Testimony Regarding Priorities for the New York City Executive Budget for Housing, Fiscal Year 2026-2027

March 24, 2026

The Association for Neighborhood and Housing Development (ANHD) thanks Committee Chairs Pierina Sanchez and Linda Lee, and members of the Committees, for the opportunity to testify on housing-related proposals for the Fiscal Year 2027 Preliminary Budget. My name is Emily Goldstein, and I am ANHD's Director of Advocacy and Policy.

About the Association for Neighborhood and Housing Development

ANHD is one of New York City's lead policy, advocacy, and technical assistance and capacity-building organizations. We maintain a membership of 80+ neighborhood-based and citywide nonprofit organizations that have affordable housing and/or equitable economic development as a central component of their mission. We are an essential voice, bridging the power and impact of our member groups to build community power and ensure the right to affordable housing and thriving, equitable neighborhoods for all New Yorkers. We value justice, equity, and opportunity, and we believe in the importance of movement building that centers marginalized communities in our work. Across 5 decades and 5 boroughs we have consistently focused on addressing New York's housing affordability crisis, displacement, and economic inequity to build community power.

ANHD's work directly supports the needs of our members who develop, manage, and organize to preserve affordable housing, and who fight to bring equity into low-wealth communities in New York City—especially communities of color. Our groups rely on us for technical assistance and capacity-building resources that allow them to maximize their resources, skills and impact. The support services, research, analysis, public education, and coalition building we do helps to identify patterns of local neighborhood experiences and uplift citywide priorities and needs. Our work translates into the capacity to win new programs, policies and systems that ensure the creation and preservation of deeply and permanently affordable housing, and economic justice.

<u>The Community Housing Preservation Strategies (CHPS) Initiative</u>

We are grateful for the Council's longstanding commitment to the Community Housing Preservation Strategies (CHPS) Initiative, which has served as a lifeline for the city's most vulnerable tenants and homeowners for more than fifteen years. Through CHPS, over 45 community-based organizations provide preservation services in neighborhoods most at risk of displacement, particularly among low-income, BIPOC, and immigrant communities. However, despite this essential work, our CHPS partners continue to face significant challenges: over a decade of flat funding that has ignored a ~38% rise in the cost of living since FY16, growing community need, and systemic delays in city contracting and payment processes that place enormous strain on service providers.

In light of the escalating housing crisis, we call on the City Council to increase CHPS funding to $5.37 million in FY27. The program's funding has remained flat at $3.65 million since 2016, despite skyrocketing demand and increasing costs. New investments would enable CHPS groups to scale their services, provide cost-of-living adjustments for staff, and expand their capacity to address evictions, poor housing conditions, and tenant harassment across the city.

Displacement Alert Project (DAP)

DAP is a critical resource for affordable housing advocates, helping users to proactively identify and outreach to those at risk of displacement and do in-depth research of individual building histories. The tool has scaled since inception and has the capacity to continue expanding in New York and beyond to support unit, building, and area level strategies that prevent affordable housing displacement. We gained over 450 new registered users in 2025, bringing the total to 1,842 users. Additionally, the spike in DAP engagement from 2023 to 2024 (when the total number of users doubled from 20,000 to 40,000) was sustained over the past year, with over 40,000 total users in 2025. Importantly, DAP users are using the site more consistently as well, rising from 76 active users per day in 2023 to nearly 150 in 2025. In addition, ANHD provided two introductory training sessions to DAP to help organizations and advocates leverage data tools, build organizing strategies, and advance tenant protections, while providing direct troubleshooting support to CHPS-funded groups responding to housing crises in real time.

We urge the City Council to continue their crucial funding of this work through our application for $218,171 for ANHD's Displacement Alert Project and our Capacity Building Training and Technical Assistance for the CHPS program. This will allow us to maintain and expand DAP, provide technical assistance and training to CHPS-funded organizations to improve housing stability efforts, and produce research and data tools around housing risk and affordability, to support housing advocacy and policy solutions

Housing Capital Funding

Preservation

ANHD urges the Administration and the City Council to prioritize preservation of our existing affordable housing in the Housing Capital budget for FY27 and beyond. Over the past several decades, New York City has rightly invested billions of dollars to develop and preserve affordable housing throughout the five boroughs. Much of this government subsidized and regulated affordable housing is now financially unstable due to rising operational costs.

Utilities and insurance costs have risen 20–35%, squeezing budgets already stretched thin by mortgage payments, payroll, and regulatory compliance. Meanwhile, tenant incomes have stagnated, resulting in decreased rent collection rates. Pandemic-era tenant delinquencies have worsened the problem, as many non-profit owners of subsidized housing were never able to access programs like ERAP that prioritized private landlords.

The preliminary budget does not include enough capital resources to address this preservation crisis. In the Fiscal 2027 Preliminary Capital Plan, the City allocates approximately $304.9 million for its primary preservation loan programs, including the Participation Loan Program (PLP) and Neighborhood Pillars — a decrease from $400.3 million at adoption. We note that these programs are not exclusively for the preservation of existing subsidized housing but are also intended to enable the acquisition and preservation of private distressed housing. This allocation is simply not enough to meet the current moment. **ANHD calls on the Mayor and the City Council to allocate $1 Billion in housing capital specifically for preservation for each of the next 4 years.**

Public Land

ANHD has long supported the use of public land for public good, and we commend the Mayor's effort to identify city-owned sites across agencies' portfolios that would be suitable for affordable housing development. We urge the Mayor to commit to a policy that any housing developed on city-controlled sites be 100% affordable, and permanently affordable, with as high a percentage of deeply affordable units as financing terms can enable. Public land presents one of the clearest opportunities to deliver deeply affordable housing at scale, and continued investment in these projects will be essential. We also believe the public interest is best served by prioritizing mission-driven non-profits as developers for public sites, as they are more accountable to and engaged with the needs and priorities of local communities, and use any available income from their development projects after costs to provide essential services to their communities.

Deep affordability

While ANHD maintains the need to prioritize preservation in our current moment, we also agree that increased affordable housing supply is needed. However, it's important that our public investment in new affordable housing matches the need, which is heavily concentrated at the lowest income levels. ANHD's analysis shows that households making 50% of AMI or below made up more than three-quarters of rent burdened renter households in NYC. Yet in 2024, the overwhelming majority of the new housing units built in NYC were affordable only to households with incomes of 80% AMI and above. Public resources for new housing development must be targeted to help correct this imbalance.

Code Enforcement

ANHD is heartened by the new Administration's expressions of commitment to prioritize safety, affordability, and dignity for NYC's rent stabilized tenants. New York City's tenants have organized for years to preserve their homes and defend their right to live in safe, healthy conditions. But for too long, known bad actors have continued to harass and displace tenants, have been responsible for horrific living conditions and threats to public safety - and have not been properly held accountable by city government.

Organizing is an essential tool to uplift the challenges many tenants are facing in their homes and their buildings due to deteriorating physical conditions and tenant harassment. The Partners in Preservation program represents a powerful partnership between the city and community groups that should continue to be robustly funded. Together, by forming tenant associations and accessing education on their rights under New York law, tenants are taking charge of their living conditions.

ANHD supports continued funding for Partners in Preservation and calls for strengthened funding to the Emergency Repair Program, as well as and for increased investment in code enforcement programs and staffing, to adequately meet the need – much of which will be self-funding, if the City collects the penalties it is owed.

For numerous reasons, including language barriers, problematic inspection scheduling, and more, tenants with clear violations of the City's Housing Maintenance Code face difficulty navigating the complaint process to establish a violation. If a tenant is successful in securing an inspection with an inspector who can communicate in their language and who correctly identifies the presence of a violation, they still face the core challenge: getting their landlord to perform meaningful repair work. A particular challenge is landlords who abuse their ability to self-certify violations as corrected. Since 2019, HPD has conducted an annual audit of self-certifications of the most hazardous violations (Class C) – in each of the past five years, at least 30% of audited certifications of corrections have been found to be falsely certified. And when repairs are done, too often they do not address the underlying condition causing the issue—for example, when a property manager abates the surface-level mold on a bedroom wall but doesn't repair the leak in the pipe behind the wall causing the mold (HPD Audits of Certification of Correction 2019-2025).

Although landlords are supposed to face penalties when they fail to make proper repairs, for years, the City has routinely forgiven or deferred penalties in favor of negotiated agreements. While this may be an appropriate strategy to get violations corrected in the case of good actors with limited numbers of serious violations, tenants often find themselves going back to housing court numerous times over the course of years, only to see the pattern of broken agreements repeat. This Mayoral administration has repeatedly signaled that it will change this policy, and, moving forward, the City must emphasize the collection of penalties in order to ensure that they actually act as a deterrent. And increased collection rates would have additional financial benefits for the public. As the City faces budget shortfalls, it is essential that we hold negligent landlords accountable for what they owe. Looking exclusively at false certifications of Class C violations, there is significant room to raise revenue: in 2024, we collected only $44,000 in penalties for falsely certified violations, which is less than $2 per known false certification. If the City had merely applied the lowest penalty amount ($500) to each of these, it could have raised $10 million – in other words, the City collected **about half a percent** of what it was owed in this realm alone (ANHD analysis of HPD Audits of Certification of Correction 2019-2025).

To tackle these problems holistically will require major investments, which do not materialize in this budget proposal. At a high level, the Expense Budget indicates essentially flat funding for the portion of HPD that would implement these changes – increases of $1 million for personnel and for OTPS do not amount to a significant investment when stretched across multiple offices and numerous divisions within HPD (Expense, Revenue, Contract Budget - February 2026 Plan).

In situations where violations create hazardous situations that threaten their health, safety, and wellbeing of tenants, the Emergency Repair Program (ERP) is an absolutely critical backstop.

Relative to the November Plan, the Mayor's Preliminary Budget also increases funding for the Emergency Repair Program (ERP) by $4.5 million and $3.7 million in FY27 (Financial Plan Reconciliation - February 2026 Plan). The Council should support this increase and push further – trends in recent spending indicate that, despite the increase, this program is still underbudgeted relative to the need. Currently, contractors do much of the emergency repair work, but directly engaging city staff to do this work may be a path toward cost savings while maintaining high quality (Budget Function Analysis - February 2026 Plan).

Right to Counsel

Since New York City established the Right to Counsel program in 2017, it has become clear that it works as intended – when they have representation, New Yorkers are nearly always able to fend off eviction and stay in their homes. And yet, as we approach 10 years since the program was first piloted, it is underfunded and in crisis. Nearly all tenants facing eviction are eligible for Right to Counsel, yet since the end of the eviction moratorium in January 2022, only 40% have received representation. And over time, as eviction caseloads have steadily climbed and courts have moved through cases faster, funding has lagged behind: from 2022 to 2024 the number of tenants facing eviction who were eligible for RTC more than doubled but spending grew by only 33%. In tandem, the percentage of tenants with representation has fallen further, with less than 1 in 3 tenants receiving legal representation in recent months (NYC Eviction Crisis Monitor).

Although the law was slated to be fully implemented by 2022, RTC has never been adequately funded (City Limits). Today, this chronic underfunding threatens to erode the promise of the program. With a contract structure that covers less than 60% of the real costs of eviction defense – which has become increasingly complex as courts sift through positive but significant changes to housing law in the wake of 2019's Housing Stability and Tenant Protection Act and 2024's Good Cause Eviction Law – providers are stretched thin (Legal Aid). Current funding hovers around $136 million per year, which is woefully inadequate.

ANHD supports the Right to Counsel coalition's call for an additional $350 million to fully fund the program, ensuring adequate staffing to meet the rising need and full compensation for the attorneys and organizations defending clients from eviction.

When we invest in eviction prevention, it pays off for all of us – in reduced shelter costs, lower demand for public assistance, and more resilient communities.

CityFHEPS

ANHD was proud to work with our members, allies, and the City Council to pass legislation in 2023 expanding eligibility for CityFHEPS vouchers. We are disappointed in Mayor Mamdani's decision to continue the previous administration's lawsuit against this legislation, and urge the Mayor to follow through on the promises made by Mayor Zohran Mamdani on the campaign trail and fully implement the 2023 CityFHEPS expansion. CityFHEPS is a proven way to help get New Yorkers into safe and permanent housing while also providing a steady and reliable income to our affordable housing providers. While expanding the program to cover families facing eviction is projected to cost the city approximately $8 billion dollars, it is also expected to save $5 billion from reduced shelter and rehousing costs–resulting in a net cost of about $3 billion over five years (CSS). **The expansion of CityFHEPS will make great strides in alleviating the increasing homelessness crisis and we strongly urge the Administration to act quickly to implement the law.**

Source of Income Discrimination

We urge the City to strengthen our current laws to prevent the discrimination we often see voucher holders face in their search for housing. Even after New Yorkers have gone through various obstacles to obtain their voucher, they face more hurdles as they begin their search for a safe and affordable home. These New Yorkers are too often faced with discriminatory practices, given excuses that are often proxies for race and class. We urge the Council to quickly pass Council Member Krishnan's MOVE Act (Intros. 264, 265, 266, 267, 268, and 269 of 2026) to ban credit checks and income requirements for voucher holders and end this culture of discrimination. ANHD further recommends increasing staffing of the NYC Commission on Human Rights to 2018 levels to support voucher holders who have faced discrimination.

Agency Staffing

Increased capacity at key housing agencies, including HPD and HRA, is critical to addressing New York City's housing crisis.

HPD must have sufficient staff capacity to support nonprofit developers working under regulatory agreements across all stages of preservation and asset management. Many of ANHD's members manage portfolios of HPD-financed affordable housing and are facing significant financial distress driven by rising operating costs and an inflationary environment. The urgency is underscored by the City's own data: HPD's asset management rental portfolio grew 17 percent in a single year to nearly 2,500 projects, and the share classified as high risk has risen steadily to 16 percent. A growing portfolio with increasing financial distress demands more staff capacity, not less — yet the personal services budget for the Office of Housing Preservation stands at $59.3 million in the FY27 Preliminary Budget, less than the previous fiscal year. Delays in updating preservation term sheets, processing subsidy renewals, and approving program applications put these buildings in jeopardy. **We urge the Council to prioritize new hiring in HPD's preservation and asset management divisions and to establish clear processing time standards so that nonprofit developers can plan and execute with greater certainty.**

HPD's code enforcement and litigation units require additional staff to address the needs of tenants. Increasing staff capacity for inspections and for oversight through programs like the Alternative Enforcement Program, the Underlying Conditions program, the Certification Watchlist, and the Certificate of No Harassment is necessary to ensure that the agency can respond promptly and thoroughly to tenant complaints and conduct routine inspections, as well as engage in proactive, holistic measures like roof-to-cellar inspections. There is a corresponding need for additional funding for litigation. The Mayor's proposal to significantly increase staffing at the Law Department is welcome, but dedicated litigation support is essential to adequately enforce the housing maintenance code and keep tenants safe.

Reviewing the Budget Function Analysis of the February 2026 Plan, approximately $36 million is allocated for full-time salaried employees working broadly on code enforcement, an increase from $32 million in 2025 (Budget Function Analysis - February 2026 Plan). Some of this funding appears to be directed to allow HPD to continue staffing up Housing Inspectors and related positions, which, along with other HPD positions, were particularly understaffed following the pandemic (Independent Budget Office). Funding for positions within the Housing Litigation Division (HLD), however, remains flat – which will hinder the Mayor's stated goals of holding repeat-offending landlords accountable. **The Council should prioritize increasing staffing within the Code Enforcement and Housing Litigation Division.**

Delayed Contracts and Stalled Projects

The failure of NYC's contracting process is now well known, but unfortunately persists. Non-profit organizations that carry out essential services are being forced to lay off staff, reduce programming, and decline new city funding, and take out loans because of long delays in receiving payment for city contracts.

ANHD members working in low- and moderate-income (LMI) communities across the city that depend on timely City contracts to sustain their operations. This includes nonprofit housing developers, who need reliable funding to preserve and build affordable housing. When contract approvals are delayed, projects stall, forcing nonprofits to absorb financial losses they cannot afford. Every CHPS organization has reported delays in registration and payment, forcing them to front costs for essential services while waiting months or even years to be reimbursed. These delays significantly hinder program operations and staff retention, placing strain on frontline teams and putting tenant protections at risk.

We urge the City to address the systemic contracting backlog by advancing reforms and ensuring timely contract approvals and payments.

Homeownership

Low- and moderate-income homeowners, especially older adults, are also increasingly at risk of displacement in neighborhoods throughout New York City. ANHD commends the Council for its support of the Foreclosure Prevention Initiative, which leverages loans, counseling and education to keep New Yorkers in their homes. We support increasing this initiative to $6.29 million in FY27. Additionally, ANHD supports increasing funding for the Home Loan Program Initiative, the CLT Initiative and the Estate Planning and Resolution (EPAR) Initiative to keep families in their homes, expand permanently affordable homeownership opportunities, and protect generational assets as homeowners age.

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We look forward to continued engagement as the budget process moves toward adoption and thank the Committees for the opportunity to testify. If you have any questions or need additional information, please contact Emily Goldstein: emily.g@anhd.org.