



**NEW YORK CITY COUNCIL
FINANCE DIVISION**

Tanisha Edwards, Esq.
Chief Financial Officer and
Deputy Chief of Staff

Richard Lee
Director

Jonathan Rosenberg
Managing Director

Chima Obichere
Deputy Director

Eisha Wright
Deputy Director

Paul Scimone
Deputy Director

Elizabeth Hoffman
Assistant Director

Jack Storey
Unit Head

Hon. Adrienne Adams
Speaker of the Council

Hon. Rafael Salamanca, Jr.
Chair of the Committee on Land Use

Hon. Kevin Riley
Chair of the Subcommittee on Zoning and
Franchises

**Report on the Fiscal 2025 Preliminary Plan
and the Fiscal 2024 Preliminary Mayor's
Management Report for the
Department of City Planning**

March 21, 2024

Prepared by Daniel Kroop, Principal Financial Analyst



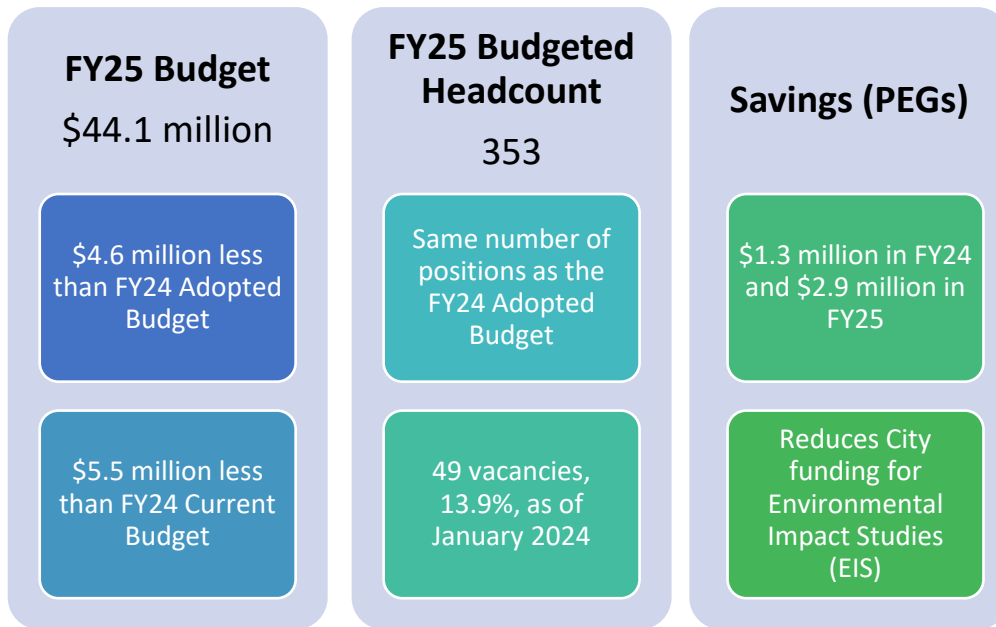
Table of Contents

Department of City Planning (DCP) Overview	1
DCP Fiscal 2025 Budget Snapshot	1
DCP Financial Plan Overview	1
DCP Financial Summary	2
Fiscal 2025 Preliminary Budget Changes	3
Headcount	4
DCP Contract Budget	5
Fiscal 2024 Preliminary Mayor’s Management Report	6
Budget Issues and Concerns	7
Appendices	9
A. Budget Actions in the November and Preliminary Plans	9

Department of City Planning (DCP) Overview

The Department of City Planning (DCP) plans for New York City’s overall growth and development. DCP works with communities and elected officials to build healthier, more equitable, and resilient neighborhoods; develop land use policies and zoning regulations to advance strategic objectives; and, in collaboration with the Office of Management and Budget (OMB), share perspectives on growth and community needs with its sister agencies, elected officials, and members of the public.¹ DCP considers how to induce and support the benefits of both public and private investments in New York.

DCP Fiscal 2025 Budget Snapshot



DCP Financial Plan Overview

DCP’s Fiscal 2024-2028 Preliminary Financial Plan (Preliminary Plan) includes a budget of \$44.1 million in Fiscal 2025, which represents less than one percent of the City’s \$109.4 billion Fiscal 2025 budget. DCP’s Fiscal 2025 Budget includes \$32.9 million for Personal Services (PS) to support 353 full-time positions. The agency’s Other Than Personal Services (OTPS) funding totals \$11.1 million and includes \$3.3 million for contractual services, the majority of which is allocated for professional engineering and architecture services (\$1.7 million). Chart 1 presents the breakdown of the Personal Services (PS) and Other Than Personal Services (OTPS).

As the Administration continues to pursue its “City of Yes” agenda, which strives for a more inclusive, sustainable, entrepreneurial, and affordable City, DCP plays a central role in advancing planning goals, including the Zoning for Housing Opportunity text amendment that is hoped to unlock upwards of 100,000 of the Administration’s 500,000 “moonshot” target for housing production.²

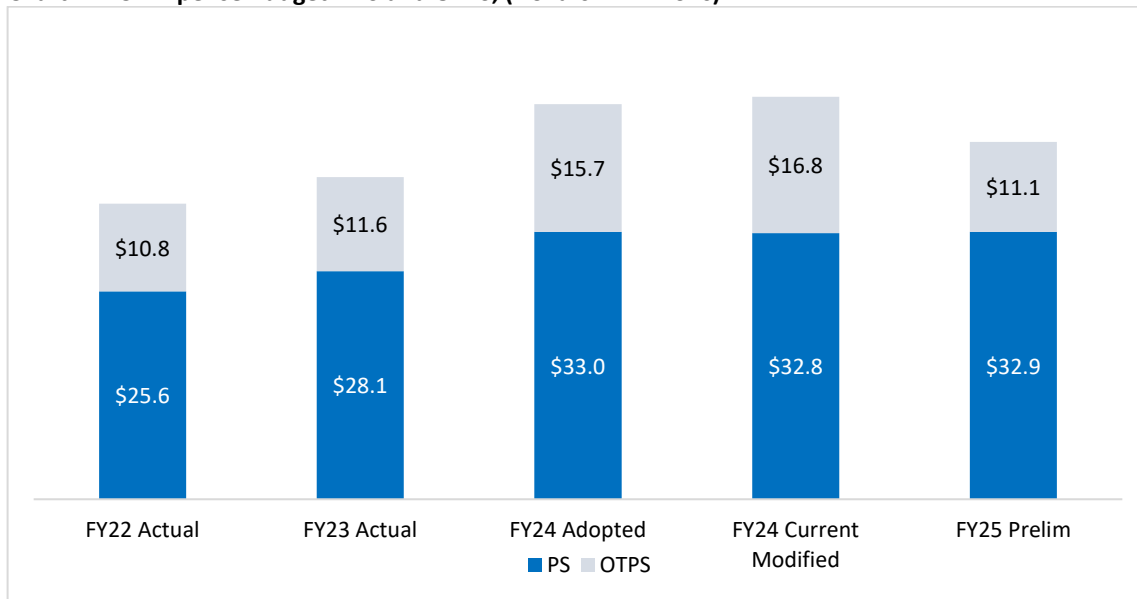
The Fiscal 2025 Budget in the Preliminary Plan includes a \$1.5 million PEG that would reduce the agency’s capacity to conduct neighborhood rezonings and achieve additional planning goals. However, DCP anticipates that the cut will be restored in the Fiscal 2025 Executive Budget. While the

¹ The City of New York, *Preliminary Fiscal 2024 Mayor’s Management Report*, January 2024, available online at: https://www.nyc.gov/assets/operations/downloads/pdf/pmmr2024/2024_pmmr.pdf, pp. 313-19.

² Includes private market-rate housing as well as affordable and subsidized forms of housing.

Administration’s expected u-turn on this PEG is welcome, DCP continues to struggle with balancing an ambitious agenda and a relatively high vacancy rate of 13.9 percent, with rates as high as 30.0 percent and 25.0 percent, respectively, in its Queens and Bronx borough offices. The PMMR shows that timeliness of land use reviews (e.g. environmental), a core DCP responsibility, was lower in the first four months of Fiscal 2024 than in the same period of Fiscal 2023. These initiatives and others – like enabling office-to-residential conversions and helping direct investments into neighborhood infrastructure and amenities – would require sufficient resources to help address the City’s numerous challenges.

Chart 1: DCP Expense Budget – PS and OTPS, (Dollars in Millions)



Source: New York City Office of Management and Budget

DCP Financial Summary

The Preliminary Plan includes a \$44.1 million budget for DCP in Fiscal 2025, decreasing to \$43.2 million by the end of the Plan period (Fiscal 2028), an annual average expenditure decrease of 0.7 percent. DCP’s budget generally reflects similar recurring costs and expectations for the agency throughout the Plan. DCP’s funding in the outyears are not impacted by the expiration of federal COVID-19 stimulus from the American Rescue Plan Act.

DCP has two Unit of Appropriation (U/A) pairs, one each for general and geographic systems. The latter refers to systems used to conduct spatial analysis, modeling, and other functions to support the City’s planning goals. The general category has 325 of the 353, or 92.1 percent, of the budgeted headcount positions, with a \$30.5 million PS budget and \$10.8 million in OTPS, or 93.7 percent of the agency’s funding. The remaining 28 positions reside in the Geographic Systems and is composed of \$2.5 million in PS and \$297,688 in OTPS. Additional U/As should be considered to provide a more granular picture of the divisions’ functions.

Table 1: DCP Financial Summary

<i>Dollars in Thousands</i>						
	FY22	FY23	FY24	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY24	FY25	FY25 - FY24
Budget by Spending Category						
Personal Services	\$25,627	\$28,125	\$32,971	\$32,785	\$32,944	(\$28)
Other Than Personal Services	10,819	11,581	15,705	16,810	11,116	(4,589)
TOTAL	\$36,446	\$39,706	\$48,677	\$49,595	\$44,059	(\$4,617)
Budget by U/A						
General	\$34,035	\$37,076	\$45,958	\$46,876	\$41,281	(\$4,676)
Geographic Systems	2,411	2,630	2,719	2,719	2,778	59
TOTAL	\$36,446	\$39,706	\$48,677	\$49,595	\$44,059	(\$4,617)
Funding						
City Funds			\$32,829	\$29,375	\$28,301	(\$4,527)
Federal - Community Development			14,505	17,769	14,415	(90)
Federal - Other			1,343	2,308	1,343	0
State			0	143	0	0
TOTAL	\$36,446	\$39,706	\$48,677	\$49,595	\$44,059	(\$4,617)
Budgeted Headcount						
Full-Time Positions - Civilian	266	296	353	353	353	0
Full-Time Equivalent Positions	32	20	23	22	21	(2)
TOTAL	298	316	376	375	374	(2)

**The difference of Fiscal 2024 Adopted Budget compared to Fiscal 2025 Preliminary Budget*

Source: New York City Office of Management and Budget

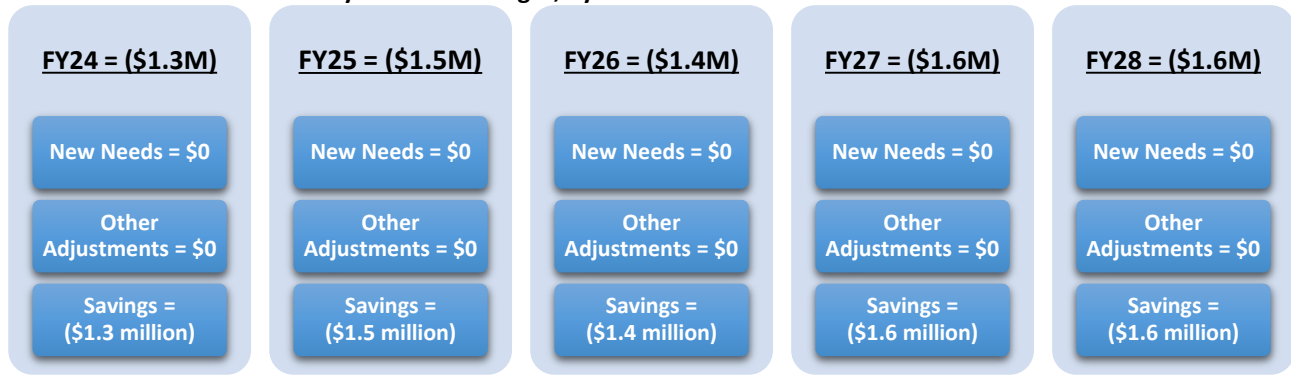
City funds comprise 64.2 percent of DCP’s budget, with \$28.3 million in Fiscal 2025. City funds are \$4.5 million lower in Fiscal 2025 in the Preliminary Plan than in the Fiscal 2024 Adopted Budget. The second largest funding source is federal Community Development Block Grant (CDBG) funding, at 32.7 percent, or \$14.4 million. Funding from the block grant is anticipated to decrease by \$90,000 in Fiscal 2025 when compared to Fiscal 2024 at adoption.

Fiscal 2025 Preliminary Budget Changes

Budget actions in the Preliminary Plan decreased DCP’s budget by \$1.3 million in Fiscal 2024 and \$1.5 million in Fiscal 2025 when compared to the November Plan. There were no new needs or other adjustments. The PEG from OTPS savings is the only budget action in the Plan.

Chart 2 provides a summary of DCP’s spending changes from the November Financial Plan to the Preliminary Financial Plan.

Chart 2: Fiscal 2025 Preliminary Plan Net Changes, by Fiscal Year*



*Savings in this chart are the sum of all expense savings, from all revenue sources, including but not limited to, City, State, and federal savings. As some agency PEGs may be revenue actions or savings from non-City sources, this number will not necessarily equal the agency’s PEG value.

Table 2 summarizes DCP’s Program to Eliminate the GAP (PEGs) savings across the November and Preliminary Plans.

Table 2: DCP Total Program to Eliminate the Gap (PEG)

Dollars in Thousands	FY24	FY25	FY26	FY27	FY28
November Plan	(\$2,414)	(\$1,398)	(\$1,473)	(\$1,204)	(\$1,204)
Preliminary Plan	(1,312)	(1,490)	(1,421)	(1,570)	(1,573)
TOTAL PEGs	(\$3,726)	(\$2,888)	(\$2,894)	(\$2,774)	(\$2,777)

Source: New York City Office of Management and Budget

Savings/Program to Eliminate the Gap (PEG)

- **OTPS Savings.** DCP’s Preliminary Plan includes savings from reduced OTPS costs, totaling \$1.3 million in Fiscal 2024, \$1.5 million in Fiscal 2025, \$1.4 million in Fiscal 2026, and \$1.6 million in Fiscal 2027 and Fiscal 2028. The OTPS savings are achieved by reducing the City tax-levy environmental impact studies (EIS) budget for professional services contracts for engineering and architecture. EIS are one of a number of important components in rezoning a neighborhood.

DCP is in the process of implementing the Administration’s planning agenda. Alongside two “City of Yes” rezoning proposals – for economic opportunity and housing opportunity – that are moving through the City’s planning process, the agency is also advancing multiple neighborhood rezonings in: Midtown South, Manhattan; Atlantic Avenue, Brooklyn; Long Island City and Jamaica, Queens; and Bronx Metro-North.

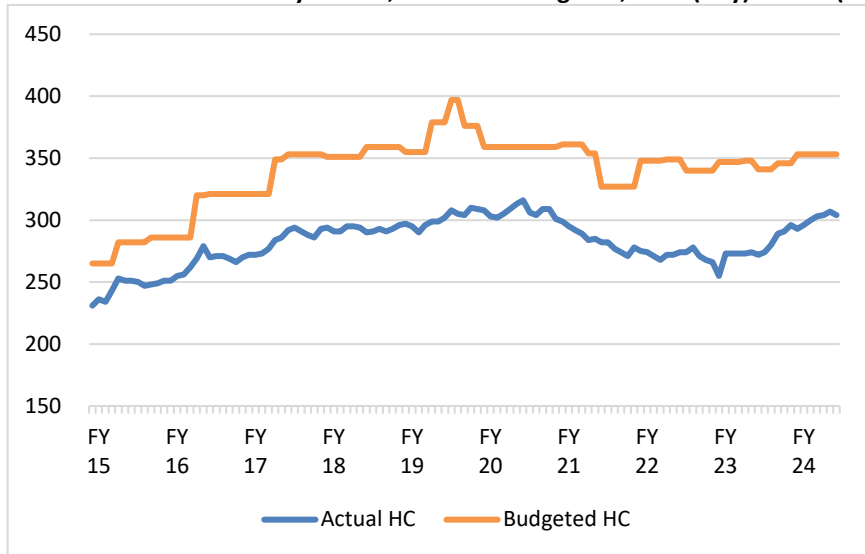
Notwithstanding a restoration, the EIS PEG savings would reduce DCP’s ability to contract for additional EIS in the future. However, DCP has indicated that the Administration is planning to restore the EIS PEG in the upcoming Executive Plan. If funding is restored, DCP may be able to advance additional neighborhood rezonings or other planning and redevelopment initiatives.

Headcount

Chart 3 compares DCP’s actual versus budgeted agency-wide headcount from Fiscal 2015 to Fiscal 2024. Staffing concerns are relevant at DCP given the relatively high vacancy rate of 13.9 percent. The agency plays a central role in coordinating the City’s approach to planning for the future. Appropriate staffing at DCP is of particular importance now, with the City of Yes zoning text amendments, neighborhood rezonings, and climate resiliency all on the agenda. DCP’s actual headcount has

decreased by 12 while the Department budgeted positions between January 2020 and January 2024, suggesting some lingering impacts from the COVID-19 pandemic on headcount.

Chart 3: DCP Headcount by Month, Actual vs. Budgeted, FY15 (July) – FY24 (Jan)



Source: New York City Office of Management and Budget

Table 3 presents a more granular look at DCP’s headcount at each of its borough offices. The borough offices play essential on-the-ground planning roles in each of the five boroughs. They also are responsible for managing local initiatives through the land use and environmental review processes. The Queens borough office has a 30.0 percent vacancy rate and 14 active staff. One-quarter of the full-time positions in the Bronx borough office are currently vacant, with only 12 people on staff,, only slightly more than Staten Island at 11. Brooklyn and Manhattan have 23 and 22 staff, respectively.

Table 3: DCP Borough Office Headcount, Fiscal 2024 Current Budgeted and Active Headcount

Borough Office	Full-time Positions	Active	Vacancies	Vacancy Rate
Bronx Office	16	12	4	25.0%
Brooklyn Office	25	23	2	8.0%
Manhattan Office	22	22	0	0.0%
Queens Office	20	14	6	30.0%
Staten Island Office	12	11	1	8.3%
TOTAL	95	82	13	13.7%

Source: DCP; Note: Data as of March 2024

DCP Contract Budget

The City’s Contract Budget includes all projected expenditures for personal service, technical or consulting contracts. The Contract budget is a subset of the OTPS portion of the City’s Expense Budget. Table 4 compares DCP’s Fiscal 2024 Adopted Contract Budget with its Fiscal 2025 Preliminary Contract Budget.

Table 4: DCP FY24 Adopted vs. FY25 Preliminary Contract Budget

<i>Dollars in Thousands</i> Category	FY24 Adopted	Number of Contracts	FY25 Preliminary	Number of Contracts
Contractual Services - General	\$1,755	2	\$837	2
Telecommunication Maintenance	60	1	60	1
Maintenance and Repair - General	223	3	223	3
Data Processing Equipment	339	2	339	2
Temporary Services	16	1	16	1
Training Program for City Employees	50	2	50	2
Professional Services - Accounting and Auditing	1	1	1	1
Professional Services - Engineer and Architect	4,855	6	1,700	6
Professional Services - Computer Services	33	1	33	1
TOTAL	\$7,331	19	\$3,258	19

Source: New York City Office of Management and Budget

The agency’s Fiscal 2025 contract budget in the Preliminary Plan is \$3.3 million, \$4.1 million lower than its Fiscal 2024 adopted contract budget of \$7.3 million. The largest difference between the two years is in the professional services for engineering and architecture category. As a result of the EIS PEG described earlier, funding is \$3.2 million lower in Fiscal 2025 than at Fiscal 2024 adoption. The general contractual services contracts are budgeted \$836,773 in Fiscal 2025, which is \$919,580 lower than at Fiscal 2024 adoption. Other key Fiscal 2025 contracting categories include contracts for data processing equipment (\$338,512) and general maintenance and repair (\$223,411).

Fiscal 2024 Preliminary Mayor’s Management Report

- Citywide and Neighborhood Proposals and Studies Advanced.** In the first four months of Fiscal 2024 DCP completed 47 citywide and neighborhood proposals and studies, a 327 percent increase from the 11 completed during the same period in Fiscal 2023. The major increase in proposals and studies advanced is largely due to neighborhood studies announced for the Jamaica Neighborhood Plan and Midtown South Mixed-Use Plan, and new details released for the Atlantic Avenue Mixed-Use Plan. DCP also states that the advancement of City of Yes for Carbon Neutrality, Economic Opportunity, and Housing Opportunity contributed to the increase.³
- Homes Proposed to City Planning Commission.** During the first four months of Fiscal 2024, a total of 4,288 homes were proposed to the City Planning Commission, a 329.0 percent increase from the 999 homes proposed in the same period of Fiscal 2023. The PMMR associates the significant increase with the proposal of three notable projects – Willets Point Phase 2 (1,400 homes) and Whitestone Lanes rezoning (415 homes) in Queens, and the East 94th Street rezoning (452 homes) in Manhattan.
- Timeliness of Land Use Reviews.** A key function of DCP is to manage land use and environmental review processes in order to facilitate development citywide. The reviews should be timely to prevent backlogs and cost escalations. In the first four months of Fiscal 2024, DCP completed zoning actions within the accepted time frames in only 59 percent of the 61 total cases. This falls below the DCP’s baseline target of 70 percent and is a 13 percent decrease from the Fiscal 2023 average of 72 percent. Of these zoning actions, 68 percent of the 22 ‘simple zoning actions’ were

³ City of Yes for Economic Opportunity, which was referred for public review in October 2023, intends to “cut red tape” and offer more zoning flexibility for small businesses, making it easier for them to open and expand. City of Yes for Housing Opportunity, which began environmental review in September 2023 and will enter public review in 2024, seeks to meet New Yorkers’ housing needs across all types of New York City neighborhoods., at *ibid.* at 1, p. 315.

certified or referred in the 12-month target time frame, however only 20 percent of the 20 'zoning actions with City Environmental Quality Review (CEQR) requiring an Environmental Assessment Statement' were certified or referred in the 15-month target time frame.

DCP successfully met its target time for its one 'zoning action with CEQR requiring an Environmental Impact Statement' to be certified or referred in the 22-month target time frame; five 'City projects (non-zoning)' within six months, and 13 'renewals and South Richmond actions' within six months. However, the overall percentage of zoning actions completed in their target time frame decreased. DCP attributes this to its prioritization of major proposals, both public and private, that led to other projects falling behind their target deadlines. DCP reports taking corrective action to make sure these delayed projects enter public review soon.

Budget Issues and Concerns

- **Staffing.** DCP's vacancy rate and staffing levels are of concern, especially as it relates to the agency's core functions such as zoning, planning, and environmental impact assessments. This is an issue at both the boroughwide and central division levels. There are currently 95 budgeted positions in the borough offices with 13 vacancies, a 13.7 percent vacancy rate. The rate is 30.0 percent and 25.0 percent in Queens and the Bronx borough offices, respectively. These rather high vacancy rates suggest that neighborhood planning may not have sufficient resources. It will be important for the City to provide the necessary infrastructure, planning, zoning, and bespoke project-based support to achieve its housing and development goals.
- **Office Conversions.** In August 2023, the City launched an Office Conversion Accelerator to expedite complex office-to-housing conversion projects in potentially 136.0 million square feet of available office space in New York City. The Accelerator is designed to help analyze project feasibility, secure necessary permits, and other functions. DCP along with sister agencies and the Mayor's Office support the Accelerator. DCP should share additional details about its work in the Accelerator and its ideas for how to move the City more quickly towards its goal of converting so much available office space into housing.
- **NYC SEED (Strategy for Equity and Economic Development) Fund and Neighborhood Strategic Investments.** In March 2022, the Administration launched its "Rebuild, Renew, Reinvent" Blueprint for the City's economic recovery.⁴ The blueprint included the launch of the NYC Strategy for Equity and Economic Development (SEED) Fund, a new "equitable capital planning framework to invest City resources into neighborhood needs in ways that address historic disinvestment, immediate public health and safety issues, and growing climate risks, while creating jobs and spurring economic growth."⁵

The NYC SEED Fund was intended to invest City dollars into neighborhood-wide capital improvements via a new equitable capital investment framework. The framework hoped to

⁴ NYC Office of the Mayor, "Mayor Adams to "Rebuild, Renew, Reinvent," Unveils Blueprint for NYC's Economic Recovery," March 10, 2022, available online at: <https://www.nyc.gov/office-of-the-mayor/news/119-22/mayor-adams-rebuild-renew-reinvent-blueprint-nyc-s-economic-recovery#/0>.

⁵ *Ibid.*

“better integrate neighborhood planning across City agencies and with community stakeholders to deliver quality of life improvements and economic recovery projects faster and cheaper.”⁶

According to DCP, the following SEED catalytic projects have been funded and announced: Broadway Junction streetscape improvements in Brooklyn; St. Andrews Park in Brooklyn; and Steinway Streetscape improvements in Queens.

In some key respects, SEED appeared poised to replace the previous Administration’s similar tool for guiding investments into communities undergoing rezonings or other deliberate planning changes, the Neighborhood Development Fund (NDF). The NDF, which is funded in the Economic Development Corporation (EDC) budget, has \$216.0 million in the Preliminary Fiscal 2024-2028 Capital Commitment Plan, a decrease of \$4.9 million from adoption. However, 90.8 percent of the NDF allocation, or \$196.2 million, is placed in a holding code. DCP and the Administration should provide updates on the status and size of the SEED Fund, its next steps, plans for remaining NDF funding, and which neighborhoods are expected to first benefit from new SEED investments.

⁶ NYC Office of the Mayor, *Rebuild, Renew, Reinvent: A Blueprint for New York City’s Economic Recovery*, March 10, 2022, p. 53, available online at: <https://www.nyc.gov/assets/home/downloads/pdf/office-of-the-mayor/2022/Mayor-Adams-Economic-Recovery-Blueprint.pdf>.

Appendices

A. Budget Actions in the November and Preliminary Plans

<i>Dollars in Thousands</i>	FY24			FY25		
	City	Non-City	Total	City	Non-City	Total
DCP Budget as of the Adopted FY24 Budget	\$32,828	\$15,849	\$48,677	\$30,917	\$15,759	\$46,676
Changes Introduced in the November Plan						
Programs to Eliminate the Gap (PEGs)						
Building Elevation Study Savings	(\$446)	\$0	(\$446)	\$0	\$0	\$0
CEQR Manual Savings	(742)	0	(742)	(19)	0	(19)
EIS Savings	(112)	0	(112)	0	0	0
Office Conversion Study Savings	(105)	0	(105)	(2)	0	(2)
Office Lease Savings	(150)	0	(150)	(150)	0	(150)
OTPS Savings	(58)	0	(58)	(427)	0	(427)
PS Savings	(800)	0	(800)	(800)	0	(800)
Telecommunications Savings - DCP	(2)	0	(2)	(1)	0	(1)
Subtotal, PEGs	(\$2,414)	\$0	(\$2,414)	(\$1,398)	\$0	(\$1,398)
Other Adjustments						
2022 - 2023 LGRMIF ROLL	\$0	\$71	\$71	\$0	\$0	\$0
CSBA Collective Bargaining Agreement	51	0	51	52	0	52
CWA L1180 Collective Bargaining Agreement	55	0	55	55	0	55
Edgemere Roll	0	764	764	0	0	0
FY24CDIDAFUND	0	2,500	2,500	0	0	0
FY24LGRMIFROLL3	0	(2)	(2)	0	0	0
FY24NYMTCADJ2	0	965	965	0	0	0
L300 Collective Bargaining Agreement	17	0	17	15	0	15
LGRMIF 2023-2024	0	73	73	0	0	0
Office Lease Adjustment	150	0	150	150	0	150
Subtotal, Other Adjustments	\$273	\$4,372	\$4,644	\$272	\$0	\$272
TOTAL, All Changes in November Plan	(\$2,141)	\$4,372	\$2,231	(\$1,126)	\$0	(\$1,126)
DCP Budget as of the November Plan	\$30,687	\$20,221	\$50,908	\$29,791	\$15,759	\$45,550
Changes Introduced in the Preliminary Plan						
Programs to Eliminate the Gap (PEGs)						
OTPS Savings	(\$1,312)	\$0	(\$1,312)	(\$1,490)	\$0	(\$1,490)
Subtotal, PEGs	(\$1,312)	\$0	(\$1,312)	(\$1,490)	\$0	(\$1,490)
TOTAL, All Changes in the Preliminary Plan	(\$1,312)	\$0	(\$1,312)	(\$1,490)	\$0	(\$1,490)
DCP Budget as of the Preliminary Plan	\$29,375	\$20,221	\$49,595	\$28,301	\$15,759	\$44,059

Source: New York City Office of Management and Budget