

Housing Preservation and Development

FY 2017 BOROUGH BUDGET CONSULTATION AGENDA

REMEMBER:

- Update previously submitted agenda items
- Be specific on subject matter
- List Capital and Expense questions under separate headings
- **To Receive the Most Detailed Answers, Agenda Items Pertaining to the Agency's CAPITAL and EXPENSE Programs Listed Below Should be Clear and Detailed !!**

* CAPITAL DEFINITION - ITEM LASTS AT LEAST 5 YEARS, AND COSTS AT LEAST \$35,000*

CAPITAL

HOME OWNERSHIP
ACQUISITION OF PROPERTY FOR FUTURE HOUSING DEVELOPMENT
MULTIFAMILY PRESERVATION LOAN PROGRAM (FORMERLY DAMP PROGRAMS)
DISPOSITION
PRESERVATION FINANCE
NEW CONSTRUCTION
LEAD PAINT
SUPPORTIVE HOUSING LOAN PROGRAM
ASSET MANAGEMENT
AFFORDABLE NEIGHBORHOOD COOPERATIVE PROGRAM (FORMERLY TIL)
ABANDONMENT & FORECLOSED OVERLEVERAGED BUILDINGS

EXPENSE

IN-REM PROPERTY
CODE ENFORCEMENT
NEIGHBORHOOD PRESERVATION
LEAD PAINT
FAIR HOUSING TASK FORCE
DEMOLITION AND SEAL-UP
REHABILITATION LOAN PROGRAM
RELOCATION /EMERGENCY HOUSING

THE AGENCY STRONGLY RECOMMENDS VISITING THEIR WEBSITE

WWW.NYC.GOV/HPD

BEFORE COMPOSING AGENDA ITEMS

BOROUGH: Manhattan

COMMUNITY BOARD: 1-12

1. What is the expected change for the overall budget for HPD from FY16 to FY17?

	FY16	FY17
Expense	\$776 million	\$604 million
Capital	\$1 billion	\$671 million

By contrast, the FY'15 Capital Budget was \$609 million. Please keep in mind the current year Capital Budget is always higher than other years because it contains the roll of unspent funds from the previous fiscal year. The out years do not reflect federal funds we program throughout the year.

2. Which of HPD's programs for new housing are currently being used in Manhattan, and which are targeted for continued use and which will be disbanded in FY2017? What amount of state funding is available and will it increase or decrease in FY16 and FY17? And if so, by how much?

HPD works in conjunction with the Housing Development Corporation (HDC) on new construction of affordable housing in Manhattan and across the City. Term sheets that describe all aspects of our New Construction financing programs are available on our website. These programs include:

- Extremely Low and Low-Income Affordability (ELLA) Program: ELLA funds the new construction of low income multi-family rental projects affordable to households earning up to 60% of Area Median Income (AMI). Publicly-owned sites may receive up to \$65,000 per dwelling unit and privately owned sites may receive up to \$75,000 per unit. HDC also has a ELLA program that combines a first mortgage, funded through proceeds from the sale of variable or fixed rate tax-exempt private activity bonds, with a second mortgage, provided through HDC corporate reserves, as of right "4%" Federal Low Income Housing Tax Credits, and other subsidies.
- Mix & Match Program: Funds the new construction of mixed income multi-family rental projects. Fifty percent (50%) of the units would be affordable to low income households earning up to 60% of AMI and 50% of the units would be affordable to moderate and/or middle income households earning up to 130% of AMI. Projects may have a range of low, moderate and middle income affordability tiers.
- Mixed-Middle Income (M²) Program: HPD and HDC's M² Programs combine a first mortgage, funded through proceeds from the sale by HDC of variable or fixed rate tax-exempt bonds, with subsidy provided by both HPD and HDC of up to \$85,000 or \$95,000 per unit, depending on the affordability levels served. The M² programs finance multi-family rental housing affordable to low, moderate and middle income families, in which twenty to twenty-five percent (20-25%) of units are affordable to households earning at or below 60% of AMI, at least 30% of units are affordable to moderate income households earning up to 80% or 100% of AMI, and a maximum of 50% of units may be affordable to households earning up to 130%.
- Neighborhood Construction Program (NCP): funds the new construction of infill rental housing with up to 30 units affordable to low, moderate and middle income households earning up to 165% Area Median Income (AMI).
- New Infill Homeownership Opportunities Program (NIHOP): promotes the construction of new homes affordable to New York City's workforce community. NIHOP seeks to promote mixed-income communities with affordable homeownership opportunities for moderate and middle-income households.
- Senior Housing Affordable Rental Apartments Program (SARA): provides gap financing in the form of low interest loans to support the construction and renovation of affordable housing for seniors, 62+ years in age, with low incomes. Projects developed with SARA funding must also set aside 30% of units for homeless seniors referred by a City or State agency, typically the New York City Department of Homeless Services. SARA loans carry a minimum 30 year term and may be up to \$75,000 per unit.
- Tax Incentive programs: Tax incentive programs administered by HPD may reduce or eliminate the amount of municipal taxes a property owner must pay. Incentives are typically awarded in exchange for investment that benefits the public, and are used by developers and property owners to offset the cost of investment in the property. A full list of these programs is available on our website at <http://www1.nyc.gov/site/hpd/developers/tax-incentives.page>

HPD does not track the availability of State funds, which are awarded directly to developers or to grantees.

3. What programs and tools are in place and what new programs has HPD developed (or might we see) to produce new housing that is affordable to a range of income groups in FY17?

Many of the programs described in response to Question 2 were either created or redesigned with the idea of serving a wide range on income groups. The Housing New York plan committed to expanding the City's tools to finance housing for the lowest income populations, as well as for middle-income households. To do this, when appropriate, we are providing deeper subsidies for projects housing the lowest income populations (i.e. 30 to 50 percent of AMI) and/or cross subsidizing those populations through mixed-income programs that target households earning up to 165 percent of AMI. This allow us to serve a wider range of households, not just those between 50 percent and 60 percent of AMI who were traditionally best served by affordable housing finance programs.

4. **What is the funding and project status for HPD to provide a publicly accessible database of all affordable units, by address, program, length of affordability restriction, unit size, and % AMI. How much additional funding would be needed to complete such a project.**

HPD is not currently working on such a project. The Department currently provides two major public resources along these lines.

First is the HPD Online system, which is accessible from our homepage. This resource lists information about all residential buildings (not just affordable) including property owner information, maintenance complaint and violation information, and whether HPD is or has been involved in maintenance-related litigation in the building.

Secondly, HPD provides information as part of NYC Open Data. Through the portal <http://www1.nyc.gov/site/hpd/about/open-data.page>, the public can link to various data we collect in the course of doing business. Among other things, this will enable computer programmers and app builders to create applications and tools that could improve access to public information and put it at the fingertips of tenants, landlords, developers, elected officials, housing advocates, and other interested parties.

5. **With the expansion of areas in which inclusionary housing bonuses may be used, our experience has been that HPD still needs to establish administrative capacity. What additional staffing is required to meet the increases in the IZ program in the near future?**

In September 2014, the Inclusionary Housing unit had two staff members: An Assistant Commissioner (A/C) and a Project Manager. The unit has since staffed up and currently has 4 Project Managers, one A/C and an administrative assistant bringing the staff to 6. We are also in the process of hiring 2 additional project managers, a Director of Operations and a Director of Underwriting bringing the staff up to 10. We are seeking approval for additional hiring above these levels.

6. **What level of funding will the following HPD programs and interagency initiatives receive in FY17 compared to current FY16 funding, and will there be additional funding for staffing and interagency liaisons?**

The funding levels below are FY 16 levels. We do not have FY 17 requests at this time.

- **Anti-demolition zoning text in special zoning districts** - The Agency is not clear on the request, but regardless we have no specific funding for enforcement of zoning text restrictions related to demolition.
- **Housing Quality Enforcement Programs**- The Office of Enforcement and Neighborhood Services is charged with carrying out those programs. Their entire budget is \$113.8 million for FY 16.
- **Organizing new tenant associations**
 - **Stabilizing New York Program** - \$1.250 million
 - **The Housing Preservation Initiative (HPI)**- \$2.750 million
 - **The Community Consultant Contract** \$1.100 million/\$2.635 million with Local Initiatives

7. **Will the funding for HPD inspectors be increased in FY17? How many more inspectors does HPD plan to hire for Manhattan?**

There are currently 40 Housing Inspectors and 8 Supervisors assigned to the Manhattan Code Enforcement Borough Office. There are an additional 35 Housing Inspectors and 4 Supervisors assigned to the Manhattan/Bronx Lead-Based Inspection Unit. HPD also staffs several citywide units which may respond to Manhattan buildings, including the Emergency Response Unit, the Alternative Enforcement Program, the Proactive Preservation Initiative, the HQS Code Inspection Unit, the Canine Unit and the Central Inspection Unit. There are 45 Inspectors and 10 Supervisors assigned to these units. Overall, HPD currently has 276 Housing Inspectors and 44 Supervisors. We are currently hiring new Inspectors to backfill for attrition and expect to bring on approximately 40 inspectors within the next few months.

8. How much funding has HPD allocated to TIL/HDFC buildings for management and technical assistance in FY17? Does HPD plan to expand this program?

The TIL/ANCP baseline budget is \$7.9 million. There are no plans to expand TIL. In fact, HPD has developed a new program called the **Affordable Neighborhood Cooperative Program (ANCP)**. The program is designed to facilitate the rehabilitation of occupied City-owned buildings from the TIL pipeline. After rehabilitation the buildings become affordable cooperatives for low- and moderate-income households.

HPD provides low-interest loans from City Capital, in combination with construction and permanent financing sources from private institutional lenders. Additional funding may come from the New York State Affordable Housing Corporation (AHC) or other sources.

ANCP buildings have active tenant associations that have been managing the buildings under a net lease since their intake into TIL. Readiness for the building to move to ANCP is dependent upon length of time since TIL intake, successful management of the building, maintaining an active tenant association, and the number of residents attending ongoing trainings. Most former TIL properties entering ANCP are occupied, but some have either been vacated or the tenants have relocated due to poor building conditions. Existing tenants in good standing, whether or not relocated, have the right to return to the buildings at the end of rehabilitation.

9. How much has the City allocated in tax credits per Manhattan Community District in FY16 compared to FY15 and projected to FY17?

The application deadline for 2016 credits was September 17th, 2015. We have \$14.5 million in credit authority and are currently reviewing and scoring applications. In October 2014, HPD allocated 2015 credits with a \$2,271,000 credit to MN Community District 3, and a \$716,000 credit in District 10. In 2013, HPD allocated one 2014 credit in the amount of \$2,189,300 in MN Community District 9.

10. How much revenue has HPD collected in FY14 and FY15 under the asset management program? Projected for FY16? Is that resource placed in the City's general fund?

The following amounts in fees were collected and go into the City general fund:

FY 14: \$756,675

FY 15: \$692,025

We project \$675,000 for FY 16.

11. How much money in FY15 and FY16 was allocated for affordable homeownership vs. affordable rentals? Projected for FY17? Please provide breakdown by CDs.

	Manhattan Community Boards	Total City Subsidy	Total Other Public Funds	Total Development Cost at Start
Homeowner	2			\$ 17,720,732
	4			\$ 69,998,566
	9	\$ 1,956,737	\$ 570,000	\$ 4,199,042
	10	\$ 1,967,701	\$ 740,000	\$ 26,008,623
	11	\$ 3,450,675		\$ 3,841,400
	12		\$ 11,700	\$ 11,700
	<i>Homeowner Total</i>	\$ 7,375,113	\$ 1,321,700	\$ 121,780,063
Rental	1			\$ 50,247,294
	2			\$ 30,107,463
	3	\$ 3,394,000	\$ 1,380,000	\$ 973,906,966
	4	\$ 6,700,000	\$ 1,000,000	\$ 781,139,106
	5			\$ 159,750,184
	6	\$ 1,167,488	\$ 1,062,512	\$ 324,728,700
	7			\$ 101,801,296
	8			\$ 66,282,731
	9	\$ 8,690,597	\$ 90,000	\$ 113,862,333
	10	\$ 84,026,550	\$ 36,834,857	\$ 383,955,241
	11	\$ 2,126,019	\$ 22,423,094	\$ 108,139,065
	12	\$ 1,081,607		\$ 121,212,691
<i>Rental Total</i>	\$ 1,167,488	\$ 1,062,512	\$ 324,728,700	
Grand Total	\$ 114,561,374	\$ 64,112,163	\$ 3,336,913,133	

12. How much funding has HPD allocated for the following programs in FY15 and projected in FY 16 and FY17.

Incomplete question. Please clarify.

13. What are HPD's funding priorities that you would like us to advocate for in the FY17 budget process?

HPD appreciates the Community Boards' support of all Budget items. The Mayor has committed to fully funding the Housing New York plan, and the Department appreciates your support at all levels of HPD appreciates the Community Boards' support of all Budget items. The Mayor has committed to fully funding the Housing New York plan, and the Department appreciates your support at all levels of government.