



The Community Preservation Corporation

220 East 42nd St, 16th Floor
New York, New York 10017

**New York City Council Preliminary Budget Hearing
Housing and Buildings Committee
March 25, 2025**

Testimony on behalf of The Community Preservation Corporation

This testimony is submitted on behalf of The Community Preservation Corporation (CPC), a nonprofit community development finance institution that was formed in the early 1970s to help New York City and State restore and rebuild communities that had been devastated by deterioration and abandonment. As a fifty year old affordable housing lender with a significant footprint in New York City, CPC is proud to provide testimony on the resources needed to best address the City's housing crisis.

The work undertaken by New York City's Department of Housing Preservation and Development (HPD) has been and continues to be critically important to New York City, and while we were encouraged by HPD's progress rebounding in full-time employment from its pandemic losses, HPD's vacancy rate has unfortunately been increasing again. From HPD's peak vacancy rate of 18.3% in August 2022, the Department's vacancy rate reached a low of 6.8% in September of 2024 but has since risen back to 13.8% as of the end of February 2025¹. As the City heralds in a new chapter of development with the passage of City of Yes, it is critical to have a fully staffed high-capacity housing agency to review, approve, and advance development. We urge the Council to continue prioritizing the hiring and retention of the housing staff needed to ensure smooth program implementation and efficient development.

Turning to the preliminary budget, we are thrilled to see that the Mayor's FY2026 Preliminary Budget sets a new all-time high for New York City's investment in housing capital, with a proposed FY25 capital budget of \$3.268B for HPD and \$1.074B for NYCHA for a combined City housing capital funding total of \$4.343B. These funds will generate affordable housing units via preservation, new construction, senior and supportive housing, in addition to supporting the conversion of NYCHA developments through the PACT Program. We also applaud the joint City and State funding commitment of \$5B, made in support of the passage of City of Yes and in alignment with City for All, to support the housing capital and infrastructure needs that will come with these new zoning text amendments. Overall, CPC is supportive of the Mayor's Preliminary Budget for housing and we encourage the Council to pass it.

¹ <https://comptroller.nyc.gov/services/for-the-public/nyc-agency-staffing-dashboard/authorized-vs-actual-staffing-with-vacancy-rates/>



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In conclusion, it is important to note that given the drastic and fast moving actions taking place at the federal level, local action on housing preservation and production are more important than ever. Potential reductions in federal funding could elevate the demand for programs like CityFHEPS and underscore the need for local development incentives. We urge the Council and the Mayoral administration to maintain a sharp focus on the evolving federal landscape and coordinate with the New York City Congressional Delegation to mobilize additional support should the need arise.

Thank you for the opportunity to provide testimony on behalf of CPC. We look forward to working with this Council to implement the FY26 budget.

About CPC

The Community Preservation Corporation (CPC) is a nonprofit affordable housing and community revitalization company that was formed in the early 1970s to help New York City and State restore and rebuild communities which were devastated by deterioration and abandonment. Today, CPC uses its unique expertise in housing finance and public policy to expand access to quality housing, drive down the costs of affordable housing production, advance diversity and equity within the affordable housing development industry, and address the effects of climate change in our communities through the financing of sustainable housing. Since our founding, CPC has invested over \$15 billion to finance the creation and preservation of more than 230,000 units of housing through our lending and investing platforms. CPC is a permanent lending partner to the New York City Retirement Systems (NYCRS) and we are also an equity partner in the PACT Renaissance Collaborative, the team selected by NYCHA to renovate and preserve 16 NYCHA properties located in Manhattan. On behalf of New York State HCR, CPC is also administering the Climate Friendly Homes Program, a \$250 million program to electrify 10,000 units of housing across the state in the next four years.

Most recently, CPC again answered the call to support our government partners in reinvesting in communities following the collapse of Signature Bank. Alongside partners Neighborhood Restore HDFC and Related Fund Management, CPC is leading Community Stabilization Partners (CSP), the manager of a joint venture partnership with the FDIC to manage the rent stabilized portion of now defunct Signature Bank's multifamily commercial real estate portfolio. CPC on behalf of CSP is now the servicer of record for 1,100 buildings encompassing approximately 35,000 units in New York City, the majority of which are rent stabilized. We understand the unique role that rent regulated housing plays in New York City, the distinct financial challenges facing its owners and operators in today's market, and its importance as a haven of affordability to its tenants. As a partner with the FDIC and servicer of the stabilized loan portfolio, CSP and CPC are proud to be preserving the long-term affordability as well as the physical quality and financial stability of these buildings.

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