



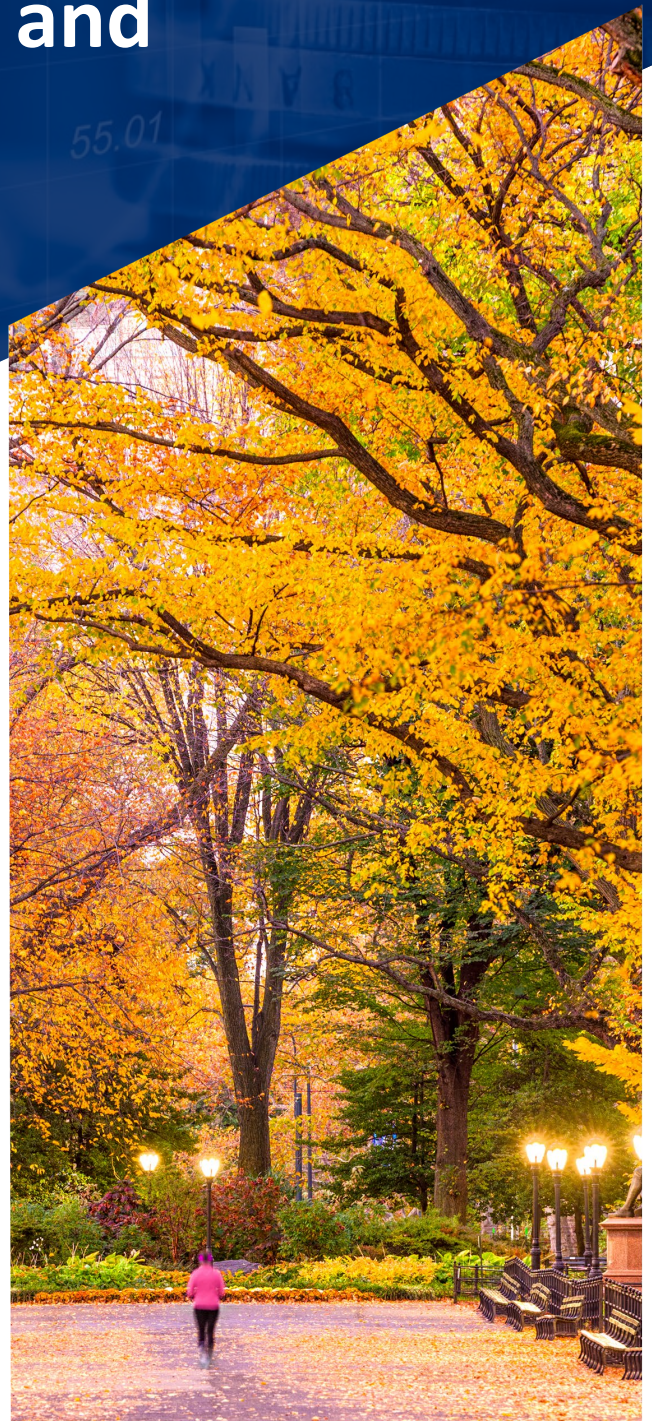
NEW YORK CITY COMPTROLLER
BRAD LANDER

New York by the Numbers

Monthly Economic and Fiscal Outlook

By NYC Comptroller Brad Lander
Francesco Brindisi, Executive Deputy
Comptroller for Budget and Finance
Krista Olson, Deputy Comptroller for Budget
Jonathan Siegel, Chief Economist
Jason Bram, Director of Economic Research

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A Message from the Comptroller

Dear New Yorkers,

As far as the numbers that many New Yorkers care about most in the fall: the Mets, Yankees, and Liberty all fell short this season. Wait till next year! (as old-timers still say in Brooklyn).

The economic numbers are more mixed. Nationally, job growth remains sluggish, consumer sentiment is down, and there's a great deal of volatility in the economy, due to shifting tariffs and the federal government shutdown. We document some of the impacts New Yorkers face.

Locally, there are more positive data points. Modest growth in jobs and transit ridership continues. Tax receipts for FY25 were up 8.3% over the prior year, and 4.2% over projections. And the last fiscal year saw a significant increase in homeless families placed into permanent housing (mostly through a big expansion in CityFHEPS).

This month's [Spotlight](#) reviews an interesting mix of numbers over the long term: we compare the demographics and economic realities faced by successive generations of New Yorkers – Baby Boomers, Gen X, Millennials, Gen Z – across their life-trajectories. Subsequent generations have gotten more diverse (relative to each other, and to the country), and seen their income and educational attainment rise. Unfortunately, their costs, especially housing, have risen even more.

Unfortunately, income inequality has increased in both the short and long term. In current data, we find that wage gains are primarily in sectors that already feature the highest incomes (tech, finance). And income disparities have gotten significantly wider with each generation, and to a far greater degree in New York City than nationwide.

How 'bout those Rangers?! Through the ups and downs, across seasons, sports years, and even generations, we'll keep counting the numbers.



Brad

Highlights

- September U.S. jobs data have not yet been released due to the government shutdown. However, ADP's estimate showed a modest decline in employment, following months of sluggish job gains.
- NYC's unemployment rate edged up to a 4-month high of 4.9% in August, while the employment-population ratio held steady at a record high. Payroll employment has continued its moderate upward trend but with almost all the net gain continuing to accrue to Health & Social Assistance and Government.
- Regional business sentiment has been increasingly negative, while consumer confidence has been mixed but overall steady at tepid levels.
- New York City's office market has continued its moderate pace of recovery, diverging from the nationwide office market which has struggled to recover from its post-pandemic slump.
- Final FY 2025 tax receipts are in and they were up 8.3% over final FY 2024 collections, and up 4.2% against OMB's FY 2025 Adopted Budget projections published in June 2024.
- On September 30, the Mayor released the [Adopted FY 2026-FY 2029 Capital Commitment Plan](#), which totals \$93.01 billion in authorized commitments over the FY 2026-FY 2029 period (including State and Federal funds). The total is \$5.30 billion (6.0%) greater than in the previous plan released in May 2025.
- On the Federal side, the government remains in a shutdown pending negotiations that center around the extension of the Affordable Care Act's enhanced tax premiums. Without an extension, out of pocket health insurance costs for ACA enrollees in NYC are expected to go up by more than 200%.

Spotlight

How have the various generations fared in New York City over the years?

This month's Spotlight explores the changing social and economic realities faced by successive generations in New York City and in the United States--from Baby Boomers to Generation Z. We examine how time, age, race, sex, and other factors interact with various measures of income, employment outcomes, and affordability.

Read more at:

Read more at:

comptroller.nyc.gov/spotlight-generations

In Case You Missed It

Over the past month, the Comptroller's Office released the following announcements on the state of NYC's economy and finances:

- [New York City Cash Balance Projection](#)
- [New York City Quarterly Cash Report](#)
- [Sanitation Department Awards Contracts to Commercial Waste Haulers with Hundreds of Safety, Environmental, and Labor Violations, Comptroller Finds](#)
- [Comptroller Lander Conducts Sweeping Audits of 4 Human Services Agencies Use of Subcontractors](#)

The U.S. Economy

- Real GDP (Gross Domestic Product) expanded at an upwardly-revised 3.8% annual rate in the 2nd quarter, after contracting at a 0.5% annual pace in the 1st quarter. As of early October, the Atlanta Fed is projecting that 3rd quarter GDP growth will, once again, come in at 3.8%, while the NY Fed is anticipating 2.3% growth.
- While the government shutdown has delayed the release of September employment data, ADP estimates that private-sector payroll employment fell 32,000, following a (downwardly-revised) decline of 3,000 in August.
- September business surveys have pointed to flat activity in both the manufacturing and service sectors. The ISM (Institute for Supply Management) surveys of manufacturers and service firms both point to little change in business activity in September. And surveys from the various Federal Reserve Banks yielded mixed results in September
- Consumers' views of the U.S. economy continued to deteriorate. Both the Conference Board's and University of Michigan's monthly consumer surveys show confidence slipping for the 2nd straight month and falling well short of pre-pandemic levels.
- After climbing fairly steadily for a number of months, equity markets have been somewhat volatile in the first half of October.

New York City Economy

Payroll Employment & Industry Trends

- Private sector employment declined by 4,600 in August, but this follows a solid, upwardly-revised gain of 22,000 in July. Private sector employment is up 15,300 over the last three months and by nearly 63,000 over the past 12 months.
- However, job gains continue to be driven almost entirely by Health and Social Assistance, which added 21,000 jobs in the last 3 months and 70,000 in the last 12 months.
- The only other private sectors showing job gains over the past year are Information (+11,200), Accommodation & Food (+2,900), and Transportation & Warehousing (+5,600). But more complete, incoming data suggest that the gain in Information will be revised away¹. Government added nearly 17,000 jobs in the past year.

¹ More complete data from the QCEW (Quarterly Survey of Employment & Wages), now available through March 2025, points to a substantial downward revision in this sector in New York City. See [Early Benchmark Revisions](#)

Table 1. Seasonally Adjusted NYC Employment, by Industry ('000s)

(1,000s)	Seasonally Adjusted NYC Employment					Aug. 2025 change over the past		
Industry:	Aug. '24	May '25	June '25	July '25	Aug. '25	12 Months	3 Months	1 Month
Total Nonfarm	4,819.2	4,848.0	4,847.7	4,895.4	4,898.6	79.4	50.6	3.2
Total Private	4,198.7	4,246.2	4,244.0	4,266.0	4,261.5	62.8	15.3	-4.6
Financial Activities	508.8	506.0	508.4	508.6	504.6	-4.2	-1.4	-4.0
Securities	202.6	197.7	198.7	198.3	195.6	-7.0	-2.1	-2.7
Information	222.9	231.7	231.1	231.8	234.1	11.2	2.4	2.3
Prof. and Business Services	798.4	798.2	797.1	796.5	792.2	-6.2	-6.0	-4.3
Educational Services	258.1	256.6	247.7	255.5	255.9	-2.2	-0.7	0.4
Health & Social Assistance	1,007.5	1,056.9	1,061.3	1,073.5	1,077.5	70.0	20.6	4.0
Leisure and Hospitality	446.6	445.4	447.0	446.9	445.1	-1.4	-0.2	-1.8
Arts, Ent., and Rec.	90.9	85.7	87.8	87.6	86.6	-4.3	0.9	-1.0
Accomm. & Food Svc.	355.7	359.7	359.2	359.3	358.6	2.9	-1.1	-0.7
Retail Trade	297.8	293.9	294.9	295.1	296.7	-1.1	2.8	1.6
Wholesale Trade	131.3	131.7	131.0	130.4	129.3	-2.0	-2.4	-1.1
Trans. & Warehousing	135.1	138.6	138.3	140.7	140.7	5.6	2.2	0.0
Construction	143.0	137.6	138.3	137.9	135.6	-7.4	-2.0	-2.3
Manufacturing	54.7	55.1	54.5	54.6	54.1	-0.6	-1.0	-0.5
Government	620.5	601.8	603.7	629.4	637.2	16.7	35.4	7.8

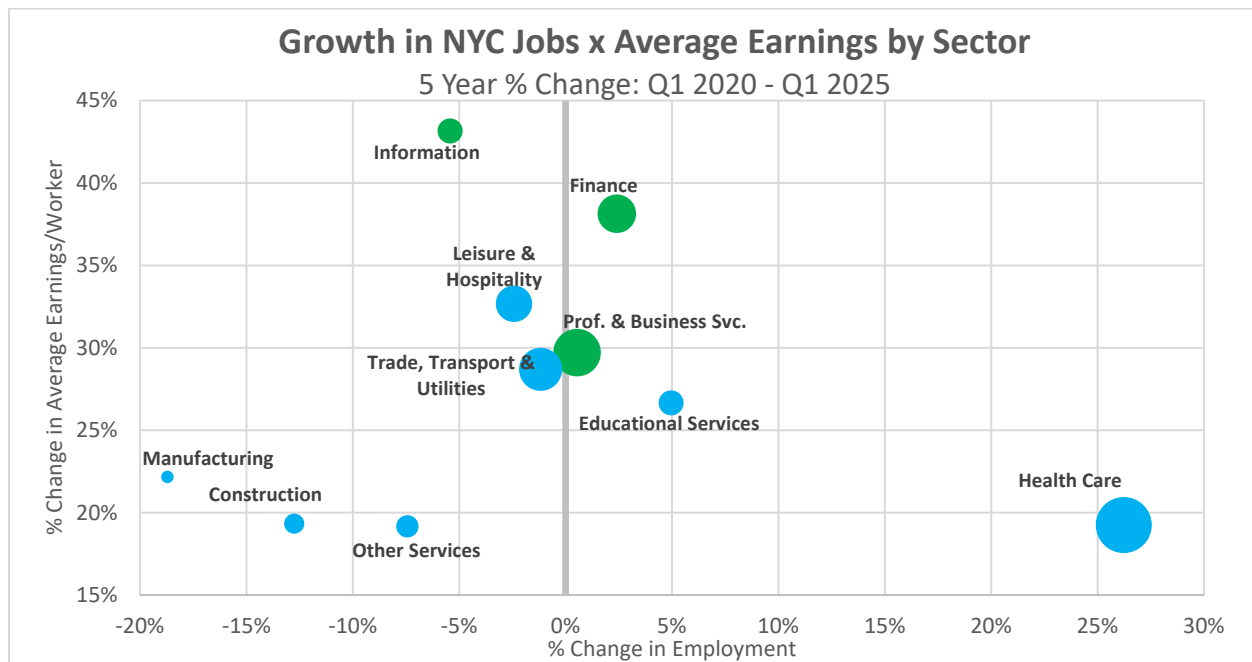
Sources: NY Department of Labor; NYC Office of Management and Budget; Office of the New York City Comptroller.

Labor Market Indicators

- The city's unemployment rate, which had fallen to a nearly 3-year low of 4.7% in June, edged up to 4.8% in July and 4.9% in August. However, the employment-population ratio held steady at a record high of 58.7%, as labor force participation has remained strong. This contrasts starkly with the U.S. as a whole, where the employment-population ratio stood at a nearly 4-year low and unemployment at a nearly 4-year high in August.
- WARN (Worker Adjustment & Retraining Notices) data suggest that layoffs in NYC have remained modest as of September.
- The federal government shutdown has delayed the release of weekly jobless claims data, but as of late September, new claims remained at a subdued level, while the number of ongoing claimants (people on unemployment) has remained stable and little changed from a year earlier.
- Charts 1 and 2 use Quarterly Census of Employment & Wages (QCEW) data to explain changes in average earnings per worker versus employment, both since the start of the pandemic (past 5 years) and over the past year.
- Health Care has seen the largest employment gains, by far, but the lowest wage growth over both the one-year and five-year time periods.

- In contrast, the city's key Finance, Professional & Business Services, and Information sectors show little or no job growth but the strongest wage growth during both time periods. These industries are considered important for driving growth and expanding the tax base in New York City, and they also tend to have high proportions of remote workers.
- The Information sector has seen job losses over both periods. It has yet to reach its pre-pandemic peak and has seen a 4% decrease in employment in the last year. Much of this weakness comes from the motion-picture industry which has struggled since the 2024 actors' and writers' strikes.
- Leisure and Hospitality, the hardest hit sector during the pandemic, added jobs from early 2024 to early 2025, though employment has yet to reach pre-pandemic levels. This sector has also seen fairly strong wage growth.

Chart 1

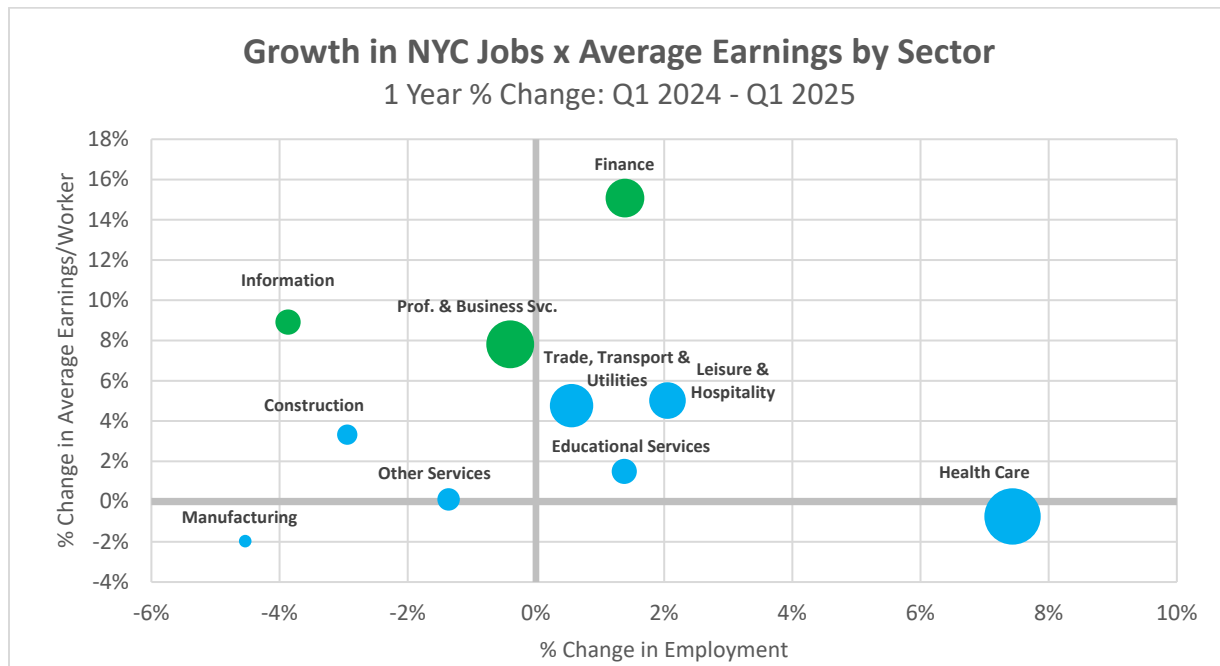


Source: NY State Department of Labor, U.S. Department of Labor, Moody's economy.com

Note: Green bubbles represent sectors with above-average earnings/worker.

- While most sectors have seen little or no job growth over the past year, quite a few have seen brisk growth in average wage and salary earnings per worker, as shown in Chart 2.
- The sectors that have seen the strongest wage growth have been those with already the highest wages (shown in green). This suggests that economic activity and tax revenues have been expanding substantially faster than the number of jobs, but it also suggests further widening in income inequality.

Chart 2

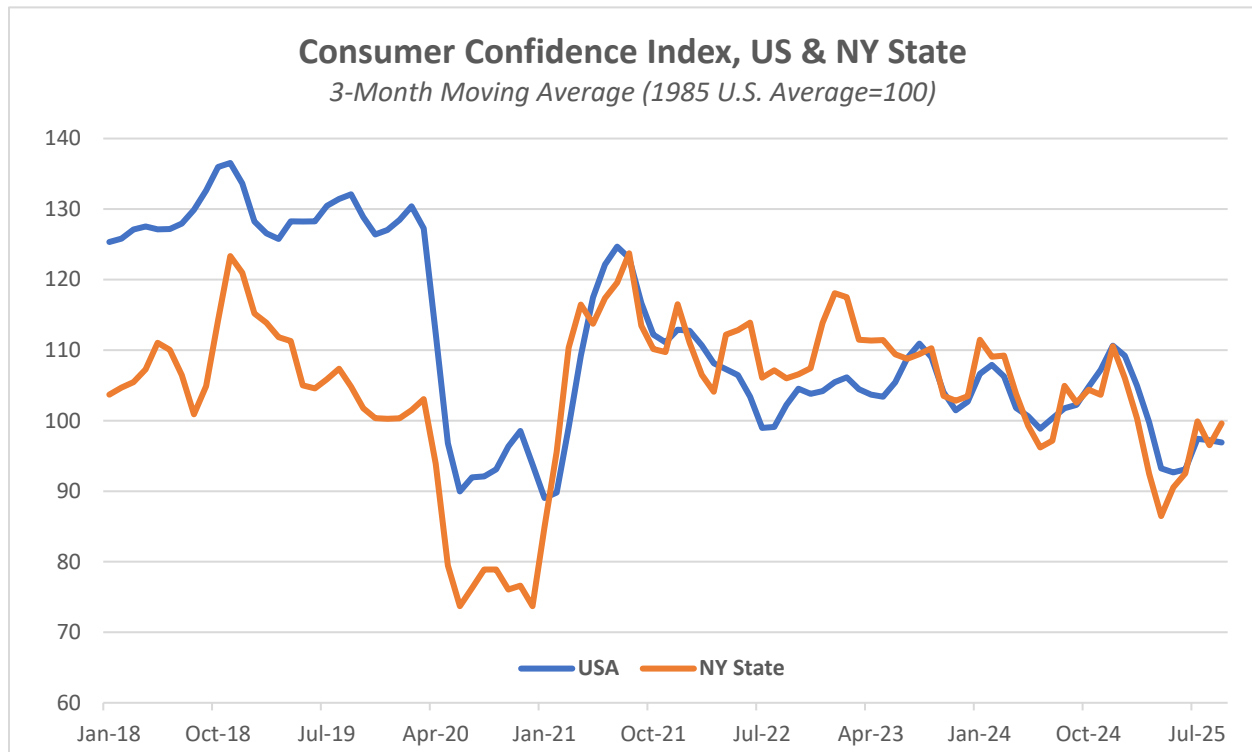


Source: NY State Department of Labor, U.S. Department of Labor, Moody's economy.com

Business & Consumer Sentiment

- Business sentiment across the region has been mixed, based on the New York Fed's early-October business surveys: manufacturers reported some pickup in business, whereas a large and growing proportion of service firms reported weakening business activity—the highest proportion since January 2021.
- The proportion of regional businesses planning to raise their selling prices in the months ahead receded somewhat but is only moderately below early-2022 readings when CPI inflation was approaching 9%.
- Given the importance of the finance sector to New York City's economy, recent volatility in the financial markets represents an additional risk to the economic outlook.
- As shown in Chart 3, consumer confidence across New York State perked up a bit in September, based on the Conference Board's monthly survey, even as confidence fell nationwide. However, Siena College's [quarterly survey of consumer sentiment](#) points to weak and declining consumer sentiment in both New York State and the NYC metro area. In both surveys, confidence is now somewhat higher locally than nationally.

Chart 3

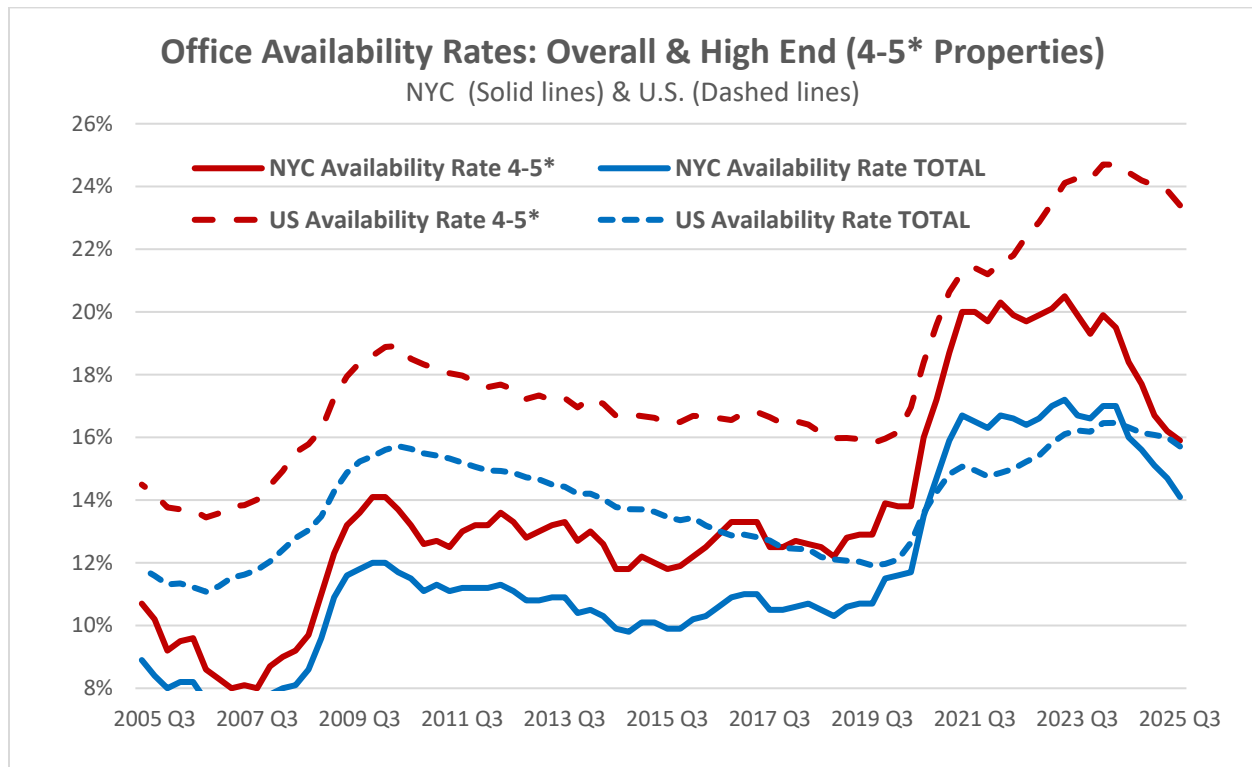


Sources: The Conference Board; Moody's economy.com

Office Market

- New York City's office market has continued its recovery in recent weeks, increasingly diverging with the persistently weak nationwide market, [breaking year-to-date leasing records](#), and [attracting superlatives](#) in the financial press. In contrast with earlier months, when improvement was mainly limited to the high end of the market, the pickup has become somewhat more broad-based. Both Manhattan and the outer boroughs have seen rising occupancy.
- As occupancy has risen, availability rates for office space across New York City have continued to trend down, as shown in Chart 4 below. After reaching post-pandemic highs in mid-2023, availability rates for both top-tier (4- and 5-star) properties and for office buildings overall have declined substantially, ending September at 5-year lows.
- In contrast, the nationwide office market has remained quite slack: availability rates (the dashed lines in Chart 4) have come off their highs but only marginally.
- Availability rates tend to be higher for top-tier properties, even though they are generally in much higher demand. This is because virtually all of the new development (supply) has been at the high end, whereas many lower-tier properties are being upgraded or converted to residential use, thereby thinning the supply.

Chart 4

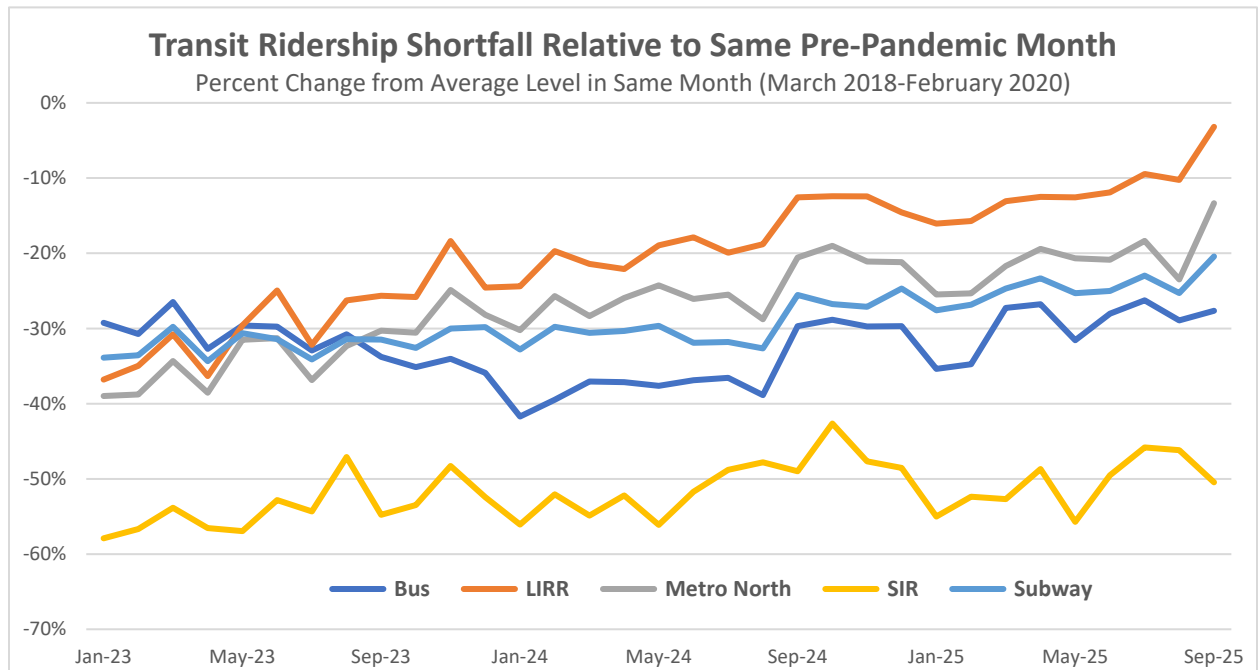


Sources: Costar, Office of the New York City Comptroller

Transit Ridership

- Transit ridership picked up noticeably in September, reaching its highest level since early 2020, relative to pre-pandemic seasonal patterns. Subways, Metro North and LIRR (Long Island Railroad) all registered their best month since the pandemic, while ridership on buses and SIR (Staten Island Railroad) continued to lag, as shown in Chart 5 below. [*The September level is relative to average ridership in September 2018 and September 2019.*]
- Compared with year-earlier (2024) levels, transit ridership in September was up 7% for subways, up roughly 10% for LIRR and Metro North, and up 3% for buses. However, SIR saw a decline of 3%.

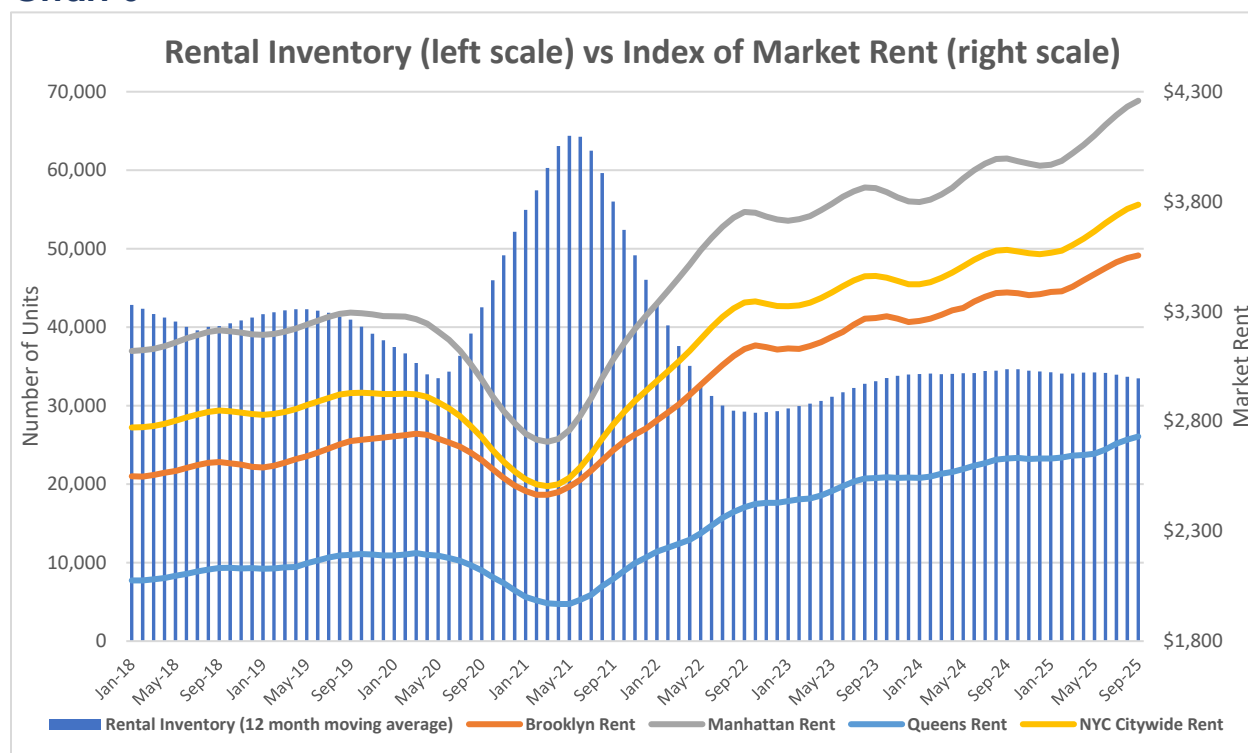
Chart 5



Residential Real Estate

- The housing rental market has been generally tight. Market rents have continued to trend higher and are well above pre-pandemic levels, while the inventory of available rentals has been stable, modestly above the historically low levels of 2022, as shown in Chart 6.

Chart 6



Source: StreetEasy

Note: Inventory is a 12-month moving average; rents are StreetEasy's Indexes of market rents, which estimate median rents.

Tourism

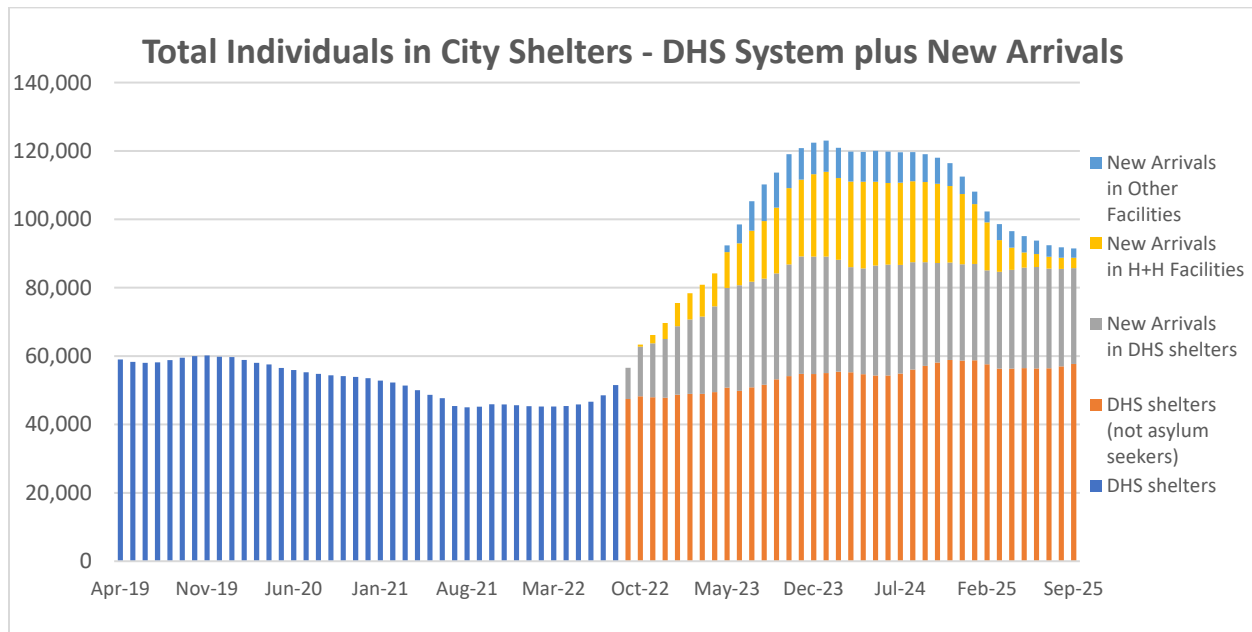
- Despite some weakening at the national level, tourism in New York City has remained strong. Hotel occupancy has been fairly steady at high levels, near its post-pandemic level, while revenues have grown moderately.
- Revenues at Broadway theaters have been running moderately ahead of a year earlier in recent weeks, though attendance has slipped somewhat—evidently reflecting a sizable jump in prices paid for theatre tickets. Relative to comparable pre-pandemic levels for this time of year, attendance has been moderately below as of early October, while total revenue has been somewhat above.

Homelessness & Asylum Seekers

- Chart 7 shows the monthly average number of people in City shelters through September 2025. From September 2022 through September 2025 the Citywide census (asylum seekers and DHS shelter) has increased by 62%, rising from roughly 56,600 to 91,460 individuals. Much of this growth is attributable to asylum seekers, who represent roughly 37% of the total individuals in shelter citywide, down from 55% in January 2024.
- In September, the average number of asylum seekers in City shelters was approximately 33,750, marking a decrease of 1,050 individuals from August 2025. Over the past 12

months, from October 2024 through September 2025, the average shelter census has decreased by nearly 28,160 individuals.

Chart 7



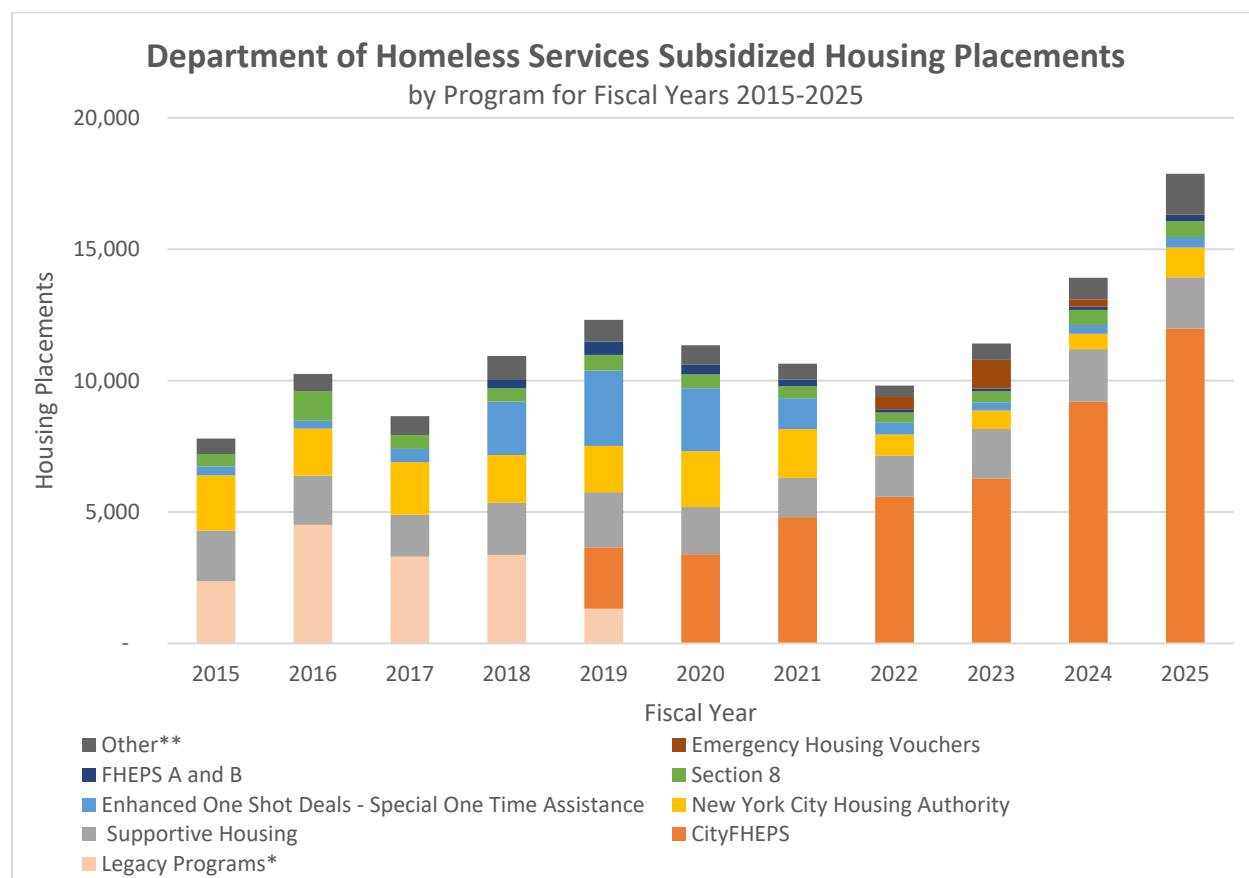
Sources: NYC DHS; NYC Mayor's Office; Office of the NYC Comptroller

Note: Figures shown are monthly averages. Data on the asylum seeker population within DHS shelters are not available prior to August 31, 2022. Other Facilities include spaces operated by NYCEM, HPD, and DYCD, and those outside of NYC.

- As the DHS shelter population has been growing over the past several years, so have subsidized placements out of shelter into housing. In FY 2025, 17,870 households exited shelter into subsidized housing, as shown in Chart 8. FY 2025 placements reflect a 28.4% increase over FY 2024. Subsidized placements have increased steadily since FY 2022—growing by 82% over the last four years.
- Most of this growth is due to the CityFHEPS program. More than two-thirds of households placed in FY 2025 exited shelter using CityFHEPS vouchers. This includes 5,907 families with children, 552 adult families, and 5,527 single adult households.
- The next highest categories of exits in FY 2025 were to supportive housing and New York City Housing Authority (NYCHA) apartments, accounting for 1,947 (10.9%) and 1,129 (6.3%) percent of FY 2025 placements, respectively. While the number of supportive housing placements has been relatively consistent since FY 2015, NYCHA placements rebounded in FY 2025 after declining for several years — almost doubling over FY 2024 NYCHA placements.
- A total of 1,863 households were placed from shelter into housing from FY 2022 through FY 2025 using Emergency Housing Vouchers (EHV), a Federally funded program begun as part of COVID relief efforts. The Trump Administration announced earlier this year that it

would end the program early. The City and NYCHA, which both administer the program, however, have committed to continue to fund the vouchers currently in circulation.

Chart 8



Note: *Legacy Programs are local housing subsidy programs that the City no longer uses and that were largely replaced by CityFHEPS. These include the Living in Communities Program, CFEPs, and the Single Exit and Prevention Supplement programs. **Other programs include 421-a subsidized housing, HOME Investment Partnership Tenant Based Rental Vouchers, Migrant Relocation Assistance Program, and the Asylee Moveout Assistance.

Source: New York City Department of Social Services

- The growth in CityFHEPS, which was introduced in FY 2019, follows program reforms that, among other changes, increased payment standards for the vouchers in FY 2022. In FY 2023, the City eliminated a requirement that households remain in shelter for 90 days before becoming eligible for the program, although, according to the Department of Social Services, the latter change has not had a meaningful impact on the size of the program. (Other reforms to expand the CityFHEPS program—including raising eligible income limits and expanding the eligibility of households at risk of eviction—were passed by the City Council in 2023. These have not been implemented by the Adams Administration—citing cost concerns—and are currently the subject of litigation.)

- Overall, as of the end of August, there were a total of 60,991 households utilizing CityFHEPS vouchers in New York City, according to new [data](#) provided from the Department of Social Services to the City Council.² As a point of comparison, the New York City Housing Authority (NYCHA) and the New York City Department of Housing Preservation and Development (HPD) together administer about 100,600 tenant-based and vouchers and 7,560 EHV Section 8 vouchers in New York City.³ However, as noted in the Chart above, placements into these programs from the shelter system are significantly less than CityFHEPS.

City Finances

Final FY 2025 Tax Revenues vs Final FY 2024

Overall Performance

- Total tax revenue (inclusive of tax audits) grew 8.3% year-over-year, reaching \$80.3B in FY 2025 compared to \$74.2B in FY 2024, a solid \$6.1B increase showing a strong overall performance.
- Property taxes remain the single largest revenue source at \$34.8B but grew at a more modest 5.4% pace
- Non-property taxes led the growth, increasing 10.6% (\$4.4B) and now represent 56.7% of total revenue, up from 55.5% in FY 2024, signaling solid economic activity beyond the stable property tax base. Had the City followed the [formula](#) proposed by our office for deposits into the City's Rainy Day Fund, this non-property tax growth would have resulted in a \$1.3 billion deposit in the fund for FY 2025.

Personal Income (PIT) & Pass-Through Entity Taxes (PTET)

- PIT + PTET surged to \$18.4B, up \$2.8B (17.5%) from prior year, the strongest absolute dollar growth among all tax categories (some of the growth is due to collection timing distortions that lowered FY 2024 numbers)

² This data shows that about 85 percent of new placements from June through August 2025 are from shelter and about 15 percent are from households in the community

³ Includes Regular Housing Choice Vouchers, Enhanced Vouchers, Welfare to Work Vouchers, Non-Elderly Disabled Vouchers, and Veterans Affairs Supportive Housing (VASH) vouchers administered by HPD and NYCHA. Project-based vouchers, RAD Tenant Protection Vouchers and Emergency Housing Vouchers are excluded. For more information see [HPD Section 8 Program General Indicators](#) and [NYCHA Metrics](#).

- PIT alone rose by \$2.04B (+14.6%), due to 10.5% increase in withholdings (which constitute the biggest component of PIT).
- PTET grew 42.6% to \$2.4B, indicating continued strong adoption of PTET elections for federal SALT cap workarounds and growth in pass-through entity income.

Business Taxes

- Overall business taxes increased by \$592M (6.1%) to \$10.3B, but the composition reveals notable divergence
 - Unincorporated Business Tax (UBT) showed strong growth of \$595M (+21.3%), mainly driven by the collections from finance and insurance companies. UBT growth may be in part tied due to the federal tax benefit for those that opt into PTET.

Sales Tax

- Sales tax revenue increased by \$435M (+4.4%), from \$9.91B to \$10.35B, reflecting moderate growth in inflation-adjusted consumer spending.

Real Estate Transaction Taxes

- Combined real estate-related taxes rose by \$295M (+17.1%), from \$1.73B to \$2.02B.
- Real Property Transfer Tax (RPTT) increased by \$119M (+10.5%), mainly due to increase in taxes collected from commercial real estate sales.
- Mortgage Recording Tax (MRT) saw stronger growth of \$176.5M (+29.6%).

All Other Taxes

- “All Other” category saw an increase of \$322M (+10%), from \$3.23B to \$3.56B.

Table 2. Total Tax Revenue Collections FY2025 vs. FY2024

Tax	FY 2025	FY 2024	Percentage Change
Property Tax	34,756,900	32,987,024	5.4%
PIT	16,058,624	14,013,712	14.6%
PTET	2,363,772	1,657,404	42.6%
<i>PIT + PTET</i>	<i>18,422,396</i>	<i>15,671,116</i>	<i>17.6%</i>
GCT	6,880,505	6,890,430	-0.1%
BCT	3,106	(4,432)	-170.1%

Tax	FY 2025	FY 2024	Percentage Change
UBT	3,384,017	2,789,392	21.3%
<i>Business Income Taxes</i>	<i>10,267,628</i>	<i>9,675,390</i>	<i>6.1%</i>
Sales Tax	10,348,579	9,913,774	4.4%
RPTT	1,249,021	1,130,336	10.5%
MRT	773,174	596,642	29.6%
<i>Real Estate Transaction Taxes</i>	<i>2,022,195</i>	<i>1,726,978</i>	<i>17.1%</i>
All Other	3,556,210	3,234,192	10.0%
Total Without Audit	79,373,909	73,208,475	8.4%
Tax Audit Revenue	941,552	968,255	-2.8%
Total tax with Audit	80,315,461	74,176,730	8.3%

Source: Annual Comprehensive Financial Reports (ACFR)

Final FY 2025 Tax Revenues vs Initial Forecasts

- Total Tax Revenue (with Audit) exceeded expectations by \$3.27B (+4.2%), reaching \$80.3B vs. the \$77.0B Adopted Budget estimate.
 - This was mainly due to higher-than-expected collections of non-property tax revenue by \$2.79B (+6.5%), totaling \$45.56B.
 - PIT and PTET were \$1.14B above estimate (+6.6%).
 - Business Taxes also came in higher than estimated, \$1.09B (+11.9%) higher.

Table 3. Final FY 2025 Tax Revenues vs FY 2025 Adopted

Tax	FY 2025 Adopted (June 2024)	FY 2025 Final	Percentage Difference
Property Tax	34,280,000	34,756,900	1.39%
PIT	15,425,000	16,058,624	4.11%
PTET	1,859,000	2,363,772	27.15%
<i>PIT + PTET</i>	<i>17,284,000</i>	<i>18,422,396</i>	<i>6.59%</i>
GCT	6,507,000	6,880,505	5.74%

Tax	FY 2025 Adopted (June 2024)	FY 2025 Final	Percentage Difference
BCT	0	3,106	
UBT	2,669,000	3,384,017	26.79%
<i>Business Income Taxes</i>	<i>9,176,000</i>	<i>10,267,628</i>	<i>11.90%</i>
Sales Tax	10,370,500	10,348,579	-0.21%
RPTT	1,279,000	1,249,021	-2.34%
MRT	687,000	773,174	12.54%
<i>Real Estate Transaction Taxes</i>	<i>1,966,000</i>	<i>2,022,195</i>	<i>2.86%</i>
All Other	3,198,281	3,556,210	11.19%
Total Without Audit	76,274,781	79,373,909	4.06%
Tax Audit Revenue	773,166	941,552	21.78%
Total tax with Audit	77,047,947	80,315,461	4.24%

Source: Annual Comprehensive Financial Reports (ACFR) and NYC Office of Management and Budget

Capital Plan

- On September 30, the Mayor released the [Adopted FY 2026-FY 2029 Capital Commitment Plan](#), also known as the “September Plan”. The plan contains details on each agency’s capital program over four fiscal years and is presented in terms of planned commitments— when and for how much the City is expected to register a contract for a project.
- The Adopted Plan totals \$93.01 billion in authorized commitments over the FY 2026-FY 2029 period (including those that are State and Federally funded). City-funded commitments make up \$88.79 billion over the plan term, 95.5% of total authorized commitments. Total authorized for FY 2026-FY 2029 is \$5.30 billion (6.0%) greater than the City’s May 2025 Capital Commitment Plan (the previous plan).

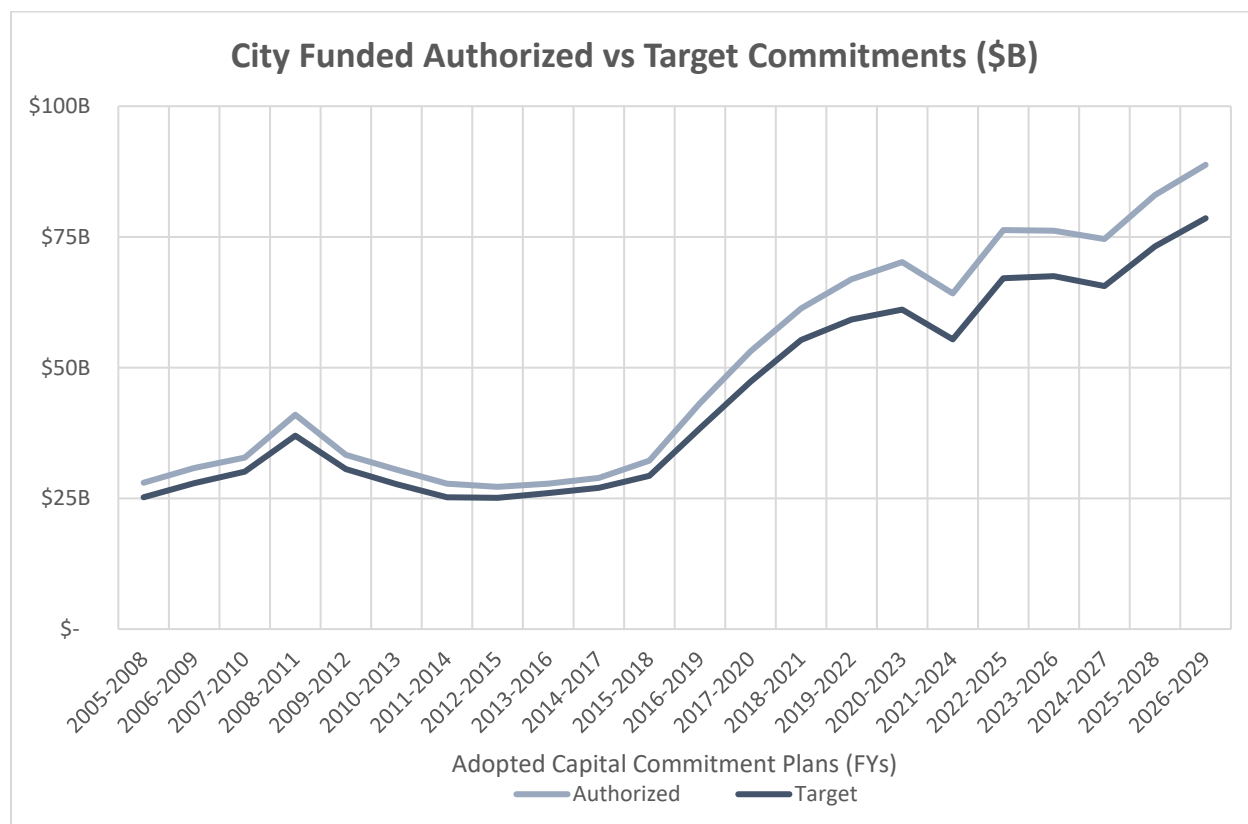
- Much of the increase is driven by HPD moving \$1.80 billion for affordable housing from outside the plan period to FY 2026. This shift is due to recent Federal changes that make more affordable housing projects eligible for Low Income Housing Tax Credits (LIHTC).⁴
- Separately, the City added \$300 million to FY 2026 to support the Permanent Affordability Commitment Together (PACT) program to rehabilitate NYCHA's deteriorating properties, for a total of \$1.61 billion in the first two years of the plan.
- The Adopted Plan includes \$1.44 billion in new planned commitments to the MTA for its 2025 – 2029 Capital Plan. The City includes an additional \$360 million to the MTA in FY 2030 for a total of \$1.8 billion over a ten-year period. This is \$1.2 billion below the \$3.0 billion the City is required to contribute for the 2025 – 2029 Capital Plan. The FY 2026 State Enacted Budget increased by \$3.0 billion the Transitional Finance Authority (TFA) debt not subject to the City's debt limit to accommodate the City's contribution to the MTA in the same amount.
- The Adopted Plan includes \$287 million in planned commitments between FY 2028 and FY 2029 to advance a \$1.09 billion project to reconstruct the Coney Island Boardwalk. Remaining commitments for this project are planned for FY 2030 through FY 2034.
- In each year of the plan, the City sets a "reserve for unattained commitments," which assumes that some projects will move slower than reflected in the plan, and therefore some authorized commitments will be pushed outside the plan's four-year window. The result is lower "target" commitment amounts, which equal total authorized commitments minus the reserve for unattained capital commitments. After adjusting for the reserve, total planned commitments drop from \$93.01 billion to \$82.79 billion over the four-year period. The City-funded commitments drop to \$78.57 billion from \$88.79 billion.
- Chart 9 shows that City-funded planned commitments (authorized and target)⁵ have grown substantially in the City's Adopted Capital Commitment Plans, beginning with the Adopted Plan for FY 2016-FY 2019. A temporary decline in planned City-funded commitments of approximately 9 percent occurred after the start of the pandemic with

⁴ The City specifically shifted funds within the following HPD programs: the Mixed Income Program, which funds the new construction of mixed income multi-family projects; the Supportive Housing Loan Program, which funds permanent supportive housing; the Senior Affordable Rental Apartments Program; the Neighborhood Construction Program, which funds new construction of infill rental housing for low, moderate, and middle income households; the Extremely Low and Low Income Program, which funds new construction of housing for low and extremely low income households; and a program to finance energy efficiency and water conservation improvements that after FY 2026 is eliminated in favor of incorporating the work into all HPD program areas.

⁵ All numbers in this bullet apply to authorized and target commitment amounts.

the release of the FY 2021-FY 2024 Adopted Plan (published in November 2020). The following Adopted Plan (FY 2022-FY 2025) grew by about 20 percent, but the City-funded commitment plans remained relatively flat over the next two releases (FY 2023-FY 2026 and FY 2024-FY 2027) before picking up again in the FY 2025-FY 2028 plan released last year and continue to increase. City-funded commitments in the most recent Adopted Plan mark a 7 percent increase over the previous plan released a year ago.

Chart 9



Source: Mayor's Office of Management and Budget, Adopted Capital Commitment Plans from FY 2005 to FY 2026

Federal Update

- Since the last newsletter, and as of publication, Congress has failed to pass either the necessary appropriation bills or a continuing resolution (CR) to keep the federal government open in Federal FY 2026. An extended shutdown would begin to impact services and funding for:
 - the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) which provides targeted food assistance and nutrition education to over 233,000 pregnant women, new mothers and young children in NYC. Federal contingency

funding was expected to provide sufficient funding for the WIC program for just one or two weeks into the shutdown. The Trump Administration has said they will use tariff revenue to maintain funding for this program, but some states are already [reporting](#) problems. NY State has so far [indicated](#) that the program is not at risk of stopping; beneficiaries should continue to use services, and new applications and renewals can still be submitted.

- the Supplemental Nutrition Assistance Program (SNAP) which provides approximately 1.8 million low-income NYC residents with food assistance through electronic benefit cards. SNAP benefits for October have already been distributed but NY State is awaiting information from the federal government about November payments. The U.S. Department of Agriculture's [plan](#) for the shutdown suggests multi-year contingency funds are available to continue participant benefits for November (and beyond), but other guidance directs states to [hold off](#) on distributing benefits for November. Some states are considering using their own money to avoid disruption but [fear](#) they will not be repaid given the conflicting guidance. And, as discussed further below, the implementation of work requirements included in the summer's Budget Reconciliation Bill, exacerbates the potential for benefit interruption.
- Temporary Assistance for Needy Families (TANF) which funds the Family Assistance Program providing cash benefits to 156,000 adults and children in NYC, as well as other programs that serve low-income New Yorkers. States may be able to use unspent prior-year federal funds or their own state Maintenance of Effort dollars to continue operations. NY State has [advised](#) localities to continue to issue benefits without interruption, but in the event of a prolonged shutdown additional guidance may be provided.
- Section 8 Housing Choice Vouchers, which are administered by both the NYC Housing Authority (NYCHA) and the Department for Housing, Preservation and Development, (HPD) to provide rental assistance to over 138,000 households (well over 200,000 individual New Yorkers), could see funding shortages if the shutdown extends past November. This total includes tenant and project-based vouchers. In addition, 7,560 households receive housing vouchers through the EHV program mentioned above.
- There are many other more immediate impacts of the shutdown as federal workers are furloughed or asked to report to work without pay (though historically both sets of workers have received backpay). Delays in air travel are already being reported due to increased sick calls from air traffic controllers, some government contracts may be frozen and new applications for various public benefits and permits may be delayed.
- One of the key issues at the center of potential negotiations is the expiration of the Affordable Care Act's (ACA's) expanded premium tax credits. The American Rescue Plan, enacted in 2021, enhanced the ACA premium tax credits by removing the income cap, previously set at 400% of the federal poverty level (FPL). This expansion made the

subsidies for ACA health insurance available to middle and higher-income individuals and households. The Inflation Reduction Act then extended the enhancement through the end of 2025.

- Out of pocket premium payments are expected to rise substantially if these tax credits expire, depending in part on where enrollees live, their respective State's marketplace rates, and their household income. Younger and/or healthier enrollees are expected to choose not to continue their coverage without the subsidies, and in turn insurance companies are increasing rates to cover a smaller, more expensive insured population. Many NY enrollees could face out-of-pocket increases of more than 200%, which is on the [low-end](#) of what enrollees could face nationally.
- In New York State, this impact will be exacerbated by the State's recent announcement, reported [here](#) last month, to terminate the Essential Plan's no-cost coverage for those making between 200% and 250% of the FPL.
- NYC's Health + Hospitals (H+H) is still awaiting the outcome of the budget negotiation process on the status of the ACA's cuts to its Disproportionate Share Payments. Because the final budget reconciliation (aka the One Big Beautiful Budget Act, or OBBBA) enacted in July did not include a postponement of these cuts — which have previously been deferred multiple times since initially set to go into effect in 2014 — the most recent delay expired on September 30th. While the House's Continuing Resolution (CR) did include a further deferral, because the Senate has not yet passed its CR, the cuts are currently in effect. States have some discretion and will likely assess the probability of another deferral before implementing any cuts. However, if implemented, H+H is expected to be the first and hardest hit among NY State hospitals under current State law.
- On a more positive note, H+H received approval for their State Directed Payment [plan](#), which will allow them to receive higher reimbursements for Medicaid managed care patients, in line with average commercial rates and much higher than the standard Medicaid or Medicare rates. H+H can receive directed payments up to a total of \$2.3 billion for the period of April 1, 2024 to March 31, 2025, of which \$1.4 billion is the federal share, with an expectation of annual renewals subject to the caps outlined below.
 - Other Medicaid Supplemental Payments, particularly Upper Payment Limit payments, were designed to supplement low Medicaid rates for Fee for Service patients. State Directed Payments (SDPs) provide an alternative mechanism for safety net hospitals like H+H to receive enhanced rates for Medicaid Managed Care patients. Other NYC safety net hospitals have existing SDP arrangements to supplement otherwise low reimbursement rates for their patient population.
 - The OBBBA implemented caps for the first time on SDPs, limiting the enhanced rates to just 100% of the Medicare rate in ACA expansion states, of which NY State is one (vs 110% of the Medicare rate for non-expansion states), with caps for new

applicants going into effect immediately. Fortunately, H+H's application is considered to be grandfathered in, so the caps for its payments won't start until January 1, 2028, at which point rates will be reduced by 10% a year until they reach the cap of 100% of Medicare.

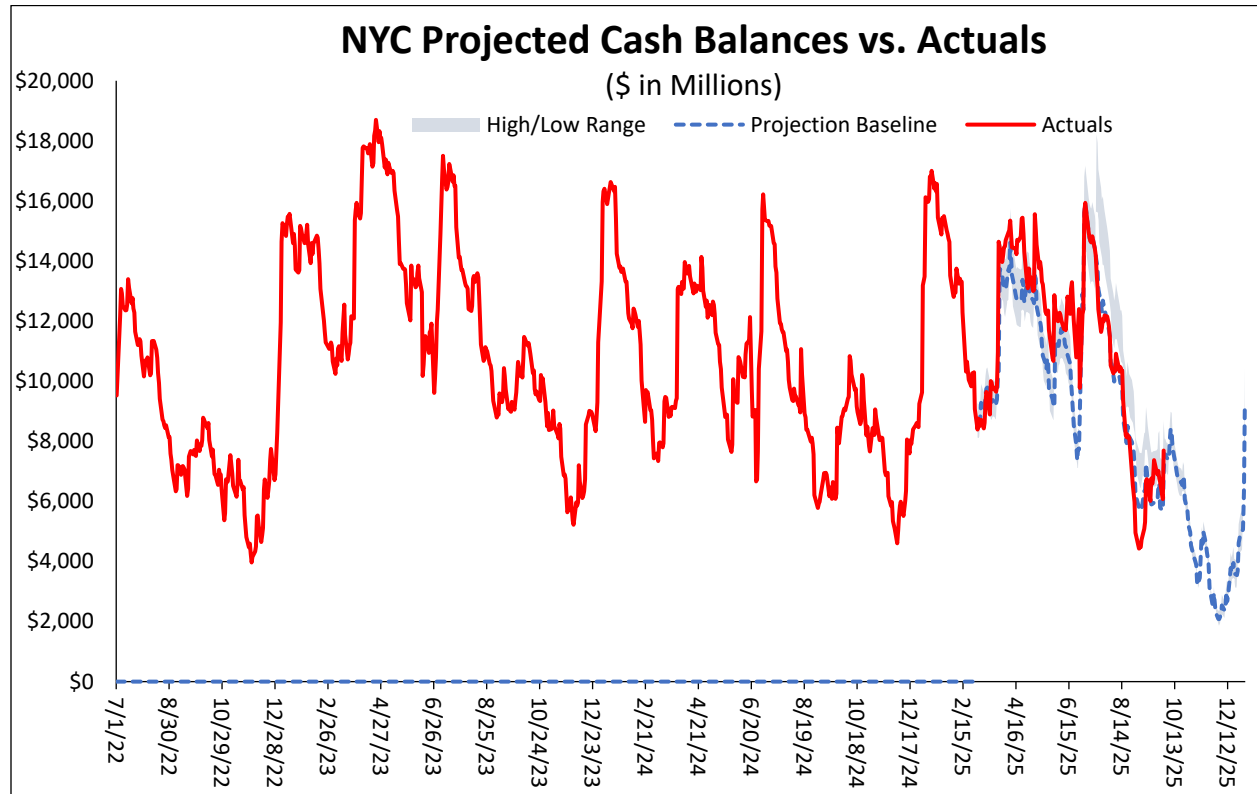
- Before OBBBA implemented these caps, states were given broad discretion to set rates based on local needs or existing commercial payment rates. According to a [CBO review](#), commercial hospital rates were, on average, 223% of Medicare rates and commercial physician rates were 129% of Medicare rates, with NY State's commercial rates at the higher end. Capping the SDP rates to just 100% of Medicare will result in lower payments to H+H and the other NYC safety net hospitals who have existing SDP arrangements.
- Finally, NY State may have [significantly less time](#) than originally expected to prepare for the implementation of expanded work requirements for SNAP recipients.
 - The OBBBA increased the age of those required to work to receive benefits from 54 to 64 years of age; eliminated the exemptions for veterans, former foster youth under the age of 24, and individuals experiencing homelessness; and limited the exemption for caring for a dependent child to those with children younger than 14.
 - While the OBBBA stated that these requirements would go into effect immediately, NY State had a [waiver](#) for the preexisting work requirements (for all counties outside of Saratoga) due to high unemployment rates relative to the national rate (4.3% vs 3.6%). This waiver was set to expire at the end of February 2026.
 - Recent federal [guidance](#) released on October 3rd provides that NY's and other State's waivers will be terminated in early November, except for areas with unemployment rates over 10%. With this action, NY State has just weeks to prepare for the implementation of work requirements statewide.

New York City's Cash Balances

- In July, our Office released its [interim update](#) to the projected cash balances for the first quarter of FY 2026, taking into account certain end of year changes. The Comptroller's Office's review of the City's cash position during the fourth quarter of FY 2025 and projections for cash balances through December 31, 2025, are available [here](#).
- Chart 10 below compares the updated projected July cash balances with actual cash results. From mid-August through mid-September, actual balances fell below projections, due to higher-than-anticipated expenditures. Spending has increased relative to last fiscal year due to higher payroll and health insurance costs, larger advances to not-for-profit service providers, and higher payments to Senior Colleges. By late September, cash balances

rebounded above the July projection as Personal Income and Pass-Through Entity Tax collections and capital transfers exceeded expectations. In September, capital transfers equaled \$1.75 billion, versus \$1.27 billion forecasted.

Chart 10



Source: Office of the NYC Comptroller

- As of October 7th, the cash balance stood at \$8.85 billion, compared to \$9.43 billion at the same time last year. Looking ahead, cash balances are expected to remain below FY 2023-2025 levels and closer to FY 2022 levels. Based on our projection, the City has sufficient cash to sustain its operations without issuing short-term debt in FY 2026.

Contributors

Comptroller Lander thanks the following members of the Bureau of Budget for their contributions to this newsletter: Jonathan Siegel, Chief Economist; Jason Bram, Director of Economic Research; Yaw Owusu-Ansah, Director of Tax Policy and Revenue Analysis; Irina Livshits, Chief, Fiscal Analysis Division; Aida Farmand, Senior Tax Policy Analyst; Marcia Murphy, Principal Revenue Economist; Stephen Corson, Senior Research Analyst; Aliyah Sahqani, Economic Research Analyst; Amber Born, Economic Development Research Analyst; Jack Kern, Principal Budget & Policy Analyst; Bailey Schweitzer, Sr. Capital Budget Analyst; Elizabeth Brown, Senior Director of Budget Oversight; Krista Olson, Deputy Comptroller; and Francesco Brindisi, Executive Deputy Comptroller. The Comptroller also thanks Archer Hutchinson, Creative Director; Addison Magrath, Graphic Designer; Angela Chen, Senior Website Developer; Martina Carrington, Web Developer; and Cindy Zhao, College Aide-Web Developer, for design and layout.





NEW YORK CITY COMPTROLLER
BRAD LANDER

1 Centre Street, New York, NY 10007

www.comptroller.nyc.gov

(212) 669-3916