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Report on the Fiscal 2025 Preliminary Plan
and the Fiscal 2024 Preliminary Mayor's
Management Report for the

New York City Housing Authority

March 12, 2024

Prepared by Daniel Kroop, Principal Financial Analyst



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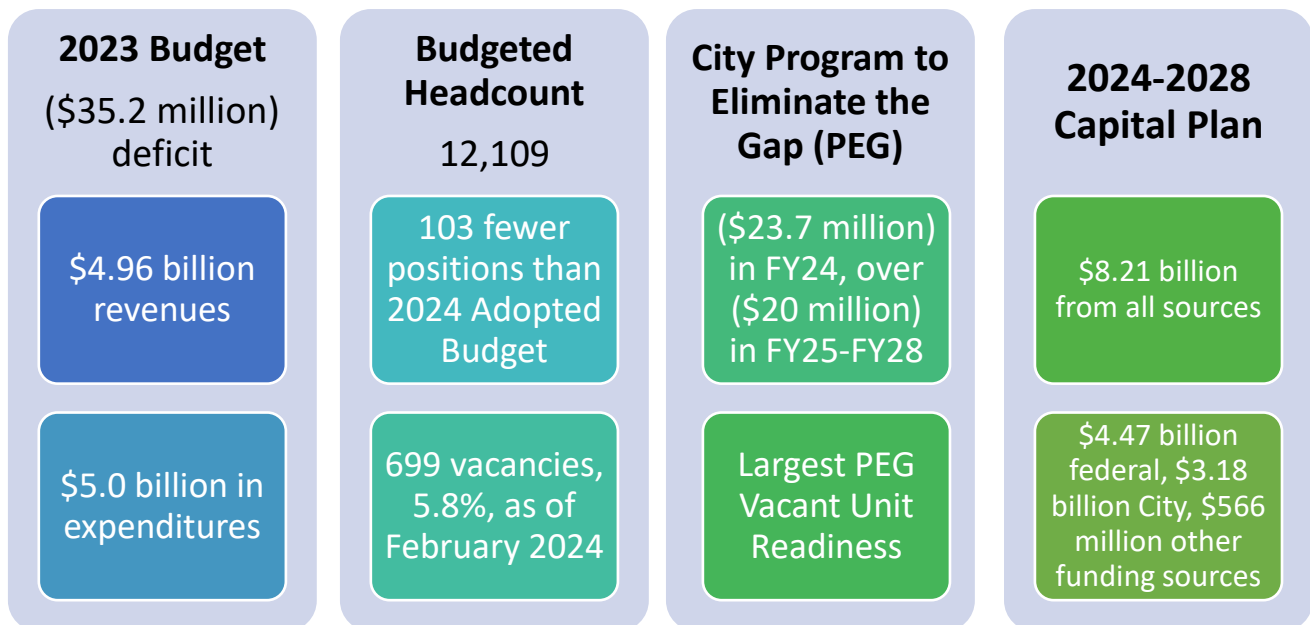
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New York City Housing Authority (NYCHA) Overview

The New York City Housing Authority (“NYCHA” or the “Authority”) provides affordable housing to 522,989 authorized residents in 177,569 apartments within 335 housing developments and units leased through the Section 8 program.¹ NYCHA serves 317,294 authorized residents in 158,563 apartments within 266 housing developments through traditional public housing (Section 9) and 36,416 authorized residents in 19,001 units within 69 developments that were converted to the federal Housing and Urban Development (HUD) Rental Assistance Demonstration (RAD) project that the City calls Permanent Affordability Commitment Together (PACT). NYCHA is currently targeting 25,000 apartments for conversion to the Public Housing Preservation Trust as another strategy, alongside PACT and Section 9, of grappling with more than \$78 billion in needed repairs, according to its most recent Physical Needs Assessment.² Additionally, NYCHA provides rental subsidies to 100,355 families through federal rent subsidies (Section 8 Leased Housing Program) that are used in the private market and facilitates access to social services through a variety of programs.³

NYCHA Fiscal 2025 Budget Snapshot

NYCHA’s budget is not part of the City’s budget, and its fiscal year follows the Calendar Year (CY). In this report, when the words “2024 budget” or CY24 Budget are used, it refers to NYCHA’s total calendar-year budget; “Fiscal 2024 budget” or FY24 are used to refer to the City’s July-June fiscal year. July 2024 will be Fiscal 2025 for the City but remains CY24 for NYCHA.



¹ The City of New York, *Preliminary Fiscal 2024 Mayor’s Management Report*, January 2024, p. 343, available online at: <https://www.nyc.gov/assets/operations/downloads/pdf/pmmr2024/dob.pdf>.

² STV | AECOM, *New York City Housing Authority 2023 Physical Needs Assessment Final Report*, June 22, 2023, available online at: <https://www.nyc.gov/assets/nycha/downloads/pdf/2023-PNA-Report-Physical-Needs-Assessment-NYCHA.pdf>.

³ See 1, *ibid*.

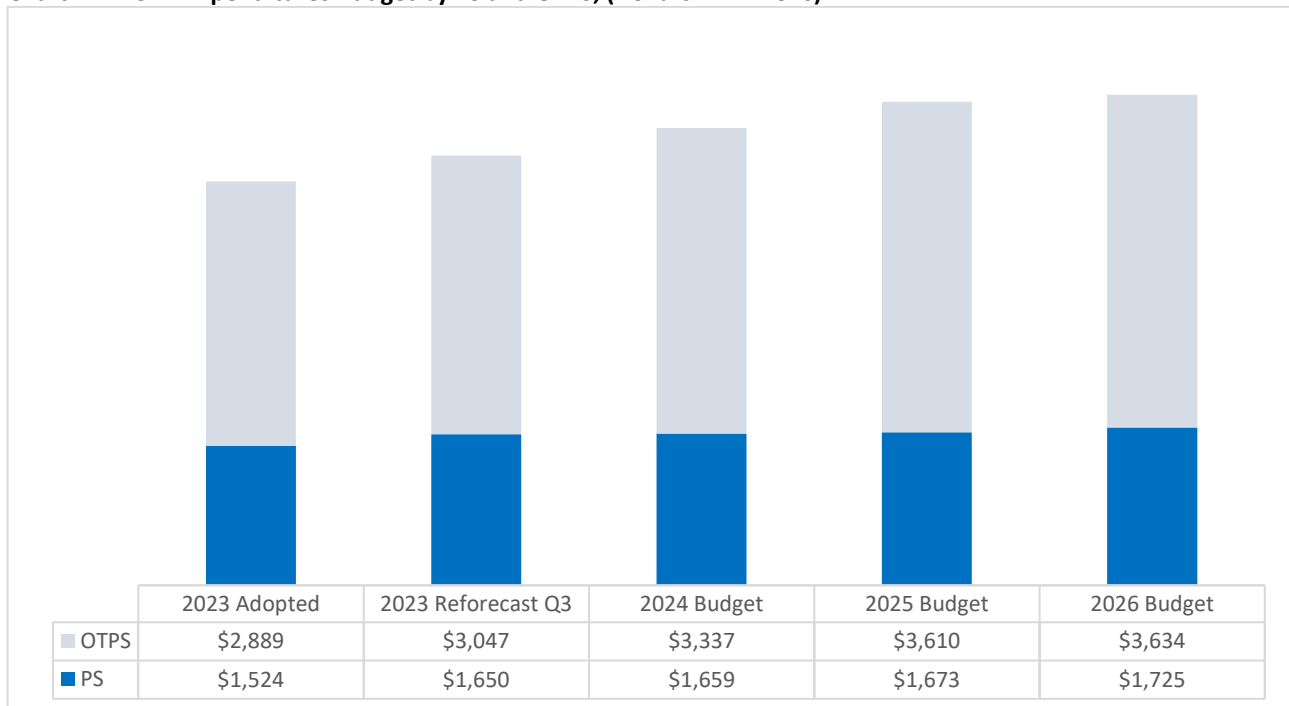
NYCHA Financial Plan Overview

NYCHA’s operating budget contains both revenues and expenses, and its capital budget includes funding from a range of federal, City, and other sources. In December 2023, the NYCHA Board approved its five-year 2024-2028 Operating and Capital Plans. The Authority’s 2024 revenues total \$4.96 billion. About \$958.8 million, or 19 percent, is comprised of rental tenant revenue, a share which has been declining and is expected to decline further to \$914.9 million, or 16 percent, by 2028. Operating expenses total \$5.0 billion, which means that the 2024 Adopted Operating Budget projects an overall deficit of \$35.3 million. NYCHA is in a precarious financial position due to, among other reasons: aging, costly infrastructure, a falling rate of rent collection, increasing overtime expenses, and rising HUD/SDNY (Southern District of New York) Agreement compliance costs.

NYCHA’s 2024 budget includes \$1.66 billion for Personal Services (PS) to support 12,109 full-time positions. The Authority’s Other Than Personal Services (OTPS) funding totals \$3.34 billion and includes approximately \$413.5 million for contractual services. Chart 1 presents the breakdown of the Personal Services (PS) and Other Than Personal Services (OTPS).

The most updated data available on NYCHA’s 2023 budget from the Authority’s Third Quarter (Q3) Reforecast reflects \$1.65 billion in PS spending and \$3.05 billion in OTPS spending, for total expenditures of \$4.70 billion and no deficit. NYCHA’s 2024 Budget Book, which will be published later in the spring, will contain additional information on the 2023 year-end close actuals for NYCHA. Based on prior experience, the Budget Book should be available by early May.

Chart 1: NYCHA Expenditures Budget by PS and OTPS, (Dollars in Millions)



Source: NYCHA

NYCHA Operating Budget

Appendix A presents NYCHA’s 2022-2028 Budgets, including its 2024-2028 Adopted Operating Budget, by major expense and revenue categories. By 2028, PS spending is anticipated to total \$1.75 billion, 5.8 percent growth across the plan years, with OTPS spending at \$3.87 billion, 16.0 percent growth across the plan years. The net increase in the OTPS budget across the Plan results from growth

in Housing Assistance Payments alongside modest decreases in the budget for supplies, contracts, and utilities (which aligns with lower costs as units transfer from Section 9 to the Section 8 based options through the Trust or PACT). A summarized view of NYCHA's 2022-2025 budgets is presented in Table 1.

Table 1: NYCHA Operating Budgets, 2022-2025 (Dollars in Thousands)

	Actuals 2022	Budget 2023	Part of 2024-2028 Adopted Plan		Difference 2024-2023
			Budget 2024	Budget 2025	
Revenues					
Revenue from Operations:					
Tenant Rental Revenue	\$851,334	\$850,292	\$958,802	\$896,080	\$108,510
Federal Subsidies	1,211,267	1,208,530	1,310,287	1,349,812	101,757
Section 8 Subsidies (HAP & Admin)	1,592,958	1,628,934	2,112,466	2,396,591	483,532
Capital Fund Reimbursements	248,064	248,614	263,156	263,156	14,542
Categorical Grants	11,646	2,604	1,262	1,082	(1,342)
City Funds	247,286	232,500	205,334	206,863	(27,165)
Other Revenues	181,977	141,425	109,214	115,380	(32,211)
Withdrawal from Reserve	100,000	65,451	0	0	(65,451)
Total Revenues	\$4,444,531	\$4,378,349	\$4,960,522	\$5,228,964	\$582,172
Expenditures					
Personal Service:					
Salary F/T	\$717,833	\$762,188	\$846,945	\$852,893	\$84,757
Seasonal	32,925	20,456	21,810	21,810	1,354
Overtime	174,170	100,000	110,904	109,514	10,904
Fringe	617,126	627,672	665,791	675,949	38,119
Other Salaries	30,008	13,443	13,356	13,248	(87)
Total PS	\$1,572,062	\$1,523,759	\$1,658,807	\$1,673,415	\$135,047
Other Than Personal Service:					
Housing Assistance Payments	\$1,289,660	\$1,455,263	\$ 1,901,140	\$2,197,081	\$445,877
Utilities	626,680	603,913	643,480	640,624	39,567
Contracts	530,378	463,429	413,532	407,358	(49,897)
Supplies	97,948	110,401	109,395	107,460	(1,006)
Insurance	92,955	103,363	117,262	124,806	13,899
All Others	234,630	153,043	152,172	132,518	(871)
Total OTPS	\$2,872,251	\$2,889,412	\$3,336,981	\$3,609,845	\$447,569
Total Expenditures	\$4,444,313	\$4,413,171	\$4,995,788	\$5,283,260	\$582,616
Surplus/(Deficit)	\$218	(\$34,822)	(\$35,266)	(\$54,296)	(\$444)

Source: NYCHA

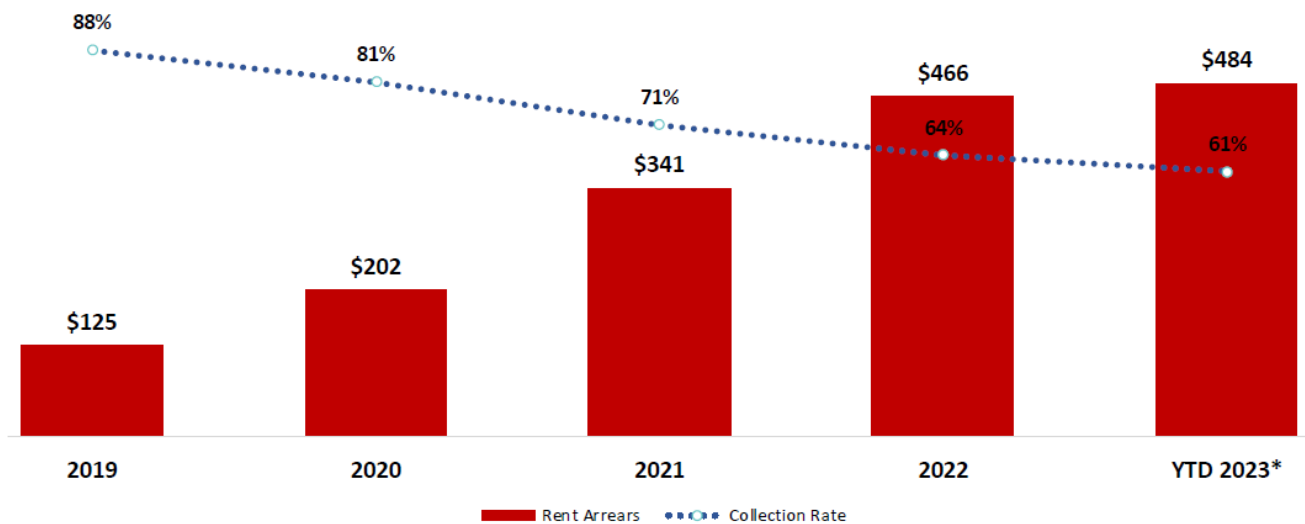
City Expense Funding. NYCHA's Operating Plan only partially reflects the recent rounds of the City Program to Eliminate the Gap (PEG) and does not reflect the PEG in the Fiscal 2024-2028 Preliminary Financial Plan (Preliminary Plan). City expense budget contributions to NYCHA via the Department of Housing Preservation and Development (HPD) – which serves as the City's main fiscal conduit to NYCHA's operating budget – were \$265.1 million at Fiscal 2024 budget adoption. The Preliminary Plan includes a budget of \$216.5 million for Fiscal 2025. Additional City funding is usually added at adoption through discretionary items. When comparing the Fiscal 2024 and 2025 budgets, there is lower funding for capitolly ineligible items, vacant unit readiness program, and Community

Development Block Grant (CDBG) funded capital projects staff, and smaller amounts for other programming like urban farms and the mechanical waste collection pilot.

Revenue. NYCHA’s revenue is set to rise from \$4.96 billion in 2024 to \$5.64 billion in 2028. Section 8 Program Subsidy grows the most, from \$1.88 billion in 2024 to \$2.70 billion in 2028. However, tenant rental revenue declines from \$958.8 million in 2024 to \$914.9 million by 2028.

Tenant rent arrears total \$484 million across 71,000 households as of November 30, 2023, which is approximately \$359 million greater than in 2019. NYCHA has received \$100 million of Emergency Rent Assistance Program (ERAP) funding from New York State as of December 13, 2023. A total of \$63 million of ERAP funding has been applied to tenant accounts as of November 30, 2023, and is reflected in the 2023 arrears balance in Chart 2. NYCHA is only collecting 61 percent of the rent charged (including arrears) over a 12-month period. HUD expects Public Housing Authorities (PHAs) like NYCHA to collect 100 percent of the rent charged. Tenant rent collection has fallen from 88 percent in 2019 to 61 percent in late 2023.

Chart 2: Cumulative Tenant Arrears (Dollars in Millions)



Source: NYCHA. *Note: Cumulative rent collection rate is the total rent charged divided by total rent collected over a twelve-month period. The 2023 rent shown is as of November 30, 2023, and subject to change.

State Budget.

The State Fiscal Year (SFY) 2024 budget included \$391 million to support ERAP applications across the State that were submitted through January 30, 2023 (when the application closed), of which approximately \$163 million was anticipated to flow to NYCHA. The SFY 2024 budget also included authorization to spend up to \$250 million in additional federal funds that might flow in for the ERAP program, however none of these funds have been appropriated. The SFY 2024 budget further included \$135 million in new capital funding for NYCHA.

The ERAP funding in particular was urgently needed. NYCHA had requested that the State provide \$330 million, reflecting the scale of the arrears crisis. During the COVID-19 pandemic, the State gave public housing residents like those in NYCHA the lowest priority for ERAP funds, and the SFY 2024 action sought to reverse some of the negative impact of that decision.

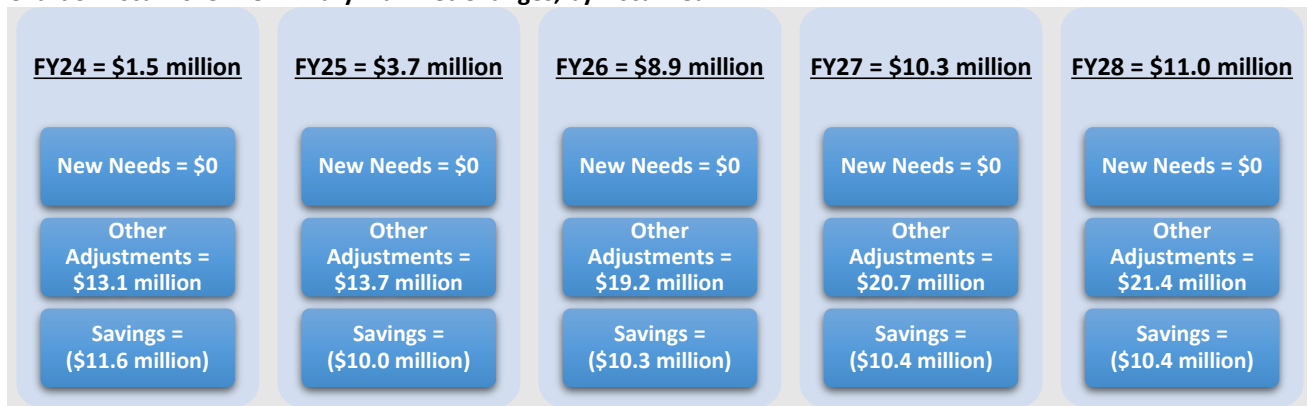
The SFY 2025 Executive Budget did not include additional funding for ERAP, other expenses, or capital funds for NYCHA. The Council has regularly called for greater State contributions to the Authority to

preserve affordable housing opportunities for New Yorkers. Since 2016, New York State has provided over \$1.2 billion to NYCHA, of which \$350 million was awarded in SFY 2023. These funds have provided essential heating, security, elevator, and other quality-of-life improvements. The 2024 budget reflects \$336 million in funding remaining of \$750 million in State capital awarded for heating and elevator improvements.

Fiscal 2025 Preliminary Budget Changes

Budget actions in the City’s Preliminary Plan increase NYCHA’s budget by \$1.5 million in Fiscal 2024 and \$3.7 million in Fiscal 2025 when compared to the November Plan. There were no new needs, while other adjustments, overwhelmingly labor costs, increase the budget by \$13.1 million in Fiscal 2024, \$13.7 million in Fiscal 2025, and about \$20 million in the outyears. The Vacant Unit Readiness PEG savings reduces the budget by \$11.7 million in Fiscal 2024, \$10.0 million in Fiscal 2025, \$10.3 million in Fiscal 2026, and \$10.4 million in Fiscals 2027 and 2028. Chart 3 provides a summary of NYCHA’s spending changes from the November Financial Plan to the Preliminary Financial Plan.

Chart 3: Fiscal 2025 Preliminary Plan Net Changes, by Fiscal Year*



*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. As some agency PEGs may be revenue actions or savings from non-City sources, this number will not necessarily equal the agency’s PEG value.

Table 2: NYCHA Total Program to Eliminate the Gap (PEG)

Dollars in Millions	FY24	FY25	FY26	FY27	FY28
November Plan	(\$12.0)	(\$10.3)	(\$10.4)	(\$10.5)	(\$10.5)
Preliminary Plan	(11.6)	(10.0)	(10.3)	(10.4)	(10.4)
TOTAL PEGs	(\$23.7)	(\$20.4)	(\$20.7)	(\$20.9)	(\$20.9)

Source: New York City Office of Management and Budget

New Needs

- None

Other Adjustments

- **Collective Bargaining Adjustment.** The Preliminary Plan includes \$12.9 million in Fiscal 2024, \$13.7 million in Fiscal 2025, \$19.1 million in Fiscal 2026, and approximately \$21.0 million in Fiscals 2026-2028 for labor funding re-estimates associated with the conclusion of collective bargaining for union-represented staff. Members of the following eight unions receive raises: DC9 Local 1969 glaziers (21 workers), DC9 Local 1969 painters (321 workers), SEIU Local 246 auto mechanics (4 workers), UBCJ Carpenters (228 workers), IUOE Local 15 Oilers (5 workers),

IBT Local 237 roofers (28 workers), IBT Local 237 plasterers (238 workers), CWA Local 1180 administrative managers (66 workers).

Savings/Program to Eliminate the Gap (PEG)

- **Vacant Unit Readiness Program.** The Preliminary Plan includes PEG savings of \$52.8 million over five years from an expense funding swap with capital funding for the Vacant Unit Readiness (VUR) program. VUR helps prepare and rehabilitate NYCHA units for new tenants. Once turned over, these units provide affordable housing for New Yorkers through placement from Department of Homeless Services (DHS) shelters, emergency transfers, and NYCHA's general waiting list. VUR work is roughly split between contracted vendors and in-house property management teams.

While the Administration's official budget documents call the PEG a "swap,"⁴ the Plan does not actually exchange expense-for-capital on a dollar-for-dollar basis. As discussed later, in the Preliminary Capital Plan, NYCHA's capital funding decreases when compared to the Adopted Capital Plan.

In early March 2024, NYCHA received the Certificate to Proceed (CP) from the City's Office of Management and Budget (OMB) in order to begin committing capital funds for VUR. The CP authorizes NYCHA to use \$54 million in funding for asbestos abatement in Fiscals 2024 and 2025.

NYCHA reports that it is trying to move away from separating turnovers conducted under VUR from the total universe of apartments regularly prepared for new tenants (i.e. outside of VUR). The Authority's Fiscal 2024 target is to prepare 3,000 units to be occupied. However, concerns persist about the pace of turnover. As of March 2023, there were 7,411 total vacant units, of which 1,165 were categorized as permanently off the rent rolls. Of the remaining 6,246 units, 1,447 were matched but vacant; 1,487 were temporarily off the rent roll; and 3,312 were vacant units available to rent. Additional units come into the pipeline for turnover regularly and require repair/remediation prior to occupancy. The VUR program, its staffing (both the in-house and contracted aspects), performance and financing should be regularly reassessed to ensure that NYCHA's affordable housing is accessible to the most New Yorkers possible.

Headcount

Table 3 reviews NYCHA's budgeted and current active headcount. As of February 2024, there are 11,410 active positions and 12,109 budgeted positions across the three major categories of NYCHA's headcount (properties and borough offices; operation support services, including heating, elevators, healthy homes, and resident services; and other central office departments, excluding operations). NYCHA's overall vacancy rate is 5.8 percent.

⁴ The City of New York, "Preliminary Budget Fiscal Year 2025, Program to Eliminate the Gap (PEG)," January 2024, p. 41, available online at: <https://www.nyc.gov/assets/omb/downloads/pdf/peg1-24.pdf>.

Table 3: NYCHA Headcount, 2022-2024 Budgeted and 2024 Active

	2022 Budget	2023 Budget	2024 Budget	2024 Active*	Vacancies	Vacancy Rate
Properties & Borough Offices	7,216	7,355	7,044	6,892	152	2.2%
Operations Support Services (Heating, Elevators, Healthy Homes, Resident Services, etc.)	2,798	2,665	2,806	2,557	249	8.9%
Central Office Departments (excl. Operations)	2,174	2,192	2,259	1,961	298	13.2%
Total	12,188	12,212	12,109	11,410	699	5.8%

* Pay Period 4 includes all employees currently on paid status (Active/B status) through February 17, 2024

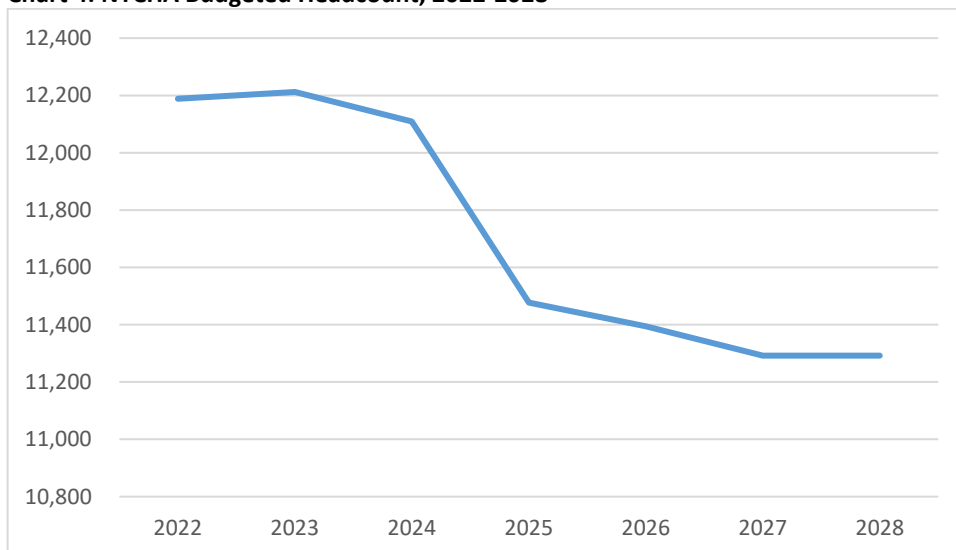
Source: NYCHA.

The vacancy rate is lowest, at 2.2 percent, for properties and borough offices, with 152 vacancies and 6,892 active positions. The vacancy rate is higher for operations support services, at 8.9 percent, with 249 vacancies and 2,557 active positions; it is higher still for central office departments, at 13.2 percent, with 298 vacancies and 1,961 active positions. The high number of vacancies in the central office departments dovetails with NYCHA’s stated strategy for controlling its deficit by reducing central office department expenses and reallocating funding to essential services, for example, property management or equipment.

NYCHA’s budgeted headcount has declined between 2022 and 2024 (see Chart 4). The 2024 budgeted headcount, 12,109 positions, is 103 positions lower than in 2023 and 79 lower than in 2022.

However, the bigger decline in headcount is budgeted for 2025, when headcount is planned to drop to 11,477, a decrease of 632 positions (5.2 percent) from the 2024 budget. NYCHA has stated that its projected revenues cannot sustain continued staffing increases and plans to decrease property staff through attrition as public housing developments convert through PACT. NYCHA’s operating plan points towards an ongoing reduction of NYCHA staff, which the Authority has suggested could be drawn from attrition at the property staff level. However, this could hinder NYCHA’s ability to maintain and operate its aging infrastructure and provide adequate services to its tenants.

Chart 4: NYCHA Budgeted Headcount, 2022-2028



Source: NYCHA

Fiscal 2024 Preliminary Mayor's Management Report

- **Rent Collection.** As previously discussed, NYCHA's rent collection rate has declined steadily since the onset of the Covid-19 pandemic. Cumulative rent collection decreased by four percentage points, from 64.9 percent in the first four months of Fiscal 2023 to 60.9 percent for the same period in Fiscal 2024 and did not meet the target of 97.5 percent. Rent delinquency was up slightly from 45.4 percent to 46.5 percent for the same reporting period. As of October 2023, there were 69,596 households in rent arrears, a 0.3 percent increase compared to 69,368 in the prior year.

- **Maintenance and Repairs.** The average time to resolve emergency repair requests decreased by 28 percent from 22.6 hours in the first four months of Fiscal 2023 to 16.2 hours for the same period in Fiscal 2024. The current level is still above the 14.8-hour average time to resolve these requests in Fiscal 2022.

Unlike emergency repairs, non-emergency repair requests took 12 percent more time on average to resolve, rising from 58.4 days in the first four months of Fiscal 2023 to 65.7 days in the same period in Fiscal 2024. Both of these metrics are well above NYCHA's 15-day target for the resolution of non-emergency repairs. The average time was 39.5 days in the first four months of Fiscal 2022, suggesting NYCHA is increasingly struggling to quickly resolve non-emergency repairs, despite important progress with emergency repairs for HUD compliance areas such as heat or elevator outages.

NYCHA has been abating units to comply with the new, more stringent lead paint regulations that went into effect on December 1, 2021. The total number of units abated for lead increased significantly by 187 percent, from 616 units in the first four months of Fiscal 2023 to 1,766 units during the same period in Fiscal 2024. NYCHA reports bringing on a Project Management Office, LiRo, in its Lead Hazard Control Department, to oversee lead abatements and the temporary resident relocations needed to facilitate the abatements. The apartment abatement program is currently active at 76 developments and expanding.

- **Vacant Apartment Turnaround Time and Occupancy Rate.** The average time to prepare vacant units for re-rental increased by 61 percent from 258 days in the first four months of Fiscal 2023 to 415 days in the first four months of Fiscal 2024. The average turnaround time for vacant units increased by 37 percent to 409 days from 299 days in the same period last year. NYCHA should clarify if the total amount of time to re-occupy a unit after previous tenants depart is the sum of these preparation and turnaround times.

NYCHA is working on improving the apartment turnover process by scaling up operations to reduce turnover time. Extensive and required environmental work in apartments that become unoccupied, along with reduced operations capacity, have contributed to the increased average turnover time. The VUR program, which received a PEG in the Preliminary Plan, is intended to expedite turnover of apartments needing major repairs or remediation.

Reflecting these slow turnaround times, NYCHA's occupancy rate dipped from 97.1 percent in the first four months of Fiscal 2023 to 96.5 percent in the same period in Fiscal 2024. The number of applicants placed in public housing, however, increased by 24 percent, from 285 to 353.

- **Homeless Placements.** The overall number of homeless applicants placed in NYCHA decreased by 28 percent from 1,447 in the first four months of Fiscal 2023 to 1,047 in the same period in

Fiscal 2024. The number of homeless applicants placed in NYCHA Section 9 public housing decreased 14 percent from 186 to 160. NYCHA had fewer homeless placements primarily in the Section 8 program, which decreased by 30 percent from 1,261 to 887. NYCHA states that in previous reporting periods, many new admissions were in properties with a homeless preference, however in Fiscal 2024 fewer such properties became available.

- **PACT Progress.** During the first four months of Fiscal 2024, through the PACT program, NYCHA preserved seven developments consisting of 18 buildings and 983 units. A total of 7,151 units were rehabbed, a 23 percent increase from the same period last year. PACT aims to shift 62,000 total apartments from Section 9 to Section 8 to achieve complete comprehensive repairs in those developments. Over 20,000 homes have received repairs or are in progress, with nearly \$5.2 billion in capital repair work completed or underway across 72 active PACT projects.⁵
- **Domestic Violence and Emergency Transfers.** NYCHA’s emergency transfer priority is available to NYCHA residents who are victims of domestic violence, intimidated victims, intimidated witnesses, or child victims of sexual assault as well as all categories defined under the Violence Against Women Act (VAWA). The priority is intended to enhance safety for at-risk residents by providing confidential relocation to another NYCHA development. The number of residents approved for an emergency transfer decreased by 29 percent, from 630 in the first four months of Fiscal 2023 to 448 in the same period in Fiscal 2024. Positively, the emergency transfer disposition time was reduced by 39 percent from 18.4 days to 11.1 days, well below the 45-day target. NYCHA received fewer resident emergency transfer requests in Fiscal 2024 which enabled it to shorten the disposition time. The number of residents approved in the first four months of Fiscal 2022 was 899, which means placements decreased by over 50 percent in two fiscal years. Last year, NYCHA stated that it had addressed many of the longstanding unresolved cases, and that disposition time would return to pre-PMMR levels soon. This was proven only partially true, as both disposition time and number of transfers decreased, suggesting additional resources and attention must continue to be paid to such transfers.
- **Resident Job Placements.** Resident job placements rose by 15 percent to 948 in the first four months of Fiscal 2024 from 821 in the same period last year, which itself was an increase from the 676 placements in the first four months of Fiscal 2022. NYCHA made 343 direct placements through its Office of Resident Economic Empowerment and Sustainability (REES) and Human Resources Department, along with 605 partner placements. The Administration reports a significant jump in the number of Jobs Plus placements due to a clearer focus on outcomes by the Human Resources Administration (HRA) and vendors.

Budget Issues and Concerns

As New Yorkers struggle with a crippling shortage of affordable housing, NYCHA’s over 150,000 affordable apartments that remain in Section 9 represent a lifeline for hundreds of thousands of families.

⁵ NYCHA, “PACT Projects & News,” accessed March 6, 2024, available online at: <https://www.nyc.gov/site/nycha/about/pact/pact-projects-news.page>.

- **Aging Infrastructure, Staffing Needs, and Vacant Units.** While the Authority should be recognized for increasing the timeliness of some repairs, its challenges remain extensive and well-documented. For example, as previously discussed, its rental arrears crisis, staffing challenges in key pillar areas such as operations, and inability to rapidly turn around vacant apartments for new tenants require immediate attention.
- **PACT and Preservation Trust Conversions.** An additional budget risk stems from the Authority's ability to implement PACT and the Preservation Trust successfully through the resident engagement periods; NYCHA's current strategy leans heavily on Section 8 conversions to leverage funding for developments and achieve compliance with the HUD/SDNY Monitor Agreement.
- **Federal and State.** The federal government is a key partner and funder for NYCHA. Questions over Congress' use of stopgap funding resolutions, and possible changes to the level of Section 8 and Section 9 support from HUD, pose budgetary risks to NYCHA. The possibility of further State support for NYCHA is uncertain but could help close budget gaps.
- **HUD/SDNY Compliance.** While tenant rental revenue has decreased, NYCHA has managed to increase its investments in the HUD/SDNY Agreement pillar areas. Actual annual spending in the pillar areas of heating, elevators, lead, mold, pests and waste – and the additional compliance departments – rose to \$703 million in operating and capital funds as of November 30, 2023. NYCHA had not hit even \$600 million in combined spending on the Agreement in any calendar year since 2020. On March 1, 2024, the NYCHA monitorship switched from Guidepost Solutions to Jenner & Block. It remains to be seen how the new partnership will unfold in supporting ongoing necessary managerial and budgetary reform.

Capital Plan Overview

NYCHA has a five-year Capital Plan for 2024-2028 totaling \$8.21 billion, which is approximately \$399 million lower than its 2023-2027 Capital Plan of \$8.61 billion. There is \$3.13 billion in available appropriations in 2024, comprised of \$1.60 billion in unspent funds in prior years and \$1.53 billion in additional resources. NYCHA reduced its unspent prior year balance by approximately \$830 million in 2023.

Table 4 shows NYCHA's Capital Plan. It assumes an annual federal capital grant of \$752 million, which is \$43 million greater than the \$709 million baselined in 2023. The Plan reflects \$336 million remaining to be committed out of \$750 million awarded by the State for heating and elevator improvements. NYCHA committed \$202 million in State funds in 2023. City funds comprise \$3.18 billion, or approximately 39 percent, of the Plan total. City capital, discussed further in the following sections, includes \$1.8 billion of the \$2.2 billion for the HUD/SDNY Agreement as well as \$1.3 billion of Administration funds (NYCHA applies the City's September 2023 Plan commitments, as its budget is adopted in December). Planned City capital commitments decrease from \$1.1 billion in 2024 to \$173 million in 2028, an 84 percent decrease. NYCHA increased its pace of capital expenditures in 2023 from 2022, committing about \$140 million each month Authority-wide.

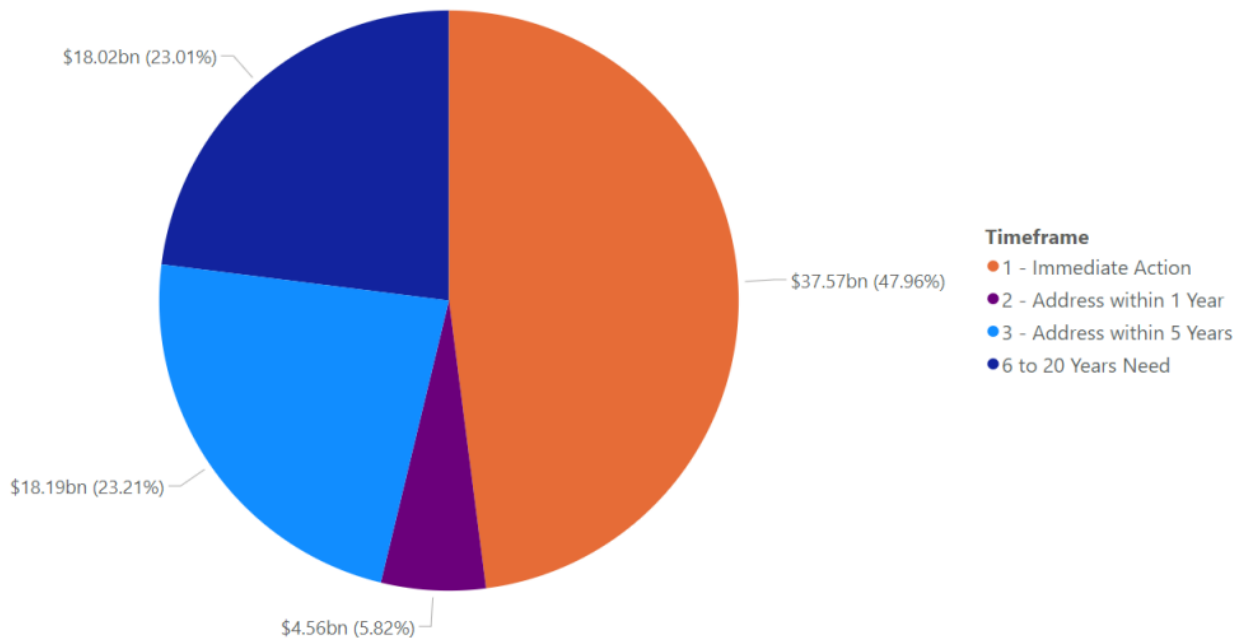
Table 4: NYCHA 2024-2028 Capital Plan

Sources	2024 *	2025	2026	2027	2028	Total 2024 - 2028
Federal Public Housing Capital	\$1,458	\$752	\$752	\$752	\$752	\$4,465
City Capital	\$1,107	\$926	\$672	\$304	\$173	\$3,182
State Capital	\$336	-	-	-	-	\$336
Federal Disaster Recovery	\$166	-	-	-	-	\$166
Community Development Block Grant (via City)	\$21	-	-	-	-	\$21
Emergency /Safety & Security Grants	\$19	-	-	-	-	\$19
Other	\$24	-	-	-	-	\$24
Total Sources	\$3,131	\$1,678	\$1,424	\$1,056	\$924	\$8,213

Source: NYCHA. *2024 budget includes \$1.6 billion in unspent fund from prior years.

The five-year Capital Plan addresses only \$8.21 billion, or 10.3 percent, of the estimated \$80 billion needed for capital repairs over the next twenty years. The size of the plan is even more concerning when you consider that 53.8 percent of NYCHA’s capital need, or \$42.1 billion, is comprised of critical projects that require immediate action or should be addressed within a year. Chart 5 presents NYCHA’s 20-year capital needs broken down by the timeframe in which they need to be completed.

Chart 5: NYCHA Capital Need by Timeframe to Take Action



Source: 2023 Physical Needs Assessment – STV/AECOM

The five-year Capital Plan makes key investments to replace and repair major capital assets across NYCHA’s portfolio. Table 5 presents the capital plan by project category. The current plan includes \$5.07 billion for asset and capital management; \$1.33 billion for transfer to operating budget for capital staff and other management fees; \$701 million for Healthy Homes (mold, lead, allergens, asthma, etc.), and smaller amounts for emergencies, IT, and other services.

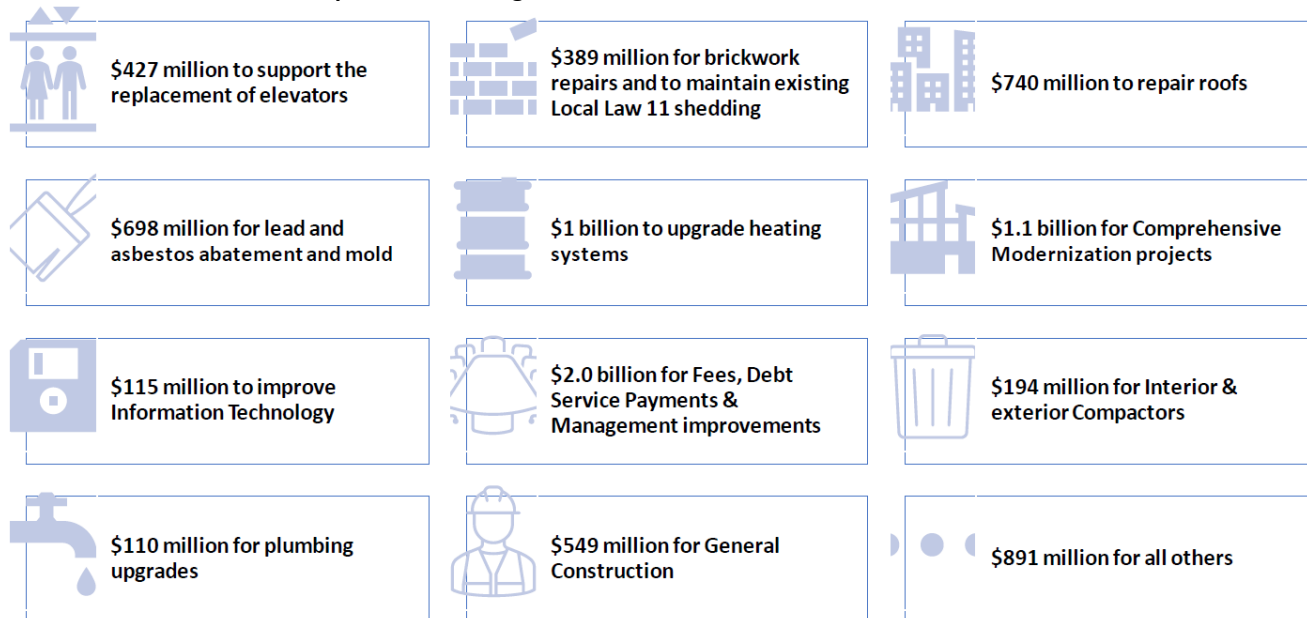
Table 5: NYCHA 2024-2028 Capital Plan by Category

	2024	2025	2026	2027	2028	Total 2024 - 2028
Uses						
Asset and Capital Management	\$2,328	\$1,110	\$823	\$448	\$360	\$5,069
Transfer to Operating & Mgmt Fee	\$278	\$263	\$263	\$263	\$263	\$1,331
Operations-Managed Capital Projects	\$116	\$15	\$12	\$20	\$4	\$169
Property Emergencies	\$27	\$27	\$27	\$27	\$27	\$137
Healthy Homes	\$199	\$128	\$135	\$134	\$106	\$701
Information Technology	\$57	\$14	\$15	\$15	\$15	\$115
All Other (Debt Service, Contingency, etc.)	\$126	\$120	\$149	\$149	\$149	\$691
Total Uses	\$3,131	\$1,678	\$1,424	\$1,056	\$924	\$8,213

Source: NYCHA

Chart 6 breaks out capital investments by category, including elevator repair (\$427 million), façade repairs and sidewalk sheds (\$389 million), roofs (\$740 million), lead and asbestos abatement and mold (\$698 million), and heating upgrades (\$1 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.

Chart 6: NYCHA 2024-2028 Capital Plan Strategic Investments



Source: NYCHA

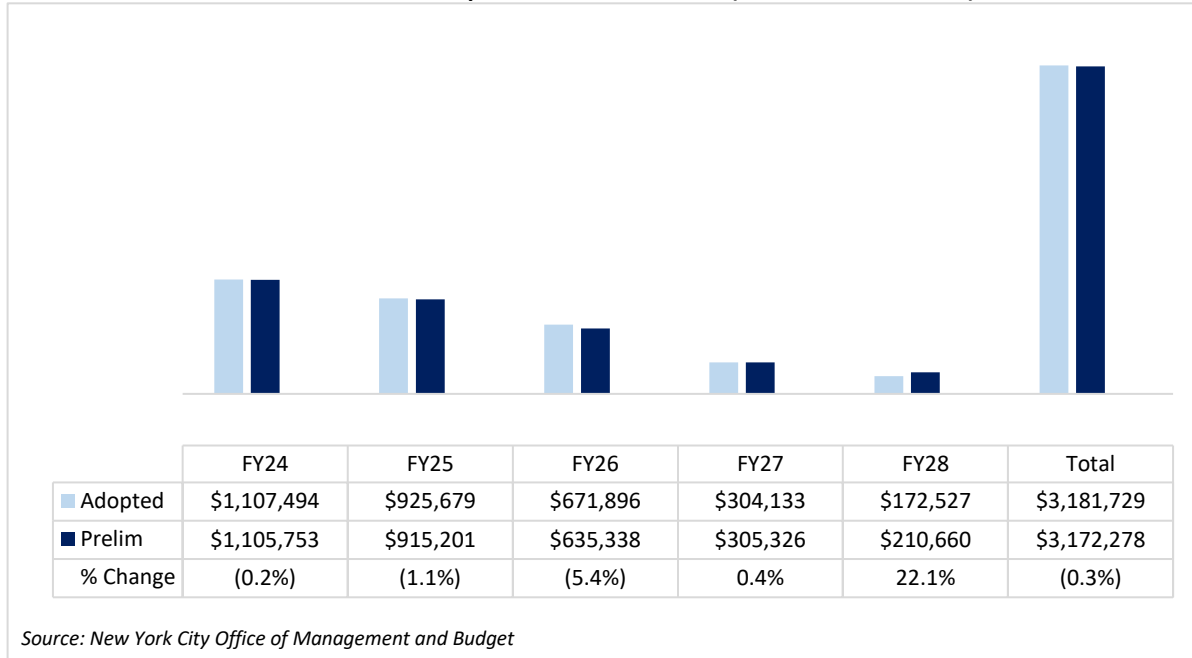
Preliminary Capital Commitment Plan for Fiscal 2024 to Fiscal 2028

The City’s Capital Commitment Plan (the Commitment Plan) details the Administration’s plan to spend the appropriations voted on by the City Council at Adoption. The Commitment Plan provides project-level funding detail, as well as an estimate of expenditure dates, lending insight into a project’s estimated cost, start date, and time to completion.

NYCHA’s Preliminary Commitment Plan includes approximately \$3.17 billion in Fiscal 2024-2028. This represents 3.6 percent of the City’s total \$88.5 billion Preliminary Commitment Plan. NYCHA’s Preliminary Capital Commitment Plan for Fiscal 2024-2028 is \$9.4 million, or 0.3 percent, less than the \$3.18 billion scheduled in the Fiscal 2024 Adopted Commitment Plan. Funding is allocated across

six budget lines and 339 project IDs, including a new capital project ID for the Vacant Unit Readiness Program. Funds are rolled from Fiscal 2024 into the outyears to more accurately reflect project timelines.

Chart 7: NYCHA Fiscal 2024-Fiscal 2028 Capital Commitment Plan (Dollars in Thousands)



During his candidacy the Mayor pledged to provide \$1.5 billion in capital funding for NYCHA annually.⁶ Including the \$1.41 billion of PACT conversion funding included in HPD’s Capital Plan, the City is currently providing \$4.58 billion for NYCHA over the five-year plan, 61.7 percent of what the Mayor’s pledge would amount to (\$7.5 billion) across five years. In Fiscal 2024, approximately \$1.55 billion is budgeted for NYCHA when including PACT funding at HPD in the total.

In Fiscal 2023, NYCHA committed \$416.6 million or 29.2 percent of its \$1.43 billion planned City capital commitments. NYCHA has consistently committed much less than its planned commitments, and it is reasonable to assume that a substantial portion of the Authority’s Fiscal 2024 Capital Plan will be rolled into Fiscal 2025, thus increasing the size of the Fiscal 2025-2029 Capital Plan.

⁶ Sara Dorn, City and State, “New York City housing advocates ‘extremely disappointed’ by Eric Adams’ budget,” February 18, 2022, available online at: <https://www.cityandstateny.com/policy/2022/02/new-york-city-housing-advocates-extremely-disappointed-eric-adams-budget/362171/>.

Appendix

A. NYCHA 2022-2028 Budgets Including 2024 Adopted Operating Plan

	Actuals 2022	Budget 2023	Reforecast 2023 – Q3	Adopted Plan					Difference 2024-2023
				Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028	
Revenues									
<i>Revenue from Operations:</i>									
Tenant Rental Revenue	\$851,334	\$850,292	\$983,989	\$958,802	\$896,080	\$895,336	\$896,132	\$914,895	\$108,510
Federal Subsidies	1,211,267	1,208,530	1,309,543	1,310,287	1,349,812	1,321,082	1,369,431	1,399,831	101,757
Section 8 Subsidies (HAP & Admin)	1,592,958	1,628,934	1,733,163	2,112,466	2,396,591	2,516,262	2,635,304	2,760,762	483,532
Capital Fund Reimbursements	248,064	248,614	263,156	263,156	263,156	263,156	263,156	263,156	14,542
Categorical Grants	11,646	2,604	3,859	1,262	1,082	901	675	675	(1,342)
City Funds	247,286	232,500	235,873	205,334	206,863	210,228	211,177	210,931	(27,165)
Other Revenues	181,977	141,425	102,390	109,214	115,380	88,463	88,795	88,635	(32,211)
Withdrawal from Reserve	100,000	65,451	65,451	0	0	0	0	0	(65,451)
Total Revenues	\$4,444,531	\$4,378,349	\$4,697,423	\$4,960,522	\$5,228,964	\$5,295,428	\$5,464,671	\$5,638,884	\$582,172
Expenditures									
<i>Personal Service:</i>									
Salary F/T	\$717,833	\$762,188	\$753,066	\$846,945	\$852,893	\$885,023	\$879,650	\$879,650	\$84,757
Seasonal	32,925	20,456	21,923	21,810	21,810	21,810	21,810	21,599	1,354
Overtime	174,170	100,000	215,666	110,904	109,514	108,475	107,706	107,706	10,904
Fringe	617,126	627,672	633,988	665,791	675,949	696,269	715,332	732,661	38,119
Other Salaries	30,008	13,443	25,114	13,356	13,248	13,162	13,083	13,083	(87)
Total PS	\$1,572,062	\$1,523,759	\$1,649,757	\$1,658,807	\$1,673,415	\$1,724,739	\$1,737,581	\$1,754,698	\$135,047
<i>Other Than Personal Service:</i>									
Housing Assistance Payments	\$1,289,660	\$1,455,263	\$1,541,265	\$1,901,140	\$2,197,081	\$2,314,308	\$2,436,160	\$2,558,455	\$445,877
Utilities	626,680	603,913	628,382	643,480	640,624	579,287	579,229	579,229	39,567
Contracts	530,378	463,429	502,191	413,532	407,358	403,275	400,731	400,731	(49,897)
Supplies	97,948	110,401	132,066	109,395	107,460	105,905	104,678	104,678	(1,006)
Insurance	92,955	103,363	103,147	117,262	124,806	100,825	100,825	100,825	13,899
All Others	234,630	153,043	140,616	152,172	132,518	130,628	127,787	128,134	(871)
Total OTPS	\$2,872,251	\$2,889,412	\$3,047,666	\$3,336,981	\$3,609,845	\$3,634,229	\$3,749,410	\$3,872,052	\$447,569
Total Expenditures	\$4,444,313	\$4,413,171	\$4,697,423	\$4,995,788	\$5,283,260	\$5,358,968	\$5,486,991	\$5,626,751	\$582,616
Surplus/(Deficit)	\$218	(\$34,822)	(\$0)	(\$35,266)	(\$54,296)	(\$63,540)	(\$22,320)	\$12,134	(\$444)

Source: NYCHA