
March 2006

IBO's Programmatic Review of the 2007 Preliminary Budget

*Department of Housing
Preservation and Development
(HPD)*

IBO

New York City
Independent Budget Office

Ronnie Lowenstein, Director
George Sweeting, Deputy Director
Preston Niblack, Deputy Director
Frank Posillico, Deputy Director
110 William St., 14th Floor . New York, NY 10038
Tel. (212) 442-0632 . Fax (212) 442-0350
e-mail: ibo@ibo.nyc.ny.us . <http://www.ibo.nyc.ny.us>

Introductory Note

IBO's programmatic reviews of the 2007 preliminary budgets of selected city agencies is intended to assist the public and elected officials better understand the allocation of budgetary resources to city services by presenting agency budgets in a way that is more closely aligned with the actual programs, functions, and services of major city agencies.

The current city budget presentation inhibits understanding and participation in three ways.

First, agency budgets, organized into broad *units of appropriation*, do not easily allow users to understand how much money is being spent from one year to the next on the programs and services that citizens and their elected representatives care about—programs such as job training, childhood lead-poisoning prevention, HIV/AIDS prevention and treatment, after-school programs, immigrant services, affordable housing construction, and recreation programs.

Second, budget proposals are presented in terms of Financial Plan changes, rather than in terms of year-to-year comparisons. A proposed cut, or “PEG,” of \$1 million in a program is presented without information on how much was previously projected for spending on that program in previous Financial Plans, and whether the \$1 million “cut” would leave spending lower, higher, or the same as previous years' spending levels. This presentation often manifests itself in annual debates over “hidden cuts” and what has been “baselined” in the Financial Plan. This manner of presenting the budget makes it difficult to understand the consequences for agency programs of budgetary decisions.

Finally, it is virtually impossible to link spending decisions to program results. Although at one time the city was a trailblazer in performance reporting, the lack of linkage between performance data reported in the Mayor's Management Report and elsewhere, and clear spending information, makes it difficult for citizens, elected officials, and even agency managers to know what they are getting for their money and to evaluate alternatives. Our programmatic budget presentations integrate existing performance data from the Mayor's Management Report, Capstat, and other sources produced by the Mayor's office alongside spending figures, to provide a unified presentation of both spending and performance.

Our goal in preparing these budget reviews has been to hew as closely as possible to how the agencies themselves present their organization, programs, and services, on their official Web sites and other sources, including using the agencies' own language to describe programs in most cases. While we have sought, and in most cases received, considerable input from agencies in the preparation of the program budget reviews, our presentations are not necessarily how the Mayor's budget office or the agencies themselves would present their budgets, were they to do so in programmatic terms. Nonetheless, we think that our presentations can be instructive and point the way toward how to improve understanding of the city's budget in a way that enhances public participation in the budget process.

IBO will periodically update our program budgets. We will continue to separately issue our analysis of the Preliminary Budget, including of selected agency budgets, as we have every year as required by City Charter section 246.

We welcome your comments or questions, which you may direct to IBO at (212) 442-0632, or by e-mail to ibo@ibo.nyc.ny.us.

Department of Housing Preservation and Development

MISSION

Using a variety of preservation, development and enforcement strategies, HPD strives to improve the availability, affordability and quality of housing in New York City. HPD works with private, public and community partners to strengthen neighborhoods and enable more New Yorkers to become homeowners or to rent well-maintained, affordable housing.

AGENCY DESCRIPTION

HPD is responsible for enforcing the Housing Maintenance Code, and for increasing the supply of high-quality housing in New York City. The agency responds to complaints from tenants regarding housing conditions, and when appropriate, repairs serious maintenance deficiencies and pursues enforcement actions against landlords. HPD is charged with operating the city owned housing stock—although the supply of these units has fallen considerably in recent years. HPD also administers a significant number of federal rental subsidies, including about 26,000 Section 8 vouchers.

FIVE-YEAR EXPENDITURE TRENDS BY PROGRAM AREA

Department of Housing Preservation and Development					
<i>Dollars in millions</i>					
	2003 Actual Expenses	2004 Actual Expenses	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
Spending by Program Area					
Preservation	\$63.5	\$69.6	\$78.9	\$97.1	\$87.8
Housing Operations	262.0	292.3	327.9	\$330.5	\$331.8
Development	16.9	14.6	14.9	\$43.1	\$17.9
Administration	47.4	42.1	52.1	\$54.3	\$46.7
Unallocated Financial Plan Savings				\$1.2	\$3.3
TOTAL	\$389.8	\$418.6	\$473.9	\$526.4	\$487.5
Spending by Object					
Personal Services	\$115.5	\$115.6	\$128.9	\$133.9	\$130.1
OTPS	274.4	303.0	345.0	\$392.4	\$357.5
Full-time Personnel*	2,292	2,492	2,582	2,609	2,888
Capital Commitments	\$311.2	\$283.4	\$423.1	\$615.1	\$454.9
SOURCE: IBO.					
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.					

Department of Housing Preservation and Development

PROGRAM CHART

Program Areas	Programs	Service Areas
Preservation	Anti-Abandonment Code Enforcement Emergency Repair Program Lead-Based Paint Housing Litigation Division Demolition	Inspections & Support Emergency Repairs
Housing Operations	Management and Disposition Rental Assistance	Operations Privatization Emergency Housing Article 7A
Development	Housing Finance Homeownership Special Needs Housing Planning	
Administration	Fair Housing NYCHA Research and Policy Housing Supervision City Council Initiatives General Administrative	Anti-Eviction Legal Services Community Consultants Other Contracts

Department of Housing Preservation and Development
 Preservation

PROGRAM AREA: PRESERVATION

HPD is charged with enforcing the city's Housing Maintenance Code, thereby preserving the quality of the city's housing stock. The city's preservation initiatives focus on education, investment and enforcement in privately-owned buildings. HPD's preservation programs and spending on these activities are largely demand driven. For example, during particularly cold winters, HPD typically sees an increase in heat and hot water complaints, and hence does more inspections and performs more emergency repairs.

The preservation program area includes six main programs: anti-abandonment activities, housing code enforcement, the emergency repair program, lead-based paint control, the housing litigation division, and demolition.

Preservation			
<i>Dollars in thousands</i>			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
Spending	\$78,944	\$97,133	\$87,827
Personal services	52,286	53,022	47,399
Other than personal services	26,658	44,112	40,427
Full-time Positions	1,013	1,017	n.a.
Programs			
Anti-Abandonment	\$7,259	\$7,191	\$7,091
Code Enforcement	21,100	23,620	23,513
Emergency Repair Program	16,643	19,686	19,686
Lead-Based Paint	24,633	34,812	25,784
Housing Litigation Division	5,223	5,490	5,418
Demolition	4,086	6,334	6,334
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results: See program sections.

Department of Housing Preservation and Development
 Preservation

Anti-Abandonment

HPD has developed a broad-based initiative to address the City's at-risk housing stock. These strategies include assessment of physical and financial needs of distressed properties, outreach to building owners to encourage code and tax compliance, and expanded education and support services for owners.

The Anti-Abandonment Program includes the Neighborhood Preservation Consultants: not-for-profit organizations contracted with HPD to provide early intervention, preservation and anti-abandonment services throughout the five boroughs. The NPCs also assist HPD in identifying and assessing at-risk buildings.

Anti-Abandonment			
<i>Dollars in thousands</i>			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
Spending	\$7,259	\$7,191	\$7,091
PS	5,014	4,658	4,658
OTPS	2,245	2,533	2,433
Full-time Positions	100	101	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results:

Anti-Abandonment Performance Statistics	Type of Indicator	2002	2003	2004	2005
Total Properties Assessed	Output	6,249	6,276	7,540	7,116
Properties Assessed and Determined to be at Risk of Abandonment	Output	1,404	1,330	2,305	1,777
At Risk Properties with Treatment Commenced	Output	57%	63%	73%	76%
Properties with Completed Treatment Outcomes	Output	987	958	1,059	1,303
- Completed repair agreements		16%	14%	23%	12%
- Education/counseling		29%	4%	22%	12%
- Code enforcement actions completed		11%	24%	10%	33%
- Loans committed		5%	10%	15%	13%
- Other		39%	48%	30%	29%
SOURCE: Mayor's Management Report.					

Department of Housing Preservation and Development
 Preservation

Code Enforcement

HPD enforces compliance with the New York City Housing Maintenance Code and the New York State Multiple Dwelling Law. HPD sends inspectors to respond to complaints about maintenance deficiencies, and issue violations where appropriate.

Code Enforcement			
<i>Dollars in thousands</i>			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
Spending	\$21,100	\$23,620	\$23,513
PS	19,444	22,021	21,945
OTPS	1,656	1,599	1,569
Full-time Positions	389	395	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results:

Code Enforcement		Type of Indicator	2002	2003	2004	2005
<i>Performance Statistics</i>						
Inspections Attempted	Output	274,618	565,417	626,287	764,492	
Inspections Completed	Output	NA	490,737	521,086	576,042	
Violations Issued	Output	319,300	314,300	311,530	482,674	
Hours to respond to an emergency complaint (average)	Service Quality	2.5	3.4	14.3	10.9	
Inspections per team/day	Efficiency	9.0	9.3	8.9	9.2	
SOURCE: Mayor's Management Report.						

Department of Housing Preservation and Development
 Preservation

Emergency Repair Program

If an emergency condition is verified by a code inspector, the owner and/or managing agent of the property will be notified of the emergency condition and instructed to repair it. If the owner fails to make the necessary repairs in a timely manner, HPD's Emergency Repair Program (ERP) may repair the condition. If ERP repairs the emergency condition, the City will bill the owner for the cost of repairs. If the owner fails to pay the bill within 60 days, a lien is placed on the property.

ERP repairs are made both by HPD staff and by outside contractors paid by the agency.

Emergency Repair Program			
<i>Dollars in thousands</i>			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
Spending	\$16,643	\$19,686	\$19,686
PS	5,305	6,318	6,318
OTPS	11,338	13,367	13,367
Full-time Positions	100	102	n.a.

SOURCE: IBO.
 NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.

Performance Results:

Emergency Repair Program						
Performance Statistics		Type of Indicator	2002	2003	2004	2005
Violations Corrected by HPD	Workload		19%	17%	14%	19%
Repairs completed	Output		17,219	24,745	27,114	30,939
Average cost per repair	Efficiency		\$781	\$681	\$809	\$886

SOURCE: Mayor's Management Report.

Lead-Based Paint

Prior to 1960, lead-based paint was frequently used in residential spaces. Use of lead-based paint was banned in 1960 because ingestion of paint chips or dust was found to cause significant health problems in young children. However, the majority of the city's housing stock pre-dates 1960, and remnants of lead-based paint remain in many apartments. HPD is responsible for identifying lead-based paint hazards, placing violations, and when necessary, remediating the condition. Local Law 1 of 2004 overhauled the city's approach to addressing lead hazards. As a result, HPD had to expand its lead program in fiscal year 2005.

There are two service areas within the lead-based paint program: inspections and support, and emergency repairs. The inspections and support area includes the inspectors who respond to complaints about peeling paint, as well as educational programs about lead abatement, etc. The emergency repair service area performs corrects lead-paint violations when the landlord does not do so within statutorily defined time-limits.

Lead-Based Paint			
<i>Dollars in thousands</i>			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
Spending	\$24,633	\$34,812	\$25,784
PS	17,197	13,786	8,241
OTPS	7,436	21,026	17,544
Full-time Positions	413	408	n.a.
Service areas			
Inspections & Support	\$19,520	\$21,549	\$12,809
Emergency Repairs	5,113	13,263	12,975
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results

Lead-Based Paint					
<i>Performance Statistics</i>	Type of Indicator	2002	2003	2004	2005
Lead Complaints	Workload	9,300	10,205	12,782	41,776
Lead Violations Issued	Output	8,800	10,600	10,600	35,700
Emergency Repair Orders Issued	Output	5,410	5,665	5,646	11,781
Lead Hazard Reduction Completed	Output	1,182	726	614	1,304
Average Cost of Repair Work Performed by HPD	Efficiency	\$1,771	\$1,752	\$1,369	\$1,934
SOURCE: Mayor's Management Reports.					

Department of Housing Preservation and Development
 Preservation

Housing Litigation Division

HPD litigates Housing Court cases to compel unresponsive private owners of residential property to correct conditions that violate the City's Housing Maintenance Code. HPD both initiates cases and supports tenant-initiated actions.

Housing Litigation			
<i>Dollars in thousands</i>			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
Spending	\$5,223	\$5,490	\$5,418
PS	4,680	5,020	5,020
OTPS	543	470	398
Full-time Positions	89	92	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results:

Housing Litigation Division Performance Statistics		Type of Indicator	2002	2003	2004	2005
Outstanding Code Compliance Cases at Start of Year	Workload	8,284	8,499	7,890	5,283	
Code Compliance Cases Opened	Workload	13,630	13,896	13,034	12,673	
Code Compliance Cases Closed	Output	10,817	12,166	13,786	12,568	
Judgments and Settlements Collected (millions)	Outcome	\$2.01	\$3.28	\$3.73	\$3.63	
SOURCES: Mayor's Management Report, HPD Housing Operations Management System Reports.						

Department of Housing Preservation and Development
 Preservation

Demolition

HPD' s Demolition Unit may be called on to abate hazardous conditions when the Department of Buildings (DOB) issues a Declaration of Emergency ordering an owner to demolish a structurally unsafe building, if the owner fails do so. Buildings not declared emergencies, but which are vacant, open, and accessible, may be sealed based on a DOB order by HPD's Emergency Repair Bureau to protect the public and the property. In both cases, HPD, through the Department of Finance, will bill the owner for the cost of the demolition or sealing. If the owner fails to pay the bill within 60 days, a lien is placed on the property.

Demolition			
<i>Dollars in thousands</i>			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
Spending	\$4,086	\$6,334	\$6,334
PS	646	1,218	1,218
OTPS	3,440	5,117	5,117
Full-time Positions	11	11	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results: No reported performance statistics.

Department of Housing Preservation and Development
Housing Operations

PROGRAM AREA: HOUSING OPERATIONS

The primary responsibility of the Office of Housing Operations is the maintenance of occupied privately-owned and city-owned buildings. The Division of Property Management manages city-owned residential and commercial properties. The Division also provides emergency shelter for households displaced as a result of fire or emergency vacate orders. The Division of Alternative Management Programs designs initiatives to return buildings that are currently in city ownership to responsible private owners. The Division of Tenant Resources provides low income families with housing made affordable through the use of Section 8 vouchers that subsidize monthly rent payments.

The housing operations program area includes two main programs: management and disposition, and rental assistance.

Housing Operations			
<i>Dollars in thousands</i>			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
Spending	\$327,941	\$330,516	\$ 331,785
Personal services	38,544	39,333	39,409
Other than personal services	289,397	291,183	292,376
Full-time Positions	754	746	n.a.
Programs			
Management and Disposition	\$91,526	\$88,847	\$91,658
Rental Assistance	236,415	241,669	240,127
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results: See program sections.

Department of Housing Preservation and Development
Housing Operations

Management and Disposition

This division has overall responsibility for the city-owned housing stock and vacant land that is under HPD's jurisdiction.

Management and Disposition			
<i>Dollars in thousands</i>			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
Spending	\$91,526	\$88,847	\$91,658
PS	31,838	34,086	34,162
OTPS	59,688	54,761	57,496
Full-time Positions	566	553	n.a.
Service areas			
Operations	\$38,640	\$42,496	\$46,898
Privatization	27,172	21,993	21,993
Emergency Housing	24,131	22,910	21,320
Article 7A	1,582	1,448	1,448
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Since 1978, the city had become “the landlord of last resort” when it foreclosed on residential buildings in tax arrears and took over management. At its peak, the city owned over 100,000 units of mostly dilapidated multi-family housing occupied by a low-income population. While these properties are in city-ownership, HPD has the responsibility for managing and operating this housing. However, HPD is in the process of privatizing these city-owned units. HPD has programs that target occupied and vacant city-owned buildings for rehabilitation and sale to community-based owners, such as local entrepreneurs, neighborhood nonprofit housing organizations, or qualified tenant groups. Ninety-five percent of the units have now been returned to the private sector.

This program includes the Emergency Housing Services Bureau, which provides emergency relocation services to tenants displaced as a result of fires or vacate orders issued by the Department of Buildings, Fire Department or HPD Code Enforcement. HPD provides tenants with temporary housing at one of four family centers or at Red Cross-contracted hotels and facilities.

Finally, HPD also operates the Article 7A program. Under the Article 7A program, administrators are appointed by the Court (pursuant to New York State Law) to operate privately owned buildings that have been abandoned by their owners, resulting in conditions that are dangerous to the tenants' life, health and safety. The administrators act under Court Order to collect rents and use the money to provide essential services to the tenants and make necessary repairs. Housing in the Article 7A program remains in private ownership, but the program is managed along with those targeting city-owned units.

Department of Housing Preservation and Development
Housing Operations

Performance Results:

Management and Disposition Performance Statistics	Type of Indicator	2002	2003	2004	2005
City-Owned Occupied Units	Workload	5,715	4,049	1,970	1,114
City-Owned Vacant Units	Workload	3,762	2,370	1,806	1,294
Rent Billed, City-Owned Units (Millions)	Output	\$29.4	\$26.4	\$24.4	\$21.5
Rent Collected, City-Owned Units (Millions)	Output	\$24.7	\$24.1	\$22.3	\$18.9
Average Rent per City-Owned Unit	Service Quality	\$272	\$271	\$302	\$325
Units sold	Output	2,941	2,493	1,843	1,855
Units Sold to Tenants	Outcome	13%	21%	30%	18%
Units Sold to Nonprofits	Outcome	47%	43%	31%	54%
Units Sold to Community-Based Entrepreneurs	Outcome	40%	36%	39%	28%
Average Families in HPD Shelters	Output	NA	NA	228	182
Units Receiving 7A Financial Assistance	Output	313	425	110	NA
<p>SOURCES: Mayor's Management Reports, HPD HOMES Reports, Department of Homeless Services monthly census reports, New York City Consolidated Plan Performance Reports.</p> <p>NOTES: 2004 families in shelters reflects May and June only. Article 7A units on calendar year basis.</p>					

Department of Housing Preservation and Development
Housing Operations

Rental Assistance

HPD administers federal rental assistance for over 25,000 households in New York City. The bulk of the rental subsidies are Section 8 vouchers and project-based Section 8, although HPD also handles Shelter Plus Care funding and other rental subsidies targeted to homeless individuals and households.

HPD's Section 8 program is substantially smaller than that operated by the New York City Housing Authority. HPD generally targets its Section 8 assistance to very specific categories of New Yorkers, including homeless households; households that are residing in a building owned by the city which is in need of substantial renovation, in which case the voucher will be issued to allow the applicant to locate permanent, alternate housing; and households residing in buildings that have been developed with financial assistance from HPD or buildings for which HPD maintains regulatory responsibility. HPD also administers "enhanced vouchers," which are given to tenants when building owners pre-pay federal loans to opt out of project-based subsidy programs, or opt not to renew project-based Section 8 contracts.

The Rental Assistance program also includes some limited social service and asset accumulation initiatives for households receiving Section 8, in particular the Family Self Sufficiency Program.

Rental Assistance			
<i>Dollars in thousands</i>			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
Spending	\$236,415	\$241,669	\$240,127
PS	6,706	5,247	5,247
OTPS	229,709	236,422	234,880
Full-time Positions	188	193	n.a.

SOURCE: IBO.
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.

Performance Results:

Rental Assistance Performance Statistics	Type of Indicator	2002	2003	2004	2005
Households on Section 8 Waitlist	Workload	3,352	3,355	1,686	NA
Households Receiving Basic Section 8	Output	12,725	19,430	19,671	21,952
Households Receiving Enhanced Vouchers	Output	300	371	3,437	2,703
Family Self Sufficiency Participants	Output	1,272	2,143	2,372	2,294

SOURCE: Public Housing Authority Approved Plans.
NOTE: Different performance measures taken at different points during the year.

Department of Housing Preservation and Development
Development

PROGRAM AREA: DEVELOPMENT

Development's primary function is building the pipeline for affordable housing development by identifying privately-owned sites and assemblages for housing development, arranging for acquisition funding when necessary, collaborating with other agencies with land and buildings suitable for housing development and creating the appropriate programs and policies to facilitate housing development.

New housing development is a major activity for HPD, but much of the spending for this program area takes place in the capital budget. As a result, development accounts for only 3 percent of HPD's expense budget spending.

There are four programs within the development program area: housing finance, homeownership, special needs housing, and planning.

Development			
<i>Dollars in thousands</i>	2005	2006	2007
	Actual	January	Preliminary
	Expenses	Plan	Budget
Spending	\$14,865	\$ 43,133	\$ 17,903
Personal services	9,006	10,484	10,484
Other than personal services	5,859	32,650	7,419
Full-time Positions	199	216	n.a.
Programs			
Housing Finance	\$6,067	\$ 29,613	\$7,397
Homeownership	3,800	7,520	5,303
Special Needs Housing	1,010	1,130	331
Planning	3,988	4,871	4,871
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results: See program sections.

Department of Housing Preservation and Development
Development

Housing Finance

This program is responsible for operating HPD's initiatives which provide financing to construct or rehabilitate multi-family housing. Administration of the department's tax incentive programs, such as the 421a exemption for new construction and the J-51 exemption and abatement for rehabilitation, also falls under the rubric of Housing Finance.

The funds used to actually build or rehabilitate housing through mechanisms such as the Participation Loan Program, the Third Party Transfer Program, and ANCHOR, are spent through the capital budget. The expense budget funds shown below cover costs associated with operating these initiatives.

Housing Finance			
<i>Dollars in thousands</i>			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
Spending	\$6,067	\$29,613	\$7,397
PS	3,343	3,478	3,478
OTPS	2,724	26,135	3,919
Full-time Positions	76	82	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results:

Housing Finance		Type of Indicator	2002	2003	2004	2005
<i>Performance Statistics</i>						
Construction Starts	Output	11,830	8,329	10,201	18,252	
Construction Completions	Output	8,265	8,400	7,991	15,173	
Units with new 421a Exemptions	Output	3,528	6,237	6,668	11,881	
Units with new J-51 Exemptions/Abatements	Output	70,145	74,005	117,503	NA	
SOURCES: Mayor's Management Reports, Department of Housing Preservation and Development "HOMES" reports, Rent Guidelines Board.						

Department of Housing Preservation and Development
Development

Homeownership

HPD has a number of homeownership programs that create or renovate one- to four-family homes for purchase by owner-occupants. New home construction initiatives include the Partnership New Homes and New Foundations programs. Existing homes are renovated through the HomeWorks and StoreWorks programs. HPD also coordinates the efforts of city, state, and federal agencies to create large scale homeownership and retail opportunities in neighborhoods like Arverne in the Rockaways.

Again, the initiatives to build or rehabilitate homes are largely funded through the capital budget. Beginning in 2004, HPD also offers down payment assistance to first-time homebuyers which is paid for through the expense budget, and which is included in the homeownership program.

Homeownership			
<i>Dollars in thousands</i>			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
Spending	\$3,800	\$7,520	\$5,303
PS	1,214	1,803	1,803
OTPS	2,586	5,717	3,500
Full-time Positions	29	35	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results:

Homeownership Performance Statistics		Type of Indicator	2002	2003	2004	2005
Units in Homeownership Buildings Completed with HPD Assistance	Output	2,060	1,564	1,628	2,112	
Homeowners Receiving Down Payment Assistance	Output	NA	NA	9	88	
SOURCES: Mayor's Management Reports.						

Department of Housing Preservation and Development
Development

Special Needs Housing

Special Needs Housing is responsible for the Supportive Housing Loan Program, a key vehicle to provide quality permanent housing with on-site services for homeless adults with special needs. The Special Needs Housing program is also responsible for the department's involvement in housing for the low-income elderly and determining how the department can best meet the future needs of other populations with special needs. Like the other programs that are part of the Development program area, spending on Special Needs Housing is largely through the capital budget.

Special Needs Housing			
<i>Dollars in thousands</i>			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
Spending	\$1,010	\$1,130	\$331
PS	462	331	331
OTPS	548	798	0
Full-time Positions	12	12	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results:

Special Needs Housing Performance Statistics		Type of Indicator	2002	2003	2004	2005
Long Term Stayer Homeless Single Adults	Workload	1,391	1,430	1,448	1,416	
Special Needs Housing Units Completed	Output	926	507	752	940	
Homeless Single Adults Placed in Supportive Housing	Outcome	1,122	1,141	1,245	1,287	
SOURCES: Mayor's Management Reports, Department of Homeless Services Critical Activities Reports.						

Department of Housing Preservation and Development
Development

Planning

The Planning Program is responsible for facilitating housing development and comprehensive neighborhood revitalization through community based planning, as well as supporting the agency by providing a variety of technical services, such as Geographic Information Systems expertise.

Planning			
<i>Dollars in thousands</i>			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
Spending	\$3,988	\$4,871	\$4,871
PS	3,988	4,871	4,871
OTPS	0	0	0
Full-time Positions	82	87	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results: No reported performance statistics.

Department of Housing Preservation and Development
Administration

PROGRAM AREA: ADMINISTRATION

The HPD Administration Program Area encompasses a wide range of activities, including the support services necessary to run a major agency such as human resources and the budget office, funding pass-throughs for the New York City Housing Authority (NYCHA) and City Council initiatives, and administration of the Senior Citizen Rent Increase Exemption for households living in subsidized housing.

There are six programs within the Administration Program Area: Fair Housing, NYCHA, Research and Policy, Housing Supervision, City Council Initiatives, and General Administrative.

Administration	2005	2006	2007
<i>Dollars in thousands</i>	Actual	January	Preliminary
	Expenses	Plan	Budget
Spending	\$52,123	\$ 54,341	\$46,732
Personal services	29,053	30,317	30,344
Other than personal services	23,070	24,024	16,388
Full-time Positions	521	532	n.a.
Programs			
Fair Housing	\$622	\$1,033	\$1,033
NYCHA	2,187	1,001	675
Research and Policy	4,016	6,514	6,596
Housing Supervision	3,065	2,658	2,658
City Council Initiatives	4,697	5,212	-
General Administrative	37,536	37,923	35,770

SOURCE: IBO.

NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.

Performance Results: See program sections.

Department of Housing Preservation and Development
Administration

Fair Housing

HPD supervises not-for-profit organizations that provide fair housing services throughout the City, including: counseling building owners and tenants on their rights and responsibilities under various housing and discrimination prevention laws; explaining Housing Court procedures; assisting senior citizens in filling out Senior Citizen Rent Increase Exemption applications; helping low- and moderate-income tenants find housing and conducting fair housing workshops. Fair Housing Counselors also mediate in Housing Court Dispute Resolution Centers and can assist in resolving building owner/tenant disputes.

Fair Housing			
<i>Dollars in thousands</i>			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
Spending	\$622	\$1,033	\$1,033
PS	276	626	626
OTPS	346	407	407
Full-time Positions	6	6	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results:

Fair Housing						
<i>Performance Statistics</i>		Type of Indicator	2002	2003	2004	2005
People Served	Output	Output	55,414	61,379	45,124	NA
SOURCE: New York City Consolidated Plan Performance Reports.						
NOTE: Calendar Years.						

Department of Housing Preservation and Development
Administration

New York City Housing Authority

The New York City Housing Authority (NYCHA) owns and manages over 181,000 units of public housing in New York City. Virtually all of the costs of operating this housing are paid for through federal grants specifically for public housing, and rent payments by tenants. However, NYCHA receives a small portion of the city's Community Development Block Grant, which is funneled through the HPD budget. These funds are primarily used for social services for senior citizens living in NYCHA developments.

New York City Housing Authority			
<i>Dollars in thousands</i>			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
Spending	\$2,187	\$1,001	\$675
PS	0	0	0
OTPS	2,187	1,001	675
Full-time Positions	0	0	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results: No reported performance statistics.

Department of Housing Preservation and Development
Administration

Research and Policy

HPD's Research and Policy program provides analytical work that supports all of the agency's other programs. In particular, the Research and Policy program funds the Housing and Vacancy Survey and the Rent Guidelines Board.

The Housing and Vacancy Survey is a report required every three years by State and City rent regulation laws and is designed to determine New York City's overall vacancy rate for rental housing. Considered more broadly, it is the most comprehensive housing market survey conducted in any city in the United States. Although funded by HPD, it is conducted by the US Census Bureau.

The Rent Guidelines Board (RGB) is mandated to establish rent adjustments for the nearly one million dwelling units subject to the Rent Stabilization Law in New York City. The RGB staff is responsible for providing administrative support to the Board and prepares research regarding the economic condition of the stabilized residential real estate industry including operating and maintenance costs, the cost of financing, housing supply and cost of living indices.

Research and Policy			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
<i>Dollars in thousands</i>			
Spending	\$4,016	\$6,514	\$6,596
PS	945	2,148	2,230
OTPS	3,070	4,366	4,366
Full-time Positions	15	26	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results: No reported performance statistics.

Department of Housing Preservation and Development
Administration

Housing Supervision

The Housing Supervision program is responsible for overseeing the city Mitchell Lama buildings, as well as managing aspects of the Senior Citizen Rent Increase Exemption program for individuals living in Mitchell Lama units.

Housing Supervision			
<i>Dollars in thousands</i>			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
Spending	\$3,065	\$2,658	\$2,658
PS	2,085	1,658	1,658
OTPS	981	1,000	1,000
Full-time Positions	44	46	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results: No reported performance statistics.

Department of Housing Preservation and Development
Administration

City Council Initiatives

The City Council regularly adds funding to the HPD budget for housing related-initiatives that members consider particularly important. These funds are typically used to support contracts with nonprofit organizations that in turn provide services to tenants.

There are three service areas that make up this program: Anti-Eviction Legal Services, Community Consultants, and Other Contracts.

The Anti-Eviction Legal Services contracts support free legal services to low-and moderate-income people faced with illegal eviction from their homes, as well as services for low-income Single Room Occupancy housing tenants.

The Community Consultant service area supports tenant organization, code enforcement advocacy, housing court assistance, apartment repossession, and other housing-related public education.

The other contracts are related to training and education for both tenants and landlords.

City Council Initiatives			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
<i>Dollars in thousands</i>			
Spending	\$4,697	\$5,212	\$0
PS	0	0	0
OTPS	4,697	5,212	0
Full-time Positions	0	0	n.a.
Service areas			
Anti-Eviction Legal Services	\$2,500	\$5,212	\$0
Community Consultants	1,223	4,092	0
Other Contracts	974	350	0
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results: No reported performance statistics.

Department of Housing Preservation and Development
Administration

General Administration

General administration encompasses the overhead functions necessary to operate an agency with 2,500 employees and a budget of over \$450 million, such as the Commissioner's office, the budget office, legal affairs, human resources, and management information services.

General Administration			
	2005 Actual Expenses	2006 January Plan	2007 Preliminary Budget
<i>Dollars in thousands</i>			
Spending	\$37,536	\$37,923	\$35,770
PS	25,747	25,886	25,831
OTPS	11,789	12,038	9,939
Full-time Positions	462	460	n.a.
SOURCE: IBO.			
NOTE: *Full-time personnel: Actual as of June 30 for 2002 through 2005; as of Nov. 30 for 2006.			

Performance Results: No reported performance statistics.

Department of Housing Preservation and Development
Capital

CAPITAL

On average, HPD commits about \$365 million in capital funds annually, although there is considerable variation around this average. There is not a good match between HPD expense and capital budget programmatic categories. The expense budget “housing finance” category, for example, includes the support for a variety of new construction and housing preservation programs. IBO has therefore identified eight separate capital programs for HPD.

HPD Capital Commitments by Program Area					
<i>Dollars in thousands</i>					
	2002	2003	2004	2005	2006
Maintenance of City-Owned Housing					
City	\$9,556	\$(6,418)	\$(2,830)	\$(1,625)	\$-
Non-City	-	-	-	-	-
Subtotal	9,556	(6,418)	(2,830)	(1,625)	-
Privatization of City-Owned Housing (Occupied)					
City	166,040	99,187	87,042	124,850	160,246
Non-City	87,096	71,113	23,678	87,639	71,346
Subtotal	253,135	170,300	110,720	212,489	231,592
Privatization of City-Owned Housing (Vacant)					
City	911	6,834	2,771	(557)	2,897
Non-City	-	-	-	-	-
Subtotal	911	6,834	2,771	(557)	2,897
Homeownership Programs					
City	25,666	5,865	10,598	7,902	47,331
Non-City	-	-	-	-	2,691
Subtotal	25,666	5,865	10,598	7,902	50,022
Neighborhood Development					
City	14,003	18,193	24,599	36,265	88,932
Non-City	-	(70)	6,087	(115)	39,177
Subtotal	14,003	18,123	30,686	36,149	128,109
Housing Preservation Programs					
City	81,015	63,885	80,265	86,684	115,242
Non-City	9,581	15,442	6,408	18,927	24,950
Subtotal	90,596	79,328	86,673	105,611	140,192
Special Needs Housing					
City	19,916	10,144	9,354	17,357	22,298
Non-City	20,893	23,210	31,421	42,031	36,696
Subtotal	40,809	33,354	40,774	59,388	58,994
All Other HPD					
City	3,605	3,821	4,036	3,723	15,866
Non-City	-	-	-	-	-
Subtotal	3,605	3,821	4,036	3,723	15,866
TOTAL	\$438,281	\$311,206	\$283,429	\$423,081	\$627,672
SOURCES: IBO, Office of Management and Budget Monthly Transaction Reports, Office of Management and Budget Capital Commitment Plan.					
NOTES: 2002-2005 are actual commitments. 2006 is planned as of September 2005.					

Department of Housing Preservation and Development
Capital

The first three categories of capital programs related to the city-owned housing stock. At this point, the majority of the capital commitments are for privatization of the remaining occupied city-owned units. There is little to no capital spending on maintenance of the city-owned units; the day-to-day operation of the units is paid for through the expense budget, and major repairs are part of privatization programs. The negative commitments that appear in the table above reflect funds that were committed in prior years, and then recaptured when the expenditure did not occur on time.

The Homeownership Program line is primarily site acquisition and related costs for a variety of development initiatives. The traditional city programs for building homeownership housing—Partnership and Nehemiah—now receive only limited construction subsidies. However, City Council members often allocated funding to Partnership and Nehemiah, and these dollars are included here.

Neighborhood Development also includes funding for site acquisition, as well as money for HPD's large-scale development projects, such as Melrose Commons and Spring Creek. Also included in this category is the ANCHOR Program, which is a neighborhood revitalization initiative that has created over 300,000 square feet of new commercial and retail space and over 1,000 units of middle-income housing on vacant city-owned land. There is some overlap between Neighborhood Development and Homeownership, as some of the large-scale development initiatives include homeownership housing.

The Housing Preservation program includes all of HPD's loans to private owners to support rehabilitation and maintenance, such as Article 8A, the Participation Loan Program, and Small Buildings Loans. Also part of this program line is the Third Party Transfer program, which supports the rehabilitation of tax-foreclosed, distressed buildings that are being conveyed to third party ownership.

Almost all of the commitments for Special Needs Housing were for the Supportive Housing Loan Program, although there is also some limited funding for other assisted living facilities.

The "Other" line is primarily funding for HPD agency needs, such as office upgrades and computers.