

THE COUNCIL OF THE CITY OF NEW YORK

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Report on the Fiscal 2017 Executive Budget Department of Housing Preservation and Development May 11, 2016

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Executive Budget Summary

- **Expense Budget.** The Department of Housing Preservation and Development's (HPD or the Department) Executive Budget for Fiscal 2017 provides for operating expenses of \$1.25 billion. The Executive Budget reflects an increase of \$494 million more than the Fiscal 2016 Adopted Budget of \$753 million.
- **Funding Sources.** At about \$163 million, or 13 percent, only a small portion of HPD's Fiscal 2017 budget is comprised of City tax-levy funds. Over \$1 billion, or 87 percent of the Department's expense budget, is supported by federal and state assistance programs.
- **Headcount.** The budgeted headcount of 2,335 positions is funded at \$153 million. The Executive Budget provides \$4.8 million in funding for 21 additional positions over the Fiscal 2017 Preliminary Budget. Some notable increases in staffing include:
 - The addition of 20 positions to support *Housing New York* and the development of affordable housing units. These positions are funded through inter-fund agreements (IFA), which are amounts transferred from the City's Capital Fund to the General Fund as reimbursements for costs related to capital planning and design work, and project supervision performed by city employees; and
 - The addition of one position to manage vendor contracts in connection with HPD's *Building Opportunity* Initiative, which seeks to build the capacity of Minority- and Women-owned Business Enterprises (M/WBE) developers through professional development, networking, and mentoring programs, and enhance their ability to compete more effectively for HPD support by providing targeted new construction and preservation opportunities.
- **Executive Budget Changes.** The Fiscal 2017 Executive Budget includes \$54.7 million for new needs in Fiscal 2017 and \$316.1 million in other adjustments. These changes include:
 - \$49.6 million in new needs in Fiscal 2017 to support mandated building façade repairs under Local Law 11 of 1998 at the New York City Housing Authority (NYCHA);
 - \$4.7 million in new staffing needs for 21 positions;
 - \$250,000 in new needs to support the Center for New York City Neighborhoods' Homeownership desk in East New York, which provides housing counseling support to combat aggressive real estate speculation in the area;
 - \$103,000 in new needs to manage M/WBE vendor contracts at HPD;
 - \$316.1million in other adjustments; and
 - \$596,000 million in savings resulting from accruals from delayed hiring.
- **Capital Budget.** The Fiscal 2017 Executive Capital Commitment Plan includes \$3.7 billion in Fiscal 2016-2020 for HPD, including: \$1.4 billion for Preservation; \$1.1 billion for New Construction; \$925.8 million for Supportive Housing; \$140.5 million for Other Housing Support; and \$151.9 million for Disposition. HPD's Executive Commitment Plan for Fiscal 2016-2020 is \$13.7 million greater than the \$3.72 billion scheduled in the Preliminary Capital Commitment Plan.

HPD Overview

This report provides a review of HPD's Fiscal 2017 Executive Budget. In the first section, the highlights of \$1.25 billion Fiscal 2017 Expense Budget are presented, followed by a financial summary of HPD's budget. Major issues related to the Department's budget and relevant changes during the course of Fiscal 2016 are then discussed, followed by a review of the significant budget actions introduced in the Fiscal 2017 Executive Budget. The report then provides a review of the Fiscal 2016-2020 Executive Capital Budget. Appendix 1 reports the changes made to the Fiscal 2016 and Fiscal 2017 Budgets since Adoption of the Fiscal 2016 Budget. For additional information on the Department's budget and its various programs, please refer to the Fiscal 2017 Preliminary Budget Report for HPD at: <http://council.nyc.gov/html/budget/2017/pre/806%20-%20Housing%20Preservation%20and%20Development.pdf>

HPD Financial Summary						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Executive Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services	\$127,732	\$141,640	\$153,554	\$161,978	\$169,811	\$16,258
Other Than Personal Services	562,240	576,764	599,439	908,758	1,077,123	477,684
TOTAL	\$689,972	\$718,403	\$752,993	\$1,070,736	\$1,246,934	\$493,941
Budget by Program Area						
Administration	\$30,245	\$33,592	\$39,594	\$44,449	\$46,473	\$6,879
Administration Program	18,304	22,791	24,686	75,280	103,517	78,832
Development	40,681	53,624	174,501	268,500	445,469	270,967
Housing Operations - Section 8 Programs	452,700	460,243	338,744	492,026	479,177	140,434
Housing Operations- Emergency Housing	21,848	20,241	25,943	33,147	34,203	8,260
Housing Operations- Mgmt & Disposition	32,600	27,473	30,900	30,468	25,904	(4,996)
Preservation - Anti-Abandonment	7,601	6,970	7,159	8,170	4,672	(2,487)
Preservation - Code Enforcement	28,300	32,240	33,373	38,310	38,533	5,161
Preservation - Emergency Repair	19,996	21,681	27,333	27,112	29,325	1,992
Preservation - Lead Paint	13,825	14,460	14,680	16,217	14,131	(549)
Preservation - Other Agency Services	23,872	25,090	36,082	37,058	25,531	(10,551)
TOTAL	\$689,972	\$718,403	\$752,993	\$1,070,736	\$1,246,934	\$493,941
Funding						
City Funds	\$58,802	\$70,622	\$94,227	\$127,456	\$162,982	\$68,755
Other Categorical	14,575	8,522	1,615	18,267	1,711	96
Capital- IFA	14,176	15,756	17,520	18,273	23,356	5,836
State	649	699	1,075	21,993	1,075	0
Federal - Community Development	133,644	149,661	290,437	372,650	563,857	273,420
Federal - Other	466,188	470,752	346,084	507,415	491,887	145,803
Intra City	1,939	2,391	2,035	4,681	2,067	31
TOTAL	\$689,972	\$718,403	\$752,993	\$1,070,736	\$1,246,934	\$493,941
Budgeted Headcount						
Full-Time Positions	1,964	2,100	2,335	2,455	2,451	116
TOTAL	1,964	2,100	2,335	2,455	2,451	116

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Executive Budget.

The City's Fiscal 2017 Executive Budget totals \$82.2 billion, \$3.7 billion more than the Fiscal 2016 Adopted Budget of \$78.5 billion. In comparison, HPD's Fiscal 2017 Executive Budget of \$1.25 billion represents a 66 percent increase over its Fiscal 2016 Adopted Budget of \$753 million and approximately two percent of the City's total budget. The majority of the \$494

million increase is due to an additional \$477.7 million in the Other Than Personal Services (OTPS) budget. This variance is largely a function of OMB programming funds that more accurately estimate the amount of Section 8 funds and federal Community Development Block Grant Disaster Recovery (CDBG-DR) funds received by HPD. The proposed budget is about \$370.8 million more than HPD's Fiscal 2017 Preliminary Budget.

Since the Fiscal 2016 Adopted Budget, several initiatives have impacted the Department's budget and headcount for Fiscal 2016 and Fiscal 2017. For Fiscal 2016 these include \$53.9 million in new needs and \$263.8 million in other adjustments. For Fiscal 2017 these include \$74.7 million in new needs, \$568.5 million in other adjustments, and a headcount increase of 116 positions. Combined, the above actions reconcile the Department to its current budget of \$1.1 billion for Fiscal 2016 and \$1.25 billion for Fiscal 2017. (See Appendix 1 for a list of all budget actions since adoption.) It should be noted that the vast majority (over \$1 billion) of the Department's expense budget is supported by federal and state assistance programs. Federal Community Development Block Grant (CDBG) funds are the largest source of operating support for the Department, and will comprise of over \$563.9 million of HPD's total expense budget in Fiscal 2017. Federal Operating funds are the second highest source of operating support for the Department, which account for approximately \$491.9 million of HPD's budget in Fiscal 2017. Only about \$163 million, or 13 percent, of HPD's Fiscal 2017 budget is comprised of City tax-levy funds.

New in the Executive Budget

HPD's Fiscal 2017 Executive Budget introduced several new initiatives and actions intended to enhance core services that include: the development of quality affordable housing; management of affordable housing assets; expansion of opportunities for M/WBE developers; and housing support to combat real estate speculation practices in areas slated to be rezoned in connection with the Administration's *Housing New York* plan. The key actions in the Executive Budget include:

- **East New York (ENY) Homeowner Help Desk.** A total of \$250,000 is added in Fiscal 2017 to support the Center for New York City Neighborhoods (The Center), which coordinates a network of organizations that provide technical, foreclosure prevention services citywide to assist homeowners who are in danger of losing their homes due to mortgage foreclosure. The Center will fund Legal Service providers, contracted by HPD, which will provide comprehensive legal services in East New York, Brooklyn, which has experienced an uptick in aggressive real estate speculation tactics by property owners and investors.
- **Inter-fund Agreements (IFA) Staffing.** The Executive Budget includes \$4.7 million in 2017 for 20 positions funded through IFA, to support the development division in the production of affordable housing units. Funding for these employees is baselined in future years at a total cost of \$4.7 million per year through Fiscal 2020.
- **M/WBE Expansion.** The Executive Budget includes \$103,400 in City funds in 2017 for one additional position to manage M/WBE vendor contracts in connection with HPD's *Building Opportunity* Initiative, which seeks to build the capacity of M/WBE developers through professional development, networking, and mentoring programs, and enhance their ability to compete for and execute HPD and other affordable housing real estate

development projects. The annualized cost of this position is \$103,400, which is baselined through Fiscal 2020.

- **NYCHA Façade Repair.** A total of \$49.6 million in City funds are added in Fiscal 2017 and \$23.2 million in Fiscal 2018 to support mandated building repairs under Local Law 11 of 1998 and the construction of emergency sidewalk sheds at 81 buildings at the New York City Housing Authority (NYCHA). While the funding is in HPD's budget, they are largely managed by NYCHA. Local Law 11 mandates that owners of buildings greater than six stories have their buildings' exterior walls inspected once every five years and file a technical report to the Department of Buildings (DOB). The report details whether a certified architect or engineer found potentially dangerous deterioration on a building's exterior faces, and in the event deterioration is found, recommendations are outlined and building owners are required to schedule the necessary work in a timely manner. The current inspection cycle (Cycle 8) for Local Law 11 runs from February 21, 2015 through February 21, 2020. An August 2015 report by a DOB Inspector General found that hundreds of NYCHA building exteriors were classified as unsafe. However, the scope of this work does not entirely meet the requirements of Directive 10, and the City is therefore providing NYCHA with expense funding from Fiscal 2016 to 2018 complete the work. The Preliminary 2017 Budget allocated \$49.6 million to HPD for façade repair work, the construction of emergency sheds and funding for two full-time HPD staff to manage the contracts on behalf of NYCHA. In total, the existing scope of building façade repair work at NYCHA is estimated to cost \$204 million through 2020.
- **Citywide Savings Program.** Along with the Fiscal 2017 Executive Plan, the Office of Management and Budget (OMB) released a Citywide Savings Program that outlines plans to reduce City spending by \$589 million in Fiscal 2016 and \$465.5 million in Fiscal 2017. To develop the program, OMB asked all agencies to identify efficiencies, alternative funding sources and programmatic changes that would yield budgetary savings without reducing service levels. HPD has proposed savings totaling \$1.2 million in Fiscal 2016 and \$300,000 in Fiscal 2017. HPD's savings plan include:
 - **Personal Services (PS) Savings.** HPD anticipates savings of \$596,000 in Fiscal 2016 and \$300,000 in Fiscal 2017 resulting through accruals from unanticipated hiring delays; and
 - **Sale of Software License.** HPD anticipates revenue of \$600,000 in Fiscal 2016 from the sale of licensing for its NYC Housing Connect affordable housing software.

Other Highlights

- ***Housing New York: A Five Borough, Ten-Year Plan.*** *Housing New York* is the Mayor's long-term strategy to address the City's affordable housing crisis. The plan, which was created through the coordination of 13 City agencies and with input from over 200 individual stakeholders, outlines more than 50 initiatives to support HPD's goal of developing 80,000 new housing units and preserving 120,000 units to meet the needs of more than 500,000 City residents. As of February 29 2016, HPD has financed the creation and preservation of 42,291 affordable housing units citywide, including 13,947 newly constructed units and the preservation of 28,344 units. About 75 percent of the units financed to date were for extremely low, very low, and low-income families, affordable to households with annual incomes of \$62,150 and below. A further 10,283 units were financed for moderate and

middle-income households. To date, Manhattan has the most units constructed and preserved, for a total of 15,402 units. For more information regarding the units constructed and preserved, see the table below.

Housing New York- Units Preserved and Constructed 1/1/14 to 2/29/16								
Income Band	Fiscal Year	Extremely Low Income (0-30% AMI)	Very Low Income (31-50% AMI)	Low Income (51-80% AMI)	Moderate Income (81-120% AMI)	Middle Income (121 -165% AMI)	Other (Super)	Number of Units YTD
Manhattan	2014	13	62	1,740	30	387	13	2,245
	2015	304	442	3,931	950	331	32	5,990
	2016	34	433	1,815	50	4,830	5	7,167
	<i>Manhattan Subtotal</i>	351	937	7,486	1,030	5,548	50	15,402
Bronx	2014	114	402	2,622	158	34	29	3,359
	2015	344	1,029	3,388	137	47	39	4,984
	2016	510	199	1,294	591	60	20	2,674
	<i>Bronx Subtotal</i>	968	1,630	7,304	886	141	88	11,017
Brooklyn	2014	249	444	1,839	85	444	18	3,079
	2015	274	331	5,577	152	562	34	6,930
	2016	255	422	1,254	843	73	14	2,861
	<i>Brooklyn Subtotal</i>	778	1,197	8,670	1,080	1,079	66	12,870
Queens	2014	2	153	36	71	8	1	271
	2015	178	240	355	53	358	7	1,191
	2016	1	1	251	-	-	-	253
	<i>Queens Subtotal</i>	181	394	642	124	366	8	1,715
Staten Island	2014	-	3	20	-	13	-	36
	2015	1	209	999	1	15	4	1,229
	2016	-	3	19	-	-	-	22
	<i>Staten Island Subtotal</i>	1	215	1,038	1	28	4	1,287
TOTAL YTD UNITS		2,279	4,373	25,140	3,121	7,162	216	42,291

- Mandatory Inclusionary Housing (MIH).** In March 2016, the City Council approved a modified version of MIH, which would require developers to include affordable housing in areas that are rezoned to allow for more housing development. Prior to the passage of MIH, the City only had the optional or voluntary inclusionary housing program in certain areas; however, the program does not require developers to build affordable housing. The voluntary program created about 7,000 affordable units since its adoption in 1987. As a point of comparison, the rezoning of East New York, the first of 15 neighborhoods slated to be rezoned under *Housing New York*, is estimated to result in a net increase of 7,000 housing units by 2030, including 1,200 deeply affordable units. Additional neighborhoods currently being considered for a rezoning to allow for more residential capacity and support the goals outlined in *Housing New York* include: Long Island City, Queens (Council District 26); Jerome Avenue Corridor, the Bronx (Council Districts 14 and 16); Flushing West, Queens (Council District 20); Bay Street Corridor, Staten Island (Council District 49); and East Harlem, Manhattan (Council Districts 8 and 9). Pursuant to the modifications approved by the City Council, each rezoned area will be subject to Council approval and mandate housing developers to provide affordable housing to households making between 40 percent to 115 percent of the Area Median Income (AMI).
- Zoning for Quality and Affordability (ZQA).** In March 2016, the City Council approved a modified version of ZQA, which would reduce, and in certain areas eliminate, the parking space requirements associated with the development of subsidized senior housing units.

This change is designed to encourage developers to build more affordable and affordable senior housing by reducing the cost of providing parking.

- **Expand Affordable Housing at the NYCHA.** To support the development and preservation of 200,000 affordable housing units outlined in *Housing New York*, NYCHA and HPD jointly solicited request for proposals (RFPs) for on-site development. As part of the plan, NYCHA and HPD will develop 17,000 new affordable housing units on underutilized land within NYCHA developments, such as empty lots and parking lots, over a ten-year period. The Administration has revealed details about five such projects to be developed, including half-market rate, half-affordable developments (50/50 development) at Wyckoff Gardens in Boerum Hill and Holmes Towers on the Upper East Side, as well as the development of 100 percent affordable projects at Ingersoll in Fort Greene, Van Dyke in Brownsville and Mill Brook in Mott Haven. In total, about 80 sites are slated for development, which are projected to provide \$400 to \$800 million in operating revenue for NYCHA over a 10 year period.

Federal & State Issues

- **Section 8 Program.** The 2017 Federal Budget provides \$20.9 billion for the Section 8 program, an increase of \$1.2 billion over the 2016 Federal enacted budget. The Section 8 program assists about 2.2 million low-income households annually in obtaining affordable housing in the private market by providing rental subsidies to landlords on behalf of eligible participants through housing assistance payments. This funding would support all existing voucher holders while also supporting the approximately 700,000 landlords and property owners who participate in the Section 8 program. HPD administers approximately 38,320 Section 8 vouchers. HPD reserves its Section 8 vouchers for homeless individuals referred by the New York City of Department of Homeless Services (DHS) and the New York City Human Resources Administration (HRA) and for families in buildings developed or renovated under certain HPD programs. In 2015, HPD issued 2,960 Section 8 vouchers, 500 of which were allocated for homeless families. In New York City, NYCHA also administers approximately 89,000 Section 8 vouchers annually. For additional information on NYCHA's budget and its various programs, please refer to the Fiscal 2017 Preliminary Budget Report for NYCHA located at: <http://council.nyc.gov/html/budget/2017/pre/NYCHA.pdf>
- **State Proposal for Local Bond Issuance and Approval Process.** The New York State 2016-2017 Executive Budget proposed a new approval process for New York City and other municipalities to issue tax-exempt private activity bonds (PABs). Specifically, the budget outlined a new process requiring as of right volume cap allocation received by NYC's Housing Development Corporation (HDC) to be subject to approval by the Public Authorities Control Board. These new PAB and State level approvals for "volume cap" proposed in the Governor's Executive Budget were not included in the enacted budget; therefore there is no anticipated impact to the \$280 million in local bonds HPD receives annually.
- **State Affordable and Homeless Housing and Services Initiative.** Governor Andrew Cuomo announced a \$2 billion Affordable and Homeless Housing and Services Initiative in his January 2016 State of the State address. The initiative will provide 100,000 new, state-wide affordable housing units over the State Fiscal Year 2017-2021 period, in addition to substantially increasing the State's efforts to provide emergency shelter and supportive housing for the homeless. The distribution of funding will be subject to a Memorandum of

Understanding (MOU) between the Governor, Assembly and Senate. At the time of this writing, an MOU between the three parties has not been signed, thus it is not yet known how much funding or dedicated units will impact New York City.

HPD Capital Program

The Fiscal 2017 Executive Capital Commitment Plan totals \$3.88 billion in Fiscal 2016-2020 for HPD (including \$3.74 billion in City funds and \$122.1 million in Non-City funds). This represents approximately 5.8 percent of the City's total \$67.1 billion Executive Plan for Fiscal 2016-2020. The Department's Executive Commitment Plan for Fiscal 2016-2020 is \$13.7 million greater than the \$3.72 billion scheduled in the Preliminary Capital Commitment Plan. HPD will use its City capital resources to leverage State and federal funds, as well as substantial private equity (that does not flow through the City's capital budget) as part of the Department's commitment to create and preserve 200,000 units of affordable housing. The table below reflects City capital commitments over the Fiscal 2016-2020 period.

HPD 2016-2020 Capital Commitment Plan						
<i>Dollars in Thousands</i>						
	2016	2017	2018	2019	2020	Total
Preliminary Plan	\$1,064,003	\$643,619	\$657,165	\$671,422	\$685,964	\$3,722,173
Executive Plan	\$1,064,003	\$657,284	\$657,165	\$671,422	\$685,964	\$3,735,838
Change	\$0	\$13,665	\$0	\$0	\$0	\$13,665
Percentage Change	0%	2%	0%	0%	0%	0.4%

Source: OMB Fiscal 2017 Executive Capital Commitment 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 2015, HPD committed \$471.1 million or 70 percent of its annual capital plan. Over the five-year Capital Plan, the City will invest in more than 67,500 units of affordable housing. HPD's the five-year Capital Commitment Plan is divided into five program areas. Each of these programs and their budgets are discussed below.

By Category <i>Dollars in Thousands</i>	2016	2017	2018	2019	2020	Total
Preservation	\$ 363,084	\$ 245,003	\$257,251	\$ 262,397	\$267,644	\$1,395,379
New Construction	384,518	175,628	183,660	187,333	191,080	1,122,219
Supportive Housing	243,018	169,100	168,208	171,212	174,276	925,814
Disposition	27,149	22,507	33,417	34,085	34,767	151,925
Other Housing Support	46,234	45,046	14,629	16,395	18,197	140,501
TOTAL	\$1,064,003	\$ 657,284	\$657,165	\$ 671,422	\$685,964	\$3,735,838

Source: OMB Fiscal 2017 Message of the Mayor

- Preservation.** The Fiscal 2016-2020 Executive Capital Commitment Plan includes \$1.4 billion to support financing programs that preserve the existing affordable housing stock and provide long-term affordability. Various loan programs administered by HPD provide financing for the moderate to substantial rehabilitation of rental projects affordable to households earning between 60 percent to 130 percent AMI. Utilizing a variety of these programs, an estimated 30,000 units of affordable housing will be preserved over the five-year period.

HPD's Fiscal 2016-2020 Executive Capital Commitment Plan of \$1.4 billion towards preservation activities includes funding for the following financing programs:

- \$310.3 million for the Participation Loan Program (PLP);
 - \$236.9 million for Low Income Housing Tax Credit (LIHTC) Projects- LIHTC Year 15 Preservation Program;
 - \$172.6 million for the HUD Multifamily Housing Program;
 - \$86.2 million for the Multi-family Preservation Loan Program; and
 - \$45.3 million for the Green Housing Preservation Program.
- **New Housing Construction.** The Fiscal 2016-2020 Executive Capital Commitment Plan includes \$1.1 billion to support construction of new units serving low, moderate, and middle income households throughout the five boroughs. Utilizing various financing programs, including large-scale developments as well as funding for rental and homeownership programs, HPD will produce approximately 26,800 units over the five-year plan. These units will be affordable to households earning up to 165 percent AMI. The Fiscal 2016 -2020 Executive Capital Commitment of \$1.1 billion includes funding for the following programs:
 - \$557.9 million for the Low Income Rental Program, including the Extremely Low & Low Income Affordability (ELLA) Program;
 - \$195.5 million for the Mixed Income Program- Mix and Match;
 - \$60.2 million for the Mixed-Middle-Income Program;
 - \$43.4 million for the New Infill Homeownership Opportunities Program (NIHOP); and
 - \$4.4 million for the Neighborhood Construction Program (NCP).
- **Supportive Housing.** The Fiscal 2016-2020 Executive Capital Commitment Plan includes \$925.8 million to support the development and preservation of housing for seniors, persons with disabilities, and formerly homeless households throughout the five boroughs. Utilizing federal HOME funds and various Special Needs housing loan programs, HPD will create or preserve approximately 8,800 housing units over the five year plan. Supportive housing units under this program area will be affordable to households making up to 60 percent AMI. The Fiscal 2016 -2020 Executive Capital Commitment of \$925.8 million includes:
 - \$95 million for the Senior Affordable Rental Apartments (SARA); and
 - \$16.6 million for the Supportive Housing Loan Program (SHLP).
- **Disposition - Occupied In Rem Rehabilitation.** The Fiscal 2016-2020 Executive Capital Commitment Plan includes \$151.9 million for disposition programs that support the rehabilitation and disposition of city-owned housing. Over the Fiscal 2016-2020 period, HPD will convey 1,950 housing units to responsible private ownership; these units will be affordable to households earning up to 150 percent AMI. The Fiscal 2016-2020 Executive Capital Commitment of \$151.9 million includes the following loan programs:
 - \$293.9 million for the Multifamily Disposition and Finance Programs (TPT and MPLP); and

- \$148.2 million for the Affordable Neighborhood Cooperative Program (ANCP).
- **Other Housing Support.** The Fiscal 2016-2020 Executive Capital Commitment Plan includes \$140.5 million to support a variety of HPD initiatives, including the demolition of unsafe buildings, subsidies to offset the costs associated with development in urban renewal areas, computer-based productivity initiatives, and other infrastructure support.

The City's Fiscal 2016-2020 Executive Budget provides funding for programs that will support and supplement HPD's goals in the preservation and development of affordable housing. While these projects are not reflected in HPD's Capital budget, they are listed here to provide context of work related to HPD's mission that exists in the larger City budget. The key actions in other agencies include:

- **Neighborhood Development Fund (NDF).** The Economic Development Corporation's (EDC) Fiscal 2016-2020 Executive Capital Commitment Plan includes \$52.3 million for infrastructure projects in East New York and other neighborhoods slated to be rezoned under *Housing New York*. Specifically, NDF commitments of \$52.3 million from Fiscal 2016 - 2020 include:
 - \$18.1 million for Callahan-Kelly Park Redevelopment;
 - \$11.4 million for Highland Park Improvements;
 - \$8.2 million for East New York Industrial Business Zone (IBZ) Improvements;
 - \$4.9 million for 127 Pennsylvania Ave Community Center;
 - \$4.5 million for East New York Industrial Building Modernization and Activation;
 - \$2.5 million for East New York Industrial Business Zone (IBZ) Infrastructure Broadband infrastructure;
 - \$1.7million for Atlantic Avenue Broadband Conduit;
 - \$500,000 for East new York Commercial Corridor Improvements; and
 - \$500,000 for Fiorentino Plaza Playground Improvements.
- **The Housing Fund.** EDC's Executive Capital Commitment Plan includes \$321.5 million in Fiscal 2016 through Fiscal 2020 to create a fund dedicated for infrastructure investments for potential housing sites to be viable for new development. Many city-owned sites will require infrastructure investment before housing development outlined in *Housing New York* can occur. These funds will be targeted towards physical infrastructure, including streets and sewers, and site preparation such as environmental remediation and site elevation.
- **The Acquisition Fund.** EDC's Executive Capital Commitment Plan includes \$26.7 million in Fiscal 2016 through Fiscal 2020 to create a fund that will be used to acquire sites with strong capacity for affordable housing development to support the Mayor's affordable housing goals. These funds will be targeted towards areas that are traditionally underserved or under-invested in order to help stabilize communities through housing development and future economic growth. In total, \$4.5 million has been spent to acquire two sites in East New York, which include vacant buildings on Longfellow Avenue and Home Street.

Appendix 1: HPD Fiscal 2017 Budget Actions since Fiscal 2016 Adoption

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
HPD Budget as of the Adopted 2016 Budget	\$94,226	\$658,766	\$752,992	\$69,563	\$534,175	\$603,738
New Needs - Prelim. 2017						
Elevator Inspections	\$0	\$0	\$0	\$6,557	\$0	\$6,557
Emergency Demolitions	2,200	0	2,200	0	0	0
Foreclosure Prevention	250	0	250	0	0	0
New Staffing	1,957	0	1,957	4,696	0	4,696
NYCHA Façade Repair	46,530	0	46,530	107	0	107
Temporary Shelter Costs	2,144	0	2,144	7,801	0	7,801
Training Programs	40	0	40	40	0	40
TSD Software and Technology	781	0	781	781	0	781
Subtotal, New Needs	\$53,901	\$0	\$53,901	\$19,982	\$0	\$19,982
Other Adjustments - Prelim. 2017						
Bring Up Federal Funds for CHS	\$0	\$2,264	\$2,264	\$0	\$0	\$0
Bring Up Funds Atlantic Ave	0	22	22	0	0	0
Bring Up Funds Admin	0	1	1	0	0	0
Bring Up Funds for ARC	0	1,014	1,014	0	0	0
Bring Up Funds for CODE	0	9	9	0	0	0
Bring Up Funds for CPC Housing	0	6,357	6,357	0	0	0
Bring Up Funds for SF	0	12,503	12,503	0	0	0
Bring Up Funds for Willets Pt.	0	1,107	1,107	0	0	0
Collective Bargaining (IC), Auto Mechanics	2	0	2	2	0	2
Demolition Work	0	1,522	1,522	0	0	0
DORIS	0	71	71	0	0	0
DTR FSS	0	1,739	1,739	0	0	0
Funds for Sandy Advertising	0	550	550	0	0	0
FY15 Rollover FY16 CPC	0	11,317	11,317	0	0	0
FY17 Collective Bargaining	324	0	324	405	0	405
Headphones and mail sorter	0	1	1	0	0	0
HOME TBRA	0	158	158	0	0	0
Member Item Reallocation	(204)	0	(204)	0	0	0
Project Open House	0	95	95	0	0	0
Roll funds for Environmental N	0	49	49	0	0	0
Schedule Funds for HANS	0	789	789	0	0	0
Sect 8 HCV port-out	0	178	178	0	178	178
Section 8 FSS	0	492	492	0	0	0
Shelter Plus Care	0	873	873	0	873	873
SNAP 225 E 43rd St	0	231	231	0	231	231
SNAP 742 Fox St BX, 117 E118th St	0	105	105	0	105	105
Studio City	0	8,902	8,902	0	0	0
TDAP Private	0	412	412	0	0	0
To Bring Up Funds for New B/C	0	1,104	1,104	0	316	316
To Schedule funds for Demo 10	0	240	240	0	0	0
To schedule funds for Demo '12	0	87	87	0	0	0
Training	0	20	20	0	0	0
Add positions CDBG-DR	0	100	100	0	0	0
AfR Programs	0	15,300	15,300	0	0	0
Bring up Funds	0	3,717	3,717	0	0	0
Bring up NYCHA Funds	0	33,700	33,700	0	104,000	104,000
CCHR Fair Housing Program	107	0	107	107	0	107
DHS Shelter Inspection	169	0	169	0	0	0
DTR Shelter Plus Care	0	745	745	0	745	745

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
DTR Vouchers	\$0	\$141,111	\$141,111	\$0	\$141,111	\$141,111
Elevator Inspections-CD	0	0	0	0	132	132
Funding Vacant IFA positions	0	753	753	0	753	753
IC w HPD for Sidewalk Shedding	0	34	34	0	0	0
LINC Apartment Inspections	0	831	831	0	0	0
Mod Rehab	0	277	277	0	277	277
Section 8 FSS	0	210	210	0	0	0
SF Rebuild Funding	0	55,500	55,500	0	0	0
Shelter Plus Care	0	682	682	0	682	682
Studio City	0	2,000	2,000	0	0	0
Studio City Tremont Rena	0	1,030	1,030	0	0	0
Technology	0	9	9	0	0	0
To Bring Up Funds for SNAP BC	0	230	230	0	345	345
To schedule funds for Demo '12	0	1,409	1,409	0	0	0
To schedule SHGP Grant	0	50	50	0	50	50
TSD Staffing	891	0	891	2,138	0	2,138
Subtotal, Other Adjustments	\$1,288	\$309,896	\$311,184	\$2,653	\$249,798	\$252,451
TOTAL, All Changes Prelim. 2017	\$55,190	\$309,896	\$365,086	\$22,635	\$249,798	\$272,433
HPD Budget as of the Preliminary 2017 Budget	\$149,416	\$968,662	\$1,118,078	\$92,198	\$783,973	\$876,171
New Needs - Exec. 2017						
ENY Homeowner Helpdesk	\$0	\$0	\$0	\$250	\$0	\$250
IFA Staffing	0	0	0	0	4,691	4,691
M/WBE Expansion	0	0	0	103	0	103
NYCHA Façade Repair	0	0	0	49,633	0	49,633
Subtotal, New Needs	\$0	\$0	\$0	\$49,986	\$4,691	\$54,677
Other Adjustments - Exec. 2017						
A4XX Exec True Up	\$0	(\$21,564)	(\$21,564)	\$0	(\$6,232)	(\$6,232)
AG T&A Funds 1646 Amsterdam	0	25	25	0	0	0
AG T&A Funds Villa Maria	0	1,536	1,536	0	0	0
Bring Up Funds for Station PI	0	452	452	0	0	0
Bring Up EHUR funds	0	1,549	1,549	0	0	0
Bring Up Federal funds CHS	0	400	400	0	0	0
Bring Up Funds for the CD Roll	0	2,809	2,809	0	0	0
Bring Up SF funds	0	11,800	11,800	0	0	0
DTR Conferences Trainings	0	7	7	0	0	0
EDC Rolls	(944)	0	(944)	944	0	944
FSS 2016	0	492	492	0	0	0
FY16 MOCJHPD	0	20,847	20,847	0	0	0
Heat, Light and Power	(210)	0	(210)	(162)	0	(162)
Homeless Prevention	0	780	780	0	0	0
HPD PS Savings*	(596)	0	(596)	(300)	0	(300)
Increase Funds for MOD Rehab	0	72	72	0	0	0
Increase Funds for S+C	0	144	144	0	0	0
Increase Funds for Vouchers	0	3,590	3,590	0	0	0
Lead Demo 2015	0	198	198	0	0	0
Lease Adjustment	0	0	0	(230)	0	(230)
Lease Adjustment	0	0	0	(540)	0	(540)
Lease Adjustment	0	0	0	1,219	0	1219
MF Budget Reallocation	0	(16,317)	(16,317)	0	269,005	269,005
NYCHA CDBG-DR Reallocation	0	(33,700)	(33,700)	0	33,700	33,700
NYCHA Façade Roll	(19,938)	0	(19,938)	19,938	0	19,938
OER IC to Tres Puentes	0	250	250	0	0	0
OER RLF Tres Puentes	0	250	250	0	0	0

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
Reallocate Grant funds to FY17	\$0	(\$15)	(\$15)	\$0	\$15	\$15
RV Vehicle	0	14	14	0	0	0
Schedule CD for DHS Shelters	0	394	394	0	0	0
Schedule OC Funds for NYCHA HQ	0	253	253	0	0	0
Schedule S8 Funds for PS	0	600	600	0	0	0
Shelter Plus Care 7653	0	8	8	0	0	0
SPC and SNAP temps	0	14	14	0	27	27
Take Down Funding 7861	0	(25)	(25)	0	(25)	(25)
Takedown TDAP funds	0	(1,419)	(1,419)	0	(3000)	(3000)
Tax levy Rolls	(440)	0	(440)	440	0	440
To Bring Up Funds for SNAP BC	0	287	287	0	431	431
To Bring Up Funds for SNAP BC	0	502	502	0	544	544
To Bring Up OC Funds for EDC	0	90	90	0	96	96
To Schedule funds for Demo '12	0	288	288	0	0	0
To Schedule SPC funds for HQS	0	5	5	0	49	49
Wage Adjustment	168	0	168	168	0	168
Subtotal, Other Adjustments	(\$21,960)	(\$25,382)	(\$47,342)	\$21,477	\$294,609	\$316,087
TOTAL, All Changes - Exec. 2017	(\$21,960)	(\$25,382)	(\$47,342)	\$71,464	\$299,300	\$370,764
HPD Budget as of the Fiscal 2017 Executive Plan	\$127,456	\$943,280	\$1,070,735	\$163,661	\$1,083,273	\$1,246,934

*These "other adjustments are included in the Citywide Savings Program.

*Continuation from previous page