

THE COUNCIL OF THE CITY OF NEW YORK



Hon. Christine C. Quinn
Speaker of the Council

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

Hearing on the Fiscal 2014 Preliminary Budget & the Fiscal 2013 Preliminary Mayor's Management Report

Department of Housing Preservation and Development

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Department of Housing Preservation and Development Overview

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.

Fiscal 2014 Preliminary Plan Summary

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Personal Services	\$134,721	\$135,617	\$141,755	\$139,724	\$4,107
Other Than Personal Services	596,622	435,715	518,182	420,027	(15,687)
Agency Total	\$731,343	\$571,332	\$659,936	\$559,751	(11,581)

**The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan funding.*

The Department of Housing Preservation and Development's (HPD) Fiscal 2014 Preliminary Budget is \$559.8 million which is \$11.6 million or 2.0% less than the Fiscal 2013 Adopted Budget of \$571.3 million. The agency's net headcount will decrease by 7 positions from 2,353 in Fiscal 2013 Adopted to 2,346 in Fiscal 2014 Preliminary. This consists of 10 reductions from attrition, two layoffs associated with the streamlining contracts, and a transfer of five employees to be paid through the Shelter Care Plus program as opposed to Section 8. These five positions should be netted out through a headcount decrease in Section 8 but the agency might hire new people and wanted to keep funding in this budget line. Because the City's fiscal year and the state and federal fiscal years do not coincide, HPD reports only baseline funding and grants that it anticipates from the other two branches of government at the beginning of each year and makes adjustments as additional funds are received. Therefore, program areas that are primarily funded through non-City sources might align with Fiscal 2013 Adopted once the agency knows these allocations. The Fiscal 2014 Preliminary budget assumes approximately \$489.6 million from federal and state funds. HPD's Fiscal 2014 Preliminary Plan includes a \$13.4 million reduction in City funds from Fiscal 2013 Adopted. The agency will implement strategies to combat reductions through a combination of cuts to its baseline budget along with realizing revenue from initiatives detailed in the Preliminary Plan.

Expense and Revenue Highlights

- **Vacate 94 Old Broadway Site.** HPD will consolidate operations and move out of the 94 Old Broadway site. This will result in cost saving of \$153,000 in Fiscal 2014.
- **Administrative Staff Layoffs.** The agency has laid off two administrative support staff in the Division of Neighborhood Preservation. This is due to HPD's efforts to streamline and

reduce contracts so the positions are no longer needed. This effort reduces expenses by \$63,000 in Fiscal 2013 and \$171,000 in Fiscal 2014.

- **Consolidation of FMS Unit.** HPD is eliminating the FMS Unit in the Division of Fiscal Affairs as a result of increased availability and utilization of FISA online training programs for staff. This will result in a reduction of two positions through attrition and save \$69,000 in Fiscal 2013 and \$176,000 in Fiscal 2014.
- **SCRIE Recapture.** HPD administers the Senior Citizens Rent Increase Exemption (SCRIE) program for Mitchell Lama and some HDFC developments. The agency realized that many tenants were receiving both Section 8 and SCRIE benefits, which is illegal. HPD was able to identify these overlaps and stop applying the SCRIE benefits to these units. Since the Section 8 program actually provides greater benefits, residents should not be negatively affected by these changes. The recapture of these taxes is \$99,000 for Fiscal 2013 and 2014.
- **VOIP Implementation.** The agency will achieve telecommunication savings through technology upgrades. The expected savings will be \$593,000 in Fiscal 2014.
- **Hurricane Sandy.** The Preliminary Plan includes \$34.5 million to cover all the storm related costs for HPD. To date, the agency has scheduled \$4.7 million for the Emergency Repair Program (ERP), \$4 million for demolition, and \$275,000 for HPD/City owned properties. The remaining funds will be scheduled mainly between the demolition and ERP programs with the majority going towards demolition.
- **Increased Collections from Waterside/North Waterside.** Once these properties were sold by the owner in 2002, they were no longer under the Mitchell-Lama program. Unfortunately, the New York City tax rolls did not reflect the change in assessed value and HPD negotiated with the Department of Finance to obtain a credit for this miscalculation. The additional revenue will be \$522,000 in Fiscal 2013 and \$585,000 in Fiscal 2014.
- **Heat and Hot Water Compliance Fee.** HPD will generate additional revenue from new violation and inspection fees associated with heat and hot water. In 2011, the New York City Council passed Local Law 65, which charges a property owner \$250 for a first-time violation, \$250 or greater if the owner files a false Notice of Correction, and a \$200 fee if the landlord receives three or more Class C heat or hot water-related violations for the same dwelling within the same calendar year or Heat Season. This allows HPD to better focus its inspectorial and litigation resources on the worst offending landlords. The revenue from this initiative is \$13,000 in Fiscal 2013 and \$25,000 in Fiscal 2014.
- **Mortgage Service Fee Revenue.** The agency is generating additional revenue from a flat fee increase for mortgage refinancing. The fee is increasing from \$200 to \$400 per application. The expected revenue from the increase is \$236,000 for Fiscal 2014.
- **Section 108 Loan Settlement.** HPD was able to settle a Section 108 loan for a property located at 1400 Fifth Avenue and will receive the Purchase Money Mortgage earlier than expected. The total amount is \$151,000 for Fiscal 2013.
- **Additional Principal and Interest.** The agency will receive additional revenue from new financing terms associated with an HPD rehabilitation project. This revenue will be \$21,000 for Fiscal 2013 and Fiscal 2014.

Housing Preservation and Development Financial Summary

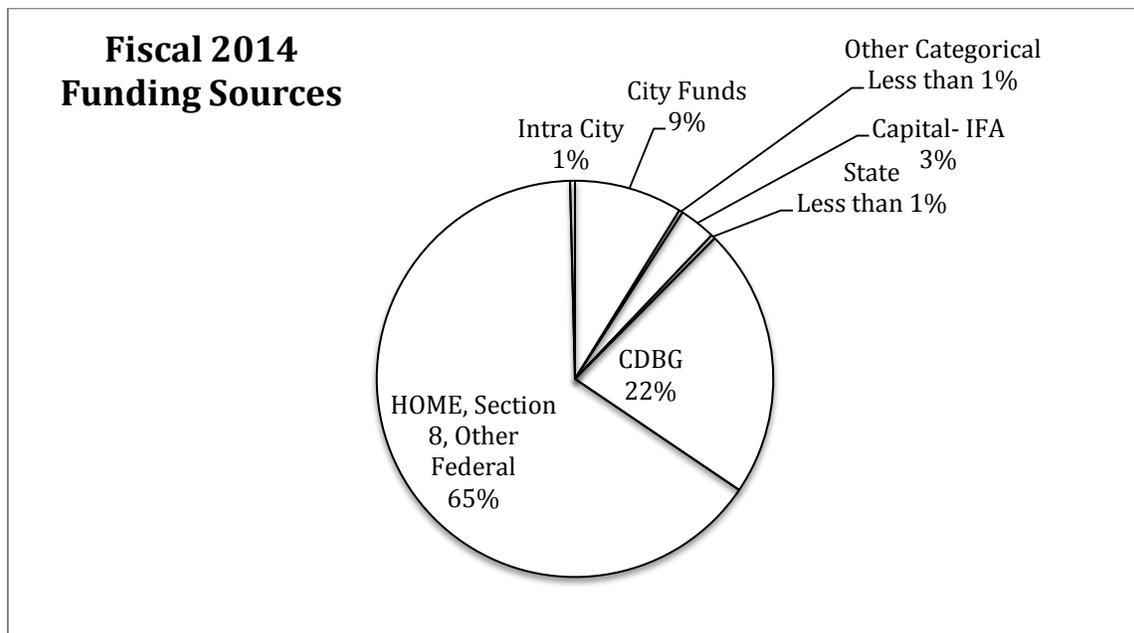
<i>Dollars in Thousands</i>	2012	2013	2013	2014	*Difference
	Actual	Adopted	Jan. Plan	Jan. Plan	2013 - 2014
Budget by Program Area					
Administration	\$32,584	\$33,632	\$34,722	\$31,961	(\$1,671)
Administration Program	19,878	14,671	17,323	13,670	(1,001)
Development	58,671	18,003	41,605	15,365	(2,638)
Housing Operations - Section 8 Programs	454,021	347,698	360,851	348,814	1,116
Housing Operations- Emergency Housing	25,162	17,990	21,193	19,504	1,514
Housing Operations- Mgmt & Disposition	43,727	34,039	43,131	33,532	(507)
Preservation - Anti-Abandonment	8,545	6,026	7,335	4,761	(1,265)
Preservation - Code Enforcement	30,773	31,914	31,221	30,675	(1,239)
Preservation - Emergency Repair	24,304	29,705	29,825	27,211	(2,494)
Preservation - Lead Paint	15,109	16,578	18,306	17,702	1,124
Preservation - Other Agency Services	18,570	21,076	54,364	16,555	(4,521)
TOTAL	\$731,343	\$571,332	\$659,876	\$559,751	(\$11,581)
Funding					
City Funds	N/A	\$62,768	\$60,750	\$49,371	(\$13,397)
Other Categorical	N/A	2,221	26,046	1,638	(583)
Capital- IFA	N/A	16,673	16,673	16,673	0
State	N/A	1,968	1,968	1,968	0
Federal - Community Development	N/A	129,450	129,450	123,319	(6,131)
Federal - Other	N/A	357,349	421,607	364,536	7,187
Intra City	N/A	904	3,383	2,248	1,344
TOTAL		\$571,332	\$659,877	\$559,751	(\$11,581)
Positions					
TOTAL	2105	2353	2360	2346	(7)
TOTAL	2105	2353	2360	2346	(7)

*The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan funding.

Federal and Council Funding

Fiscal 2014 Federal Funding

Of the agency’s total \$559.8 million expense budget, approximately \$487.9 million or 87.2% is funded by the federal government. The federal funds from the following sources: Community Development Block Grants (CDBG), federal stimulus, Emergency Relocation Welfare Tenants, Neighborhood Stabilization, Home Investment Partnership, Lead Hazard Reduction Demonstration, Lower Income Housing Assistance, Section 17 Rental Rehabilitation, Section 8 Rental Subsidy and Administrative Fees, Shelter Plus Care, and Temporary Assistance for Needy Families. Additionally, due to Hurricane Sandy, HPD has received FEMA Emergency funding. Of these programs, CDBG accounts for approximately \$123.3 million, or 22.0% of the total expense budget for Preliminary Fiscal 2014.



Federal Sequestration

Due to sequestration, HPD will have a 5.0% across the board cut on all Federal programs for federal fiscal year 2013 and out. The immediate area of concern is in regards to the Section 8 program. The Office of Management and Budget (OMB) calculates that sequestration will result in a loss of \$19 million when they applied a 5.3 % cut to the Fiscal 13 Adopted Budget of \$362 million for Section 8. When compared to what HPD expected relative to full funding, the projected shortfall increases to \$26 million. The net impact of HPD vouchers is a loss of 2,200. Fortunately, HPD has reserves that will allow the agency to absorb the cuts over an 18-24 month period largely through attrition. This is contingent upon how long sequestration will last. With regards to CDBG and HOME grants, it is anticipated that the loss of HOME funded units will phase in since HPD is currently spending prior year grants. It is unclear how the CDBG cut would be implemented and would likely include program cuts in addition to staffing.

Council Initiatives and Funding

In Fiscal 2013, the City Council funding provided approximately \$6.5 million to HPD’s annual operating budget. Most of this funding (\$5.2 million) is allocated to local community-based organizations which are tasked with carrying out the goals of Council initiatives which are to provide advocacy and education on issues related to housing preservation. The remaining \$1.3 million is allocated towards Council discretionary funds.

FY 2013 Council Funded Initiatives	
<i>*In Thousands</i>	
Anti Eviction and SRO Legal Services	\$2,000
Association for Neighborhood and Housing Development	100
Citywide Task Force on Housing Court	500
Community Consultants	415
Housing Preservation Initiative	1250
Mortgage Foreclosure Prevention Program: Center for New York City Neighborhoods	750
Pratt Block by Block	134
Subsidized Housing Information Project (SHIP)	45
Local Initiatives	1,309
TOTAL	\$6,503

Program Areas

Administration

The Administration in HPD serves all the other agency program areas.

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Spending					
Personal Services					
Full-Time Salaried - Civilian	\$23,905	\$23,884	\$24,419	\$23,728	(\$157)
Other Salaried and Unsalariated	411	516	516	516	0
Additional Gross Pay	974	402	402	402	0
Amounts to be Scheduled	0	563	49	49	(513)
Overtime - Civilian	117	167	167	167	0
Fringe Benefits	0	155	0	0	(155)
P.S. Other	0	0	0	0	0
Personal Services Subtotal	\$25,407	\$25,686	\$25,553	\$24,861	(\$824)
Other Than Personal Services					
Supplies and Materials	\$1,141	\$1,622	\$1,147	\$1,175	(\$447)
Fixed and Misc Charges	44	44	34	66	22
Property and Equipment	303	198	314	442	244
Other Services and Charges	4,090	4,619	4,999	4,231	(388)
Contractual Services	1,599	1,462	2,735	1,186	(277)
Other Than Personal Services Subtotal	\$7,177	\$7,946	\$9,229	\$7,100	(\$846)
TOTAL	\$32,584	\$33,632	\$34,782	\$31,961	(\$1,671)
Funding					
City Funds		\$24,557	\$24,707	\$22,886	(\$1,671)
Capital - IFA		1,994	1,994	1,994	\$0
Federal - CDBG		4,643	4,643	4,643	\$0
Federal - Other		2,376	2,376	2,376	\$0
Intra-City Funds		62	1,062	62	\$0
TOTAL		\$33,632	\$34,782	\$31,961	(\$1,671)

*The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.

There is an overall decrease of \$1.7 million from Fiscal 2013 Adopted to Fiscal 2014 Preliminary budget due to attrition, telecommunication savings, and budget realignment of OTPS expenses that are not baselined.

Administration Program

This area provides programs where the agency function is primarily administrative and not service related.

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Spending					
Personal Services					
Full-Time Salaried - Civilian	\$6,269	\$6,277	\$6,293	\$5,919	(\$358)
Other Salaried and Unsalariad	72	11	11	11	0
Additional Gross Pay	246	90	90	90	0
Amounts to be Scheduled	0	380	380	380	0
Overtime - Civilian	8	0	0	0	0
Fringe Benefits	0	0	0	0	0
P.S. Other	0	0	0	0	0
Personal Services Subtotal	\$6,595	\$6,757	\$6,773	\$6,399	(\$358)
Other Than Personal Services					
Supplies and Materials	\$0	\$206	\$143	\$23	(\$183)
Fixed and Misc Charges	7,975	2,034	4,734	1,584	(450)
Property and Equipment	0	0	0	0	0
Other Services and Charges	4,048	4,547	4,608	4,547	0
Contractual Services	1,260	1,127	1,066	1,117	(10)
Other Than Personal Services Subtotal	\$13,283	\$7,914	\$10,550	\$7,271	(\$643)
TOTAL	\$19,878	\$14,671	\$17,323	\$13,670	(\$1,001)
Funding					
City Funds		\$6,411	\$6,363	\$5,419	(\$991)
Capital - IFA		0	0	0	0
Federal - CDBG		5,693	5,693	5,683	(10)
Federal - Other		2,029	4,729	2,029	0
Intra-City Funds		538	538	538	0
TOTAL		\$14,671	\$17,323	\$13,670	(\$1,001)

*The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.

This program area has an overall decrease of approximately \$1.0 million from Fiscal 2013 Adopted to Fiscal 2014 Preliminary. This is due to attrition, two layoffs due to streamlining contracts, and budget realignment of OTPS expenses that are not baselined.

Development

Funding for Development 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.

	2012	2013	2013	2014	*Difference
<i>Dollars in Thousands</i>	Actual	Adopted	Jan. Plan	Jan. Plan	2013 - 2014
Spending					
Personal Services					
Full-Time Salaried - Civilian	\$11,199	\$14,128	\$14,567	\$14,462	\$334
Other Salaried and Unsalariad	42	5	5	5	0
Additional Gross Pay	439	75	75	75	0
Amounts to be Scheduled	0	238	0	0	(237)
Overtime - Civilian	3	0	0	0	0
Fringe Benefits	0	(24)	0	0	24
P.S. Other	0	0	0	0	0
Personal Services Subtotal	\$11,682	\$14,422	\$14,648	\$14,543	\$121
Other Than Personal Services					
Supplies and Materials	\$0	\$0	\$0	\$0	\$0
Fixed and Misc Charges	0	0	0	0	0
Property and Equipment	0	0	0	0	0
Other Services and Charges	1	209	237	(97)	(306)
Contractual Services	46,987	3,372	26,720	919	(2,453)
Other Than Personal Services Subtotal	\$46,988	\$3,581	\$26,957	\$822	(\$2,759)
TOTAL	\$58,671	\$18,003	\$41,605	\$15,365	(\$2,638)
Funding					
City Funds		\$6,557	\$5,261	\$4,227	(\$2,330)
Capital - IFA		5,388	5,388	5,388	0
Other Categorical		854	13,064	433	(421)
Federal - CDBG		281	281	281	0
Federal - Other		4,923	17,611	5,036	113
Intra-City Funds		0	0	0	0
TOTAL		\$18,003	\$41,605	\$15,365	(\$2,638)

*The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.

The development program area has a \$2.6 million decrease from the Fiscal 2013 Adopted to Fiscal 2014 Preliminary budget. The decrease is largely due to a decrease 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 for Fiscal 2014. There is an increase in personal services of \$334,000, which is due to the movement of the Division of Architecture and Engineering from Management and Dispositions into this program area.

Housing Operations – Section 8 Programs

Agency federal Section 8 programs provide 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 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. 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.

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Spending					
Personal Services					
Full-Time Salaried - Civilian	\$12,261	\$12,626	\$12,672	\$12,547	(\$79)
Other Salaried and Unsalariad	254	55	55	55	0
Additional Gross Pay	201	19	19	19	0
Amounts to be Scheduled	0	0	0	0	0
Overtime - Civilian	70	0	0	0	0
Fringe Benefits	2	0	0	0	0
P.S. Other	0	0	0	0	0
Personal Services Subtotal	\$12,789	\$12,701	\$12,746	\$12,621	(\$79)
Other Than Personal Services					
Supplies and Materials	\$316	\$0	\$145	\$0	\$0
Fixed and Misc Charges	437,217	334,132	336,229	334,530	397
Property and Equipment	128	0	125	0	0
Other Services and Charges	120	865	214	865	0
Contractual Services	3,452	0	11,392	798	798
Other Than Personal Services Subtotal	\$441,232	\$334,997	\$348,105	\$336,193	\$1,196
TOTAL	\$454,021	\$347,698	\$360,851	\$348,814	\$1,116
Funding					
City Funds		\$0	\$0	\$0	\$0
Capital - IFA		0	0	0	0
Other Categorical		0	7,212	0	0
Federal - Other		347,698	353,639	348,814	1,116
Intra-City Funds		0	0	0	0
TOTAL		\$347,698	\$360,851	\$348,814	\$1,116

*The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.

The Section 8 program's budget increased from \$1.1 million from Fiscal 2013 Adopted budget to Fiscal 2014 Preliminary budget. This increase is largely due to the increased funds from Section 8 vouchers and administrative fee, which HPD receives for administering the Section 8 program. The agency also received \$560,553 in additional federal funds for the Shelter Care Plus program.

Housing Operations – Emergency Housing

HPD provides programs that provide emergency shelter to distressed households who suffer hardships from situations such as fires or vacate orders.

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Spending					
Personal Services					
Full-Time Salaried - Civilian	\$2,998	\$3,285	\$5,049	\$5,049	\$1,764
Other Salaried and Unsalariad	61	0	0	0	0
Additional Gross Pay	231	1	1	1	0
Amounts to be Scheduled	0	0	0	0	0
Overtime - Civilian	20	0	0	0	0
Fringe Benefits	2	0	0	0	0
P.S. Other	0	0	0	0	0
Personal Services Subtotal	\$3,311	\$3,286	\$5,050	\$5,050	\$1,764
Other Than Personal Services					
Supplies and Materials	\$81	\$342	\$342	\$261	(\$81)
Fixed and Misc Charges	0	0	0	0	0
Property and Equipment	0	0	0	0	0
Other Services and Charges	0	0	0	1,428	1,428
Contractual Services	21,770	14,362	15,801	12,765	(1,597)
Other Than Personal Services Subtotal	\$21,851	\$14,704	\$16,143	\$14,454	(\$250)
TOTAL	\$25,162	\$17,990	\$21,193	\$19,504	\$1,514
Funding					
City Funds		878	878	628	(\$250)
Capital - IFA		0	0	0	0
Other Categorical		1,000	1,000	1,000	0
State		1,737	1,968	1,968	230
Federal - CDBG		12,618	12,618	12,618	0
Federal - Other		1,756	3,368	1,930	174
Intra-City Funds		0	1,360	1,360	1,360
TOTAL		\$17,990	\$21,193	\$19,504	\$1,514

*The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.

Funding for this program area increased \$1.5 million from Fiscal 2013 Adoption to Fiscal 2014 Preliminary Plan. This is mainly due to 1.36 million from the NYC Human Resources Administration which provided funds for the Emergency Housing Services program (EHS). This program operates a specialized shelter system for households who have been displaced from their homes as a result of fires, natural disasters and city-issued vacate orders. EHS administrates three shelters for families with children. Family Living Centers (FLC) are located in the Bronx,

Manhattan and Brooklyn and adult households without children are placed into single room occupancy (SRO) hotels in the Bronx, Manhattan, Brooklyn, and Queens.

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. 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.

	2012	2013	2013	2014	*Difference
<i>Dollars in Thousands</i>	Actual	Adopted	Jan. Plan	Jan. Plan	2013 - 2014
Spending					
Personal Services					
Full-Time Salaried - Civilian	\$16,690	\$12,228	\$16,541	\$16,649	\$4,420
Other Salaried and Unsalari ed	15	57	57	57	0
Additional Gross Pay	1,157	720	720	720	0
Amounts to be Scheduled	0	13	86	86	73
Overtime - Civilian	30	394	394	394	0
Fringe Benefits	0	0	0	0	0
P.S. Other	0	0	0	0	0
Personal Services Subtotal	\$17,891	\$13,412	\$17,798	\$17,905	\$4,493
Other Than Personal Services					
Supplies and Materials	\$6,205	\$5,868	\$5,919	\$6,084	\$216
Fixed and Misc Charges	1,725	0	0	0	0
Property and Equipment	4	6	9	35	29
Other Services and Charges	3,762	4,968	5,074	5,175	207
Contractual Services	14,140	9,784	14,331	4,333	(5,451)
Other Than Personal Services Subtotal	\$25,836	\$20,627	\$25,333	\$15,627	(\$5,000)
TOTAL	\$43,727	\$34,039	\$43,131	\$33,532	(\$507)
Funding					
City Funds		\$5,828	\$5,828	\$4,372	(\$1,456)
Capital - IFA		9,229	9,229	9,229	0
Other Categorical		367	4,770	205	(162)
State		230	0	0	(230)
Federal - CDBG		20,749	20,777	17,474	(3,275)
Federal - Other		(2,364)	2,528	2,253	4,616
Intra-City Funds		0	0	0	0
TOTAL		\$34,039	\$43,131	\$33,532	(\$507)

*The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.

There is a net decrease of \$507,000 from Fiscal 2013 Adoption to Fiscal 2014 Preliminary Plans. The increase of \$4.4 million in full time salaried is a movement of staff working on the Tenant Interim Lease (TIL) program into this program area. This increase is offset by a \$5.5 million decrease in contractual services due to decreased funding for TIL, which could be restored.

Preservation – Anti-Abandonment

HPD's anti-abandonment initiatives 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 assist HPD in identifying and assessing at-risk buildings.

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Spending					
Personal Services					
Full-Time Salaried - Civilian	\$4,083	\$4,180	\$4,180	\$4,180	\$0
Other Salaried and Unsalaries	0	0	0	0	0
Additional Gross Pay	227	0	0	0	0
Amounts to be Scheduled	0	0	0	0	0
Overtime - Civilian	7	0	0	0	0
Fringe Benefits	3	0	0	0	0
P.S. Other	0	0	0	0	0
Personal Services Subtotal	\$4,319	\$4,181	\$4,181	\$4,181	\$0
Other Than Personal Services					
Supplies and Materials	\$0	\$0	\$0	\$0	\$0
Fixed and Misc Charges	0	0	0	0	0
Property and Equipment	0	0	0	0	0
Other Services and Charges	0	0	0	0	0
Contractual Services	4,226	1,845	3,154	580	(1,265)
Other Than Personal Services Subtotal	\$4,226	\$1,845	\$3,154	\$580	(\$1,265)
TOTAL	\$8,545	\$6,026	\$7,335	\$4,761	(\$1,265)
Funding					
City Funds		\$1,694	\$3,003	\$429	(\$1,265)
Federal - CDBG		4,332	4,332	4,332	0
Intra-City Funds		0	0	0	0
TOTAL		\$6,026	\$7,335	\$4,761	(\$1,265)

*The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.

The decrease in contractual services by \$1.3 million from Fiscal 2013 Adopted to Fiscal 2014 Preliminary is due to decrease in Council funding that is not baselined and expected to be restored.

Preservation – Code Enforcement

HPD is responsible 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.

<i>Dollars in Thousands</i>	2012	2013	2013	2014	*Difference
	Actual	Adopted	Jan. Plan	Jan. Plan	2013 - 2014
Spending					
Personal Services					
Full-Time Salaried - Civilian	\$21,391	\$21,915	\$21,302	\$21,915	\$0
Other Salaried and Unsalariad	332	307	307	307	0
Additional Gross Pay	1,450	422	422	422	0
Amounts to be Scheduled	0	0	0	0	0
Overtime - Civilian	92	198	198	198	0
Fringe Benefits	27	0	0	0	0
P.S. Other	0	0	0	0	0
Personal Services Subtotal	\$23,293	\$22,843	\$22,230	\$22,843	\$0
Other Than Personal Services					
Supplies and Materials	\$1,366	\$1,094	\$1,053	\$1,014	(\$80)
Fixed and Misc Charges	0	0	0	0	0
Property and Equipment	35	55	57	16	(39)
Other Services and Charges	1,356	1,083	1,158	681	(402)
Contractual Services	4,724	6,839	6,723	6,121	(718)
Other Than Personal Services Subtotal	\$7,481	\$9,071	\$8,991	\$7,832	(\$1,239)
TOTAL	\$30,773	\$31,914	\$31,221	\$30,675	(\$1,239)
Funding					
City Funds		\$5,354	\$4,741	\$4,910	(\$444)
Federal - CDBG		26,559	26,479	25,766	(794)
Intra-City Funds		0	0	0	0
TOTAL		\$31,914	\$31,220	\$30,676	(\$1,238)

**The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.*

From Adopted to Preliminary budget, there is a \$1.2 million decrease primarily due HPD's ability to bring the Multiple Dwelling registrations in house and end the contract with Deutsche Bank.

Preservation – Emergency Repair

In this program area 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.

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Spending					
Personal Services					
Full-Time Salaried - Civilian	\$6,867	\$10,037	\$10,037	\$9,123	(\$915)
Other Salaried and Unsalariied	492	393	393	393	0
Additional Gross Pay	397	337	337	337	0
Amounts to be Scheduled	0	0	0	0	0
Overtime - Civilian	34	0	0	0	0
Fringe Benefits	4	0	0	0	0
P.S. Other	0	0	0	0	0
Personal Services Subtotal	\$7,795	\$10,767	\$10,767	\$9,853	(\$915)
Other Than Personal Services					
Supplies and Materials	\$2,881	\$4,005	\$3,893	\$1,241	(\$2,765)
Fixed and Misc Charges	0	0	0	0	0
Property and Equipment	15	5	13	80	75
Other Services and Charges	3,784	2,474	2,631	1,843	(631)
Contractual Services	9,830	12,453	12,520	14,195	1,742
Other Than Personal Services Subtotal	\$16,510	\$18,938	\$19,057	\$17,359	(\$1,579)
TOTAL	\$24,304	\$29,705	\$29,825	\$27,211	(\$2,494)
Funding					
City Funds		\$36	\$36	\$36	\$0
Federal - CDBG		29,669	29,669	27,175	(2,494)
Intra-City Funds		0	120	0	0
TOTAL		\$29,705	\$29,824	\$27,211	(\$2,494)

*The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.

Preservation – Lead Paint

HPD is responsible 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.

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Spending					
Personal Services					
Full-Time Salaried - Civilian	\$13,418	\$14,305	\$14,305	\$14,301	(\$4)
Other Salaried and Unsalariated	132	134	134	134	0
Additional Gross Pay	903	15	15	15	0
Amounts to be Scheduled	0	0	0	0	0
Overtime - Civilian	47	0	0	0	0
Fringe Benefits	14	0	0	0	0
P.S. Other	0	0	0	0	0
Personal Services Subtotal	\$14,514	\$14,453	\$14,453	\$14,450	(\$4)
Other Than Personal Services					
Supplies and Materials	\$81	\$1,408	\$1,416	\$217	(\$1,190)
Fixed and Misc Charges	0	0	0	0	0
Property and Equipment	21	0	10	17	17
Other Services and Charges	23	22	40	329	308
Contractual Services	470	695	2,387	2,688	1,993
Other Than Personal Services Subtotal	\$595	\$2,124	\$3,853	\$3,252	\$1,128
TOTAL	\$15,109	\$16,578	\$18,306	\$17,702	\$1,124
Funding					
City Funds		\$46	\$46	\$97	\$51
Federal - CDBG		15,307	15,307	15,220	(87)
Federal - Other		922	2,650	2,099	1,177
Intra-City Funds		303	303	287	(16)
TOTAL		\$16,578	\$18,306	\$17,702	\$1,124

**The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.*

The overall increase of \$1.1 million from fiscal 2013 Adopted to Fiscal 2014 Preliminary is mainly due to the increase in the federal Lead Hazard Reduction Demonstration. This provided an additional \$1.2 million in funding.

Preservation – Other Agency Services

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

<i>Dollars in Thousands</i>	2012 Actual	2013 Adopted	2013 Jan. Plan	2014 Jan. Plan	*Difference 2013 - 2014
Spending					
Personal Services					
Full-Time Salaried - Civilian	\$6,616	\$6,659	\$6,808	\$6,727	\$68
Other Salaried and Unsalari ed	85	173	173	173	0
Additional Gross Pay	410	118	138	118	0
Amounts to be Scheduled	0	135	0	0	(135)
Overtime - Civilian	14	0	437	0	0
Fringe Benefits	1	24	0	0	(24)
P.S. Other	0	0	0	0	0
Personal Services Subtotal	\$7,125	\$7,109	\$7,556	\$7,018	(\$91)
Other Than Personal Services					
Supplies and Materials	\$23	\$48	\$32	\$37	(\$11)
Fixed and Misc Charges	0	0	0	0	0
Property and Equipment	124	130	157	90	(40)
Other Services and Charges	269	2,273	26,507	307	(1,967)
Contractual Services	11,029	11,516	20,113	9,103	(2,412)
Other Than Personal Services Subtotal	\$11,444	\$13,967	\$46,809	\$9,537	(\$4,430)
TOTAL	\$18,570	\$21,076	\$54,364	\$16,555	(\$4,521)
Funding					
City Funds		11,405	9,945	6,365	(\$5,040)
Capital - IFA		62	62	62	0
Federal - CDBG		9,599	9,651	10,128	529
Federal - Other		10	34,706	0	(10)
Intra-City Funds		0	0	0	0
TOTAL		\$21,076	\$54,364	\$16,555	(\$4,521)

*The difference of Fiscal 2013 Adopted compared to Fiscal 2014 January Plan Funding.

The decrease of \$4.5 million in this program area at Fiscal 2014 Preliminary is due to city funds not being baselined. These funds are anticipated to be restored at adoption.

Capital Program

Capital Budget Summary

The total City Capital Commitment Plan for Fiscal 2013 has increased from \$17.9 billion in the Adopted Capital Commitment Plan to \$19 billion in the Preliminary Capital Commitment Plan, an increase of \$1.1 billion, or 6.2%. For HPD, the Capital Commitment Plan has increased \$466.9 million, or 60% from the Adopted Plan of \$778.3 million to \$1.25 billion in the Preliminary Plan.

The majority of capital projects span multiple fiscal years and it is therefore common practice for an agency to roll unspent capital funds into future fiscal years. In Fiscal Year 2012 HPD committed \$297.7 million or about 50% percent of its annual capital plan. This used \$191.5 million of HOME funds. Therefore, it is assumed that a significant portion of the agency’s Fiscal 2013 Capital Plan will be rolled into Fiscal 2014, thus increasing the size of the Fiscal 2013-2016 Capital Plan.

Fiscal 2013-2016 Commitment Plan: Adopted and Preliminary Budget Chart

	FY13	FY14	FY15	FY16	Total
Adopted					
Total Capital Plan	\$778,366	\$343,544	\$261,887	\$257,146	\$1,640,943
Prelim					
Total Capital Plan	\$1,245,215	\$358,814	\$261,887	\$269,371	\$2,135,287
Change					
Level	\$466,849	\$15,270	\$0	\$12,225	\$494,344
Percentage	60.0%	4.4%	0.0%	4.8%	30.1%
<i>*In Thousands</i>					

Highlights of the Commitment Plan

Hurricane Sandy

The Preliminary Capital Commitment Plan added \$477.0 million in Fiscal 2013 for projects related to the storm. Sandy capital funding is currently forecast in the Preliminary Capital Commitment Plan as City funds. These funds will be treated as grant funds by the City and the commitments will be transferred to a Federal Non-City budget code as they are spent. This number serves as a placeholder to ensure that the Capital budget had the necessary appropriations to address any potential citywide housing needs in case expense funds are exhausted.

Selected Capital Programs

Multifamily Preservation Loan Program. HPD created its HUD Multifamily Preservation Loan Program to facilitate workouts of troubled projects with existing mortgages from HUD, assistance and/or use restrictions, that are at-risk of converting to market-rate or that face similar challenges to financing acquisition or rehabilitation while maintaining affordability. The program provides low-interest loans to preserve and rehabilitate housing for low to moderate-income households. Moderate or substantial rehabilitation of existing multi-family projects are eligible uses and

preserving the affordability of properties receiving HUD Section 8 Housing Assistance Payments is a priority. HPD provides City Capital or federal HOME funds at 1% interest. Combined with bank or tax-exempt bond financing, the blended financing cost is below the market rate. Projects may be eligible to apply in HPD's competitive rounds of the Federal Low Income Housing Tax Credits (LIHTC) and other sources of financing. During construction and after rehabilitation, real property taxes may be eligible for abatement. Allowable income levels and rents depend on the type of subsidy used and on the existing affordability restrictions already in place. Preservation projects may be subject to LIHTC and HUD affordability and use restrictions. Following rehabilitation all units are registered in the New York State Rent Stabilization system. The 2013-2016 Preliminary Plan is \$61.5 million, which is an increase of \$5.3 million from the Adopted plan. This is largely due to an additional \$2.3 million in HOME funds.

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 will reach the end of their 15-year compliance period within the next year. The Preliminary Plan includes \$70.4 million which is in line with the Adopted plan.

421-A Trust Fund: The 421-A Trust Fund was established from the reform of the 421-A tax benefit program in 2006. The Fund, in particular, was established in a three-way Memo of Understanding (MOU) signed on March 29, 2010 by the Mayor, the New York City Comptroller and the President of the Battery Park City Authority (BPCA). The fund which totals \$200 million must be utilized pursuant to the income guidelines established in the MOU. The Fiscal 2012 Preliminary Plan established a new dedicated budget line for the Trust Fund, although HPD had been earmarking funds to certain projects over the three previous fiscal years in anticipation that these funds would be realized in the Capital Plan. The Fiscal 2013-2016 Preliminary plan includes \$150.2 million which is the same as the Adopted plan.

Tenant Interim Lease (TIL) Program. The TIL program, which creates affordable cooperative homeownership for low-income tenants in City-owned in-rem stock, was substantially cut by approximately \$114 million due to new programmatic objectives and reforms the agency is currently undertaking for this program. In 2007, the agency identified a potential budget shortfall for the completion of the TIL pipeline. At the start of Fiscal 2011 the projected costs for this program was \$630 million, with only \$355 million allocated in the ten-year capital commitment plan. The 20 percent mandated capital budget reduction presented HPD with an opportunity to reform the TIL program and reform its model. In the traditional TIL model the rehabilitation of the buildings occur while these properties are still in City ownership and funded by the agency's capital budget. The new model that HPD is currently collaborating with the Council on would mirror standard disposition programs which utilize sponsors and private developments. Under this model, properties will be transferred to a third party intermediary which would oversee the properties for 12 to 24 months for predevelopment activities. A new sponsor or developer would be selected through Request for Qualification (RFQ) process and the intermediary and the sponsor would then work to have construction completed outside of the public domain. The model is based on the sponsor or developer being responsible for the entire development process, which would in turn make this program less costly to the City. This program has remained at \$3.8 million from the Adopted to Preliminary Capital Plan.

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 Preliminary Plan includes approximately \$105.0 million in City and Non-City funds for this program, which is \$3 million less than the allocation at Adoption.

Supportive Housing Program- 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 Preliminary Plan includes \$6.7 million for these programs in City and Non-City funds, which is \$2.4 million more than what was allocated at adoption.

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 discretionary funds from the Council, and the Administration has made it a priority to avoid funding cuts for the Section 202 Program. The Preliminary Plan includes \$36.7 million in City and Non-City funds which is an increase of 481,000 from adoption.

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 Preliminary Plan includes \$82.0 million or \$9.5 million more for Fiscal 2013-2016 than what was allocated at adoption last year. \$1.5 million is funded by Council citywide initiatives. \$5 million was also added to this fund for Sandy related loans.

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 Fiscal 2013 Preliminary Plan includes \$110.8 million in City and Non-City funds between Fiscal 2013-2016 for these programs, a decrease of \$9.1 million since Adoption due to decreased HOME funds. The Council provides \$303,000 to this program.

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 Preliminary Plan for Fiscal 2013-2016 is \$20.4 million, which is \$15.4 million more than what was adopted in Fiscal 2013. This is due to a large amount of new projects in the pipeline.

Mixed Income Rental Programs: HPD funds various programs for the new construction of multi-family rental projects affordable to households earning up to 130 percent of Area Median Income. The Preliminary Plan includes \$125.3 million, which is \$26.2 million less than at Adoption.

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 Preliminary Plan for 2013-2016 is \$19.4 million, which is approximately \$232,000 less than was allocated at adoption last year.

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 Preliminary Plan funding for these programs is \$173.1 million in City and Non-City funds, which is \$598,000 less than the \$172.5 million that was allocated at adoption.

Hunters Point South in Long Island City: The Preliminary 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. 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 Preliminary Plan includes \$45.6 million in Fiscal 2013-2016 for this project.

The Housing Asset Renewal Program (HARP): 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. The taskforce produced a plan that would offer developers of unsold condominiums and cooperatives, the opportunity to sell their units at prices substantially reduced from their original anticipated sales prices. The program would offer subsidies that will make the new sales prices affordable to middle income New Yorkers with incomes ranging from 100 percent to 150 percent of median income. The Council and the Administration worked closely together to include \$20 million for this initiative. The transactions that have been closed include a development with 48 units at 382 Lefforts Avenue in Brooklyn received \$2.9 million in HARP funds and a 117-unit building in Long Island City, Queens received \$7.6 million. HPD anticipates using an additional \$6.3 million for a project at 19-80 Steinway Street called Vesta/Steinway and \$136,472 for a project at 4683 Park Avenue. After these projects close there will be approximately \$2.9 million left in the initiative.

Affordable Neighborhood Cooperative Program. This program is funded by taxable bonds financed under the HDC Multi-Family Secured Mortgage Revenue Bonds Resolution. HDC financed the development of affordable cooperatives by providing a construction loan and a permanent mortgage for the cooperative. HDC also provided subordinate financing for a second mortgage during construction; the low-interest rate on the subordinate loan was blended with the first mortgage to reduce the overall interest rate paid by the developer. In exchange for this funding, HDC required the developer to build at least 50 affordable units and to sell a maximum of 25 percent of the units in the building at market price. Though income requirements varied, most affordable apartments went to households with incomes up to 175 percent of AMI. The Preliminary Plan includes \$74.7 million for this program, which is \$9.6 million less than the from the Adopted capital plan.

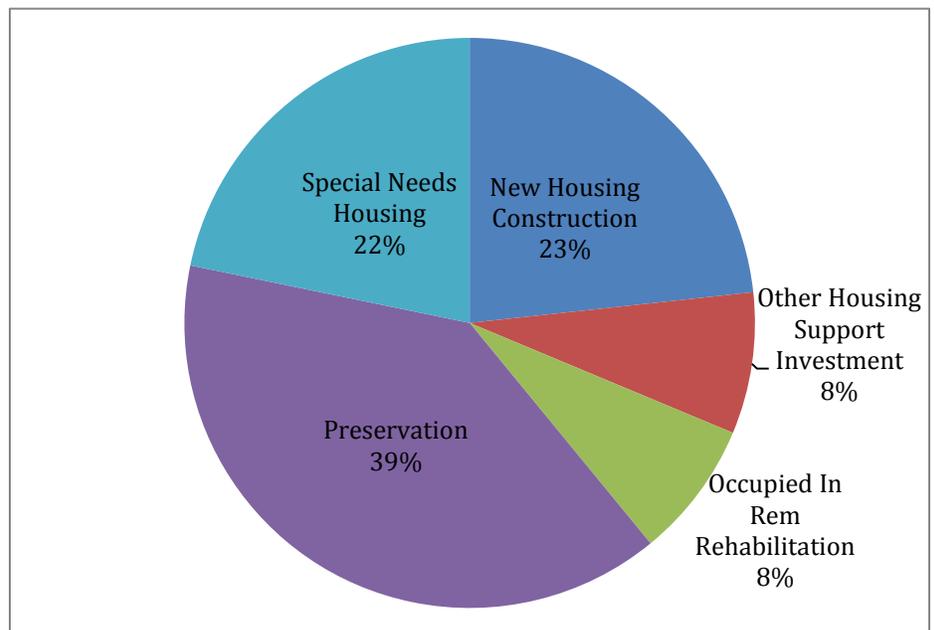
Distressed Multifamily Housing: HPD has begun a serious effort to address the issue of overleveraged multifamily buildings that were purchased at inflated values and now carry an unsustainable level of debt. Specifically, HPD will provide \$750 million to responsible owners to purchase overleveraged properties. The sources of financing for these properties include \$500 million in HDC bonds, \$150 million from the New York City Acquisition Fund, and \$100 million in City capital funding utilizing existing HPD programs such as the Article 8A Loan Program and the Participation Loan Program. HPD will specifically target buildings that have severe physical and financial distress, buildings that were formerly part of publicly assisted stock, and rent stabilized buildings with financial risks.

Preliminary Ten-Year Capital Strategy

HPD’s Preliminary Ten-Year Capital Strategy funds various new construction, preservation, and disposition programs. The City is continuing efforts to prevent the abandonment of privately-owned buildings and avert their entry into City ownership by providing financial and technical assistance to private landlords. Furthermore, the City maintains its commitment to provide new housing opportunities, particularly through existing new construction programs. Presuming federal funding, this capital program includes \$477.0 million in Fiscal 2013 associated with Sandy storm damage.

This Ten-Year strategy provides \$2.9 billion for HPD in support of its capital program goals. Of this amount \$2.3 billion represents City funding, while approximately \$605.5 million will be leveraged in federal funds. Substantial private equity is also leveraged through HPD programs.

Ten-Year Capital Strategy	Amount
New Housing Construction	\$665,330
Other Housing Support	
Investment	229,206
Occupied In Rem Rehabilitation	222,082
Preservation	1,119,405
Special Needs Housing	621,962
TOTAL	2,857,985
<i>*In Thousands</i>	



New Housing Market Place Plan

When it was originally implemented in 2003, the New Housing Market Place Plan’s (NHMP) goal was to create and preserve 165,000 units of affordable housing. Since its launch, NHMP has financed the preservation and development of approximately 142,332 units of affordable housing, which has been largely dependent on leveraging private financing. The original NHMP gave priority to the construction of new units rather than the preservation of units in order to take advantage of the booming real estate market that existed in the mid-2000’s. Due to the faltering economy and its impact on the lending market, HPD has had to revise the timeline and projection of how many units can be created and preserved. Specifically, it expects that the plan’s goals will not be realized until 2014 rather than by 2013, as originally planned. In addition, the focus has shifted away from the new construction units in the NHMP to units being preserved. Greater emphasis has been given to rental units rather than homeownership units, while the affordability levels have shifted more towards lower income units rather than moderate or middle income

units. The table below illustrates the number of new construction and preservation unit starts that have been built by the NHMP and the populations they serve.

New Housing Marketplace Initiative	
By Construction Type	Units
New Construction	45,806
Preservation	96,526
TOTAL	142,332
By AMI	
Units	
Low Income (<80% AMI)	114,629
Moderate Income (81-120% AMI)	12,652
Middle Income (121-180% AMI)	11,075
Other	3,976
TOTAL	142,332

Appendix A

Budget Actions Chart

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of June 2013 Plan	\$62,768	\$508,565	\$571,333	\$53,037	\$501,881	\$554,918
PEGs						
CDBG Cost Allocation	(\$613)		(\$613)			\$0
Consolidation of FMS Unit	(69)		(69)	(176)		(176)
Contract Administration	(63)		(63)	(171)		(171)
Demolition Reduction	(1,500)		(1,500)	(1,500)		(1,500)
Future Year Attrition			0	(509)		(509)
Housing Litigation Division Restructuring			0	(106)		(106)
HPD Fringe Contribution	(300)		(300)	(600)		(600)
Neighborhood Restore			0	(700)		(700)
Vacate 94 Old Broadway Site Office			0	(153)		(153)
Intra City with HPD			0		(16)	(16)
VOIP Implementation			0	(593)		(593)
TOTAL, PEGs	(\$2,546)	\$0	(\$2,546)	(\$4,509)	(\$16)	(\$4,525)
Other Adjustments						
Consolidation of FMS Unit	\$2		\$2	\$41		\$41
Contract Administration	(2)		(2)	41		41
DOI Audit	200		200			0
Housing Litigation Division Restructuring			0	25		25
HPD Fringe Dummy Initiative-SPC & Mod/SRO PEG	300		300	600		600
FY14 Nov Plan Member Items	28		28			0
Admin Fees		57	57			0
Allocate funds for Hudson Yard		3,670	3,670			0
Bring up funds for Willets Point		733	733			0
Family Self Sufficiency (FSS)		431	431			0
Future Year Attrition			0	136		136
HODAG SORP		1,158	1,158			0
HOME NPS3		110	110			0
HOME Roll		2,250	2,250			0
HOMEFIRST		3,000	3,000			0
Homeless Prevention Program		798	798		798	798
HPD I/C Emergency Vacate Program		1,360	1,360		1,360	1,360
HPD Intracity		1,000	1,000			0
MOU with HPD		120	120			0
PLP 582-588 Union Avenue Roll		806	806			0
PROMESA		756	756			0

<i>Dollars in Thousands</i>	FY 2013			FY 2014		
	City	Non-City	Total	City	Non-City	Total
Realign P-Code UA004 ARRA		\$27	\$27			\$0
Realign P-Code UA004 SPC			0			0
ROLL BPCA UNSPENT FUNDS		11,661	11,661			0
ROLL NSP2 GRANT FUNDS		3,977	3,977			0
Scheduling of S+C Funds		1,765	1,765			0
Section 8 Admin Fees IT/TSD		1,796	1,796			0
Section 8 DTR Admin Funds		100	100			0
Section 8 HCV PORT-OUT ADMIN FEES		170	170			0
To roll NSP2 grant funds		32	32			0
To roll NSP3 grant funds		1,678	1,678			0
To Schedule Federal Funds NSP3		75	75		75	75
To Schedule Funds- NYCHA HQS		87	87			0
To Schedule funds for Demo '12		760	760		896	896
To Schedule funds for NYCHA HQS		125	125			0
To Schedule S8 funds		4,616	4,616		4,616	4,616
To Schedule SPC funds		350	350		350	350
TPT and SMS		705	705			0
Villa Maria Project		526	526			0
Bring Up Funds for Prospect Pl		7,000	7,000			0
Bring up S8 Funds for Security		297	297			0
Federal Shelter Budget		1,439	1,439			0
Financial Plan Headcount Mods			0			0
FSS		65	65			0
HOME TRBA		450	450			0
Hurricane Sandy		3,700	3,700			0
Sandy Budget Authority		25,971	25,971			0
Section 8 Funds FSS		61	61			0
Section 8 Funds Homeless Prevention		149	149			0
To Bring up Funds for SPC		331	331		397	397
to schedule additional construction		969	969			0
to schedule federal funds NSP1		60	60			0
to schedule funds for EHUR		5,100	5,100			0
to schedule funds for EHUR DPM		210	210			0
to schedule NIH Grant		23	23		23	23
to schedule NSP1 funding		39	39			0
TOTAL, Other Adjustments	\$528	\$90,563	\$91,091	\$843	\$8,516	\$9,359
TOTAL, All Changes	(\$2,018)	\$90,563	\$88,545	(\$3,666)	\$8,500	\$4,834
Agency Budget as of January 2014 Plan	\$60,750	\$599,128	\$659,878	\$49,371	\$510,381	\$559,752

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Appendix B Contract Budget

Category	Number	Budgeted	% of HPD Total	% of City Total
Contractual Services General	17	\$22,614,327	42%	5.0%
Telecommunications Maintenance	1	21,586	0%	0.0%
Maint & Repair of Motor Vehicle Equipment	4	54,036	0%	0.4%
Maint & Repair, General	62	10,942,690	20%	9.4%
Office Equipment Maintenance	3	169,751	0%	1.3%
Data Processing Equipment	2	214,514	0%	0.1%
Community Consultant Contracts	82	14,644,662	27%	95.5%
Costs Assoc with Financing	1	1,359	0%	0.0%
Security Services	3	805,000	1%	0.9%
Temporary Services	7	1,309,276	2%	3.7%
Cleaning Services	1	76,117	0%	0.3%
In Rem Maintenance Costs	20	1,857,119	3%	100.0%
Training Programs for City Employees	5	657,437	1%	4.2%
Professional Services: Legal	3	113,236	0%	0.1%
Professional Services: Engineer & Architect	1	1	0%	0.0%
Professional Services: Other	2	324,689	1%	0.2%
Preliminary Budget	214	\$53,805,800	100%	0.5%

Appendix C:

Fiscal 2013 Mayor's Management Report Performance Measures

	Actual			Target		4-Month Actual	
	FY10	FY11	FY12	FY13	FY14	FY12	FY13
Total complaints reported	616,408	611,989	589,245	*	*	205,783	159,515
« - Emergency complaints reported	409,354	407,772	388,276	*	*	127,568	97,615
- Heat and hot water	114,009	115,629	99,409	*	*	16,354	12,100
- Lead	40,109	38,749	39,340	*	*	15,752	11,048
- Other emergency	255,236	253,394	249,527	*	*	95,462	74,467
- Nonemergency complaints reported	207,054	204,217	200,969	*	*	78,215	61,900
Inspections completed	689,872	678,038	697,736	600,000	600,000	216,242	207,954
Inspection visits per team per day	11.0	11.3	11.8	*	*	10.0	11.2
Ratio of completed inspections to attempted inspections (%)	72%	71%	71%	*	*	67%	70%
Total complaints closed	613,836	612,428	599,374	*	*	199,861	158,243
- Emergency complaints closed	407,826	408,379	389,952	*	*	118,966	96,898
- Heat and hot water	114,100	115,583	99,430	*	*	11,201	11,714
- Lead	40,363	38,047	39,862	*	*	15,963	11,146
- Other emergency	253,373	254,749	250,660	*	*	91,802	74,038
- Nonemergency complaints closed	206,010	204,049	209,422	*	*	80,895	61,345
«Average time to close emergency complaints (days)	12.0	12.3	10.3	*	12.0	12.6	10.7
- Average time to close heat and hot water complaints (days)	5.3	4.9	4.2	*	*	5.5	4.0
- Average time to close lead complaints (days)	9.6	11.4	10.6	*	*	13.8	10.0
- Average time to close other emergency complaints (days)	15.3	15.4	12.7	*	*	13.2	11.9
«Average time to close non-emergency complaints (days)	19.1	16.8	41.7	*	30.0	69.1	11.9
«Outstanding emergency complaints at end of month	12,210	11,603	10,089	*	11,000	20,205	10,806
«Outstanding nonemergency complaints at end of month	14,365	14,533	6,229	*	14,500	11,853	6,784
Apartments inspected for lead	20,599	18,625	17,896	*	*	6,282	5,527
- % of inspected apartments testing positive for lead	26.7%	24.8%	22.2%	*	*	23.1%	18.8%
Total violations issued	495,726	462,721	468,644	*	*	171,867	134,120
- Emergency violations issued	97,506	88,342	92,665	*	*	29,189	23,431
- Heat and hot water	12,436	12,945	10,869	*	*	1,846	1,472
- Lead	26,022	21,973	20,496	*	*	8,116	4,803
- Other emergency	59,048	53,424	61,300	*	*	19,227	17,156
- Nonemergency violations issued	398,220	374,379	375,979	*	*	142,678	110,689
«Violations issued and removed in the same fiscal year (%)	38%	41%	43%	*	38%	N/A	N/A
«Emergency violations corrected by owner (%)	55%	56%	57%	*	55%	N/A	N/A
Emergency violations corrected by HPD (%)	15%	14%	15%	*	*	N/A	N/A
Violations removed	608,214	556,777	536,010	*	*	188,684	153,062
Reinspected violations found falsely certified (%)	26.5%	25.8%	23.3%	*	*	27.0%	23.3%
Housing Maintenance Code compliance - Cases opened	14,233	13,687	13,251	*	*	3,596	3,016
- Cases closed	15,226	14,846	14,109	*	*	4,584	3,553
- Cases active (end of month)	6,195	4,909	3,922	*	*	3,868	3,246
Average cost of repair work performed by HPD (\$)	\$737	\$657	\$537	*	*	N/A	N/A
- Emergency (non-lead) (\$)	\$635	\$562	\$465	*	*	N/A	N/A
- Lead (\$)	\$2,338	\$2,623	\$2,302	*	*	N/A	N/A
Alternative Enforcement Program - Buildings currently active	N/A	478	473	*	*	N/A	N/A
- Buildings discharged (cumulative)	N/A	322	527	*	*	N/A	N/A

	Actual			Target		4-Month Actual	
	FY 10	FY 11	FY 12	FY 13	FY 14	FY 12	FY 13
- Buildings discharged from program (%) (cumulative)	N/A	40%	53%	*	*	N/A	N/A
«Total starts financed or assisted under the New Housing Marketplace Plan (units)	14,767	15,735	16,942	14,500	14,500	2,519	1,209
- New construction starts	3,144	3,873	2,521	5,515	5,515	234	414
- Preservation starts	11,337	11,680	14,298	8,835	10,458	2,243	795
Planned starts initiated (%)	102%	109%	117%	*	*	17%	14%
«Total completions financed or assisted under the New Housing Marketplace Plan (units)	16,946	13,914	13,069	11,763	11,227	4,524	1,571
- New construction completions	5,281	7,738	4,482	3,705	4,150	1,845	879
- Preservation completions	11,665	6,176	8,587	8,058	7,077	2,679	692
Planned units completed (%)	101%	99%	125%	*	*	43%	11%
Units completed for homeless individuals and families	620	684	891	*	*	392	46
Asset management - Projects in workload	1,861	1,861	1,861	*	*	1,861	1,861
- Financial reviews completed	534	486	258	*	*	141	98
- Buildings inspected	377	476	474	*	*	150	138
«Section 8 - Utilization rate	97.3%	96.8%	97.1%	*	96.0%	96.9%	98.0%
- Vouchers issued	1,456	1,821	2,786	*	*	408	724
- Households assisted	33,453	36,259	37,116	*	*	36,255	37,460

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Appendix D: Reconciliation of Program Areas to Units of Appropriation

<i>Dollars in Thousands</i>	Personal Services				Other Than Personal Services				Grand Total
	001	002	004	006	008	009	010	011	
Administration	\$21,870	\$525	\$2,467	\$0	\$6,657	\$327	\$0	\$116	\$31,961
Administration Program	175	6,009	-	215	2,230	675	-	4,366	13,670
Development	928	13,615	-	-	-	891	-	-	15,434
Housing Operations - Section 8 Programs	-	125	-	12,496	21,127	315,066	-	-	348,814
Housing Operations- Emergency Housing	-	-	2,025	3,025	-	-	-	14,454	19,504
Housing Operations- Mgmt & Disposition	-	-	138	17,768	106	-	15,521	-	33,532
Preservation - Anti-Abandonment	-	-	4,181	-	-	580	-	-	4,761
Preservation - Code Enforcement	-	-	22,843	-	-	-	-	7,763	30,606
Preservation - Emergency Repair	1,315	-	8,537	-	-	-	-	17,359	27,211
Preservation - Lead Paint	722	759	12,759	210	-	1,853	1,279	120	17,702
Preservation - Other Agency Services	-	-	6,522	496	398	-	90	9,049	16,555
Grand Total	\$25,010	\$21,032	\$59,472	\$34,210	\$30,516	\$319,392	\$16,890	\$53,228	\$559,751