

New York State Comptroller
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New York City Department of Housing Preservation and Development and New York City Housing Development Corporation

Housing for Seniors (Follow-Up)

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Prepared by the Division of State Government Accountability

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Authority

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article III of the General Municipal Law, we have followed up on the actions taken by officials of the New York City Department of Housing Preservation and Development and New York City Housing Development Corporation to implement the recommendations contained in our initial audit report, Housing for Seniors (Report [2021-N-4](#)).

Background, Objective, and Scope

The New York City (NYC or City) Department of Housing Preservation and Development (HPD) is the nation's largest municipal housing preservation and development agency. HPD's mission is to promote the quality and affordability of NYC's housing, and the strength and diversity of its many neighborhoods. The New York City Housing Development Corporation (HDC), the nation's largest municipal housing finance agency, seeks to increase the supply of multi-family housing, stimulate economic growth, and revitalize neighborhoods by financing the creation and preservation of affordable housing for low-, moderate-, and middle-income New Yorkers.

HPD and HDC partner to administer several programs to assist in the development and rehabilitation of affordable housing specifically for senior citizens, including the Senior Affordable Rental Apartments Program (SARA Program), federal Section 202 Supportive Housing for the Elderly Program (Section 202 Program), and HPD's Senior Citizen Homeowner Assistance Program (SCHAP).

The objective of our initial audit, issued on July 5, 2023 was to determine whether HPD and HDC effectively oversaw the awarding of senior housing units and a program assisting senior homeowners. Our audit covered the period from January 2014 through September 2022. The audit was based on a sample of four developments assisted through the SARA Program—HANAC Corona Senior Residence (HANAC) in Queens, Serviam Heights LLC (Serviam) in the Bronx, Victory Plaza in Manhattan, and Woodlawn Senior Living (Woodlawn) in the Bronx—and one development assisted through the Section 202 Program, Bensonhurst Housing for the Elderly (Bensonhurst) in Brooklyn.

The audit found HPD and HDC needed to do more to effectively oversee the awarding of senior housing units as well as their senior homeowners' assistance program. Despite the scarcity of affordable housing for seniors, we found several instances where senior housing units were left vacant for long periods of time. For example, six apartments at HANAC were left vacant for an average of almost 3 years and 65 apartments at Woodlawn remained vacant despite a waiting list of 12,050 applicants. In addition, senior housing units were not always awarded to the correct applicants. We found applicants were awarded apartments even though other applicants should have been considered first. Bensonhurst was using waiting lists that contained significant inaccuracies. The audit also found several instances where SCHAP requirements were not met. For instance, four properties had outstanding violations at the time homeowners received SCHAP loans; however, the violations were not remedied as required. Additionally, HPD did not

effectively monitor efforts by the SCHAP administrator, Parodneck Foundation for Self-Help and Community Development, Inc. (Parodneck), to enforce loan repayments for recipients who had defaulted on their loans.

The objective of our follow-up was to assess the extent of implementation, as of February 6, 2026, of the six recommendations (the first three recommendations were addressed to HPD and recommendations four through six were addressed to HDC) included in our initial audit report.

Summary Conclusions and Status of Audit Recommendations

HPD and HDC officials have made some progress in addressing the problems identified in the initial audit report. However, additional improvements are needed from HPD. Of the initial report's six audit recommendations, three (addressed to HDC) were implemented, two (addressed to HPD) were partially implemented, and one (also addressed to HPD) was not implemented.

Follow-Up Observations

Recommendation 1 – Take appropriate actions, including periodically reviewing rent rolls/vacancy reports and coordinating with managing agents, to identify and promptly fill vacant apartments.

Status – Not Implemented

Agency Action – For all units, HPD officials claim that the managing/marketing agents, those who are responsible for the marketing and resident selection for housing developments, are required by regulatory agreement to notify HPD of challenges faced in leasing vacant units and that HPD may assist the agents in leasing the units through Housing Connect (HPD and HDC's online application system). According to HPD officials, they review quarterly rent rolls to monitor the leasing of vacant units designated for homeless households to ensure these units are filled in a timely manner. However, we did not find evidence that rent rolls were in fact reviewed and utilized by HPD to determine unit vacancy. Nonetheless, HPD officials provided two vacancy notification forms dated June 26, 2024 and May 16, 2025. According to the most recent form, there were three vacant units at HANAC; however, when we visited HANAC on November 19, 2025, we found five vacant units—three of which had been vacant for more than a year (see Table 1).

Table 1
Vacant Units at HANAC

Vacant Since	Vacancy Status as of	Length of Vacancy (Years)
October 31, 2020	November 19, 2025	5.1
November 1, 2023	November 19, 2025	2.1
June 30, 2024	November 19, 2025	1.4
November 13, 2024	November 19, 2025	1.0
March 31, 2025	November 19, 2025	0.6

We found one fully furnished unit (see Figures 1 and 2) reserved for homeless applicants that had been vacant for 5 years. We note that this unit was also vacant at the time our initial audit report was issued. According to HANAC’s managing agent, all five vacant units have been assigned to applicants and were undergoing the approval process (for subsidies such as Project-Based Vouchers, CityFHEPS), which can take several months. Subsequent to our site visit, HPD officials provided documentation showing the unit that was vacant for more than 5 years was leased as of December 3, 2025, but provided no updates regarding the status of the other four units that have been vacant for an average of 1 year and 3 months.

Similarly, for Woodlawn, HPD officials did not provide evidence that they reviewed rent rolls or vacancy reports, but provided a Housing Connect lottery log showing seven vacancies. However, when we visited Woodlawn on December 4, 2025, we noted that 11 units had been vacant for an average period of 1.2 years, with two of the units vacant for 2.5 years each (see Table 2).

Figures 1 and 2



Fully furnished unit at HANAC vacant for over 5 years. This unit is designated for qualified homeless applicants.

The Woodlawn compliance manager told us that some units are not being leased timely due to applicants rejecting them for reasons such as their smaller size and the lack of adequate public transportation. HPD officials provided no updates on the status of these units.

Table 2
Vacant Units at Woodlawn

Vacant Since	Vacancy Status as of	Length of Vacancy (Years)
June 15, 2023	December 4, 2025	2.5
June 23, 2023	December 4, 2025	2.5
July 8, 2024	December 4, 2025	1.4
July 10, 2024	December 4, 2025	1.4
October 8, 2024	December 4, 2025	1.2
November 1, 2024	December 4, 2025	1.1
May 9, 2025	December 4, 2025	0.6
May 16, 2025	December 4, 2025	0.6
May 19, 2025	December 4, 2025	0.5
May 28, 2025	December 4, 2025	0.5
May 29, 2025	December 4, 2025	0.5

Recommendation 2 – Ensure that managing/marketing agents have valid, documented reasons for rejecting applicants from award consideration and prioritize placement of individuals who were incorrectly rejected or passed over.

Status – Partially Implemented

Agency Action – According to HPD officials, applicants for units at HANAC and Woodlawn who appear eligible are contacted through Housing Connect. Officials stated that all applicants must be assigned a status, and if applicants are rejected, the managing agent is required by the system to select a rejection reason. Applicants may appeal a rejection, and according to HPD officials, any accepted appeal or complaint results in the applicant being reinstated for consideration for the next available unit. HPD officials stated that they monitor this process for compliance.

We selected 10 rejected applicants from the HANAC waiting list and reviewed the rejections notices for each. We found that all 10 applicants were rejected for valid reasons and in accordance with HPD and HDC’s jointly published marketing handbook, Policies and Procedures for Resident Selection and Occupancy. Further, our initial audit identified three applicants who

were incorrectly rejected for not meeting the age and/or residence requirements at HANAC. As part of our follow-up, we requested but were not provided with rejection notices for these three applicants. In addition, we found the three applicants were not reinstated on the waiting list. HPD officials explained that one of the three applicants did not meet the eligibility requirements and was correctly disqualified during the lottery process. However, they did not provide documentation to support this claim. HPD officials did not explain or provide documentation to support why the other two applicants were not reinstated.

Regarding Woodlawn, we requested the rejection notices for three applicants who were rejected to determine if the rejections were valid. However, we were not provided with the notices. Consequently, we could not determine if the applicants were rejected for valid reasons.

Recommendation 3 – Work with Parodneck: to follow up with SCHAP loan recipients to ensure they meet program requirements; and to take appropriate remedial action, including collecting amounts owed from borrowers who default on their loans and ensuring that outstanding violations are resolved.

Status – Partially Implemented

Agency Action – HPD officials stated that, although SCHAP is now retired, they continue to coordinate with Parodneck officials regarding loan recipients who defaulted on their loans. To support this assertion, HPD officials provided evidence that they scheduled meetings with the SCHAP administrator in 2023 and 2024 to discuss the service agreement as well as issues related to program violations and loan defaults identified in our original audit. HPD also provided a plan for monthly check-ins beginning in November 2025, after the start of our follow-up, on proceeding with SCHAP cases that are in various states of default.

While these actions demonstrate coordination and follow-up with Parodneck officials, HPD did not provide evidence that it took remedial actions such as ensuring amounts owed on defaulted loans were collected or that homeowners' violations were resolved, as required.

Recommendation 4 – Review waiting lists and increase oversight of marketing/managing agents to ensure applicants are selected in the correct order for receiving apartments or removed from waiting lists if they are no longer eligible, and to ensure they prioritize placement of individuals who were incorrectly rejected or passed over.

Status – Implemented

Agency Action – For Bensonhurst, we reviewed a sample of 10 applicants who moved in during 2024 and 2025. We found that all 10 applicants received apartments in the correct waiting list order. For Victory Plaza, we selected a sample of six tenants who moved in during 2025 and found that all six tenants also received apartments in the correct waiting list order. As noted in our initial audit, 77 applicants were incorrectly passed over for a unit designated for a senior with a mobility disability. Since the issuance of our initial audit, no units with the applicable mobility preferences have become available and the 77 applicants remain on the waiting list in the order we previously noted.

Recommendation 5 – Ensure that managing agents review applicant files and update waiting lists to reflect accurate information, including preference categories and reasons for passing over applicants.

Status – Implemented

Agency Action – For Bensonhurst, we selected a sample of 10 applicants who moved in during 2024 and 2025; we reviewed their files and found that the waiting list contained accurate information, including preference categories, for all 10 applicants. We also selected eight applicants who were rejected and found rejection letters for seven applicants. Bensonhurst officials informed us that the other applicant was a homeless referral and HPD officials instructed them not to process this applicant because they were unable to contact him. In addition, the waiting list contained more detailed information than previously observed during the initial audit, including more descriptive preference categories and application status information.

For Victory Plaza, we selected a sample of six tenants who moved in during 2025 and reviewed their tenant files. We found that all six tenant files contained accurate information. We also selected 10 applicants noted as rejected on the Victory Plaza’s Housing Connect lottery log and requested their rejection letters. We found that all selected applicants received rejection letters and the reasons were accurately recorded in the log.

HDC officials stated that enhancements to the Housing Connect platform have improved the accuracy and completeness of applicant and waiting list information.

Recommendation 6 – Consider using Housing Connect for selecting and approving applicants for apartments when working with NYCHA on future projects.

Status – Implemented

Agency Action – HDC officials stated that HDC’s regulatory agreement requires that New York City Housing Authority (NYCHA) waiting list requirements shall apply if the Housing Assistance Payments contract remains in effect. Accordingly, Housing Connect is considered if a project has a NYCHA referral requirement and NYCHA is unable to identify applicants from its waiting list. In this case, units may be added to the Housing Connect lottery and leased through the platform. HDC provided support for three housing developments where they worked with NYCHA, and where Housing Connect was utilized for selecting and approving applicants. For example, CASA Celina, a NYCHA housing development, leased units through Housing Connect in 2024.

Reporting Requirements

HPD officials are requested, but not required, to provide information about any actions planned to address the unresolved issues discussed in this follow-up within 30 days of the report’s issuance. We thank the management and staff of HPD and HDC for the courtesies and cooperation extended to our auditors during this follow-up.



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