

Understaffing at HPD

Staffing shortage at HPD will lead to decreased housing production when we need it the most

As New Yorkers struggle with a crippling shortage of affordable housing, New York City's key housing agency – the Department of Housing Preservation and Development (HPD) – is mired in a significant staffing crisis that began in earnest when hiring freezes and decreased rehiring were implemented during the pandemic. Its staffing shortage is slowing down housing production, potentially fueling further exits from the agency, and delaying the delivery of much-needed affordable and supportive housing to New Yorkers. A new directive from Mayor Eric Adams instructs most city agencies, including HPD, to implement 3 percent budget cuts in FY22 and again in FY23 – a move that will only further hamper the agency and make housing policy less efficient. Mayor Adams should exempt HPD from his directive and instead ramp up hiring in order to more effectively produce the robust supply of affordable housing New York City needs and deserves.

The Scale of the Problem

The Department of Housing Preservation is responsible for building and preserving affordable housing in the city by allocating city and federal subsidies, protecting tenants by preventing harassment and displacement and ensuring legal representation in housing court, enforcing the housing maintenance code, administering rental assistance programs for 39,000 households including federal Section 8 vouchers, and engaging in neighborhood planning. Their work is essential to housing quality and affordability in New York City.

But since the pandemic started, the Department of Housing Preservation and Development has been severely understaffed. **Overall, the agency's staffing is 5 percent lower than it was before the pandemic and is 12 percent less than the budgeted headcount.** The Office of Housing Maintenance and Sales have 14 percent less staffing than they have in their budgetⁱ, which impacts lease up of vacant units. **The greatest staffing shortfall however is in the Office of Development, which handles development of new construction and preservation of affordable housing, where staffing is down 12 percent compared to January 2020, before the pandemic began, and is 24 percent less than their budgeted headcount.**ⁱⁱ

HPD Staffing Shortage						
HPD is understaffed, having lost significant staffing since the pandemic						
Unit of Appropriation		Actual Headcount		Budgeted Headcount FY 2022	Staffing loss during the pandemic (Jan. 2020 - Dec. 2021)	Staffing shortage compared to budget
		Jan. 2020	Dec. 2021			
001	Office of Administration	483	477	520	-1%	-8%
002	Office of Development	386	339	447	-12%	-24%
003	Rental Subsidy Programs		306	286		7%
004	Office of Housing Preservation	943	920	1063	-2%	-13%
006	Housing Maintenance and Sales	598	245	285		-14%
Total		2,410	2,287	2,601	-5%	-12%
Source: Actual Headcount from NYC IBO; Budgeted headcount from NYC OMB Supporting Schedules, July 2, 2021						
Notes: Staffing was moved from Housing Maintenance to Rental Subsidy in 2021.						

An affordable housing project will interact with several units in the Office of Development as it gets the oversight and approval of the agency to receive subsidies. A supportive housing project for example will start with the office of special needs housing and will be assigned a project manager. It will then go to the Division of Building and Land Development Services (BLDS) where it is reviewed for architectural, engineering, environmental, cost valuation, and construction support. The proposal might also be reviewed by the Division of Planning and Predevelopment which develops and manages HPD's housing production pipeline from project proposal phases through the land use review and entitlement process. There will also be a review by legal staff, marketing, underwriting and design review. Staffing shortages at any one of these offices will slow down projects, and currently developers are telling us there are shortages at most of these offices.

While HPD has said they have been able to make their production goals, developers have told us and journalistsⁱⁱⁱ that their projects have been delayed. We need to address the issue now before it shows up in slowed production. Right now, we are hearing that housing staff are triaging their workload and focusing on closing deals but do not have time for other work including bringing in new deals. For new construction projects, this means that HPD will have fewer projects, which may not become apparent for a year or more and leading to less affordable housing in the future. For preservation projects though, this means that housing that needs funding for repairs are not being assisted and tenants are living in unhealthy or unsafe conditions for longer.

Staffing shortages also affect approvals needed for people to move into newly created housing. Citizens Housing & Planning Council recently reported that it takes an average of 371 days to lease up new affordable housing.^{iv} Vacancies in supportive housing, aimed at stably housing formerly homeless New Yorkers, are estimated at a shocking 10 percent by the Supportive Housing Network of New York.^v With only one in five homeless eligible homeless people getting access to supportive housing, empty units should be filled with urgency. Every delay means tenants unnecessarily experience housing insecurity or homelessness for longer.

There is real urgency to this issue. The longer understaffing continues, the more likely it is to get worse. Understaffing has meant a greater workload for the staff that are still there according to reporting,^{vi} which has led to, and will continue to lead to, burnout and more staff leaving the agency, a downward spiral that needs to be stopped.

Making the Problem Worse

On January 10, Mayor Eric Adams instructed most agencies to propose cuts of 3 percent for the current Fiscal Year 2022 budget, Fiscal year 2023, which starts July 1, 2022, and future years. These cuts will prevent HPD from rehiring fully and having the staffing they need to manage housing production and may cause staffing shortages to continue to grow. Mayor Adams exempted only four agencies – the Department of Correction, Health + Hospitals, Department of Health and Mental Hygiene, and the Office of the Chief Medical Examiner, citing, “Unique challenges [the exempt] agencies currently face.” The housing and homelessness crisis is real and is among the biggest challenges the city faces. HPD should therefore also be exempt from the budget cut so that the agency can continue robust housing production to address the crisis.

Unlike most other agencies, HPD's budget is largely funded with federal money, with 70 percent of funding coming from federal Community Development Block grants and other federal sources and just 25 – 30 percent funded with city taxes. This leaves HPD with fewer options to find savings and spread the cuts since they can only cut from positions and budget lines that are funded with city revenue.

Solving the Problem

HPD must be allowed to get back to full staff capacity. There are three ways to do that:

1. Mayor Adams should immediately exempt HPD from proposed 3 percent budget cuts.
2. The Office of Management and Budget should work with HPD to continue to allow hiring. A very slow hiring process is preventing HPD from addressing the staffing shortage and is making it worse. Hiring can take between six to 12 months. A faster process is necessary to make up for all the staffing lost since the pandemic.
3. Outsource help where feasible. Temporary or contracted staff can bolster service delivery where most urgently needed.

In the long term, the agency should also look at issues like employee pay, promotion opportunities, and civil service rules, to improve the agency's ability to hire and retain staff.

The city is facing a housing and homelessness crisis that must be addressed with urgency. During the past 8 years, HPD was able to ramp up housing production to new heights, and the agency staff should be recognized for that. But the housing crisis continues, and we are asking them to do even more in the future. We have called on the city to double housing capital spending to \$2.5 billion per year for HPD and adding \$1.5 billion for NYCHA.

The staffing shortage risks the progress the agency has made and makes it impossible for them to meet the current challenge and rise to new heights. HPD needs funding and staffing to carry out their mission and find improvements and new programs. Mayor Eric Adams must not cut HPD's budget further and must get the agency fully staffed.

ⁱ We cannot evaluate the Office of Housing Maintenance and Sales because much of its staff was moved into a different unit – Rental Subsidy Programs in 2020.

ⁱⁱ Headcount data from the New York City Independent Budget Office; Budgeted headcount from NYHC analysis of NYC OMB Supporting Schedules, July 2, 2021.

ⁱⁱⁱ Housing agency staffing shortage delaying affordable housing efforts, by Janaki Chadha. Politico New York, Dec. 2, 2021.

^{iv} Brutal Bureaucracy; NYC Housing Connect Analysis, Citizens Housing and Planning Council. November 2021. <https://chpcny.org/wp-content/uploads/2021/11/CHPC-NYC-Housing-Connect.pdf>

^v Opinion: A Focus on 'Efficiency' Will Keep Thousands of New Yorkers Needlessly Homeless, by Laura Mascuch. City Limits, Feb. 4, 2022. <https://citylimits.org/2022/02/04/opinion-a-focus-on-efficiency-will-keep-thousands-of-new-yorkers-needlessly-homeless/>

^{vi} Housing agency staffing shortage delaying affordable housing efforts, by Janaki Chadha. Politico, Dec. 2, 2021.