

New York City Council

Hon. Adrienne Adams, Speaker of the Council

Hon. Justin Brannan, Chair, Finance Committee

Hon. Pierina Sanchez, Chair, Housing and Buildings Committee

Report on the Fiscal 2026 Executive Plan and the Fiscal 2026 Executive Capital Commitment Plan for the Department of Housing Preservation and Development

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Fiscal 2026 Executive Plan

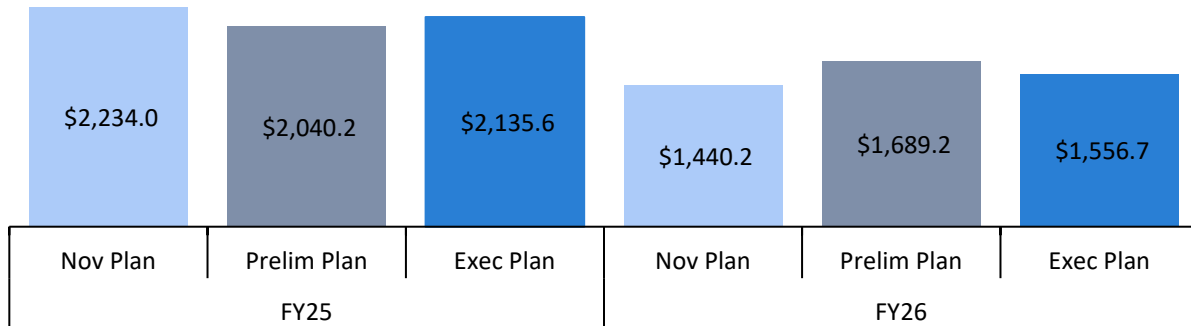
Department of Housing Preservation and Development Budget Overview

The Department of Housing Preservation and Development (HPD or the Department) enforces building codes and ensures the safety of apartment buildings and homes across the City. HPD also invests in affordable and sustainable housing in the City and help house formerly homeless individuals, voucher holders, and all New Yorkers access housing. The Preliminary Budget included a number of changes for staffing and agency capacity associated with the City of Yes/City for All.

The Executive Financial Plan for Fiscal 2025-2029 (Executive Plan), includes a proposed Fiscal 2026 budget of \$1.56 billion for HPD. The Department's projected Fiscal 2026 budget represents 1.3 percent of the City's proposed Fiscal 2026 budget in the Executive Plan. HPD's Fiscal 2025 budget in the Executive Plan is \$95.4 million (4.7 percent) more than its \$2.04 billion Fiscal 2025 budget in the Preliminary Plan. The Fiscal 2026 budget in the Executive Plan is \$132.5 million (7.8 percent) less than its \$1.69 billion Fiscal 2026 budget in the Preliminary Plan. The current Fiscal 2026 budget is \$159.5 million greater than the \$1.40 billion included in the Fiscal 2025 budget at adoption. For additional information on HPD's Preliminary Budget, please refer to the Fiscal 2026 Preliminary Budget report.¹

¹ New York City Council, "[Report on the Fiscal 2025 Preliminary Plan and the Fiscal 2024 Preliminary Mayor's Management Report for the Department of Stuff](#)", as of March 2025.

Comparison of the Last Three Financial Plans



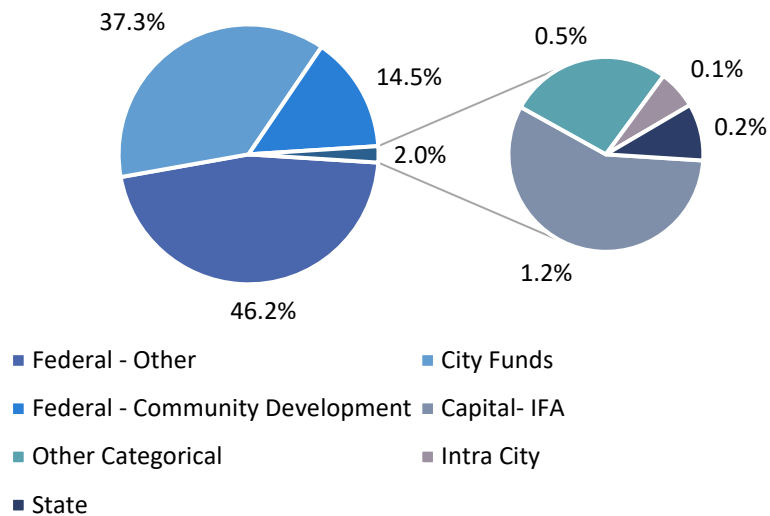
Dollars in Millions

Source: New York City Office of Management and Budget

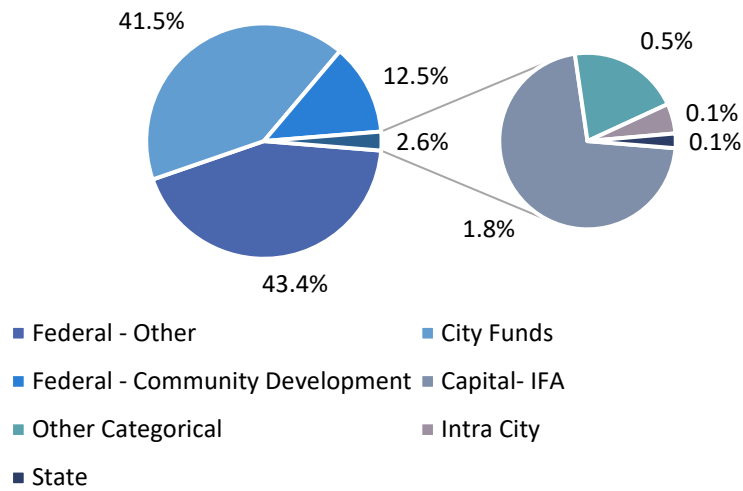
Budget by Funding Source

Fiscal 2026 City Funds: **41.5 percent**

Fiscal 2025

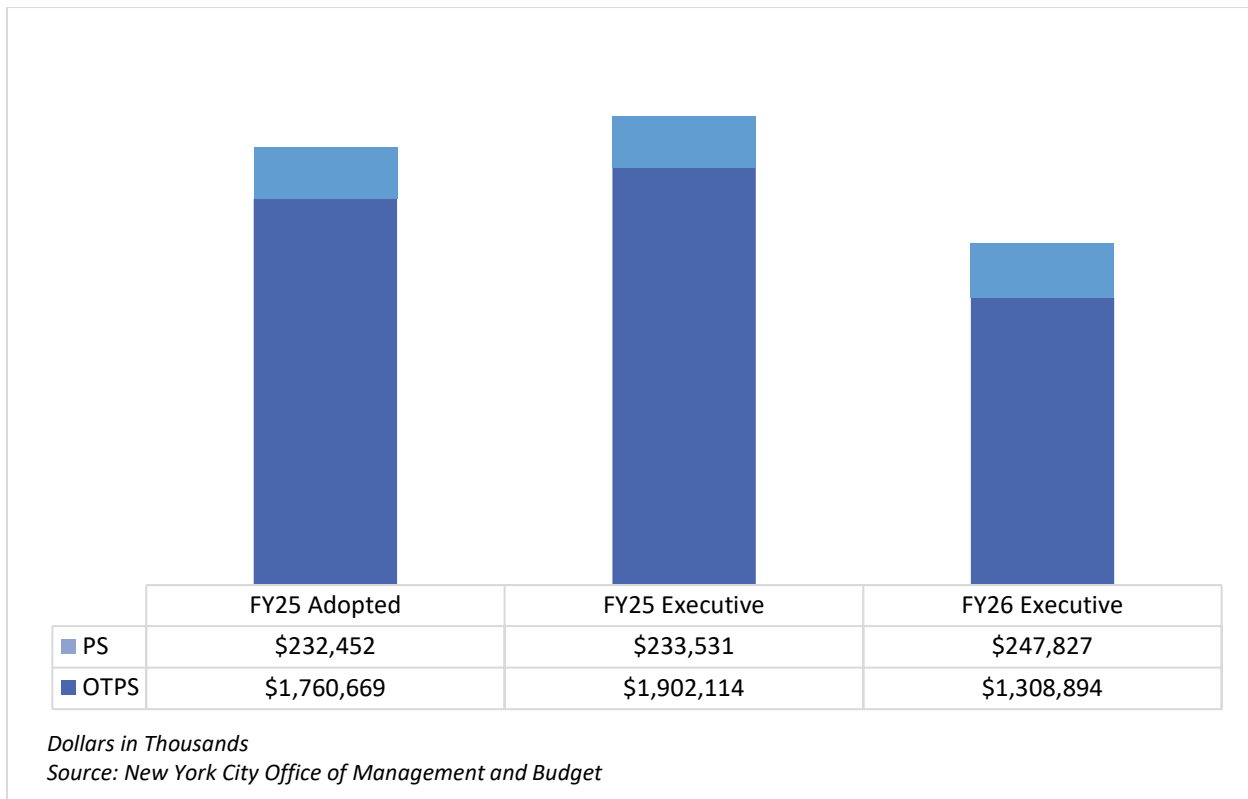


Fiscal 2026



Source: New York City Office of Management and Budget

Personal Services (PS) and Other Than Personal Services (OTPS)

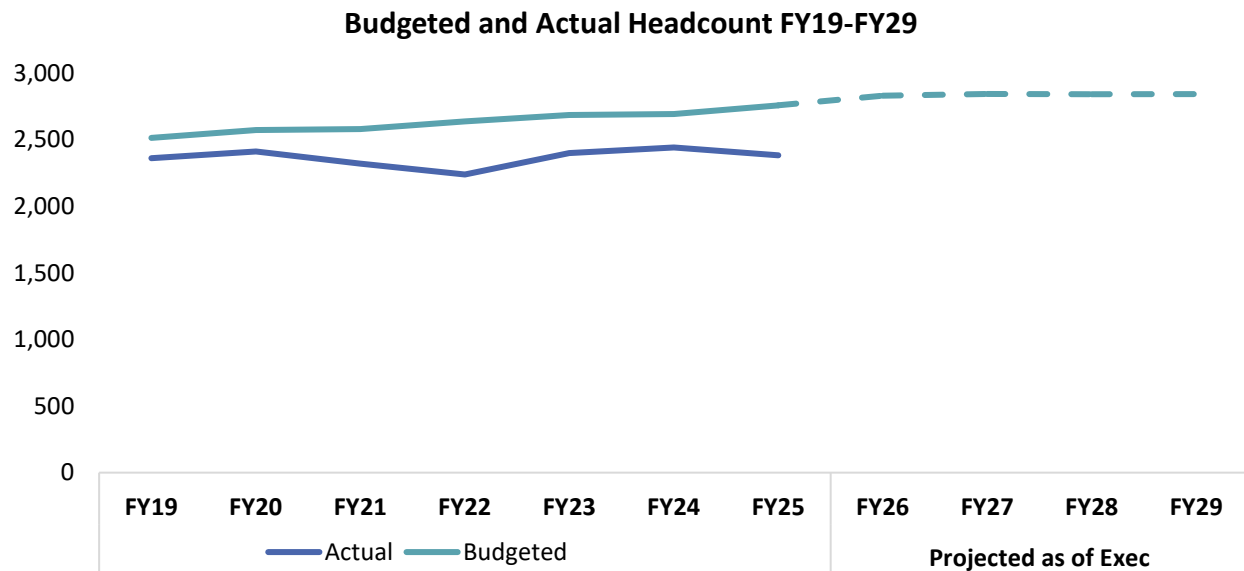


Headcount

Fiscal 2025 Budgeted Full-Time Positions: **2,832**

Actual Headcount as of March 2025: **2,383**

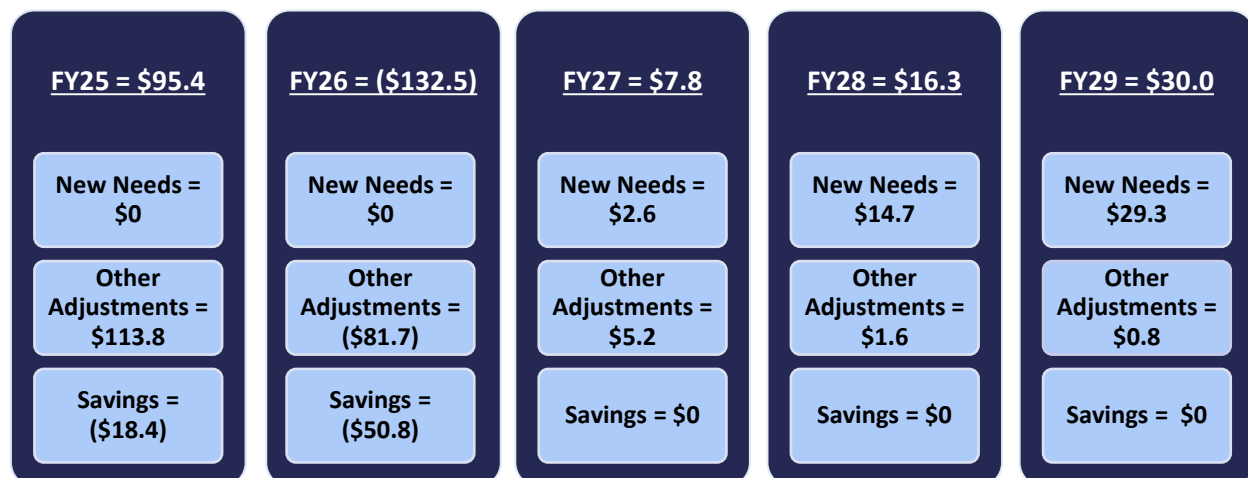
Vacancy Rate as of March 2025: **15.9 percent**



Source: New York City Office of Management and Budget

Note: Budgeted and actual headcounts are as of the end of the fiscal year, except for FY26 where budgeted headcount is as of the Executive Plan and actual headcount is as of March 2025.

Executive Plan Changes



Dollars in Millions

Savings in this chart are the sum of all expense savings, from all revenue sources, including but not limited to, City, State, and federal savings.

Significant Executive Plan Changes

New Needs

- **NYC 15/15 Rental Assistance.** The Executive Plan includes an additional \$46.6 million in Fiscal 2027-2029 for 15/15 supportive housing. This funding will support the transition of 5,800 supportive housing units from scattered to congregate settings. The funding is distributed across the plan period with \$2.6 million of City funding in Fiscal 2027, \$14.7 million in Fiscal 2028, and \$29.3 million in Fiscal 2029.

Other Adjustments

- **Section 8 Housing HAP Short.** The Executive Plan recognizes an additional \$100.0 million of Federal funding in Fiscal 2025 for additional Section 8 housing vouchers, increasing federal Section 8 Housing vouchers from \$533 million to \$633 million in Fiscal 2025.

Savings

- **Asylum Seeker Savings.** The Plan includes reductions of \$18.5 million in Fiscal 2025 and \$50.8 million in Fiscal 2026 from projected asylum seeker costs savings. The savings are driven by underspending in the current fiscal year and adjustments to census projections for future years. New entries into the system since July 2024 have been lower than anticipated.

Budget Response

*Fiscal 2026 Expense Proposal Estimate: **\$2.2 million***

*Expense Proposals Included in the Fiscal 2026 Executive Budget: **\$0***

In the City Council's Fiscal 2026 Preliminary Budget Response, the Council identified several areas of concern relating to HPD. The budget response called on the Administration to add \$2.2 million in expense funding and \$600 million in capital funding to expand on housing investments in the Fiscal 2025 Adopted Budget and the City for All negotiations.² The Executive Plan includes the following, as shown in the table.

FY26 Budget Response Items			
#	Response Priorities	Amount Requested	Amount in the Exec Budget
1	Housing Preservation and Development Litigation Team Enhancement	\$2.2	\$0
2	Third Party Transfer Expansion*	\$600	\$0

Dollars in Millions

** Capital proposal, not included in the total above.*

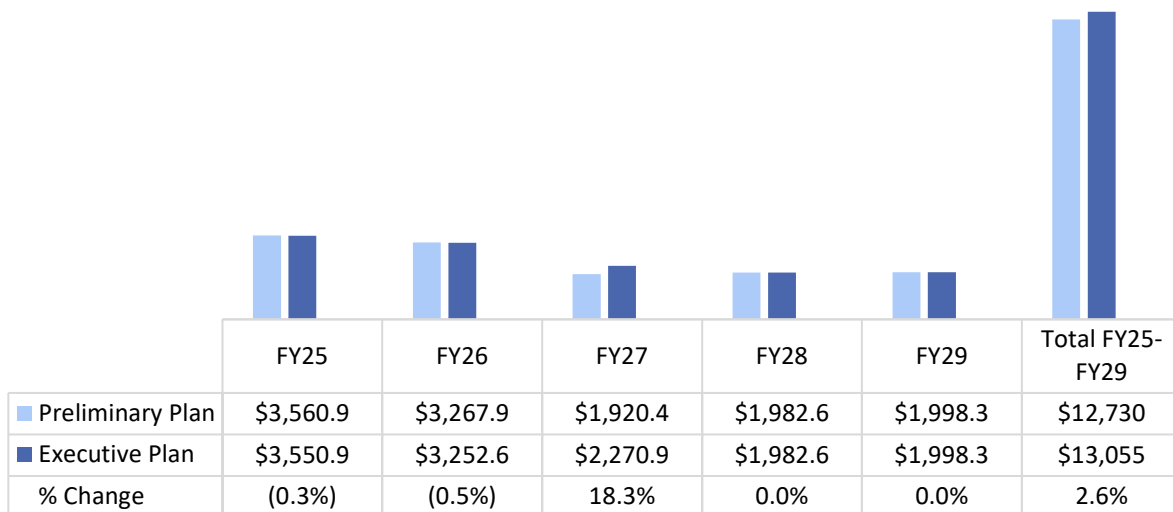
Capital Plan Overview

- HPD's commitments, as presented in the Executive Capital Commitment Plan for Fiscal 2025-2029 (the Executive Commitment Plan), total \$13.06 billion, 2.6 percent more than the total for the same period presented in the Preliminary Capital Commitment Plan released in January.
- The Department's planned commitments comprise 11.8 percent of the City's total \$110.98 billion Fiscal 2025-2029 commitments.

² New York City Council, "[Response to the Fiscal 2026 Preliminary Budget and Fiscal 2025 Preliminary Mayor's Management Report](#)", as of April 2025.

Capital Commitment Plan

Fiscal 2025-2029 Capital Commitment Plan



Dollars in Millions

Source: New York City Office of Management and Budget

- Permanent Affordability Commitment Together.** The Executive Capital Commitment Plan includes \$1.94 billion in Fiscal 2025-2029 for the Permanent Affordability Commitment Together (PACT) program. This program includes developments in the federal Rental Assistance Demonstration (RAD) program in order to convert housing to a more sustainable Project-Based Section 8 funding source.
- Extremely Low & Low Income Affordability Program.** The Plan includes \$2.17 billion in Fiscal 2025-2029 for the Extremely Low- & Low-Income Affordability Program (ELLA) which will fund the new construction of affordable housing. The program dictates that a minimum of 80 percent of units constructed are at low-income rents for households up to 80 percent of the area median income (AMI) and up to 20 percent of units can be affordable to those between 90 and 100 percent of the AMI.

Budget Action Chart

<i>Dollars in Thousands</i>	FY25			FY26		
	City	Non-City	Total	City	Non-City	Total
HPD Budget as of the FY26 Preliminary Plan	\$816,961	\$1,223,275	\$2,040,236	\$783,414	\$905,774	\$1,689,188
Changes Introduced in the FY26 Executive Plan						
New Needs						
NYC 15/15 Rental Assistance	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal, New Needs	\$0	\$0	\$0	\$0	\$0	\$0
Other Adjustments						
AG Settlement Funds	\$0	\$2,891	\$2,891	\$0	\$0	\$0
Asylum Seeker Adjustment	68	0	68	0	0	0
Asylum Seeker Funding Reallocation	0	0	0	(90,069)	0	(90,069)
BPCA Funds - 8166	0	421	421	0	1,089	1,089
DC37 Collective Bargaining Adjustment	43	0	43	43	0	43
EDC-HPD ADU Transfer	0	0	0	(485)	0	(485)
Flood Help NY - FEMA	0	165	165	0	0	0
FY21 UASI GRANT - 7012	0	13	13	0	0	0
FY25 HAP Payment Shortage	0	138	138	0	0	0
HAP SHORTAGE - CR18	0	25	25	0	0	0
Heat, Light and Power	578	0	578	892	0	892
HOMELESS PLACEMENTS - HDC	0	99	99	0	0	0
HPD Navigator Funding	0	932	932	0	0	0
IC HPD-Exp 6663 Hylan Blvd. SI	0	197	197	0	0	0
IFA Fringe Reallocation	0	(1,594)	(1,594)	0	(1,594)	(1,594)
IFA Headcount Restoration	0	0	0	0	3,060	3,060
Increase funds for IDA	0	67	67	0	0	0
Lease Adjustment	0	0	0	16	0	16
Local Initiatives	10	0	10	0	0	0
MARION & CRESTON - 7105	0	1,887	1,887	0	0	0
Mitchel-Lama Study - NYCHPD	0	146	146	0	350	350
Move funds to NYCHA	0	1,500	1,500	0	0	0
NYCHA CTL Roll	(1,744)	0	(1,744)	1,744	0	1,744
NYCHA Navigator Funding	0	91	91	0	0	0
NYCHA transfer to CPSD	(272)	0	(272)	0	0	0
NYS ESD-funded MWBE	0	198	198	0	0	0
Other Adjustments	20	0	20	0	0	0
Proposal for Housing Connect	0	226	226	0	0	0
Funding Reallocations	0	5,820	5,820	0	2,582	2,582
Schedule funds for HVS	0	155	155	0	0	0
Section 8 Funding	0	101,682	101,682	0	612	612
Software Subscriptions	(578)	0	(578)	578	0	578
Take down findings	0	(584)	(584)	0	(589)	(589)
To schedule funds for PRO Hsg	0	1,000	1,000	0	0	0
To schedule DR funds	0	114	114	0	104	104
VANGUARD DIRECT INC.	0	120	120	0	0	0
Subtotal, Other Adjustments	(\$1,875)	\$115,709	\$113,834	(\$87,281)	\$5,614	(\$81,667)
Savings						
FY25 Asylum Seeker Savings	(\$18,430)	\$0	(\$18,430)	\$0	\$0	\$0
FY26 Asylum Seeker Savings	0	0	0	(50,798)	0	(50,798)
Subtotal, Savings	(\$18,430)	\$0	(\$18,430)	(\$50,798)	\$0	(\$50,798)
TOTAL, All Changes in the FY26 Executive Plan	(\$20,305)	\$115,709	\$95,404	(\$138,079)	\$5,614	(\$132,465)
HPD Budget as of the Executive Plan	\$796,658	\$1,338,986	\$2,040,236	\$645,334	\$911,387	\$1,556,721

Source: New York City Office of Management and Budget

Budget by Program Area

<i>Dollars in Thousands</i>	FY23	FY24	FY25	Executive Plan		*Difference
	Actual	Actual	Adopted	FY25	FY26	FY26 - FY25
Budget by Program Area						
Administration	\$68,195	\$69,472	\$71,616	\$227,167	\$79,979	\$8,363
Administration Program	307,446	350,074	340,751	367,090	365,387	24,636
Development	47,597	55,571	122,814	170,842	85,031	(37,783)
Housing Operations - Section 8 Programs	643,912	725,762	673,645	839,358	702,144	28,498
Housing Operations- Emergency Housing	73,548	449,483	600,596	323,256	145,928	(454,668)
Housing Operations- Mgmt & Disposition	28,918	36,435	32,218	31,179	29,820	(2,399)
Preservation - Anti-Abandonment	10,863	11,958	16,109	18,264	4,331	(11,778)
Preservation - Code Enforcement	36,851	47,918	42,563	49,442	48,150	5,587
Preservation - Emergency Repair	33,047	37,772	35,545	39,785	36,537	992
Preservation - Lead Paint	20,164	23,721	22,299	21,827	20,773	(1,525)
Preservation - Other Agency Services	53,541	63,674	34,964	47,435	38,641	3,678
TOTAL	\$1,324,081	\$1,871,842	\$1,993,121	\$2,135,645	\$1,556,721	(\$436,400)
Funding						
Federal - Other	\$654,597	\$733,874	\$651,481	\$986,485	\$675,969	\$24,488
City Funds	391,341	862,776	1,068,647	796,659	645,334	(423,312)
Federal - Community Development	243,814	238,608	242,298	309,440	195,265	(47,033)
Capital- IFA	20,551	22,522	25,708	24,570	28,672	2,965
Other Categorical	9,585	1,1362	867	11,638	8,203	7,337
Intra City	3,069	2,509	2,136	2,783	2,202	66
State	1,124	191	1,985	4,070	1,075	(910)
TOTAL	\$1,324,081	\$1,871,842	\$1,993,121	\$2,135,645	\$1,556,721	(\$436,400)
Budgeted Headcount						
Full-Time Positions - Civilian	2,401	2,425	2,693	2,760	2,832	139
TOTAL	2,401	2,425	2,693	2,760	2,832	139

**The difference between the Fiscal 2026 Executive Budget and the Fiscal 2025 Adopted Budget.*

Source: New York City Office of Management and Budget