total All Changes	**$1,663**	**$402,433**	**$404,096**	**$5,035**	**$177,919**	**$182,954**
HPD Budget as of the Preliminary 2016 Budget	**$71,407**	**$888,014**	**$959,422**	**$57,123**	**$662,754**	**$719,877**

Appendix B: Fiscal 2015 Mayor's Management Report Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
Total complaints reported	589,245	541,397	548,626	*	*	156,144	159,075
- Emergency complaints reported	388,276	364,627	363,501	*	*	95,419	86,782
- Heat and hot water	99,409	108,853	120,136	*	*	12,918	14,670
- Lead	39,340	34,056	33,821	*	*	10,896	10,514
- Other emergency	249,527	221,718	209,544	*	*	71,605	61,598
- Nonemergency complaints reported	200,969	176,770	185,125	*	*	60,725	72,293
Inspections completed	697,736	661,206	675,760	600,000	600,000	202,836	200,557
Inspection visits per team per day	11.8	12.2	12.3	*	*	11.0	11.1
Ratio of completed inspections to attempted inspections (%)	71%	72%	78%	*	*	71%	79%
Total complaints closed	599,374	540,035	544,229	*	*	153,258	153,497
- Emergency complaints closed	389,952	364,049	363,995	*	*	93,203	83,163
- Heat and hot water	99,430	108,742	120,106	*	*	10,801	13,032
- Lead	39,862	34,022	33,600	*	*	10,979	10,432
- Other emergency	250,660	221,285	210,289	*	*	71,423	59,699
- Nonemergency complaints closed	209,422	175,986	180,234	*	*	60,055	70,334
Average time to close emergency complaints (days)	10.3	10.2	11.9	12.0	12.0	11.2	12.6
- Average time to close heat and hot water complaints (days)	4.2	4.1	4.1	*	*	4.3	4.2
- Average time to close lead complaints (days)	10.6	9.0	10.8	*	*	11.4	14.4
- Average time to close other emergency complaints (days)	12.7	13.4	12.0	*	*	12.2	12.4
Average time to close nonemergency complaints (days)	41.7	14.5	18.1	20.0	20.0	12.9	20.4
Outstanding emergency complaints at end of month	10,089	10,667	10,173	10,000	10,000	12,883	13,792
Outstanding nonemergency complaints at end of month	6,229	7,013	11,904	11,000	11,000	7,383	13,863
Total violations issued	468,644	386,804	392,456	*	*	131,891	135,877
- Emergency violations issued	92,665	78,564	77,909	*	*	22,665	22,985
- Heat and hot water	10,869	12,216	12,352	*	*	1,446	1,437
- Lead	20,496	13,615	13,046	*	*	4,912	4,213
- Other emergency	61,300	52,733	52,511	*	*	16,307	17,335
- Nonemergency violations issued	375,979	308,240	314,547	*	*	109,226	112,892
Violations issued and removed in the same fiscal year (%)	43%	41%	38%	40%	40%	NA	NA
Emergency violations corrected by owner (%)	57%	53%	51%	55%	55%	NA	NA
Emergency violations corrected by HPD (%)	15%	15%	14%	*	*	NA	NA
Violations removed	536,010	433,960	416,454	*	*	144,596	157,173
Reinspected violations found falsely certified (%)	23.3%	23.1%	22.7%	*	*	24.2%	20.5%
Housing Maintenance Code compliance - Cases opened	13,251	12,435	14,336	*	*	3,931	3,610
- Cases closed	14,109	12,106	14,296	*	*	4,725	4,611

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
- Cases active (end of month)	3,922	4,386	4,828	*	*	3,626	3,916
Average cost of repair work performed by HPD ($)	$537	$514	$475	*	*	NA	NA
- Emergency (non-lead) ($)	$465	$467	$442	*	*	NA	NA
- Lead ($)	$2,302	$2,108	$1,653	*	*	NA	NA
Alternative Enforcement Program - Buildings currently active	473	498	502	*	*	NA	NA
- Buildings discharged (cumulative)	527	702	885	*	*	NA	NA
- Buildings discharged from program (%) (cumulative)	53%	59%	64%	*	*	NA	NA
Total housing starts under Housing New York (units)	NA	NA	8,797	16,000	18,000	NA	2,094
- New construction starts	NA	NA	3,826	5,962	7,200	NA	916
- Preservation starts	NA	NA	4,971	10,038	10,800	NA	1,178
Total housing completions (New Housing Marketplace Plan and Housing New York) (units)	NA	NA	9,370	11,851	10,945	2,523	3,364
- New construction completions	NA	NA	3,234	4,950	5,228	1,347	581
- Preservation completions	NA	NA	6,136	6,901	5,717	1,176	2,783
Units completed for homeless individuals and families	891	133	502	*	*	284	94
Total housing completions under the New Housing Marketplace Plan (units)	15,905	9,337	6,406	*	*	2,523	2,731
- New construction completions	4,598	3,167	3,139	*	*	1,347	475
- Preservation completions	11,307	6,170	3,267	*	*	1,176	2,256
Total housing completions under Housing New York (units)	NA	NA	2,964	*	*	NA	633
- New construction completions	NA	NA	95	*	*	NA	106
- Preservation completions	NA	NA	2,869	*	*	NA	527
Asset management - Rental buildings in portfolio	NA	2,651	3,110	*	*	3,110	3,157
Physically and financially distressed rental buildings in portfolio (%)	NA	0.7%	0.6%	*	*	0.7%	1.0%
Asset management - Co-op buildings in portfolio	NA	1,069	1,151	*	*	1,151	1,176
Physically and financially distressed co-op buildings in portfolio (%)	NA	4.8%	3.9%	*	*	5.5%	4.0%
Section 8 - Utilization rate	97.1%	98.2%	98.2%	96.0%	96.0%	97.7%	93.0%
- Vouchers issued	2,786	1,404	1,138	*	*	48	634
- Households assisted	37,116	37,232	36,859	*	*	37,112	37,392
- Housing Choice vouchers	NA	NA	NA	*	*	NA	25,247
- All other programs	NA	NA	NA	*	*	NA	12,145
Section 8 subsidized units in abatement (%)	NA	NA	3%	*	*	1%	3%
Housing New York units started – Extremely low income (0-30% AMI)	NA	NA	NA	*	*	NA	144
Housing New York units started – Very low income (31%-50% AMI)	NA	NA	NA	*	*	NA	57
Emails sent to agency (through NYC.gov or a publicized agency email address)	1,108	65	2,160	*	*	408	936
Emails responded to in 14 days (%)	58%	60%	56%	58%	58%	55%	72%
Letters sent to agency	956	774	681	*	*	291	218
Letters responded to in 14 days (%)	49%	53%	49%	52%	52%	52%	43%
Visits made to agency walk-in facility	56,853	52,570	55,415	*	*	NA	NA

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
Average customer in-person wait time (minutes)	29	30	43	29	29	NA	NA
Agency customers surveyed for overall customer satisfaction	1,212	2,136	NA	*	*	NA	NA
Visitors to the Division of Tenant Resources, Client and Owner Services rating customer service as good or better (%)	99%	99%	NA	95%	95%	NA	NA
Completed customer requests for interpretation	2,312	1,611	1,053	*	*	NA	NA
CORE customer experience rating (0-100)	85	87	89	85	85	NA	NA
Heating - # of Service Requests	176,347	200,144	211,196	*	*	17,932	20,941
Percent meeting time to close - Heating (5 days)	83%	84%	83%	78%	78%	81%	81%
Non-Construction - Pests - # of Service Requests	48,603	41,664	35,367	*	*	16,321	11,225
Percent meeting time to close - Pests (30 days)	65%	66%	64%	59%	59%	67%	60%
Paint/Plaster - Ceiling - # of Service Requests	48,449	37,645	38,870	*	*	12,879	11,372
Percent meeting time to close - Paint/Plaster - Ceiling (17 days)	74%	76%	74%	71%	71%	79%	71%
Paint/Plaster - Walls - # of Service Requests	44,175	37,155	34,253	*	*	12,320	10,463
Percent meeting time to close - Paint/Plaster - Walls (17 days)	72%	74%	70%	69%	69%	76%	64%
Plumbing - Water-Leaks - # of Service Requests	45,415	33,043	39,283	*	*	11,227	12,440
Percent meeting time to close - Plumbing - Water-Leaks (17 days)	71%	75%	69%	68%	68%	76%	66%