

City of New York

Proposed City Fiscal Year 2025

Community Development Block Grant Budget

Executive Summary

The Community Development Block Grant (CD or CDBG) is one of four formula Entitlement grants the City of New York receives annually from the U.S. Department of Housing and Urban Development (HUD). Prior to receiving these funds, grantees must release for public comment and submit to HUD a Consolidated Plan that outlines how the grantee will use the funds to address its identified needs.

The Consolidated Plan is prepared on a calendar year basis, while the City's fiscal year begins on July 1 and ends on June 30. This document reflects proposed allocations of CD funds for City Fiscal Year (CFY) 2025 based on the anticipated receipt of the City's Federal Fiscal Year (FFY) 2024 grant. Please note HUD has not yet announced FFY 2024 awards, so the City has used the FFY 2023 award of \$169,345,195 in its budget estimates. In addition to this allocation, the budget is supported by program income and other supplemental revenue sources, which may include unspent funds from prior years, loan repayments, fees, fines, and the sale of land in Federal Urban Renewal Areas.

The total Proposed CDBG budget for CFY 2025 is \$236,802,000. Upon City Council adoption of the CFY 2025 Budget, the allocations proposed in this document will be incorporated to the CDBG portion of the 2024 Consolidated Plan.

Budgetary and Programmatic Changes for CFY 2025

As the cost of running federally-funded programs continues to grow due to new federal requirements, inflation, etc., the size of the CDBG grant has remained relatively flat or decreased. For example, the national CDBG appropriation for FFY 2024 was \$3.3 billion, which mirrors the FFY 2023 funding level but is a \$150 million reduction from FFY 2021.

Due to these budgetary pressures, the City routinely seeks ways to streamline its CD-funded activities, reduce administrative burden, and accomplish the same (or more) with less. To that end, the City is proposing the following changes to its CFY 2025 CDBG program:

- City tax levy will begin funding the following programs starting July 1, 2024:
 - Housing Planning: Research and Evaluation
 - Housing Rehabilitation Administration: 7A Program
 - Maintenance, Operation, and Rehabilitation of Tax-Foreclosed Housing
 - City Educational Facilities: Accessibility Improvements in City Schools
 - Recreation Services: Minipools

- The following components of programs will also become City tax levy-funded as of July 1, 2024:
 - Code Enforcement: 311 phone operators, within the NYC Office of Technology and Innovation, who respond to housing complaint calls.
 - Demolition: While CDBG funds will continue to pay for the demolition of hazardous buildings, City tax levy will now fully support the staff that oversees this work.
- CDBG funding will support a greater portion of fringe benefits for the City employees who will remain CD-funded. (Please note the City is not providing additional/new fringe benefits for CD-funded staff through this action. Rather, the CDBG grant will cover fringe benefit costs that were previously paid with City funds.)

The programs that will be moving to City tax levy were selected either because the use of federal funds added additional restrictions that impacted efficiency and increased costs (e.g., more detailed timekeeping requirements than would normally be necessary) or to reduce Planning/Administration costs, which are currently capped at 20 percent of the grant.

Following is the proposed CDBG budget for CFY 2025. Please note the programs are grouped by the Consolidated Plan goal associated with each activity.

Proposed City Fiscal Year 2025
Community Development Block Grant (CDBG) Budget
(Millions of Dollars)

Consolidated Plan Goals and Programs	CFY 2025
<i>Administer the overall CDBG entitlement grant program</i>	
CDBG Administration	4.723
<i>Conduct housing market analysis and planning</i>	
Housing Planning	0.590
<i>Further fair housing throughout the City</i>	
NYC Fair Housing	0.523
<i>Improve and preserve NYC's housing stock</i>	
Code Enforcement	63.945
Emergency Repair Program	51.256
Alternative Enforcement Program	11.758
Housing Rehabilitation Administration	0.990
Public Housing Rehabilitation Program	12.804
HPD Administration	10.099
<i>Preserve historic buildings and areas</i>	
Landmarks Historic Preservation Grant Program	0.114
<i>Provide recreation and greenspace</i>	
Recreation Services	2.694

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Consolidated Plan Goals and Programs	CFY 2025
<i>Provide safe shelters and services</i>	
Shelter Services	0.553
Emergency Relocation	26.044
Housing Placement Services	1.580
<i>Provide safety and independence for the elderly</i>	
Senior Services	1.037
<i>Provide social and educational services</i>	
Education Services	4.524
Community Centers	5.654
Victims' Services	3.246
<i>Reduce threats to public health and safety</i>	
Demolition Program	9.342
<i>Community development through planning</i>	
Community Planning	22.410
<i>Support economic development</i>	
Avenue NYC	2.916
Total Uses	236.802