

**Manhattan Borough President's Recommendations for
Modifications to the Mayor's Preliminary Budget**

Fiscal Year 2027

April 1, 2026



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Fiscal Year 2027 Manhattan Borough President Response to the Preliminary Budget

Section 245 of the New York City Charter requires the Borough President to submit to the Mayor and Council recommendations for modifications the Mayor's Preliminary Budget. In accordance with this section, the Manhattan Borough President submits the following statement.

Manhattan is a borough of 1.6 million people, one of the most densely populated and economically productive places on earth, and the world's cultural capital. It is also, at this moment, a borough navigating three simultaneous pressures: an inherited fiscal crisis years in the making; a federal dismantling of the social programs that support daily life for millions of New Yorkers; and a cost-of-living crisis that is pushing working families, nonprofits, artists, and small businesses to the margins of the city that they have built.

The statistics bear this out. Manhattan's average rent hit \$5,711 a month as of January – an all-time high.¹ Around half of New York City renters pay more than 30% of their income on rent, and a quarter or more are severely rent-burdened, spending over half their income on housing.²³ Nearly 1 in 4 New Yorkers live near or below the federal poverty level.⁴ And job creation outside healthcare has stalled.⁵

These fiscal pressures are converging with the largest cuts to the social safety net in a generation. The federal government has enacted over \$1 trillion in Medicaid and SNAP cuts over the next decade.⁶ New SNAP work requirements took effect on March 1, 2026, affecting an estimated 123,000 New Yorkers.⁷ The Essential Plan, which provides health coverage to 1.7 million New Yorkers, is being restructured under federal pressure, with 450,000 New Yorkers at risk of losing coverage by July 2026.⁸ The effects of these cuts are already evident in housing courts, shelter intake offices, school classrooms, NYCHA developments, and senior centers across every Manhattan community district.

It is against this concerning backdrop that Mayor Mamdani has unveiled his first Preliminary Budget. The Mayor deserves significant credit for confronting the fiscal crisis directly and transparently while still fighting to make New York City more affordable. In the prior City Administration, enacted budgets purportedly concealed the true cost of essential services by chronically understating expenses for items like social services and rental assistances. Resisting that trend, the \$127 billion FY2027 Preliminary Budget corrects dramatic shortfalls in rental assistance, shelter costs, special education due process cases, and cash assistance. In assessing the true costs of these programs, the Administration unveiled a gap between the City's revenues and expenditures that requires a pragmatic response from both the City and the State;

¹<https://millersamuel.com/reports/elliman-report-manhattan-brooklyn-queens-rentals-1-2026/>

²<https://rentguidelinesboard.cityofnewyork.us/wp-content/uploads/2025/04/2025-IA-Study.pdf>

³ <https://comptroller.nyc.gov/reports/spotlight-new-york-citys-rental-housing-market/>

⁴<https://robinhood.org/news/robin-hood-annual-poverty-tracker-report-shows-25-overall-poverty-rate-in-new-york-city-climbing-beyond-record-highs-observed-in-2022/>

⁵<https://comptroller.nyc.gov/reports/what-is-going-on-with-nyc-jobs/>

⁶ <https://www.americanprogress.org/article/1-trillion-in-medicaid-cuts-1-trillion-in-tax-giveaways-for-the-richest-1-percent-the-one-big-beautiful-bills-budget-math/>

⁷<https://www.thecity.nyc/2026/02/27/snap-work-requirements-trump/>

⁸https://www.health.ny.gov/press/releases/2025/2025-09-10_federal_funding_cuts.htm

the City must explore new untapped revenue potential and the State must restore fiscal equity to the City.

The Office of the Manhattan Borough President (MBPO) appreciates the City Administration's responsible and transparent assessment of the fiscal challenges and, at the same time, its commitment to not use them as an excuse to cut city services millions of New Yorkers depend upon. This office looks forward to working with Mayor Mamdani, City Comptroller Levine, the City Council and all of our government partners to ensure the enacted budget protects the most vulnerable Manhattanites while continuing to make investments in the infrastructure that makes our borough great, including housing, mass transit, public schools, open space, and arts and culture.

I. CLOSING THE BUDGET GAP

The fiscal balance of Mayor's FY2027 Preliminary Budget is dependent on certain new revenue streams that are themselves dependent on City and State action yet to materialize. Without that corrective action, the Independent Budget Office (IBO) projects a remaining gap of \$5.9 billion in FY2027.⁹ The Office of the NYC Comptroller projects a remaining gap of \$6.5 billion in FY2027.¹⁰ According to the Mayor's Office of Management and Budget (OMB), the City faces out-year gaps of \$6.7 billion in FY2028, \$6.8 billion in FY2029, and \$7.1 billion in FY2030, figures the Comptroller's Office, applying a more conservative revenue outlook.¹¹ Closing these gaps will require the City to pursue new and recurring revenue and for the State to restore fiscal equity to New York City.

Preliminary Proposal:

The Mayor's FY2027 Preliminary Budget proposes balancing the FY2026 and FY2027 budget through a combination of a 9.5% property tax rate increase, generating \$3.7 billion annually beginning in FY2027; \$980 million in drawdowns from the Revenue Stabilization Fund; \$229 million in drawdowns from the Retiree Health Benefits Trust; and \$922 million in citywide agency savings.¹² The Budget also assumes \$1.96 billion in revenue raised through prospective State raises of corporate taxes on the most profitable corporations and a 2-percentage-point increase in the personal income tax on the approximately 33,000 New Yorkers earning more than \$1 million annually.¹³ MBPO strongly supports the progressive revenue approach and agrees with the Mayor that the financial shortfall should not be resolved by cuts to essential city services.

MBPO Recommendation:

MBPO is encouraged to see the Administration's rigorous effort to identify citywide agency savings. In March, 2026, agencies submitted more than \$1.7 billion in savings proposals to OMB,

⁹ <https://www.ibo.nyc.gov/assets/ibo/downloads/pdf/city-budget-overview/2026/2026-march-analysis-of-the-2027-preliminary-budget.pdf>

¹⁰ <https://comptroller.nyc.gov/reports/comments-on-new-york-citys-preliminary-budget-for-fiscal-year-2027-and-financial-plan-for-fiscal-years-2026-2030/>

¹¹ <https://www.nyc.gov/site/omb/publications/finplan02-26.page>

¹² *Ibid.*

¹³ *Ibid.*

nearly double the \$922 million placeholder in the Preliminary Budget.¹⁴ This a significant achievement that required real effort across every corner of City government. OMB is now reviewing these proposals for inclusion in the Executive Budget. MBPO urges the Administration to adopt as many of these savings as possible and to institutionalize a recurring savings process in future budget cycles.

MBPO also recognizes the structural constraints the Administration faced in finding spending reductions. The vast majority of the City's budget is legally mandated or contractually committed: pensions, debt service, entitlement spending, and labor agreements. Of the share of the budget that is nominally "discretionary," approximately 4% of this Preliminary Budget, nearly all of it funds core government operations such as IT contracts and software licenses and snow removal. Bringing discretionary spending down to 4% is already an impressive feat of fiscal responsibility. And it illustrates clearly that the gap cannot be closed through spending cuts alone; new, recurring revenue is the only fiscally sound path forward.

As such, MBPO strongly agrees with Mayor Mamdani that Albany must provide new assistance to help the City, especially given that New York City generates 55.6% of the State's revenues while receiving only 41.7% back, a structural drain that has widened in recent years.¹⁵ The State has worsened this inequity by raising its own income and corporate taxes while declining to extend comparable authority to the City. The City should pursue the proposals below with urgency in this and in future budget cycles.

A. Progressive Revenue

Both the State Senate and Assembly one-house budgets include legislation to authorize the Mayor's proposed corporate tax rate increases, estimated to raise \$1.5 billion for the City, and an increase in the unincorporated business tax for high-income businesses, estimated to raise \$250 million.¹⁶ The Mayor is also seeking State authorization to increase the New York City personal income tax by 2 percentage points for filers earning more than \$1 million, estimated to raise \$3 billion.¹⁷ New York City currently applies an identical rate to a New Yorker earning \$60,000 and one earning \$5 billion. Correcting this, giving the City a fraction of the progressive rate structure the State already has, is long overdue. MBPO strongly supports these measures.

The Administration is also advancing a reform to the Pass-Through Entity Tax credit. Under current law, owners of certain partnerships and S-corporations, including partners at investment funds and large professional firms, may apply their entity-level tax payments as a dollar-for-dollar credit against their personal income tax liability, effectively paying no city income tax at the individual level. The Administration proposes reducing that credit from 100% to 75%, generating an estimated \$700 million annually.¹⁸ This is a targeted correction to a tax preference that flows almost entirely to high-income business owners with no corresponding public benefit. It should be implemented swiftly.

B. State Cost-Shifting and State Aid Reduction

¹⁴ <https://www.nyc.gov/mayors-office/news/2026/03/mayor-mamdani-releases-update-on-savings-plan>

¹⁵ <https://islg.cuny.edu/s/Fiscal-Flows-CUNY-ISLG-March-2026-Update.pdf>

¹⁶ <https://nysfocus.com/2026/03/06/mamdani-corporate-tax-albany>

¹⁷ *Ibid.*

¹⁸ *Ibid.*

In its response to the City's FY27 Preliminary Budget, the IBO documented a pattern of State cost-shifting that directly contributes to the City's structural deficit: the City's paratransit reimbursement share was raised from 50% to 80% of operating costs (\$165 million annually); the City's share of foster care rose from roughly 30% to a projected 60% (\$523 million) in FY2027, while the State's share fell from 54% to 26%; and the State imposed a class-size mandate while providing only \$228 million of the \$3.6 billion the Administration has budgeted to comply.¹⁹

The Mayor's office also identified several reductions in State support that, taken together, cost New York City \$2.3 billion per year. Among the most significant is a State aid program, Aid and Incentives for Municipalities (AIM). AIM is New York State's primary municipal revenue-sharing program, distributing general-purpose aid to every city, town, and village in the state, 932 municipalities in all. New York City, which generates the majority of the State's tax revenue, was excluded from AIM beginning in state FY2011-12. That exclusion has cost the City approximately \$300 million per year for over a decade.²⁰ MBPO urges Albany to restore this aid to the City.

In aggregate, the State has steadily shifted costs and reduced direct aid to the City over more than a decade while declining to extend the revenue authority the City would need to compensate. MBPO supports the City's effort to make State cost-shifting a central issue in budget negotiations, to press for enforceable funding commitments alongside any future mandate, and to reverse these reductions.

C. Property Tax Reform

New York City has one of the most complicated and inequitable property tax systems in the country, one that fails to adequately tax high-value and low-density residential properties while burdening renters, large co-op and condo owners, and communities of color.²¹ Raising property tax rates across the board without first reforming the tax would only deepen these inequities and discourage multifamily housing development. MBPO urges the City to condition any rate increase on the adoption of systemic property tax reform.

MBPO also supports New York State Assembly Bill A1044, which would apply a progressive surcharge to high-value properties that are neither a primary residence nor rented to a city resident, estimated to generate \$200 million annually while incentivizing owners to make vacant units available.²²

D. Property Tax Exemption

New York City forgoes approximately \$42 million annually, roughly \$1 billion in inflation-adjusted terms since 1982, through a permanent property tax exemption granted to Madison Square Garden, a highly profitable private enterprise occupying

¹⁹ <https://www.ibo.nyc.gov/assets/ibo/downloads/pdf/city-budget-overview/2026/2026-march-analysis-of-the-2027-preliminary-budget.pdf>

²⁰ <https://fiscalpolicy.org/the-legislatures-plans-to-put-new-york-city-on-sound-fiscal-footing>

²¹ <https://www.cssny.org/publications/entry/footing-the-bill-fifty-years-of-nyc-property-tax-tenants-towers-low-income-communities-color>

²² <https://comptroller.nyc.gov/reports/raising-revenues/>

some of the most valuable real estate on earth.²³ There is no public interest justification for a permanent, unconditional subsidy to a single for-profit entity. The City should request that Albany repeal this tax exemption.

II. HOUSING

Affordable housing is one of the city's most pressing public policy issues. Manhattan's average rent hit \$5,711 a month as of January – an all-time high.²⁴ Manhattan's median monthly rent also reached an all-time high in February 2026.²⁵ More than 60% of Manhattan residents are renters, and nearly one half of households are rent-burdened, and a quarter or more are severely rent-burdened, spending over half their income on housing.²⁶ Failing to address the housing shortage could cost our region as many as 730,000 jobs and cumulatively nearly \$1 trillion in lost economic output by 2035.²⁷ The City should build on the momentum from recent amendments to the City Charter and the “City of Yes” initiatives to create more affordable housing.

Preliminary Proposal:

The Administration has proposed significant investments in housing capacity and tenant protections, including tenant protection staffing, NYCHA PACT support, additional NYCHA capital commitments, and a Neighborhood Builders Fast Track program to accelerate financing on city-owned land. MBPO welcomes each of these. However, the Housing Preservation and Development (HPD)'s capital commitments decline from previous years. Additionally, HPD's and NYC Department of City Planning (DCP)'s general city-funded budgets decline in FY2027. It is critical these agencies and services are staffed and resourced sufficiently to enact the Administration's agenda to protect tenants and to build more housing.

MBPO Recommendation:

A. Capital Restoration

The New York Housing Conference estimates HPD needs at least \$4 billion annually to maintain historical affordable housing production levels and comply with the Construction Justice Act's prevailing wage and local hiring requirements.²⁸ Below that threshold, the affordable housing pipeline will shrink at precisely the moment the housing crisis demands it grow. MBPO urges the City to restore HPD capital commitments to at least \$4 billion per year beginning in the FY2027 Adopted Budget, and to pair that commitment with the HPD staffing needed to execute it. The Administration's Neighborhood Builders Fast Track program is a welcome efficiency initiative; it should be accompanied by the staffing and capital investment necessary to make the pipeline run.

²³ <https://www.ibo.nyc.ny.us/iboreports/an-examination-of-the-madison-square-garden-property-tax-exemption-july-2023.pdf>

²⁴ <https://millersamuel.com/reports/elliman-report-manhattan-brooklyn-queens-rentals-1-2026/>

²⁵ <https://inhabit.corcoran.com/nyc-residential-rental-market-report-february-2026/>

²⁶ <https://comptroller.nyc.gov/reports/spotlight-new-york-citys-rental-housing-market/>

²⁷ <https://rpa.org/work/reports/impacts-ny-housing-crisis>

²⁸ <https://thenyh.org/2026/03/24/nyhc-testifies-on-fy27-preliminary-housing-budget/>

B. Agency Staffing

The agencies most responsible for growing, maintaining, and regulating the City's housing stock are critically understaffed. It is critical that the City evaluate all vacancies and that OMB and these agencies align on which positions are budgeted and essential for agency functions. HPD has a nearly 14% vacancy rate with 392 open positions as of February 2026.²⁹ The City increased capital investments for affordable housing financed by HPD in past years; it is now essential that HPD increase staffing levels to dramatically shorten the time to close on funding for affordable housing projects. DCP also needs continued investment as "City of Yes" reforms move through implementation. The City should also increase funding for the BSA commensurate with its newly expanded responsibilities from the 2025 City Charter amendments.

C. Right to Counsel

Citywide tenant representation in housing court has dropped from 71% in 2021 to 42% in 2024.³⁰ Right to Counsel has helped lower eviction filings for low-income tenants by nearly half. When adequately funded, at least 89% of tenants with an RTC attorney stay in their homes.³¹ MBPO urges the City to increase RTC funding by at least \$350 million to restore the program to its intended coverage levels.

D. Affordable Housing Opportunity Navigator

Manhattan's affordable housing pipeline is constrained not just by zoning or financing gaps, but by information fragmentation. Smaller, MWBE, and mission-driven developers face a bewildering landscape of overlapping subsidy programs they lack the in-house capacity to navigate. As a result, the developers most committed to affordable outcomes are the least likely to succeed in a complex system designed around institutional capacity. MBPO urges the City to create a centralized Affordable Housing Opportunity Navigator which would offer site-level opportunity mapping; a plain-language subsidy stacking guide; a pipeline transparency dashboard; and a staffed pre-development technical assistance function for developers who need it most.

E. NYCHA Investments

NYCHA houses over 500,000 New Yorkers and represents approximately 7% of available rental units in many Manhattan districts, an irreplaceable source of affordable housing for low-income residents.³² And yet, NYCHA has no dedicated, recurring revenue stream that can replenish as needs grow. The time to turn over a vacant apartment for re-occupancy has reached nearly 400 days. There are approximately 8,600 vacant units as of May, 2025.³³ A 2025 Physical Needs Assessment found that NYCHA requires \$78 billion over two decades to reach a state of good repair, a figure that renders current investment levels inadequate by definition.³⁴ MBPO welcomes the

²⁹ <https://www.ibo.nyc.gov/assets/ibo/downloads/pdf/city-budget-overview/2026/2026-march-analysis-of-the-2027-preliminary-budget.pdf>

³⁰ <https://comptroller.nyc.gov/reports/evictions-up-representation-down/>

³¹ *Ibid.*

³² https://www.nyc.gov/assets/nycha/downloads/pdf/NYCHA_Fact_Sheet.pdf

³³ <https://therealdeal.com/new-york/2025/06/17/nycha-vacant-unit-count-worse-than-realized/>

³⁴ <https://www.nyc.gov/assets/nycha/downloads/pdf/2023-PNA-Report-Physical-Needs-Assessment-NYCHA.pdf>

additional NYCHA capital commitments in the February Capital Commitment Plan and urges the City to redouble those investments in coming Fiscal Years.

NYCHA residents are also particularly exposed to federal instability. A proposed HUD rule would terminate housing assistance for mixed-immigration-status families, threatening an estimated 37,000 children in NYCHA and Section 8 developments in New York.³⁵ Separately, the federal termination of the Emergency Housing Voucher program, which was supposed to run through 2030, is putting more than 7,200 NYCHA and HPD voucher-holders at immediate risk of losing rental assistance, with average household incomes of \$18,000 and vouchers covering roughly \$1,900 in monthly rent.³⁶ MBPO urges the City to: (i) conduct a thorough assessment of potential federal impacts and commit to supporting families at risk; (ii) treat heating, mold, and lead conditions as the serious public health threats they are, with defined remediation timelines; (iii) prioritize the Vacant Unit Readiness Program with dedicated capital funding and a multi-year plan; and (iv) press Albany to establish a dedicated, recurring NYCHA capital funding stream that allows NYCHA to plan, contract, and build at the scale the crisis demands.

III. HEALTHCARE

New York City spent decades building a public health infrastructure, a network of hospitals, clinics, community health programs, and safety net services that kept millions of people healthy who the private market would not serve. The federal government is now systematically dismantling the financial foundation of that infrastructure. The City cannot fully backfill what Washington is withdrawing. That said, it must do everything within its power to protect what exists, fill the most critical gaps, and ensure that New Yorkers do not lose access to care that keeps them alive.

Preliminary Proposal:

The Mayor's FY2027 Preliminary Budget proposes significant city funding for the NYC Department of Health and Mental Health (DOHMH) in FY2027 along with new city-funded positions at DOHMH. Recurring new investments include a new Public Health Lab, a growing Early Intervention re-estimate, and childcare regulation and monitoring expansion. MBPO welcomes these investments and the Administration's commitment to building public health infrastructure at a moment when the federal government is doing the opposite. However, the disease prevention and treatment budget declines from FY2026 to FY2027, including reductions for fighting communicable diseases, sexually transmitted infection programs, and tuberculosis control. And the FY2027 budget does not appear to contain named investments in transgender care, abortion access programs, or full restoration of rescinded federal vaccine and disease surveillance grants, gaps the City must move urgently to fill.

MBPO Recommendation:

A. New York City Health + Hospitals (H+H)

³⁵ <https://www.thecity.nyc/2026/02/20/immigration-families-mixed-status-hud-housing-development-rule-change/>

³⁶ <https://www.thecity.nyc/2026/03/24/thousands-of-new-yorkers-risk-losing-rent-money/>

H+H operates on approximately 15 days of cash reserves.³⁷ And the agency receives approximately \$600 million of its \$2 billion operating budget from the federal government, a share now under direct threat.³⁸ The City must protect H+H's operating budget, oppose any cuts to the system, and explore mechanisms to build cash reserves to a level that reflects actual federal funding volatility. MBPO also urges the City to establish a 1:2 nurse-to-patient staffing ratio at H+H facilities.

B. DOHMH Federal Grant Rescissions

The federal government rescinded more than \$100 million in grants from DOHMH, funding that supported infectious disease outbreak detection, rapid testing, vaccination education, and community outreach.³⁹ The City must replace the rescinded federal funding with city dollars in the FY27 budget. The City must also reverse the reduction in city-funded disease prevention programming that appears in this preliminary budget. Communicable disease surveillance, STI programs, and TB control are the foundational infrastructure that makes every other public health investment work. These reductions should be restored at adoption.

C. Essential Plan

The federal reconciliation law eliminated \$7.5 billion in annual federal funding for New York State's Essential Plan, jeopardizing coverage for the nearly 1.7 million low- and middle-income New Yorkers enrolled.⁴⁰ 450,000 New Yorkers remain at risk of losing coverage in the transition to a Basic Health Program by July 2026.⁴¹ The City must work closely with the State on the transition and identify and fund city-level coverage backstops for those who fall through.

D. Transgender Care

Beginning in plan year 2026, insurers are prohibited from covering gender-affirming care as an essential health benefit under ACA plans. Private providers are now retreating from providing this care. MBPO urges the City to baseline and increase transgender care funding to ensure H+H fills the gap as the private market contracts. Transgender New Yorkers deserve a city government that treats their health care as a non-negotiable public responsibility.

E. Abortion Access

The federal reconciliation act imposed a one-year ban on Medicaid payments to health centers that offer abortions and received more than \$800,000 in federal funding in 2023, criteria that apply almost exclusively to Planned Parenthood. MBPO urges the City to fully fund its abortion access programs, including DOHMH's abortion access initiative and direct support for safety-net reproductive health providers, and to protect them from any federal funding condition that would restrict access to constitutionally protected care.

F. Vaccines and School-Based Clinics

³⁷ <https://www.osc.ny.gov/files/reports/pdf/nyc-health-hospitals-strategic-initiatives.pdf>

³⁸ <https://www.thecity.nyc/2025/03/27/trump-health-care-cuts-cdc-hhs/>

³⁹ <https://www.healthbeat.org/newyork/2025/03/26/hhs-trump-cuts-new-york-health-services/>

⁴⁰ https://www.health.ny.gov/press/releases/2025/2025-09-10_federal_funding_cuts.htm

⁴¹ https://www.health.ny.gov/press/releases/2026/2026-03-23_federal_approval_to_preserve_health_coverage.htm

The Trump administration rescinded millions in federal grants supporting vaccine access and development. Nationally, childhood vaccination rates remain below pre-pandemic levels and measles has re-emerged in the United States. MBPO urges the City to replace lost immunization outreach funding with city dollars, maintain mobile vaccination capacity in underserved neighborhoods, and ensure that DOHMH's school-based health infrastructure, including immunization compliance support, is fully staffed.

IV. MENTAL AND BEHAVIORAL HEALTH

Every day in Manhattan, people living with serious mental illness cycle between hospital emergency rooms, public transit, shelter intake offices, and jail, not because treatment doesn't exist, but because the system has too few of the right interventions in the right places, too few outreach workers paid enough to stay in their jobs, and too many programs funded in one budget year and zeroed out in the next. The human cost is visible on every major street corner and transit platform in the borough. The fiscal cost, in emergency room visits, shelter nights, and criminal justice contacts, is enormous. The system is not failing only for lack of resources. It is failing for lack of continuity, coordination, and pay adequate to retain the people who do this work.

Preliminary Proposal:

The Mayor's FY2027 Preliminary Budget clearly prioritizes mental and behavioral health investments. MBPO is encouraged by the significant DOHMH investments in this budget, particularly the Early Intervention and Supportive Housing re-estimates. However, investments need to come with execution and continuity. The FY2026 adopted budget funded eleven new IMT teams, and that RFP has still not been issued. Several key one-time mental health investments from FY2026 do not carry forward into FY2027, including \$2.5 million for Crisis Respite Centers, \$5 million for the NYC 988 Crisis Hotline, and \$11 million for Intensive Mobile Treatment expansion. Emergency warming center capacity appears to be reduced in FY2027, diminishing services for street homelessness. MBPO urges the Administration to match the ambition of its mental health investment with the operational follow-through it requires.

MBPO Recommendation:

A. Intensive Mobile Treatment (IMT)

The FY26 adopted budget included funding for 11 new IMT teams. But that funding has not yet been issued. MBPO urges the City to release the RFP(s) and significantly expand the number of IMT teams. Each should be funded at the full model budget of \$1.358 million per team, or \$22,633 per client, covering social services staffing, embedded psychiatry and psychiatric nursing, and a street medicine team. That figure compares favorably to the cost of a single psychiatric hospitalization and is a fraction of what these individuals cost the emergency, shelter, and criminal justice systems when they go unserved. Unlike ACT teams, which are Medicaid-reimbursable but carry strict eligibility requirements, IMT teams are fully city-funded, which means they can reach people who do not qualify for ACT, go to settings where double-billing is a concern, and

provide the wraparound, 24/7 engagement that reintegration requires. That flexibility is precisely what makes them irreplaceable.

B. Crisis Residences

The City's crisis residences, short-term, peer-staffed alternatives to hospitalization for people experiencing acute mental health crises, are among the most promising and most underfunded elements of the outreach continuum; but there are currently only ten crisis residences citywide.⁴² Because these facilities must be licensed by the State Office of Mental Hygiene, expanding the number of sites requires State action. But the City has immediate levers to support them, such as the one-time funding in FY26 to expand crisis residence operations. MBPO urges the City to baseline that investment, increase staffing at existing sites, and prioritize peer staffing capacity. MBPO also urges the City to work with the State to establish at least one youth-specific crisis residence with dedicated capacity for LGBTQ+ young people, for whom mainstream crisis settings are often inadequate.

C. Stabilization Beds

People discharged from hospitals into homelessness enter a revolving-door cycle of emergency room to shelter to emergency room, which imposes a significant cost and capacity burden on the City's already-stretched medical system. The City must fund a dedicated supply of medical respite beds with discharge planning protocols that connect individuals to permanent supportive housing rather than cycling them back into the shelter system. MBPO urges the City to: (i) fund 250 new residential stabilization beds for people with serious mental illness and co-occurring disorders at approximately \$6.3 million; (ii) fully operationalize Bridge to Home at 100 beds; (iii) fund new H+H Extended Care Unit beds; and (iv) fund operating costs for new Wards Island psychiatric beds.

D. Street Outreach Worker Pay

As CUCS testified at the NYC Council Committee on Public Safety Code Blue Oversight Hearing on February 10, 2026, average salaries for street outreach workers are only \$40,000 in one of the most expensive cities in the world. Outreach caseloads have skyrocketed over the past eight years while budgets have been cut. The City must establish a minimum starting salary floor of \$50,000 for street outreach workers and increase outreach team budgets meaningfully, with contract rates that reflect the true cost of hiring, training, and retaining this workforce.

E. Coordination Between Service Providers

New York City's mental health outreach landscape is a patchwork of overlapping programs, IMT teams, ACT teams, street outreach workers, Safe Options Support teams, B-HEARD responders, and mobile crisis teams, all operating under different agencies, contracts, and data systems, often serving the same individuals without coordination. Providers have overlapping catchment areas and populations, yet they cannot share data and they have no central coordination. As a result, resources that should reinforce one another are instead duplicated. MBPO urges the City to develop a concrete operational plan for the Office of Community Safety that includes an audit of all

⁴² <https://www.nyc.gov/site/doh/health/health-topics/crisis-emergency-services-respite-centers.page>

contracted outreach teams and their jurisdictional boundaries, a unified data-sharing framework, and a mandate to rationalize this landscape within the first year. MBPO also urges the City to reinstate the Senior Advisor for Severe Mental Illness, a position that reported directly to the Deputy Mayor for Health and Human Services and served as the critical broker between outreach providers, NYPD, FDNY, and Health and Hospitals.

V. HOMELESSNESS

The City's homeless population has grown 78% since 2019 to approximately 140,000 individuals.⁴³ Ultimately, the only durable solution to homelessness is housing, more of it, at all income levels, including the single-room occupancy and supportive housing options that have been systematically under built for decades. Until that pipeline produces results at scale, the shelter system must be honest about its actual costs, staffed to do its job, and designed to move people through instead of holding them indefinitely.

Preliminary Proposal:

The Mayor's FY2027 Preliminary Budget proposes a significant new investment for the Department of Homeless Services (DHS) in FY2027 with a substantial shelter re-estimate, appropriately addressing the chronic underbudgeting of shelter costs. MBPO welcomes the Subway Safety Plan investment which can fund hotspot outreach, DHS staffing, transport, and new street homeless beds. MBPO also welcomes the Outdoor Structures investment targeting street homelessness. However, the budget does not sufficiently address the pipeline out of shelter. No new Safe Haven beds are funded despite consistent evidence that single-room options increase placement acceptance; DHS carries 572 vacant positions at a 26% vacancy rate at the agency responsible for street outreach and placement;⁴⁴ and there is no public target against which to measure whether shelter placements are leading to permanent housing or simply cycling people through transitional settings.

MBPO Recommendation:

A. Safe Haven Beds

Outreach providers consistently find that when single rooms are offered, people are more likely to accept placement, and more likely to stay.⁴⁵ MBPO urges the City to fund 2,000 new Safe Haven beds, prioritizing single-room facilities. The City should also accelerate HRA and HPD approval processes for apartment move-ins from Safe Havens, so that beds are not occupied by people ready to move to permanent housing.

B. Shelter-to-Housing Pipeline

⁴³ <https://www.osc.ny.gov/press/releases/2026/03/dinapoli-report-analyzes-increases-nycs-unsheltered-population-and-spending>

⁴⁴ <https://www.ibo.nyc.gov/assets/ibo/downloads/pdf/city-budget-overview/2026/2026-march-analysis-of-the-2027-preliminary-budget.pdf>

⁴⁵ <https://gothamist.com/news/a-look-inside-nycs-safe-haven-shelters-an-alternative-to-sleeping-in-the-streets-and-subway>

The State Comptroller has noted that public data does not currently differentiate between these outcomes.⁴⁶ The Administration should fix that data gap and report results quarterly. The City must set and publicly report measurable targets for shelter-to-permanent-housing placements, distinguishing between permanent housing and transitional placements.

C. Code Blue Coordination

During Code Blue periods, outreach teams conduct involuntary removals to hospitals; but NYPD and EMS workers are frequently unfamiliar with that authority which can cause life-threatening delays. MBPO urges the City to issue an enhanced Code Blue notification to NYPD and EMS about removal authority for all outreach teams and to develop a formal training protocol in partnership with providers already contracted by DOHMH to train first responders in crisis intervention.

D. Agency Capacity

The agencies that support the highest need New Yorkers have unacceptably high vacancies. As of February 2026, DHS, the agency responsible for street outreach and shelter placements, has a nearly 26% vacancy rate with 572 open positions.⁴⁷ HRA, the agency that is responsible for supportive housing placements for homeless New Yorkers, has a 13% vacancy rate with 1656 vacancies.⁴⁸ The City must do a holistic assessment of agency vacancies, and expedite filling the most critical positions to support homeless New Yorkers.

E. Psychiatric Discharge Data

The City does not publish data on where H+H inpatient psychiatric patients are discharged, whether to shelter, street, supportive housing, or transitional housing. The institutional referral team that manages discharge referrals from H+H psychiatric units to the shelter system operates with only three full-time and five to six part-time staff handling thousands of referrals annually. MBPO urges the City to require publication of H+H inpatient psychiatric discharge destination data and to invest in the institutional referral program's capacity to connect people to housing rather than cycling them back into shelter.

F. Asylum Seeker Services and Federal Funding Risk

The City spent approximately \$3 billion on asylum seeker services in FY2025, and the shelter system restructuring in this preliminary budget is significantly shaped by that cost.⁴⁹ The federal government's revocation of asylum seeker reimbursement funding created a \$125 million gap in FY2026 alone.⁵⁰ The decline in new asylum seeker arrivals over the past year must not trigger premature cuts to shelter system capacity before that capacity can be redirected to serve the persistent non-asylum homeless population,

⁴⁶ <https://www.osc.ny.gov/press/releases/2026/03/dinapoli-report-analyzes-increases-nycs-unsheltered-population-and-spending>

⁴⁷ <https://www.ibo.nyc.gov/assets/ibo/downloads/pdf/city-budget-overview/2026/2026-march-analysis-of-the-2027-preliminary-budget.pdf>

⁴⁸ *Ibid.*

⁴⁹ <https://www.osc.ny.gov/reports/asylum-seeker-spending-report>

⁵⁰ <https://comptroller.nyc.gov/reports/comments-on-new-york-citys-preliminary-budget-for-fiscal-year-2027-and-financial-plan-for-fiscal-years-2026-2030/>

which has grown independently of the asylum seeker surge. MBPO urges the City to: (i) pursue all available legal remedies to recover federal reimbursements owed; (ii) maintain shelter capacity through the transition and redeploy it toward the longstanding homeless population rather than simply closing it; and (iii) publish a clear, disaggregated accounting of asylum seeker service costs by program and funding source so that policymakers and the public can understand what is being spent and where the federal withdrawal actually lands.

VI. TRANSPORTATION

In Manhattan, the subway, the bus, the bike lane, and the sidewalk are the primary infrastructure of daily life. The city is in the midst of a genuine transportation evolution: congestion pricing is reshaping traffic patterns, and the streets are seeing new modes of mobility at scale. That progress comes with an obligation to ensure that policy, investment, and enforcement keep pace.

Preliminary Proposal:

The Mayor's FY2027 Preliminary Budget proposes a significant, growing investment in the NYC Department of Transportation (DOT); new recurring investments beginning in FY2027 include Bus and Bike Lanes, Secure Bike Parking, and Summer Streets. MBPO welcomes the investments in bus and bike lanes and secure bike parking as meaningful steps toward a safer and more sustainable street network.

MBPO Recommendation:

A. Paid Residential Parking

The average car owner in New York City makes almost twice as much as non-car owners - \$91,100/year versus \$45,769 - and only 22% of Manhattanites have access to a car in their household.^{51 52} In spite of this, nearly all of our city's 3 million curbside parking spots are available for free for the first taker - regardless of where they live. It has been over two decades since Donald Shoup's *The High Cost of Free Parking* was published, which showed how free parking creates significant urban problems like sprawl, auto dependence, and poor design, while actually making parking harder to find.⁵³ The problem for Manhattanites seeking scarce parking spots has been exacerbated in neighborhoods directly above 59th Street, the northern boundary of the congestion pricing zone. Nearly all major Western cities have had longstanding residential parking permit systems, and it is past time for New York City to follow suit.

New York City has approximately 3 million on-street parking spaces, of which fewer than 80,000, under 2.5%, are metered, generating approximately \$258 million annually.⁵⁴ That figure has been essentially flat for a decade. Expanding meters to just 25% of existing free spaces could generate at least \$1.21 billion in additional annual revenue,

⁵¹ <https://www.hunterurban.org/wp-content/uploads/2024/06/Car-Light-NYC-Infographics-May-2024.pdf>

⁵² https://data.census.gov/table/ACSDP5Y2024.DP04?g=040XX00US36_050XX00US36061_160XX00US3651000

⁵³ Shoup, D. (2021). *High cost of free parking*. Routledge.

⁵⁴ https://nycfuture.org/pdf/5IdeasRaisingRevenue_v4.pdf

potentially with no State authorization required.⁵⁵ Beyond the fiscal gain, metered spots also offer significant benefits to small businesses. They turn over more frequently than free spaces and reduce the circling and double-parking that slows buses, blocks bike lanes, and frustrates deliveries. They also discourage people from driving into Manhattan's densest neighborhoods as the cost of bringing a car into the city increases.

Meter expansion should be paired with a residential parking permit program in affected neighborhoods, so that residents retain reliable access to parking near their homes. MBPO urges the City to direct DOT to develop a pilot plan for meter expansion and residential permits for affected neighborhoods.

B. Fair Fares

The City should invest \$325M in expanding Fair Fares to ensure that transit fares are affordable to even the lowest-income New Yorkers. With this investment, the City can expand eligibility to 300% FPL, making an additional one million New Yorkers eligible for the program.⁵⁶ This investment will also enable the program to be fully free for people under 150% FPL.⁵⁷ The City should also expand Fair Fares to the express bus and MNR/LIRR CityTickets and pair this expansion with automatic enrollment when the City knows that someone is eligible through enrollment in other benefits such as SNAP.

C. Student OMNY

New York City Public School (NYCPS or DOE) should lift the restriction on students living within one half mile of their school from receiving Student OMNY cards. When Student OMNY cards rolled out in 2024, they gave students the freedom to reach extracurricular activities, educational opportunities, volunteer roles, and summer jobs without worrying about cost. But students living within one half mile of their school are currently excluded. There is no good policy rationale for this restriction. MBPO urges the City to lift this restriction and make Student OMNY universally available to all public school students. Additionally, in accordance with the NYC Panel for Educational Policy's March 25, 2026 resolution, the City should: (i) expand the program to cover unlimited rides; (ii) utilize more durable card materials; (iii) offer faster replacement timelines and more communication around deactivations; and (iv) consider developing an OMNY arts & culture pass.⁵⁸ The City should also expand the program to cover express buses and MNR/LIRR CityTickets.

D. School Streets

The School Streets program transforms car-free blocks in front of schools into safe, active outdoor space during arrival and dismissal, a vital resource in a borough where many schools have no gym or yard. But the program is chronically underfunded and administratively burdensome for schools to navigate. MBPO urges the City to invest \$20 million in dedicated School Streets funding, better DOT/NYCPS coordination on the application process, and conduct proactive outreach to schools without gyms or yards that would benefit most from the program.

⁵⁵ *Ibid.*

⁵⁶ <https://pcac.org/report/fairfares26/>

⁵⁷ *Ibid.*

⁵⁸ https://nycdoe.sharepoint.com/:b:/s/PEPArchive/IQAXAbms_F74T45P_SyHR-TvAbFsMGxoT9xt_-SqVk7Oilk?e=dJcBUQ

E. Streets Master Plan

The Streets Master Plan commits the City to annual targets for bus lanes, protected bike lanes, and pedestrian safety improvements. These are legal obligations.⁵⁹ MBPO welcomes the Administration's proposed investments in bus and bike infrastructure, and urges the City fully fund DOT to meet its mandates, publish annual compliance reports, and protect bus lane camera enforcement from budget pressure.

F. MTA Capital and State Cost-Shifts

Transit in Manhattan depends on an MTA whose capital program is in serious jeopardy. The Comptroller identifies an \$86 million gap between the City's budgeted contribution to MTA operating costs and what the MTA will actually require in FY2027.⁶⁰ Meanwhile, Albany has quietly shifted costs onto the City without providing commensurate resources; the City's paratransit cost share was increased from 50% to 80% of operating costs, adding \$165 million annually to City obligations.⁶¹ MBPO urges the City to fully fund the MTA operating contribution in the adopted budget, to press Albany to reverse the paratransit cost-shift or offset it with equivalent transportation aid, and to engage seriously with the MTA capital program funding gap, which will determine whether the subway system functions reliably for the next generation.

VII. EDUCATION

Every child in New York City deserves a fully resourced school, a safe building, a qualified teacher, and the services their IEP requires. Too many Manhattan students do not have that. The gaps fall hardest on students with disabilities, students experiencing homelessness, English language learners, and students in schools that have absorbed the consequences of years of underfunding and deferred maintenance.

Preliminary Proposal:

The Mayor has proposed significant investments in public education, including funding to implement the State's class size mandate and a joint commitment with the Governor for universal 2-K. However, State funding covers the new 2-K program in FY2027 and FY2028 only, with no continuation in FY2029 or FY2030, creating an annual cliff of hundreds of millions of dollars.

MBPO Recommendation:

A. Special Education

State law requires the City to cover all costs of services for charter and nonpublic school students with disabilities, including private placements ordered through the due process system. Due process case spending cost the City \$1.2 billion in FY2025, nearly double the budgeted amount.⁶² The most fiscally and educationally sound path forward is to

⁵⁹ <https://www.nyc.gov/html/dot/html/about/nyc-streets-plan.shtml>

⁶⁰ <https://comptroller.nyc.gov/reports/comments-on-new-york-citys-preliminary-budget-for-fiscal-year-2027-and-financial-plan-for-fiscal-years-2026-2030/>

⁶¹ *Ibid.*

⁶² <https://www.ibo.nyc.gov/assets/ibo/downloads/pdf/city-budget-overview/2026/2026-march-fy27-prelim-budget-testimony.pdf>

expand the City's own capacity to serve students with disabilities in public school settings, thereby reducing the number of families who need to seek private placements. MBPO urges the City to ensure that IEP services are delivered completely and on time, and to explore mediation and pre-hearing resolution pathways that preserve families' rights while reducing litigation volume and cost. Special education seats should be distributed equitably across neighborhoods, and students should have access to safe, reliable transportation, including paraprofessional accompaniment where needed and air conditioning on buses.

B. Dyslexia Screening

Approximately one in five children has dyslexia or dysgraphia, yet New York City still lacks a consistent, school-by-school approach to early identification and intervention.⁶³ The City must establish a standard for screening students early in their education and ensure that families have clear, accessible guidance on navigating initial screenings, insurance coverage, and support plans for students with learning differences. New York State took a step forward in 2025 by passing legislation requiring health insurers to cover neuropsychological evaluations for dyslexia diagnosis; the City should build on that progress by ensuring NYCPS actively communicates families' rights under the new law and connects them to services before students fall behind.

C. District 75 Schools

District 75 serves students with the most complex disabilities and is chronically underfunded. MBPO urges the State to provide \$50 million in Foundation Aid for District 75 programs, including those serving students on the autism spectrum through the Horizon, NEST, and AIMS programs.

D. 2-K Funding Cliff

MBPO welcomes the Governor and Mayor's joint commitment to a universal 2-K program. But the State funding for this initiative covers only FY2027 and FY2028, creating a \$425 million annual cliff beginning in FY2029.⁶⁴ MBPO urges the City and State to commit now to ongoing 2-K funding so that this investment does not become the next generation's fiscal crisis.

E. Class Size Mandate

MBPO supports the goal of smaller class sizes and recognizes the Administration's effort to fund compliance. However, the scale of the capital challenge makes full compliance by September 2028 functionally impossible without either a significant infusion of State capital support or additional time. The State legislature has signaled openness to a two-year extension. MBPO urges the State Legislature to grant a two-year extension to the class size mandate deadline, paired with a binding multi-year capital commitment from both the State and City, so that the law's intent is honored through a realistic and fully funded implementation plan rather than through exemptions that obscure the true compliance gap.

F. Foundation Aid Weights

⁶³ <https://childmind.org/article/understanding-dyslexia/>

⁶⁴ <https://www.budget.ny.gov/pubs/archive/fy27/ex/book/education.pdf>

MBPO agrees with the City that the ELL Foundation Aid weight should be increased from 0.53 to 0.6, which would generate an estimated \$69 million in additional annual funding. Adding a 0.32 weight for students in temporary housing (STH) and students in foster care (FC) would generate approximately \$280 million in additional Foundation Aid. The City should also advocate for the State to adopt a Regional Cost Index for New York City, correcting the current RCI from 1.425 to 1.496 which would increase FY27 FA revenue to New York City by approximately \$539.7 million.⁶⁵

G. STH/Asylum-Seeker Students

Students in Temporary Housing (STH) and students from asylum-seeking families carry additional, specific needs: bilingual instruction, pupil transportation, basic material support including school supplies, food pantries, and clothing, and mental health services that account for the traumas of displacement and family separation. As federal support for these students recedes, that responsibility will fall increasingly on schools. The City must resource schools serving high concentrations of these students to meet it.

H. CUNY

The City University of New York is the most consequential vehicle for economic mobility in the entire nation, serving more than 200,000 students, the majority of them first-generation college students, immigrants, low- and middle-income workers, and New Yorkers from communities that have historically been excluded from higher education.⁶⁶ CUNY community colleges are particularly underfunded relative to their student population and the workforce credential demand they serve. MBPO urges the City to increase its contribution to CUNY's operating budget with a priority on community colleges; work with the State to press for full restoration of federal funding for CUNY students and programs; and treat access to CUNY as a public health, economic mobility, and public safety investment.

VIII. PUBLIC SAFETY

Public safety in Manhattan requires a sustained investment in the conditions, stable housing, mental health services, youth opportunity, and community trust, that prevent violence before it occurs.

Preliminary Proposal:

The Mayor's FY2027 Preliminary Budget allocates \$6.697 billion to the NYPD and reverses the prior Administration's plan to hire 5,000 additional officers. The Department of Correction has a newly appointed Federal Remediation Manager overseeing conditions at Rikers.

MBPO Recommendation:

A. Protection of Houses of Worship, Cultural Institutions, and Community Spaces

The surge in hate crimes against Black, Jewish, Muslim, Asian, and LGBTQ+ New Yorkers demands a sustained and urgent response. Houses of worship, cultural institutions, and community gathering spaces have increasingly become targets. The

⁶⁵ <https://www.ibo.nyc.gov/content/publications/2026-february-foundation-aid-proposals>

⁶⁶ <https://www.gc.cuny.edu/about/mission-vision-and-history/cuny-system>

City must substantially increase funding for the protection of these spaces, not only through capital security improvements such as lighting, cameras, and physical hardening, but through dedicated personnel and community liaison capacity that builds ongoing relationships between law enforcement and the communities they serve.

B. Violence Interruption and Prevention

Addressing public safety in Manhattan also means investing in the programs that prevent violence before it occurs. Violence interrupter programs, job training, youth programming, and mental health services are essential components of any serious public safety strategy. These investments belong in the budget with the same seriousness as uniformed deployment. MBPO urges the City to fund violence interrupter programs at a scale commensurate with need and to protect them from the savings targets currently being applied across agencies.

C. Youth Programs

Young people without stable housing, school connection, or economic opportunity are most at risk for both experiencing and perpetrating violence. MBPO urges the City to fully fund DYCD's after-school programming, summer youth employment, and workforce development. The Administration should also develop a coordinated youth investment framework that connects education, housing, employment, and public safety funding into a coherent strategy with measurable outcomes, rather than funding these programs in isolation and measuring them separately.

D. Precinct Staffing and Community Policing

The reversal of the 5,000-officer hiring plan should not translate into inadequate coverage in high-need precincts. MBPO urges the City to ensure that NYPD precincts are adequately staffed to respond promptly to calls for service, and to invest in the community policing strategies that build trust over time.

E. Emergency Preparedness

The full range of threats that Manhattan's communities face, from hate-motivated attacks to extreme weather to public health emergencies, requires that NYPD, FDNY, and the Office of Emergency Management be adequately resourced and effectively coordinated. MBPO urges the City to ensure that emergency preparedness systems are funded to meet the moment.

IX. PARKS, OPEN SPACE, AND RECREATION

Manhattan has less parkland per capita than most major American cities, and what it has is under-maintained and under-staffed.⁶⁷ The NYC Department of Parks & Recreation (Parks Department) has absorbed disproportionate budget cuts over the past four years and entered this Administration with a backlog of deferred capital work, a thinned-out maintenance workforce and parks enforcement staff, and park facilities, restrooms, playgrounds, and recreation centers in worse condition than they were a decade ago. We're already seeing the

⁶⁷ <https://www.ny4p.org/data-and-research/research-library/open-space-profiles>

results of this anemic workforce, including in Fall 2024 when uncleared brush and detritus provided the perfect conditions for wildfires to spread during historic drought conditions.⁶⁸

Preliminary Proposal:

The Mayor's FY2027 Preliminary Budget funds Parks at 0.5% of total city spending, well below the 1% threshold long advocated by parks equity organizations and this office. This budget does not begin to reverse the trajectory the Parks Department entered this Administration with. MBPO urges the Administration to commit to a phased path to 1% funding beginning at adoption and to treat parks as the essential public infrastructure and climate asset they are.

MBPO Recommendation:

A. The 1 Percent Commitment

MBPO urges the City to commit to funding Parks at 1% of total city spending, with a phased path to that target beginning in the FY2027 Adopted Budget. Dedicating 1% must be accompanied by a staffing plan that ensures the Department can maintain facilities, program spaces, and ensure that every New Yorker can use them safely.

B. Urban Tree Canopy

MBPO urges the City to fund strategic expansion of the borough's urban tree canopy to help mitigate the public health impacts of extreme heat. Citywide tree canopy coverage currently sits at 23%, against a goal of 30% set under Local Law 148 of 2023.⁶⁹ This requires adequate investment in the Parks Department's forestry capacity. As of October 2025, the Department is operating with only 67 active Foresters and 77 Climbers and Pruners citywide, and carries a backlog of more than 20,000 uninspected tree conditions and 35,000 open work orders.⁷⁰

X. CLIMATE AND RESILIENCY

The frequency and severity of extreme weather events continues to escalate, including hurricanes and nor'easters that generate coastal flooding and record precipitation, as well as extreme heat episodes that contribute to an estimated 525 heat-related deaths annually.⁷¹ New York City faces mounting climate-driven public health and infrastructure challenges. The City cannot wait for the next major event to discover that its resiliency infrastructure is insufficient.

Preliminary Proposal:

In the Mayor's FY2027 Preliminary Budget, The NYC Department of Environmental Protection (DEP)'s funding declines, a notable reduction relative to the scale of the city's climate challenges. The Capital Commitment Plan includes significant infrastructure investment, but no discrete coastal resiliency or cloudburst management capital lines as yet. And the DEP Bureau

⁶⁸ <https://pptc.org/blog/2025/1/6/wildfires-in-nyc-fall-2024-and-beyond>

⁶⁹ <https://rpa.org/news/lab/expanding-nycs-urban-forest>

⁷⁰ https://www.nyc.gov/assets/manhattancb3/downloads/resources/FY_27_Budget_Questions_and_Answers/DP_R-CB-Questions-and-Answers-FY-27.pdf

⁷¹ <https://a816-dohbesp.nyc.gov/IndicatorPublic/data-features/heat-report/>

of Coastal Resiliency remains understaffed relative to the planning, design, permitting, and construction work needed to move projects from concept to completion.

MBPO Recommendation:

A. DEP Bureau of Coastal Resiliency

The DEP's Bureau of Coastal Resiliency is the institutional home for the long-term infrastructure work that will determine whether Manhattan's waterfront neighborhoods remain livable as climate conditions worsen. That bureau must be adequately funded. MBPO urges the City to increase its budget to \$10 million, \$5 million for 45 new staff positions to move projects from planning through design, permitting, and construction, and \$5 million to develop a compound flood model and support other long-term planning efforts.

B. Inland Resiliency Infrastructure

Inland resiliency infrastructure must be a sustained capital investment priority for New York City. All capital work conducted on streets, in parks, and on public property should systematically incorporate green infrastructure and stormwater management design standards wherever site conditions permit. The NYC DEP's Cloudburst Management Program provides a proven programmatic foundation: the South Jamaica project, completed in early 2025, cost only \$6 million and can capture up to 3.5 million gallons of stormwater annually, directly reducing pressure on the combined sewer system and mitigating local flood risk.⁷² MBPO urges the City to sustain and expand the program.

XI. ARTS AND CULTURE

Manhattan anchors New York City's cultural economy. The creative sector employs 326,000 New Yorkers citywide, a workforce larger than finance and insurance combined, and one that has grown 24.6% since 2004.⁷³ But, as the Center for an Urban Future's Creative New York report recently demonstrated, that foundation is under serious strain. New York City's share of the national creative workforce has declined from 9.3% to 8.6% since 2019, with the city losing market share in seven out of ten creative industries.⁷⁴ Creative workers in New York now earn approximately 23% less than the national average after adjusting for cost of living, down from 15% less a decade ago.⁷⁵ Intensifying this trend, thousands of previously approved NEA grants have been abruptly canceled. And, compared to peer nations, the United States already invests a fraction of what other countries commit to the arts. At such a moment, local government must step up.

Preliminary Proposal:

The Mayor's FY2027 Preliminary Budget proposes an ~\$84 million reduced allocation for the Department of Cultural Affairs (DCLA) in FY2027, and holds flat at that reduced level through

⁷² <https://www.nyc.gov/site/dep/environment/cloudburst-resiliency-planning-study.page>

⁷³ https://nycfuture.org/pdf/CUF_CreativeNY_Report_8.pdf

⁷⁴ *Ibid.*

⁷⁵ *Ibid.*

FY2030. MBPO calls on both the Administration and the City Council to treat cultural investment as a baseline commitment.

MBPO Recommendation:

A. Manhattan Multiplier for Arts and Culture

MBPO is dedicating the entirety of its FY2027 capital funding allotment to affordable and accessible arts and cultural projects across Manhattan. This initiative, the Manhattan Multiplier for Arts and Culture, will leverage Borough President capital funds with private and philanthropic matches, prioritizing projects that expand access, preserve affordability, and strengthen long-term cultural infrastructure. The goal is to grow taxpayer-committed capital investment through private and philanthropic co-investment. If New York intends to remain the cultural capital of the world, it must support that culture with commensurate resources and policy. MBPO calls on the City to treat the Manhattan Multiplier as a model for arts capital investment, pairing public commitment with matched private dollars to protect the institutions and spaces that define this city's identity and economic vitality.

B. DCLA Funding

The ~\$84 million decline in DCLA funding from FY2026 to FY2027 would be a significant contraction in the City's commitment to this critical sector at precisely the moment federal support is evaporating and freedom of expression is under attack from Washington. MBPO urges the City to reverse this decline, maintain DCLA at current levels, and increase the Cultural Development Fund allocation to signal to the city's creative economy that it has a partner in government.

C. Affordable Workspace and Benefits

MBPO also urges the City to: (i) convert underutilized public assets into affordable artist workspace and rehearsal facilities; (ii) work with NYCEDC and HPD to protect existing artist-occupied spaces at risk of displacement; (iii) develop a targeted support program for small and mid-sized arts venues facing rising insurance costs, operating expense pressures, and lease instability; and (iv) pilot portable benefits for the freelance workers who make up a substantial share of the city's creative workforce.

D. Protecting Local News and Public Media

A healthy democracy depends on a free and functioning local press. New York City's local journalism ecosystem has contracted sharply over the past decade, and the federal government's proposed elimination of Corporation for Public Broadcasting funding threatens to accelerate that decline. Public media institutions like WNYC, the nation's largest public radio station group, the only Emergency Alert System on the FM dial in New York City, and home to one of the most diverse newsrooms in the country, provide irreplaceable civic infrastructure. New York State recognized this in its FY2026 budget, allocating \$4 million for public radio stations facing federal cuts. The City should follow that lead and establish dedicated operating support for public media and independent local news organizations facing federal defunding.

XII. LIBRARIES

Public libraries are among the most heavily used city institutions in most Manhattan neighborhoods. They provide internet access, early literacy programming, after-school services, job search support, and connections to city benefits, services that carry no admission requirement and reach the New Yorkers who need them most.

Preliminary Proposal:

The Mayor's FY2027 Preliminary Budget funds seven-day library service across all three library systems beginning in FY2027. However, library baselines decline significantly from FY2026 to FY2027. The City Council has restored library cuts at adoption in nearly every recent budget cycle, and MBPO urges it to do so again.

MBPO Recommendation:

The annual cycle of proposed cuts followed by negotiated restorations is damaging in its own right: it creates uncertainty that disrupts programs, drives out experienced staff, and signals to library workers and patrons alike that the City does not regard the library as a core public institution. MBPO also urges the City to replicate the highly successful Eliza Library model in Inwood, which leveraged city-owned land to secure both affordable housing and a beautifully renovated branch library for the community, at additional sites across Manhattan where appropriate city-owned parcels exist.

XIII. AGING

Manhattan's older adult population is growing, increasingly isolated, and disproportionately exposed to the federal cuts now working their way through the safety net. Over 504,000 older adult New Yorkers live alone; nearly 17% report high levels of loneliness and 22% say they want to socialize more.⁷⁶ This population is simultaneously growing, increasingly isolated, and disproportionately exposed to the federal cuts now working their way through the safety net, cuts to food assistance, health coverage, and housing support that land hardest on people living on fixed incomes. Department for the Aging (DFTA)'s mandate, to help older New Yorkers stay in their homes, stay connected, and stay safe, has never been more important than it is right now.

Preliminary Proposal:

The Mayor's FY2027 Preliminary Budget funds DFTA at a declining trajectory from FY2026 through FY2030. The decline in DFTA's budget, including the reduced budget for older adult centers, is not consistent with the scale of the need of the population.

MBPO Recommendation:

A. NORCs and Aging in Place

Naturally Occurring Retirement Communities (NORC), neighborhoods where a significant share of residents have aged in place, are among the most cost-effective settings for delivering services to older adults, because they meet people where they already live rather than requiring institutional relocation. NORCs address social

⁷⁶https://assets.nationbuilder.com/unhny/pages/2025/attachments/original/1769719676/A_NORC_in_Every_Neighborhood_1.26.pdf

isolation directly, bringing services, healthcare, and community to where seniors already are, while supporting aging in place rather than institutional care, which is both what most older New Yorkers want and what costs the public substantially less. MBPO urges the City to invest \$10 million in FY2027 to establish a NORC program in each of Manhattan's twelve community districts.

B. SCRIE and DRIE

Enrollment in the Senior Citizen Rent Increase Exemption and the Disabled Rent Increase Exemption programs is far below the eligible population. Every qualifying senior who is not enrolled is paying more than the law requires. MBPO welcomes the Governor's proposed expansion of income eligibility from \$50,000 to \$75,000 and urges the State to enact it. The City must simultaneously commit to proactive, multilingual outreach through DFTA, community organizations, and building-level programs to increase stagnant enrollment.

C. Digital Safety

Financial exploitation of older adults causes devastating and often irreversible harm. In addition, the proliferation of generative artificial intelligence has made financial scams harder to detect, more personalized, and more convincing. But the same tools that empower bad actors can be deployed in defense. DFTA and its community partners should pilot AI-assisted programs that proactively flag suspicious financial communications before harm occurs, and invest in digital literacy curricula that specifically teach older New Yorkers to recognize AI-generated manipulation.

XIV. IMMIGRATION

The federal government's assault on immigrant communities is playing out on the streets, in the schools, and in the houses of worship of Manhattan right now. Nearly three in ten immigrants say they or a family member have limited their participation in activities outside the home due to fears about immigration enforcement, including avoiding health care, work, houses of worship, and in one in ten cases, not taking their children to school.⁷⁷ This is a public health crisis, an educational crisis, an economic crisis, and a moral crisis, all at once. The City's budget must reflect that.

Preliminary Proposal:

The Mayor's FY2027 Preliminary Budget includes new investment in immigrant services, including \$21.3 million in FY2027 for immigrant legal defense, \$11.6 million for MOIA Legal Support Centers, and \$1.5 million baselined for MOIA English Learning and Support Centers. MBPO welcomes these investments and urges the City to continue expanding its resources for this population.

MBPO Recommendation:

A. Legal Services

⁷⁷ <https://www.kff.org/racial-equity-and-health-policy/kff-new-york-times-2025-survey-of-immigrants-worries-and-experiences-amid-increased-immigration-enforcement/>

Detained immigrants with legal counsel are ten times more likely to win their cases than those without.⁷⁸ Yet, in immigration proceedings, there is no right to a government-appointed attorney. The federal government has abruptly terminated contracts providing legal representation for approximately 1,800 unaccompanied children in New York.⁷⁹ MBPO urges the City to: (i) increase the legal services baseline; (ii) provide flexible surge-capable funding to the Rapid Response Legal Collaborative; and (iii) restore and expand legal services for unaccompanied children.

B. Social Services

The federal assault on immigrant communities is landing hardest on families who depend on city services to stay stable. MBPO implores the City to: (i) fund community-based legal organizations to meet the surge in demand for immigration legal services; (ii) resource schools to support students whose families are in crisis and train staff to respond appropriately to immigration enforcement concerns; and (iii) ensure social service agencies can serve clients regardless of immigration status, with culturally and linguistically responsive staff.

C. Monitoring ICE

One of the most effective defenses against federal immigration enforcement is resource constraint and legal challenge. ICE cannot operate without staging areas, vehicle storage, data access, and logistics infrastructure. MBPO urges the City to fund a dedicated unit within the Mayor's Office of Immigrant Affairs with the mandate and staffing to conduct an ongoing audit of where ICE is operating, monitor federal enforcement activity citywide, and identify and pursue every available legal tool to limit city complicity in enforcement directed at New Yorkers. A \$250,000 one-time transfer is not commensurate with the scale of this mandate. The City must treat immigration monitoring and legal defense as core public safety functions and resource them accordingly.

XV. SMALL BUSINESSES

Approximately 25,500 businesses were started in New York City in the twelve-month period tracked through March 2025, with an estimated 5,320 closures, a meaningful deceleration from the post-pandemic surge and a signal that the conditions for small business formation and survival are worsening.⁸⁰ Manhattan's neighborhood commercial corridors are among the most economically consequential in the country, and among the most fragile. Rising rents, high labor costs, complex regulatory compliance requirements, and the cumulative impact of years of economic disruption have left many small business owners with no margin for error.

Preliminary Proposal:

⁷⁸ <https://www.americanimmigrationcouncil.org/report/immigration-court/>

⁷⁹ <https://gothamist.com/news/4-year-old-migrant-girl-other-kids-go-to-court-in-nyc-with-no-lawyer-the-cruelty-is-apparent>

⁸⁰ <https://www.osc.ny.gov/press/releases/2026/03/dinapoli-small-business-owners-are-backbone-new-yorks-economy>

The Mayor's FY2027 Preliminary Budget does not renew the one-year FY2026 increased funding for the Department of Small Business Services (SBS), resulting in a reduction of ~\$58 million.

MBPO Recommendation:

A. Commercial Lease Assistance and Resource Navigation

MBPO urges the City to increase funding for the Commercial Lease Assistance Program, which provides free legal counsel to small business owners and has a demonstrated record of keeping businesses in their spaces. MBPO also requests that the City expand the NYC Small Business Resource Network and fund dedicated compliance navigator advisors who can provide in-person guidance, reducing the high rate of businesses cited for preventable violations that stem from confusion rather than disregard. City-run websites and information portals for small businesses are frequently outdated, hard to navigate, and unavailable in the languages spoken by many business owners. Fixing this costs relatively little and pays dividends in business retention.

B. Commercial Rent Tax Reform

The area of Manhattan south of 96th Street and north of Reade Street is the last jurisdiction in the United States where businesses paying \$500,000 or more in annual rent pay a commercial rent tax (CRT). The CRT falls particularly hard on businesses paying between \$500,000 and \$1,000,000 in annual rent. These businesses are too large to qualify for existing exemption but too small to easily absorb an additional tax on top of rising labor, insurance, and supply costs. As rents have escalated over the past decade, neighborhood-serving businesses that were never intended to bear this burden have been pulled into taxable range.

MBPO urges the City to support the provisions of S451/A6580 in Albany, which would exempt commercial retail and food service businesses in the above rent bracket from the CRT. The Manhattan Chamber of Commerce's January 2026 analysis found that raising the CRT threshold to \$1 million for storefront businesses would deliver \$15,000--\$25,000 in annual savings to 900--1,300 businesses at a net cost to the city of just \$3--7 million. The fiscal implications for the City would be limited, while the benefit to neighborhood commercial corridors would be real and immediate. The City might also consider expanding the existing small business tax credit, currently available to businesses with annual revenue \$5 million or less paying between \$250,000 and \$500,000 in rent, to cover commercial retail and food service businesses in the same revenue bracket paying between \$500,000 and \$1,000,000 in rent.

XVI. NONPROFITS

New York City's 13,000 nonprofits contribute nearly \$78 billion annually to the city's economy, approximately 10% of citywide GDP, and employ nearly 18% of all workers.⁸¹ More than three-quarters receive funding from federal, state, or local government.⁸² That partnership is being strained to the breaking point by federal funding withdrawals that are eliminating program

⁸¹ <https://nff.org/insights/survey-nyc-nonprofits-are-enduring-under-strain-of-funding-pullbacks-and-severe-government-payment-delays/>

⁸² *Ibid.*

revenue overnight, and, simultaneously, by City procurement and payment practices that force nonprofit providers to finance the delivery of public services with their own reserves and borrowed money.

Preliminary Proposal:

The Administration's FY2027 Preliminary Budget does not yet remedy the chronic mismanagement of nonprofit payments in past Administrations.

MBPO Recommendation:

A. Federal Funding Withdrawals

The federal government's abrupt termination of grants across health, social services, immigration, housing, and education is landing hardest on the nonprofits that deliver those services. Organizations are drawing down reserves, taking bridge loans, and in some cases facing existential financial threat. MBPO urges the City to identify organizations at immediate risk of closure due to federal funding loss and establish a rapid-response bridge funding mechanism.

B. Pre-Audit Advances

In FY2024, over 90.59% of all nonprofit human services contracts were registered late, meaning contractors began performing services without a finalized contract or any payment.⁸³ In FY2023, the median cycle time for vendor payments reached 355 days. At seven of eight agencies reviewed by the Comptroller in 2025, first payments arrived an average of more than 200 days after contract start.⁸⁴ At DFTA, DOHMH, HPD, SBS, and DYCD, first payments averaged more than a year. HPD recorded the worst performance at an average of 765 days.⁸⁵

To cope with these delays, 45% of nonprofits took on debt, 29% delayed payment to their own vendors, 29% drew down organizational savings, and 12% took additional emergency measures.⁸⁶ The City increased advance payments to a projected \$5 billion or more in FY2026, and the City Council passed a reform package in October 2025. MBPO urges the City to prioritize full implementation and expand the allocated pool for advance payments, providing a larger upfront share to trusted partners with strong performance and financial track records.

C. Pay Parity and Contract Terms

MBPO requests that the City pass and fund Intro 452, which would phase in pay parity for human services workers over three years at an estimated cost of \$965 million to \$1.35 billion. MBPO also requests that the City continue funding a 3% cost-of-living adjustment for city-contracted human services workers through FY2026–2027, to honor the City's multi-year COLA commitment. The City should also establish a 15% minimum indirect cost rate floor for all city nonprofit contracts and move toward 3–5

⁸³ <https://comptroller.nyc.gov/reports/nonprofit-nonpayment/>

⁸⁴ *Ibid.*

⁸⁵ <https://comptroller.nyc.gov/newsroom/comptroller-lander-spotlights-nonprofit-payment-delays-in-follow-up-report-launches-audits-of-3-agencies-with-worst-delays/>

⁸⁶ <https://comptroller.nyc.gov/reports/nonprofit-nonpayment/>

year contracts for proven providers which would reduce the administrative burden of annual re-procurement and give organizations the stability to retain their workforce.

XVII. SANITATION

Clean streets are a baseline condition for livable neighborhoods, functional commerce, and public health. Manhattan's density makes sanitation challenges more acute than in any other borough.

Preliminary Proposal:

The Mayor's FY2027 Preliminary Budget proposes approximately \$2 billion for the Department of Sanitation in FY2027, including a welcome an additional \$100 million for snow operations, outside of which, the recurring budget is essentially flat.

MBPO Recommendation:

A. Rodents, Dog Waste, and Containerization

MBPO implores the City to expand the deployment of rodent-proof litter baskets across high-traffic corridors, increase trash collection frequency in neighborhoods with documented rodent pressure, and expand dog waste receptacle placement on residential blocks and in parks. Containerization of residential and commercial waste has meaningfully improved sanitation conditions on many blocks. The City must expand this practice to include larger buildings to keep trash off sidewalks. Predictable collection schedules and consistent enforcement of disposal requirements are necessary complements to the containers themselves.

B. Community Composting and Compliance

The mandatory composting program is now citywide, but outreach and compliance infrastructure has not kept pace with the mandate.⁸⁷ Many building managers and tenants, particularly in buildings without adequate space for organic waste separation, are not in compliance not because they are unwilling, but because they have not received clear guidance or adequate support. MBPO urges the City to fund robust multilingual outreach and ensure that smart composting bins are distributed equitably rather than concentrated in already well-resourced neighborhoods.

MBPO also requests that the City restore baseline funding for community composting programs, including the Lower East Side Ecology Center and GrowNYC. The City should support community gardens, which provide local education, civic engagement, and food access, and which function as vital neighborhood anchors in many Manhattan communities.

C. 311 and Service Accountability

Sanitation complaints that are logged but not acted upon in a reasonable timeframe erode trust in city government. MBPO requests that the City ensure that 311 sanitation complaint response times are tracked, reported publicly, and held to meaningful

⁸⁷ <https://www.nytimes.com/2026/02/23/nyregion/nyc-composting-mamdani-fines.html>

standards, and that 311 data is used proactively to target cleaning resources toward the blocks and corridors with the highest complaint density.

XVIII. COMMUNITY BOARDS

New York City's 59 community boards are the closest point of contact between city government and the neighborhoods it serves. They review land use applications, respond to service complaints, assess local needs, and give residents a structured voice in decisions that shape their communities. Manhattan's twelve community boards are among the most active in the city, and among the most resource-constrained relative to the work they are asked to do.

Preliminary Proposal:

The Mayor's FY2027 Preliminary Budget does not include any significant personnel or operational increases for community boards. The Office of Technology and Innovation currently provides one dedicated staff member to support all 59 community boards. This proposal leaves a significant gap between what community boards are asked to do and what they are resourced to do.

MBPO Recommendation:

A. Sustainable Funding

Community board expenditures have increased 29% since 2014, but salaries have grown only 23% over the same period, while the cost of living in New York City has risen 40%.⁸⁸ The City Charter has been revised twice in recent years, each time adding new mandates and tighter timelines without providing commensurate resources. The result is an unfunded mandate that falls on the shoulders of already-stretched board staff. MBPO urges the City to establish formula-based funding for community boards that reflects actual costs and index community board salaries and operating budgets to inflation through a COLA mechanism.

B. Urban Planning and Technology Support

Community boards are required to weigh in on complex land use applications involving environmental review, zoning analysis, and community impact assessments, but have no dedicated urban planning staff. MBPO strongly urges the City to provide each community board with access to dedicated urban planning support for land use engagement.

The Office of Technology and Innovation currently provides only a single staff member to support all 59 community boards, a ratio that is wholly inadequate to the actual technical demands placed on boards. OTI must substantially expand its dedicated support capacity, providing robust assistance for hybrid hearings, ULURP filings, and digital records management. Community boards that cannot efficiently run hybrid meetings or submit digital ULURP comments are boards that fail to reach the constituents they are meant to serve.

⁸⁸ <https://www.ibo.nyc.gov/content/publications/2025-community-boards>

XIX. BOROUGH CAPITAL ALLOCATION

Under Section 211 of the New York City Charter, five percent of the City's annual capital appropriations are distributed among the five Borough Presidents. Where the City Council has not legislated an alternative formula, each borough's share is calculated as the average of its share of the City's total population and its share of the City's total land area.

MBPO Recommendation:

Under the current Section 211 formula, Manhattan's effective capital allocation is pulled sharply downward by its small geographic footprint. Manhattan is home to approximately 20% of the City's population while accounting for only 7.5% of its total land area, the smallest footprint of any borough.⁸⁹ Because the formula averages population share and land area share, that disparity is baked directly into our allocation.

The formula's reliance on residential population ignores daytime population entirely. On weekdays, commuters push Manhattan's effective population to more than 3.9 million.⁹⁰ The hospitals, transit hubs, courthouses, social service offices, and cultural institutions concentrated in Manhattan serve New Yorkers from all five boroughs; and the wear on infrastructure does not diminish because those users commute in from Brooklyn or the Bronx. Manhattan is home to 120 museums, more than 500 theater companies, and scores of dance companies and music venues.⁹¹ According to the State Comptroller, three-quarters of New York City's arts, entertainment, and recreation employment, and nearly two-thirds of all employers in the sector, are concentrated in six neighborhoods, nearly all of which are in Manhattan.⁹² The same logic applies to the human services sector: many major nonprofits are located in Manhattan because proximity to city agencies, courts, and major transit nodes makes Manhattan the most accessible location for a citywide clientele.

MBPO urges the City Council to exercise its authority under Section 211 to legislate a revised allocation formula, one that incorporates daytime population, accounts for the concentration citywide-serving institutions, and reflects the actual capital needs of each borough rather than a simple average of residential headcount and land mass.

CONCLUSION

New York City's strength has always run through its diverse and resilient communities. The priorities in this document represent the investments required to keep them that way: to ensure that Manhattan remains a place where working families can afford to stay, where essential services are funded to meet actual need, where the cultural and civic institutions that define neighborhood life are resourced to endure, and where every resident, regardless of income, immigration status, age, or ability, can access the services and opportunities this city promises.

⁸⁹ https://www.nyc.gov/assets/planning/download/pdf/planning-level/nyc-population/census2020/dcp_2020-census-briefing-booklet-1.pdf

⁹⁰ <https://www.ebroadsheet.com/the-home-teen/>

⁹¹ <https://comptroller.nyc.gov/reports/tourisms-role-in-new-york-citys-economy/>

⁹² <https://www.osc.ny.gov/reports/osdc/arts-entertainment-and-recreation-new-york-city-recent-trends-and-impact-covid-19>

MBPO thanks the Mayor and the City Council for the opportunity to submit these priorities and look forward to continued engagement as the budget process moves toward adoption.