

**Testimony of the New York Housing Conference**

**New York City Council Committee on Housing and Buildings**

**Testimony**

**March 24, 2026**

Good afternoon. My name is Brendan Cheney. I am Director of Policy and Operations at the New York Housing Conference (NYHC). I would like to thank the Committee for the opportunity to testify about the FY 2027 preliminary budget.

NYHC is a nonprofit affordable housing policy and advocacy organization. As a broad-based coalition, our mission is to advance City, State and Federal policies and funding to support the development and preservation of decent and affordable housing for all New Yorkers.

There are three main issues we are testifying about today: ensuring sufficient capital resources for affordable housing production; the distressing CRISIS in affordable housing we are witnessing; and the pressing need for reforms to improve efficiency in housing production.

First, while we look forward to the Mamdani Administration's new affordable housing plan later this spring, we want to highlight that as it stands, the housing capital budget is currently facing a fiscal cliff. The FY2026 capital budget for the New York City Department of Housing Preservation and Development (HPD) is \$5.9 billion. In FY 2027 this drops to less than \$3 billion and in the following years is less than \$2 billion. We estimate the agency needs at least \$4 billion per year to maintain historical production, adhere to the recently passed Construction Justice Act, while also adding capital funding to ensure we are fully utilizing expanded Low Income Housing Tax Credits. This estimate does not include an additional \$1b needed annually to support NYCHA's PACT program funded through HPD's capital budget.

We anticipate the Mayor's executive budget will be updated in alignment with a new housing plan. There is a desperate need to expand housing and ensure affordable housing is in all neighborhoods. NYHC's [New York City Housing Tracker](#) shows that affordable housing is spread unevenly throughout the city; over the past 11 1/2 years, 13 districts have produced more than 4,000 units of new affordable housing, while 10 districts have produced fewer than 300 units of new affordable housing over that time. We urge the City Council to work in tandem with the Administration to prioritize the forecasted gap in their budget negotiations over the next few months.

Second, there is a growing crisis of financial distress in affordable housing – many HPD-financed affordable housing buildings are struggling to cover growing operating costs with insufficient revenue. A [recent study by Enterprise Community Partners and LISC](#) found more than half of the 428 projects in their portfolios (totaling 37,130 units) have negative cash flow. While this problem has been slowly brewing since 2020, an urgent response is now required.

The city must meet this urgency by investing resources, staffing and policy reforms to aid buildings unable to meet the debt coverage ratios established by their lenders. Solutions must focus on aiding buildings at risk of default, increasing revenue in affordable housing buildings and decreasing expenses. As such, we are introducing the **C.R.I.S.I.S.** agenda - Affordable Housing Preservation Coalition priorities for the City Council and the Mamdani Administration to address operating deficits in affordable housing:

### **C.R.I.S.I.S. Agenda**

- **C**reate \$1b loan workout & reserve replenishment fund for affordable housing buildings under regulatory agreement with NYC HPD at risk of default.
- **R**aise revenue by allowing vacancies to comply with current AMI rent limits in 100% income-restricted affordable housing buildings under regulatory agreement with NYC HPD or NYS HCR.
- **I**ncrease capacity for loan restructuring on a portfolio basis for preservation finance and asset management at NYC HPD to meet growing preservation needs.
- **S**taff NYC DSS adequately to ensure New Yorkers access and retain affordable housing by proactively preventing nonpayment evictions; supporting timely homeless set-aside referrals; and efficiently processing of CityFHEPs.
- **I**ncvest in a municipally-backed affordable housing insurance program to lower premiums for HPD-financed buildings.
- **S**ave money on water bills in affordable housing by expanding the Multi-family Water Assistance Program to cover all affordable housing by budgeting \$100 million and increasing the per unit discount to \$500 per unit.

Third, bureaucratic issues that are dramatically limiting affordable housing development and operations will need to be addressed. The Mamdani Administration rightly created the SPEED Task Force to gather ideas for efficiency reforms for housing development and we were proud to be part of the process. Our recent reports tracked [delays in Housing Connect lease-ups](#), estimated the [costs of housing production delays](#), and the [excessive role of the Office of Management and Budget in affordable housing development](#).

We look forward to working with the City to approve and implement the suggestions that will accelerate up affordable housing development, vastly improve the Housing Connect lottery system, and speed up referrals to housing from shelters and rental assistance utilization.