

Let's Move!

Reforms to Speed Up the Lease-Up Process to Connect New Yorkers to the Housing They Need

Overview

Amid New York City's affordable housing and homelessness crises, our top priority should be moving New Yorkers into stable housing as quickly as possible and filling vacant units efficiently. Yet today, new affordable homes sit vacant for months on end as tenants and owners navigate various processes for filling units.

"Lease-up process" - The length of time from when a building is ready for move-ins to when it reaches occupancy. *Each year, the city oversees 15,000 tenants moving into affordable housing.*

City agencies have taken steps to reduce some of the bureaucracy, which we applaud. But there is still far more we can do to fundamentally speed up the process for the benefit of everyone. **We should be looking at every step of the process and saying, is this absolutely necessary? If not, why are we putting up barriers to getting people into available housing?**

The problem of long lease-up times has worsened over the past 10 years, despite historic investments in housing production. In 2024, the city set a record for affordable housing creation for the second consecutive year, financing over 27,000 affordable units. Yet **100% of the affordable housing developments in New York City financed by Enterprise between 2021 and 2024 experienced delays, with an average lease-up time for buildings to reach occupancy of over 14 months.**

Throughout 2025, Enterprise brought together marketing agents, affordable housing owners, policy experts, housing navigators, nonprofits, and New Yorkers who have experienced the process as applicants. Our discussions informed the following set of recommendations, some previously uplifted by others and some new, that would cut through delays and speed up housing placements.

When we expedite the process, everyone wins. Families leave shelters and enter permanent housing faster, and affordable housing properties with mounting expenses get the income they need more quickly. **Our housing and homelessness crisis is an emergency. We need process reforms which treat it like one now.**

Our recommendations focus on three distinct but interconnected processes...

Housing Connect:

Affordable Housing Marketing and the Lottery Process

Homeless Placements:

Referrals for Set-Aside Units

CityFHEPS:

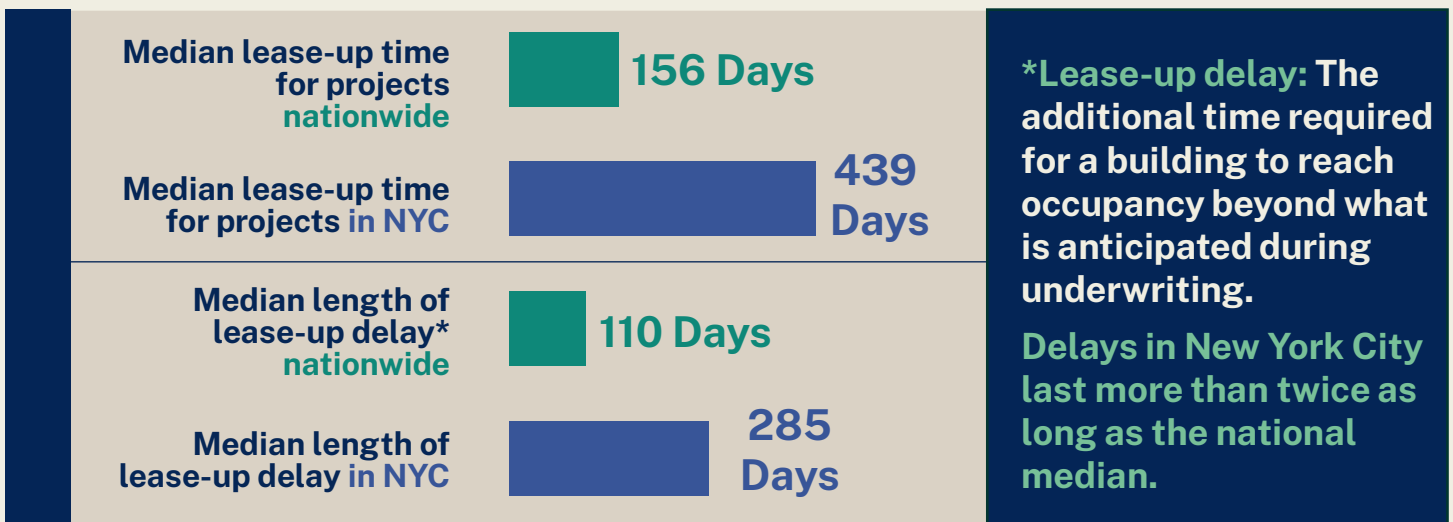
Access and Use of the City's Rental Assistance Program

What Does the Data Tell Us?

As a tax credit syndicator and asset manager for tens of thousands of affordable housing units in New York, Enterprise tracks construction and lease-up timeframes. Our own data shows universally delayed projects and an increase in negative financial consequences of those delays.

By analyzing the asset management data of the entire Enterprise portfolio of 800+ projects nationally, we see that **New York City has more severe lease-up delays than the other communities where we operate.**

It takes three times longer to lease up an affordable building in NYC than the national median.



Source: Enterprise asset management data, 2022-2024

Realistic Time-Saving Goals

Each tenant's lease-up experience is a little bit different. The number of units in a building, location and other factors all affect lease-up timeframes. However, having goals to shoot for and measure against is important even if imperfect. We can estimate some potential time savings for tenants and owners and achievable goals to reach. The city should establish a baseline goal in the annual Mayor's Management Report for agencies to measure progress against.

Affordable Housing Marketing and Lease-Up:

Current median lease-up time for NYC projects (Enterprise Data)

With Reforms

14 Months → 6 Months

Homeless Placement Units:

Current average for placement: (Mayor's Management Report)

With Reforms

>7 Months → 2 Months

CityFHEPS Approval and Move-In:

Current average: (NYS Comptroller Report)

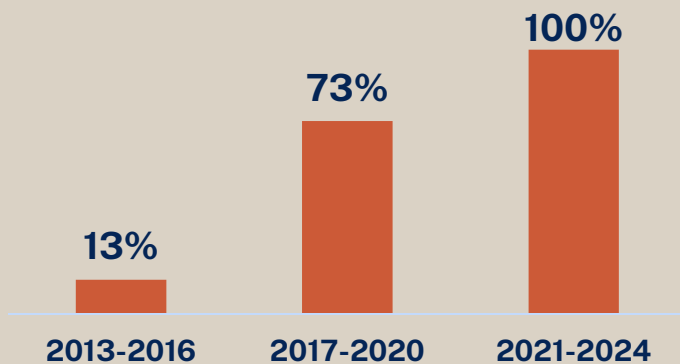
With Reforms

>9 Months → 1 Month

Real Impacts For Renters and Owners

Every lease-up delay is additional time that a New Yorker spends in shelter or other unstable housing situations and that a unit sits vacant without rent. In 2026, the New York Housing Conference released a case study of a newly constructed 180-unit affordable building in the Bronx that took **27 months to lease up.**

Increase in NYC Enterprise Projects Experiencing Lease-Up Delays



Source: Enterprise asset management data

Average Shelter Stay Length (FY 2025)

Single Adults

378 Days

Adult Families

379 Days

Families with Children

372 Days

Source: Mayor's Management Report 2025

Fiscal Impact For Owners

Lease-up delays can be very costly for the owner-operators of affordable housing. Enterprise recently reported increasing levels of distress in New York's affordable housing stock. To cover escalating costs, owners are forced to dip into general operating funds, limiting their ability to provide services and build more affordable housing.

Delayed Projects cost owners an average of **\$500,000** in reduced tax credit equity.*

These costs are further **compounded by additional expenses**, including extended construction loan interest and payments to consultants and specialists. Developers we talked to experienced a total additional cost of **\$1.5 – \$3.5 million** per delayed project.

*Source: Enterprise asset management data

Housing Connect: Affordable Housing Marketing and Lottery Process

Marketing Handbook

Policies and Procedures for Resident Selection and Occupancy
April 2025



In 2024, 6 million people applied for 10,000 affordable units through lotteries within Housing Connect, New York City's affordable housing portal. Marketing and lottery rules are set by NYC Department of Housing Preservation & Development (HPD) and Housing Development Corporation (HDC). These agencies have recently made commendable changes to reduce requirements and streamline aspects of the process. These include reducing documentation requirements for applicants, back-end audits for income verification, easing credit checks and more.

Individual measures have helped, but as we've heard from stakeholders and can plainly see in the data, broader and more fundamental reforms are necessary. The below reforms are aimed at reducing delays, cutting steps, and refocusing our housing agencies around core enforcement duties – not step-by-step review and approvals.

Marketing and Lottery Recommendations

Frontload and Streamline Bureaucratic Approvals to Avoid Delays

Before the lottery for a particular project even launches, a significant source of delay is the marketing plan approval process. Currently, this process begins when a building with affordable units is 70% built, intending to time the lottery with building completion. However, this timeframe is not realistic, as the process is too intensive and has too many steps. The City should significantly streamline its approval processes by adopting a universal marketing plan template that is completed within the Housing Connect system, finalized between HPD and the development team and approved at closing. An HPD marketing team member should be included in that process rather than entering the process later during construction. The plan can be tweaked later during construction, but it should be agreed to at closing.

Make Commonsense Rule Changes for Re-Rentals Permanent

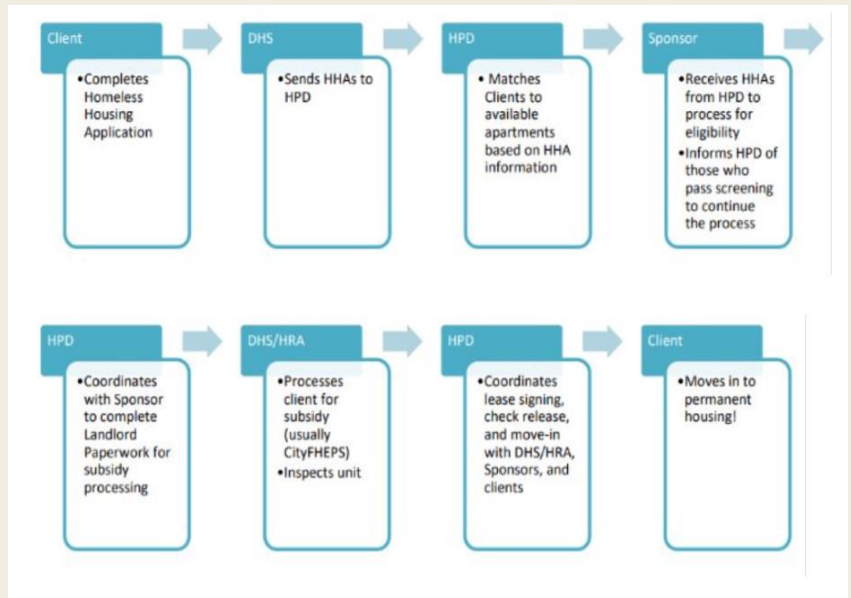
The previous process of putting all re-rental opportunities through a centralized system, in which owners sifted through batches of referrals who did not explicitly apply to their project, was enormously inefficient. As a result, the city announced a waiver process in 2025 that remains in effect until May 1, 2026. This waiver, which allows owners to fill units with qualifying tenants provided they publicly post the re-rental opportunities on Housing Connect and a public listing site, is significantly faster and should be made permanent.

Homeless Placements: Referrals for Set-Aside Units

In 2020, New York City began requiring city-financed affordable housing to set aside a minimum of 15% of its units for people experiencing homelessness. According to the most recent Mayor's Management Report, a record 3,743 homeless households moved into newly constructed affordable housing in FY25. Yet at the same time, it took an average of 235 days (or over seven and a half months) to complete those moves.

This data confirms what our stakeholders said: while set-asides are an important policy to reduce homelessness, they constitute one of the most significant sources of delay in the lease-up process.

The process has too many levels of interagency involvement, leading to vacant units and stalled move-ins. In addition to homeless households that are needlessly delayed housing, this has negative consequences for tax credit properties as they fail to meet lease-up deadlines.



The current, highly centralized homeless referral process
Source: HPD

Homeless Placement Recommendations

Utilize Third Party Housing Navigators

Rather than be directly involved in the placement process, city agencies should outsource to third-party housing navigation organizations. These groups would liaise between shelters and housing opportunities. They would take roles currently ascribed to the Homeless Services Unit of HPD and Department of Homeless Services (DHS) staff, to allow for greater efficiency and reduce reliance of government staff which will ebb and flow based on budgetary dynamics and other factors.

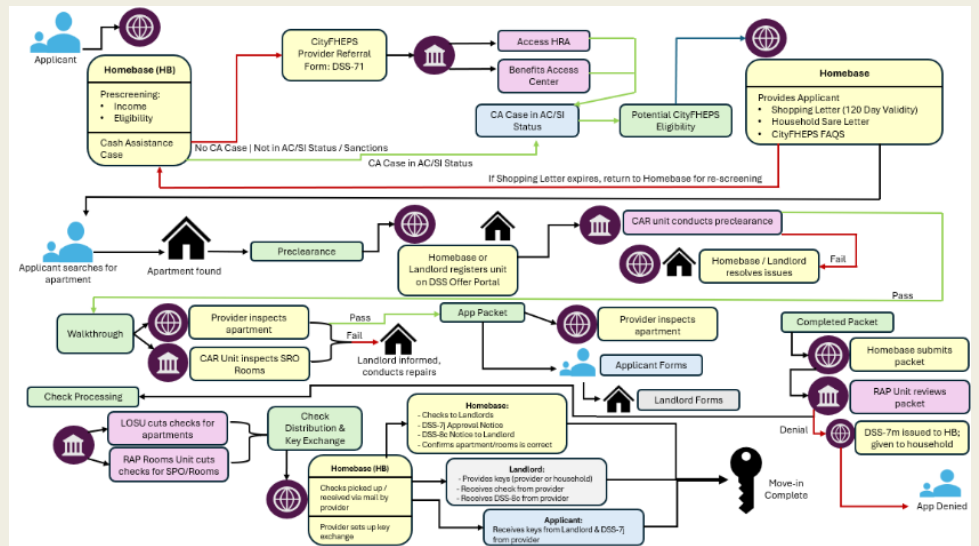
Additionally, third party navigators can focus more on working with shelter residents and staff to ensure they are making appropriate matches that lead to higher rates of successful placements.

Allow Some Direct Placements

Currently, even if an organization offers a continuum of housing options including shelter and permanent housing, they are restricted from offering available affordable units to qualifying shelter residents. Common sense should prevail. Direct referrals from shelters into affordable housing should be allowed when the shelter and housing operators are the same organization, when the shelter is co-located with an affordable housing site, or when a housing provider has a relationship with a local shelter. However, housing owners must allow referrals from outside these direct sources as well.

CityFHEPS: Access and Use of the City's Rental Assistance Program

CityFHEPS is a local rental assistance voucher, administered by the Human Resource Administration (HRA) and used primarily in New York City. It is targeted toward those in shelters or at risk of homelessness and has been an incredibly important tool for both residents and affordable housing owners. As seen in this flowchart, accessing and using this voucher is also a very convoluted process that is beset by delays.



The convoluted CityFHEPS process
SOURCE: New York City Council graphic

CityFHEPS has expanded to over 60,000 households in New York, including for nearly all New Yorkers housed through homeless set-asides. This is good for housing stability, but because of the problematic process, has exacerbated lease-up delays for both homeless set-aside and lottery units. The reforms outlined below will enable a faster lease-up process by shifting the time-intensive income verification and rebudgeting process, expediting inspections and streamlining paperwork.

CityFHEPS Recommendations → Applicant Reforms

Streamline Income Verification to Eliminate Lease-Up Delays

Income verification and rebudgeting, which are triggered when a household's income changes by more than \$100 between when a household is first approved for a voucher and lease-up, create significant delays that frequently result in lost units or apartments being held vacant for months. These processes cause significant administrative burden for everyone: tenants must gather and submit documentation, service providers must review and process the paperwork, and City staff must approve the rebudgeting and final package submissions. The City could reduce this burden in several ways, ranging from the minimal (increasing the rebudgeting threshold or enabling community partners to do rebudgeting at package submission) to the more transformational (allowing the income and tenant share determined at the initial eligibility stage to stand until package submission or even after move in, at least for cases where approval has been delayed more than a month).

The City should prioritize a path to resolve delays so that the rebudgeting process and approvals become less burdensome and avoid the loss of units due to bureaucratic delays.

CityFHEPS Recommendations → Inspection Reforms

Increase Awareness of Virtual Inspections and Waivers to Speed Up Approvals

In our conversations with stakeholders across the process, there were varying levels of awareness and understanding of the G704 waiver for new construction units, which allows for inspection waivers, and the option of virtual inspections. The city should clarify and more robustly publicize these important efficiencies.

Don't Delay Move-In for Minor Fails

Implement an Apartment Review Checklist (ARC) inspection hierarchy, which would allow move-ins with non-hazardous 'fails' and provide clearer guidance to inspectors on issues that need immediate resolution to pass, versus issues that should not delay a tenant's move in. Certain types of failures can still necessitate an inspection after move in to confirm resolution, and/or virtual visual proof of compliance. This move-in should be at the tenant's discretion and sign-off.

Streamline Unit Inspections

While most units have an ARC inspection completed by a contracted provider, certain units, such as any ground floor units, must be inspected by the Department of Social Services (DSS) CAR unit. This inspection is time consuming to schedule and adds a significant amount of time to the approval process. Eliminate this requirement for new construction or renovations that go through a new Department of Buildings (DOB) Inspection, adding ARC-specific items to the DOB checklist to streamline. For other existing buildings, do not require it for all units under CAR's purview upfront but rather have the CAR unit conduct randomized audits. Delegate authority to a contracted provider to complete all inspections.

Allow Inspections to Stand for Six Months to Avoid Unnecessary Duplication

Allow ARC inspections to stand for 6 months to prevent the need for re-inspections after a tenant declines an apartment or lease-up falls through to avoid redundancy of multiple inspections on unoccupied units. Operators could attest that no material changes have been made since the last inspection, with consequences for false attestation.



CityFHEPS Recommendations → Landlord Reforms

Shift to Building-Level Registration for Faster Approvals

For subsidized affordable housing properties with regulatory agreements, shift to a building-wide registration process, rather than unit by unit, for all local vouchers and significantly streamline the landlord package submission process. Utilize HPD, HDC and DSS interagency coordination to allow for seamless registration and eliminate the duplicative submission of materials for each unit. This would reduce the burden on property owners as well as on DHS and HRA staff, who currently oversee a preclearance, inspections, and package review process for local vouchers (CityFHEPS, FHEPS and HASA) that is redundant of information and processes that HPD manages with their portfolio of financed projects through the finance closing and annual registration process.

Modernize Payments: One Check with Digital Delivery

The numerous sources of payment for CityFHEPS causes additional opportunities for problems or delay. Building on an HRA pilot, streamline the two separate shelter allowance checks and HRA payment into one payment and allow for digital issuance / direct deposit.

Summary

It's time to get New Yorkers into affordable housing faster. Tackling our affordable housing and homelessness crisis requires more than capital investment. It will also require **new ways of thinking**. However well-intentioned the design of these systems are, policymakers, advocates, and practitioners need to ask whether **these systems are helping or hindering the people they were designed to serve.**

In good times, this would make for a welcome reform opportunity. Amid an affordability and homelessness crisis, and a time of serious financial distress for affordable housing properties and their owners, **reforms aren't optional — they're essential.**

Working Group

Thank you to the following organizations for their time and expertise in helping develop these recommendations:



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Enterprise is a national nonprofit that supports community development organizations on the ground, aggregates and invests capital for impact, advances housing policy at every level of government, and builds and manages communities. Join us at enterprisecommunity.org