

New York City Council

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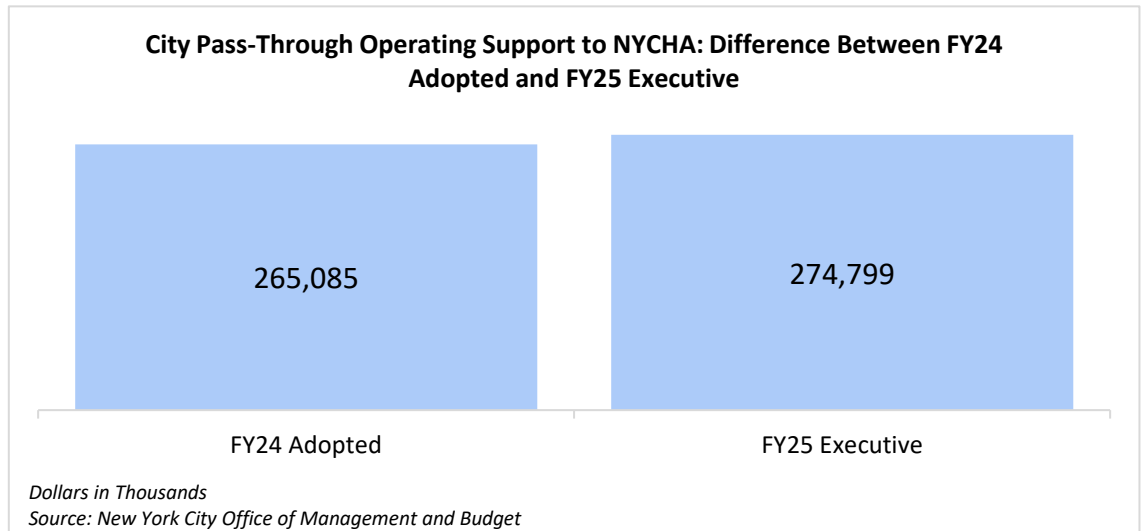
**Note on the Fiscal 2025 Executive Plan and
 the Fiscal 2025 Executive Capital Commitment Plan for
 the New York City Housing Authority (NYCHA)**

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Fiscal 2025 Executive Plan

FY24	FY25	New York City Housing Authority (NYCHA) Budget Overview
+\$107.8 million since Adopt. 	+\$56.5 million since Adopt. 	<p>The budget for the New York City Housing Authority (NYCHA or the Authority) is not part of the City’s budget, and NYCHA’s fiscal year follows the Calendar Year (CY). In December 2023, the NYCHA Board approved its five-year 2024-2028 Operating and Capital Plans. Revenues total \$4.96 billion in 2024, while operating expenses total \$5.0 billion, which means that the 2024 Adopted Operating Budget projects an overall deficit of \$35.3 million.</p> <p>The City provides ongoing operating support to NYCHA from the Department of Housing Preservation and Development (HPD) expense budget (Unit of Appropriation 012), through a combination of City tax-levy revenue and federal grants. The Executive Financial Plan for Fiscal 2024-2028 (Executive Plan), includes \$274.8 million in Fiscal 2025 for NYCHA, which is \$58.3 million, or 26.9 percent greater than the \$216.5 million included in the Preliminary Financial Plan presented in January. The Fiscal 2025 Executive Budget is \$9.7 million greater than the Fiscal 2024 Adopted Budget, as shown in the chart.</p> <p>For additional information on NYCHA’s Preliminary Budget, including an analysis of the Authority’s entire Operating and Capital Plans, please refer to the Fiscal 2025 Preliminary Budget report at: https://council.nyc.gov/budget/wp-content/uploads/sites/54/2024/03/NYCHA-1.pdf.</p>
+\$74.2 million since Prelim. 	+\$58.3 million since Prelim. 	



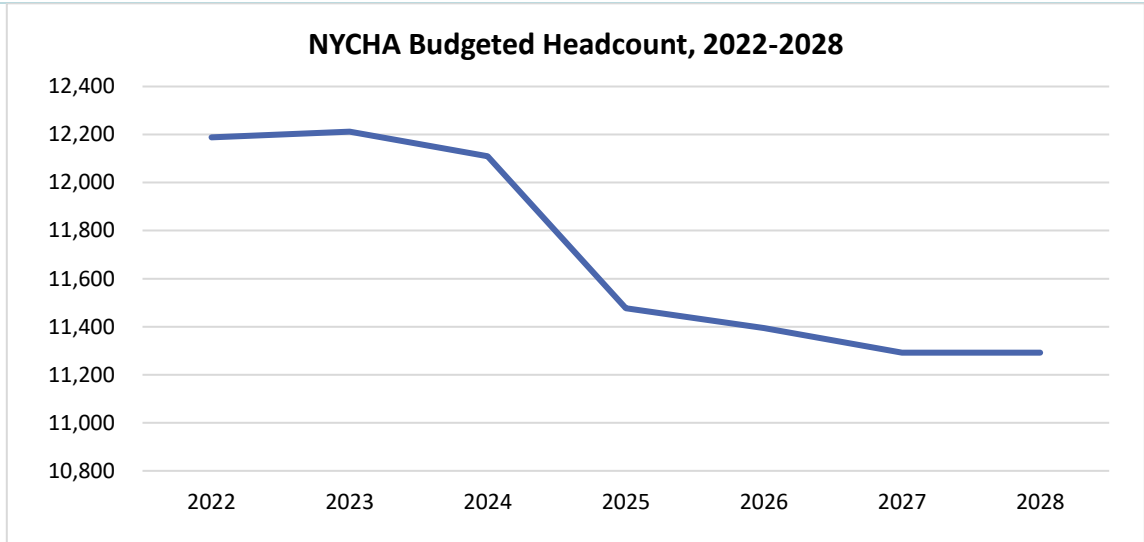
**2024
Budgeted
Headcount:**

12,109 full-time positions

Actual Headcount as of April: **11,401**

Vacancies as of April: **708**

Change in Staff Since Feb: **↓9**



Source: NYCHA

**FY25
Changes in
Exec:**

Total: **\$58.3 million**

New Needs: **\$225,000**

Other Adjustments: **\$58.1 million**

Significant Executive Plan Changes

New Needs

- **NYCHA Security Guard Contract Extension.** The Executive Plan includes an additional \$1.5 million in City funds in Fiscal 2024 only to extend the provision of non-armed security guards at 55 senior NYCHA buildings from January to June 2024 and fund resident engagement around the issue. In order to provide the same level of service in Fiscal 2025 and in the outyears would require an additional \$6.8 million a year. This effects senior centers in twenty-two Council Districts across all five boroughs.
- **NYCHA Rats Waste Management.** The Executive Plan reflects an additional \$150,000 in City funds in Fiscal 2024 only for the purchase of 100, two-yard containerized trash receptacles that will be placed at nine NYCHA developments throughout Harlem. This is an expansion of a pilot program on Staten Island at the West Brighton development.
- **NYCHA Smoke-Free.** The Executive Plan includes an additional \$15,000 in Fiscal 2024, and \$225,000 more in the baseline for Fiscal 2025, bringing the total to \$625,000 for NYCHA’s smoking cessation program. This other categorical funding is passed-through to NYCHA for its smoke-free program. New York State law requires “Other Tobacco Product” (OTP) tax proceeds to fund NYCHA’s smoking cessation program and educational programming to reduce smoking.

Other Adjustments

- **Hope Gardens Flood Mitigation.** The Executive Plan includes additional Community Development Block Grant Disaster Recovery (CDBG-DR) funding resulting from Hurricane Ida in 2021. The Plan includes \$35.0 million in Fiscal 2024 and \$16.0 million in Fiscal 2025 for the construction of flood mitigation infrastructure at Hope Gardens in Brooklyn, which was damaged during Ida. The Plan further includes approximately \$1.0 million in CDBG-DR administration and staffing funds over three years.
- **Elevator Resiliency.** The Executive Plan includes an additional \$2.0 million of CDBG-DR funding in Fiscal 2024 to ensure continuous elevator service in high-rises during voltage reductions caused by storms and emergencies,. The funding is similarly part of the Hurricane Ida program.

- **Green Infrastructure Expansion.** The Executive Plan includes approximately \$30.0 million in CDBG-DR over three years (\$8.5 million in Fiscal 2024, \$14.4 million in Fiscal 2025, \$7.1 million in Fiscal 2026) to fund program management under the Hurricane Ida program to expand NYCHA’s green infrastructure network across 17 developments. Improvements are set to include additional stormwater storage and stronger defenses against flooding, including through more permeable surfaces.
- **Collective Bargaining.** City funds added to the baseline at NYCHA are focused on meeting the obligations of collective bargaining, as well as for providing manager and other jurisdiction (non-unionized) employees similar patterns of raises. The total funding added over the plan years is \$185.8 million (\$25.7 million in Fiscal 2024, \$27.4 million in Fiscal 2025, \$40.1 million in Fiscal 2026, \$45.1 million in Fiscal 2027, and \$47.4 million in Fiscal 2028). The Office of Management and Budget (OMB) reports that the cost of non-unionized raises over the Plan is \$71.1 million, while unionized staff raises comprise the remaining \$114.7 million. Teamsters Local 237 maintenance workers comprise the majority share of the unionized raises reflected, at \$63.3 million over the plan period.

Despite the \$6.8 million gap created by NYCHA’s proposed elimination of unarmed security guards, no Programs to Eliminate the Gap (PEGs) are officially reflected in the Executive Plan.

Budget Response:
 FY25 Estimate: **\$584 million**
 Included in the Executive Budget: **\$0**

In the City Council’s Fiscal 2025 Preliminary Budget Response, the Council identified areas of concern relating to NYCHA. The budget response called on the administration to add \$584.0 million to support necessary and delayed maintenance issues and related staffing at NYCHA developments. The Executive Plan does not include the following, as shown in the table. For more details on the budget response please visit <https://council.nyc.gov/wp-content/uploads/2024/04/FY25-Prelim-Budget-Response.pdf>, p. 13.

FY25 Budget Response Items			
#	Response Priorities	Amount Requested	Amount in the Exec Budget
1	Address Critical Maintenance Repairs and Capital Needs at NYCHA	\$584.0 Million	\$0 Million

The City’s public housing is home to more than half a million New Yorkers. The City has an important responsibility to maintain this critical supply of affordable housing and preserve it for generations of New Yorkers to come. Recognizing the importance of public housing, in 2021, the Mayor pledged to provide \$1.5 billion annually for capital improvements in the City’s public housing stock. The Council called for the Executive capital budget to be aligned with this commitment by allocating an additional \$2.92 billion to NYCHA over five years, which amounts to an annual increase of approximately \$584.0 million.

In Fiscal 2025, the Council proposed to distribute additional capital funding as follows:

- \$339 million to fund NYCHA capital requests that were previously denied, including \$94.0 million for pillar area compliance (e.g. lead, mold, asbestos, heating, elevators, and pest management), and \$129.0 million for extraordinary property maintenance and other property operations;
- \$176.0 million in additional funding for NYCHA capital repairs;
- \$45.0 million for the Vacant Unit Readiness program, to put the necessary staff and contracts in place to make the 5,040 vacant NYCHA apartments (reported to be vacant by NYCHA as of February 2024) available more quickly; and

- \$5.0 million for capital project staff to restart delayed playground, community center, CCTV, layered access control, and other discretionary capital projects.

Currently, unlike all City agencies, NYCHA is not allowed to utilize capital funds to pay for the cost of personnel who work on City’s capital projects. The Administration should work with the City Comptroller to formalize a method by which NYCHA can access these funds to fund NYCHA staff managing essential capital projects.

The Administration did not add any of the requested funding in the Executive Plan.

Federal and State Budget Risks

- **State Budget.** The State Fiscal 2025 Enacted Budget included \$140.0 million in new State funding for NYCHA’s capital needs. This marks an improvement from the Governor’s Executive Budget, which did not include additional funding for ERAP, other expenses, or capital funds for NYCHA. As the spending plan is developed, the Authority has committed to sharing details of what the new allocation will support. Capital may support façade repairs, which reduces incidences of mold and leaks in NYCHA apartments while expediting the removal of sidewalk sheds (scaffolding). The funding is not tied to specific HUD/SDNY pillar areas.

The Council has regularly called for greater State contributions to the Authority to preserve affordable housing opportunities for New Yorkers. Since 2016, New York State has provided over \$1.3 billion to NYCHA, of which \$350.0 million was awarded in SFY 2023. These funds have provided essential heating, security, elevator, and other quality-of-life improvements. NYCHA’s 2024 capital budget reflects \$336.0 million in funding remaining of \$750.0 million in State capital awarded for heating and elevator improvements. Unspent funding is likely to be rolled into the outyears.

- **Federal Risks.** Relatively high interest rates nationally may impact the cachet of NYCHA buildings for entry into the PACT and Preservation Trust models, both of which aim to renovate buildings by leveraging private financing for equity. Delays in implementing the Trust or PACT risks further deterioration of NYCHA’s housing stock and may require further City subsidies, particularly to meet the requirements of the HUD/SDNY monitor agreement.

Additionally, possible changes in partisan control of the White House and Congress in 2025 may impact the total appropriation for Section 8 vouchers, including the Tenant Protection Vouchers (TPVs) which are essential to the operation of the Preservation Trust and supporting the transfer of the currently-approved maximum of 25,000 units to the Trust. To date, OMB reports that the federal government has continued to provide the TPVs that NYCHA needs to make Section 8 conversions feasible.

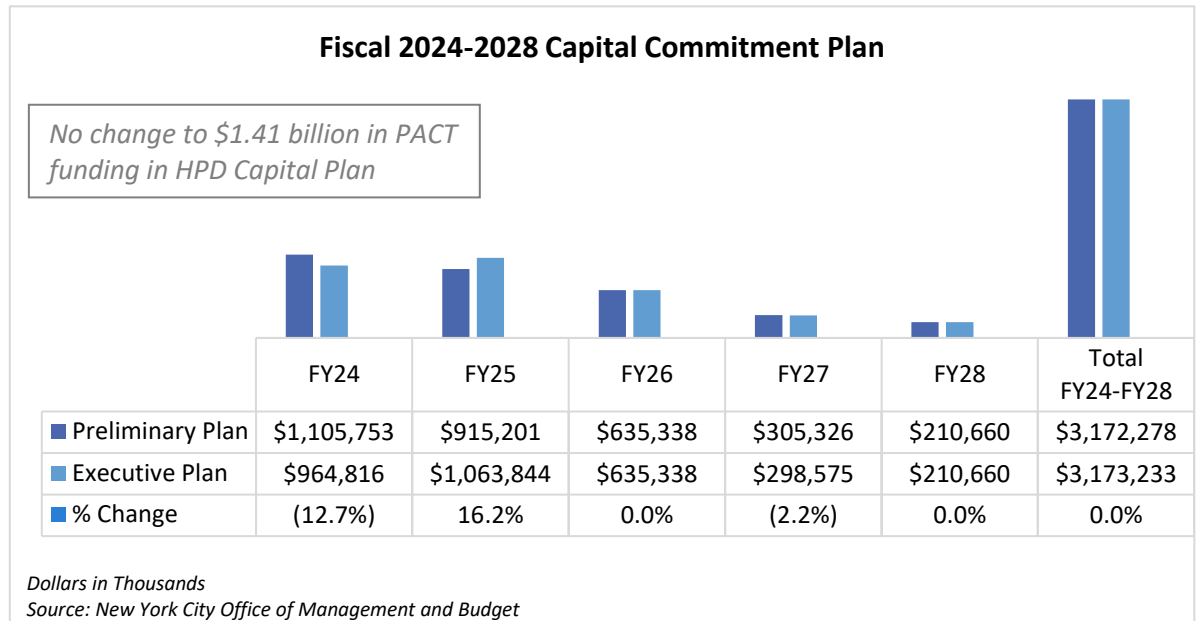
Capital Plan Overview

On April 24, 2024, Mayor Eric Adams released the Executive Capital Commitment Plan for Fiscal 2024-2028 (the Executive Commitment Plan)

NYCHA’s commitments for Fiscal 2024 through 2028, as presented in the Executive Commitment Plan, total \$3.17 billion, effectively unchanged from the total for the same period presented in the Preliminary Capital Commitment Plan released in January. Funding for PACT developments, routed through HPD’s Capital Plan, is unchanged at \$1.41 billion. There is no PACT funding past Fiscal 2026, which likely presents a future funding gap should not all PACT conversions be completed by then.

NYCHA’s planned commitments comprise 3.2 percent of the City’s total \$97.66 billion Fiscal 2024 through 2028 Plan. Including PACT funding in HPD’s capital budget increases the total to 4.7 percent.

Capital Commitment Plan



Capital Highlights

- \$427 million to support the replacement of elevators
- \$389 million for brickwork repairs and to maintain existing Local Law 11 shedding
- \$740 million to repair roofs
- \$698 million for lead and asbestos abatement and mold
- \$1 billion to upgrade heating systems
- \$1.1 billion for Comprehensive Modernization projects
- \$115 million to improve Information Technology
- \$2.0 billion for Fees, Debt Service Payments & Management improvements
- \$194 million for Interior & exterior Compactors
- \$110 million for plumbing upgrades
- \$549 million for General Construction
- \$891 million for all others

Source: NYCHA

The chart above breaks out NYCHA’s capital investments by category, including elevator repair (\$427.0 million), façade repairs and sidewalk sheds (\$389.0 million), roofs (\$740.0 million), lead

and asbestos abatement and mold (\$698.0 million), and heating upgrades (\$1.0 billion). NYCHA is taking steps towards Local Law 97 compliance, to reduce its greenhouse gas emissions, by decarbonizing heating systems, gas stoves, and improving insulation. The Energy Programs Unit within Asset and Capital Management has approximately 10 staff, while over 50 staff work on general heating renovations. As NYCHA’s 2024-2028 Capital Plan has not been updated since it was adopted at the end of last year, the Council’s Fiscal 2025 Preliminary Budget report for NYCHA continues to provide pertinent information on NYCHA’s nearly \$80 billion estimated twenty-year capital needs and efforts to prioritize projects: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2024/03/NYCHA-1.pdf>.

**NYCHA
Budget as of
2024
Adopted
Plan**

<i>Dollars in Thousands</i>	Budget 2023	Adopted Plan					Difference 2024-2023
		Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028	
Revenues							
Revenue from Operations:							
Tenant Rental Revenue	\$850,292	\$958,802	\$896,080	\$895,336	\$896,132	\$914,895	\$108,510
Federal Subsidies	1,208,530	1,310,287	1,349,812	1,321,082	1,369,431	1,399,831	101,757
Section 8 Subsidies (HAP & Admin)	1,628,934	2,112,466	2,396,591	2,516,262	2,635,304	2,760,762	483,532
Capital Fund Reimbursements	248,614	263,156	263,156	263,156	263,156	263,156	14,542
Categorical Grants	2,604	1,262	1,082	901	675	675	(1,342)
City Funds	232,500	205,334	206,863	210,228	211,177	210,931	(27,165)
Other Revenues	141,425	109,214	115,380	88,463	88,795	88,635	(32,211)
Withdrawal from Reserve	65,451	0	0	0	0	0	(65,451)
Total Revenues	\$4,378,349	\$4,960,522	\$5,228,964	\$5,295,428	\$5,464,671	\$5,638,884	\$582,172
Expenditures							
Personal Service:							
Salary F/T	\$762,188	\$846,945	\$852,893	\$885,023	\$879,650	\$879,650	\$84,757
Seasonal	20,456	21,810	21,810	21,810	21,810	21,599	1,354
Overtime	100,000	110,904	109,514	108,475	107,706	107,706	10,904
Fringe	627,672	665,791	675,949	696,269	715,332	732,661	38,119
Other Salaries	13,443	13,356	13,248	13,162	13,083	13,083	(87)
Total PS	\$1,523,759	\$1,658,807	\$1,673,415	\$1,724,739	\$1,737,581	\$1,754,698	\$135,047
Other Than Personal Service:							
Housing Assistance Payments	\$1,455,263	\$1,901,140	\$2,197,081	\$2,314,308	\$2,436,160	\$2,558,455	\$445,877
Utilities	603,913	643,480	640,624	579,287	579,229	579,229	39,567
Contracts	463,429	413,532	407,358	403,275	400,731	400,731	(49,897)
Supplies	110,401	109,395	107,460	105,905	104,678	104,678	(1,006)
Insurance	103,363	117,262	124,806	100,825	100,825	100,825	13,899
All Others	153,043	152,172	132,518	130,628	127,787	128,134	(871)
Total OTPS	\$2,889,412	\$3,336,981	\$3,609,845	\$3,634,229	\$3,749,410	\$3,872,052	\$447,569
Total Expenditures	\$4,413,171	\$4,995,788	\$5,283,260	\$5,358,968	\$5,486,991	\$5,626,751	\$582,616
Surplus/(Deficit)	(\$34,822)	(\$35,266)	(\$54,296)	(\$63,540)	(\$22,320)	\$12,134	(\$444)
Headcount	12,212	12,109	11,477	11,394	11,292	11,292	(103)

Source: NYCHA