



NEW YORK CITY COMPTROLLER
BRAD LANDER

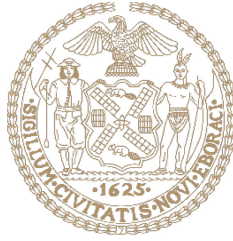
Annual Report on Capital Debt and Obligations

Fiscal Year 2026

BUREAU OF PUBLIC FINANCE

December 1, 2025





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THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER

BRAD LANDER
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December 1, 2025

Dear New Yorkers,

I am pleased to release my office's Annual Report on Capital Debt and Obligations for Fiscal Year 2026, part of our commitment to help ensure New York City's long-term thriving is focusing on the soundness of our infrastructure and our finances.

City capital dollars build the school buildings where our kids are educated, the tunnels that bring us clean water, our public parks, libraries and hospitals, affordable housing for families, the space and technology needed for our municipal government and courts, and the roads and bridges that New Yorkers rely on every day.



The vast majority of the funding of capital assets comes through the City of New York's municipal bond program administered by the Comptroller's Office and the Mayor's Office of Management and Budget, but a share of our capital funding also comes from the State and Federal governments.

Since the release of [last year's report](#) the New York State budget for Fiscal Year 2025-2026, which was enacted in May 2025, further amended the Transitional Finance Authority (TFA) Act to increase the amount of Future Tax Secured (FTS) bonds not subject to the City's constitutional debt limit by an additional \$3.0 billion on top of the \$6.0 billion increase granted in the New York State budget for Fiscal Year 2024-2025 that had been set to take effect on July 1, 2025. Since July 1, 2024 the City has been granted \$17.0 billion of additional debt-incurring capacity which increases the amount of TFA FTS bonds not subject to the City's constitutional debt limit to \$30.5 billion.

This year's report examines and evaluates how much debt is outstanding, how much borrowing capacity remains available, how the City compares to other U.S. cities, and the affordability of debt service. Some of its key findings are:

- Based on budget assumptions from the Fiscal Year 2026 Adopted Budget and the Comptroller's Office debt limit projections, the City had \$44.4 billion of debt-incurring power as of July 1, 2025. Despite the combined legislatively granted \$17.0 billion increase in borrowing capacity since July 1, 2024, debt-incurring power is projected to drop to \$26.9 billion by July 1, 2028.
- Based on budget assumptions from the Fiscal Year 2026 Adopted Budget and the Comptroller's Office tax revenue projections, debt service as a percentage of City tax revenues was 10.2 percent in Fiscal Year 2025, representing a modest decline from the Fiscal Year 2025 and well below the 15.0 percent ceiling that the City uses to evaluate debt affordability. Under conservative assumptions, future capital spending is expected to push debt service closer to the policy ceiling without exceeding it.
- The City's credit rating remains strong. NYC's debt burden is relatively high compared to U.S. peer cities, but not unreasonably so when viewed in context. Rating agencies have maintained NYC's General Obligation bond rating at Aa2 (Moody's), AA (S&P and Fitch), and AA+ (Kroll). The rating agencies continue to cite the City's large and diverse economy, strong financial management, and liquidity among positive credit attributes that support GO ratings.

The diminishing debt capacity, combined with the constant risk of cuts from the federal administration, calls for diligent capital planning, to ensure strategic investments in the infrastructure that undergirds our city's future. Nonetheless, while the coming year is not free of risks, I am proud to report that our City capital budget and debt obligations are on sound fiscal footing and put us in a strong position to face the challenges ahead.



Brad

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I. Executive Summary

The City of New York (the “City”) utilizes long-term debt to finance capital projects including its schools, water supply and sewers, affordable housing, transportation, public safety and justice facilities, parks, libraries, technology, and other infrastructure projects. The City can incur debt, subject to certain exclusions, only up to a limit that is set in the New York State Constitution. In accordance with Section 232 of the City Charter, the City Comptroller is required to report the amount of debt the City may incur within the limit during the current Fiscal Year and each of the three succeeding Fiscal Years.¹ As in previous years, this report provides a comprehensive overview of the City’s debt, of its debt-incurring capacity, and affordability indicators, both over time and compared with a group of other U.S. cities.

Key Findings

- As of July 1, 2025 and based on the May 2025 Capital Commitment Plan, the amount of outstanding City debt counted against the Constitutional limit² was \$44.4 billion below the limit of \$140.6 billion (i.e., debt-incurring capacity of approximately 31.5 percent of the limit). The City’s indebtedness is projected to grow faster than the debt limit. However, a combination of the new Transitional Finance Authority (TFA) Act statutory exemption and growth in the General Debt Limit results in the City’s projected remaining debt-incurring power to be \$26.9 billion as of July 1, 2028. Table 1 below, drafted in accordance with Section 232 of the City Charter, provides the full projection.
- The share of tax revenues dedicated to debt service remains well below the 15.0 percent ceiling used to evaluate affordability as articulated in the City’s Debt Policy and fell slightly from 10.6 percent in Fiscal Year 2024 to 10.2 percent in Fiscal Year 2025 due to a significant 8.3 percent year-over-year increase in tax revenues. Based on budget assumptions from the Fiscal Year 2026 Adopted Budget, the Office of the Comptroller’s tax revenue projections [published in August](#), and using conservative interest rate assumptions for future debt issuance, the share is projected to reach approximately 14.2 percent by Fiscal Year 2033, where it is projected to remain through Fiscal Year 2035.

¹ The City may issue long-term debt only for capital purposes (assets with useful lives of at least three years for certain technology purposes or five years or greater for other purposes, and a value equal to or greater than \$50,000, as established in [Comptroller’s Office Directive #10](#), to finance certain pollution remediation costs pursuant to a 2010 amendment to the Financial Emergency Act, and to provide capital grants to other entities such as the Metropolitan Transportation Authority (MTA). A minimum useful life of three years for certain information technology projects became effective July 1, 2019. On July 1, 2020, the minimum cost of a capital-eligible project rose to \$50,000 from \$35,000.

² New York City’s statutory debt limit is set by the New York State Constitution. The City is permitted to incur indebtedness up to a maximum tied by the State Constitution to a fraction of the value of the real estate in New York City. Indebtedness is incurred at the time encumbrances are made against contracts for capital assets registered by the Office of the Comptroller, without regard to their future financing through the issuance of bonds. Certain entities aside from the City issue debt to finance capital programs for the City. While the City may pay a certain portion of these debts, they are not counted towards the City’s statutory debt limit.

- New York City’s debt burden is relatively high compared to U.S. peer cities, but not unreasonably so when viewed in context. While debt per capita and relative to taxable value is well above those of the City’s peer group, debt outstanding as a percentage of personal income and debt burden as a percent of revenues is much closer to the average. The City should also be viewed as an essential leader of the global economy with economic strengths that flourish in a high-density environment, which drives the need for greater infrastructure and debt financing.
- The City’s credit ratings remain strong. In Fiscal Year 2025, Moody’s Investors Service maintained the City’s General Obligation (GO) bond rating at Aa2. Standard and Poor’s Global Ratings (S&P) maintained its rating of the City’s GO bonds at AA. Fitch Ratings (Fitch) maintained its rating of GO bonds to AA. Kroll Bond Rating Agency (Kroll) rated the City’s GO bonds AA+
- The analysis of historical capital commitments included in this report suggests that the City could meet and exceed the targets set by the [Fiscal Year 2026 September Capital Commitment Plan](#) (September Capital Commitment Plan) by a wide margin. Since 2020, actual commitments have increased substantially due to high inflation and the resumption of work on delayed capital projects. The City reached an achievement rate of 120.0 percent in Fiscal Year 2024, its highest since at least Fiscal Year 2005, before dropping to 114.0 percent in Fiscal Year 2025.
- The report analyzes the City’s remaining debt-incurring power and debt affordability metrics using the Office of the Comptroller’s debt limit (which is calculated via a formula based on the value of the city’s real property), revenue, and borrowing projections through Fiscal Year 2035. The “achievement scenarios” used in the analysis are based on additional commitments beyond those set forth in the September Capital Commitment Plan. The analysis shows:
 - The City’s remaining debt-incurring power is expected to reach a low point of \$6.9 billion in Fiscal Year 2033 before increasing slightly in subsequent years to \$9.8 billion by the end of Fiscal Year 2035. While there is some cushion to absorb additional commitments under conservative assumptions, if actual commitments outperform projections by 10 percent on average, the City could breach the debt limit in Fiscal Year 2031.
 - Debt service as a share of tax revenues is projected to reach a maximum of 14.4 percent in Fiscal Year 2034 where it is projected to remain through Fiscal Year 2035. However, if actual commitments exceed planned targets by more than 15.0 percent, or if tax revenues beyond Fiscal Year 2029 grow at 2.75 percent versus 4.0 percent that is currently projected, debt service as a share of tax revenues could breach the City’s 15.0 percent policy threshold as early as Fiscal Year 2033.

Table 1. Projected NYC Debt-Incurring Power as of July 1st

Date	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
Fiscal Year (\$ in billions)	2026	2027	2028	2029
Gross Statutory Debt-Incurring Power^a	\$140.6	\$145.8	\$151.8	\$158.6
General Obligation (GO) Bonds Outstanding as of July 1, 2025 plus projected bond issuance (net) ^b	\$46.6	\$51.4	\$56.1	\$60.9
Less: Appropriations for GO Principal	(\$2.4)	(\$2.3)	(\$2.5)	(\$2.6)
Less: Excluded Debt	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)
<u>Plus: Incremental TFA Bonds Outstanding Above Statutory Exemption^c</u>	<u>\$24.7</u>	<u>\$29.0</u>	<u>\$33.8</u>	<u>\$38.7</u>
Net Funded Debt Against the Limit	\$68.9	\$78.0	\$87.3	\$97.0
Plus: Contract and Other Liability	\$27.4	\$30.4	\$32.4	\$34.7
Total Projected Indebtedness Against the Limit	\$96.3	\$108.4	\$119.7	\$131.7
Remaining Debt-Incurring Power within General Limit	\$44.4	\$37.4	\$32.1	\$26.9
Remaining Debt-Incurring Power (%)	31.5%	25.7%	21.2%	16.9%

Source: New York City Office of the Comptroller and select information from the Fiscal Year 2026 Executive Capital Commitment Plan and the Fiscal Year 2026 Adopted Budget.

Note: Totals may not add due to rounding. The Statement of Debt Affordability published by OMB in May 2025 presents estimates for the last day of each fiscal year, which is June 30th. The Statement forecasts remaining debt-incurring power to be \$24.5 billion at the end of Fiscal Year 2026.

a New York City Office of the Comptroller projections as of the Fiscal Year 2026 Adopted Budget.

b Net adjusted for Original Issue Discount, GO bonds issued for the water and sewer system and Business Improvement District debt.

c As part of the NY State Fiscal Year 2024-2025 budget legislation, the TFA Act was amended to increase the amount of TFA Future Tax Secured (FTS) bonds outstanding excluded from the City's debt limit from \$13.5 billion to \$21.5 billion beginning on July 1, 2024, and \$27.5 billion beginning on July 1, 2025. As part of the NY State Fiscal Year 2025-2026 budget legislation, the amount of FTS bonds outstanding excluded from the City's debt limit was raised by an additional \$3.0 billion beginning July 1, 2025, increasing the total exemption to \$30.5 billion.

This report is organized as follows:

Section II contains an overview of the debt issued directly by the City or on behalf of the City through public benefit corporations or authorities.

Section III provides a description of the City's general debt limit and estimates of its remaining debt-incurring power. Particular attention is given to the projection of Special Equalization Ratios, which are crucial parameters calculated by the New York State Office of Property Tax Services (ORPTS) that the Office of the Comptroller has [studied extensively](#). This section provides estimates of debt-incurring power at the beginning of the Fiscal Year through 2029 and at the end of the Fiscal Year through 2035.

Section IV presents a description of the City's Fiscal Year 2026 September Capital Commitment Plan and provides a projection based on historical trends of the variance between target and actual commitments. The projected variance provides the basis for the achievement rate analysis that follows in Section V.

Section V presents measures and scenarios to assess the size of the City's debt burden and its affordability. Several debt affordability measures are summarized and a comparison of New York City to other selected jurisdictions is provided.

II. Profile of New York City Debt

Debt to support New York City's capital program is issued directly by the City, or on its behalf, through several different debt-issuing entities. This debt (Gross NYC debt) is used to finance the City's capital projects and includes the City's General Obligation (GO) bonds, NYC Transitional Finance Authority (TFA) Future Tax Secured bonds (TFA FTS) and TFA Building Aid Revenue Bonds (TFA BARBs), TSASC Inc. bonds, and other conduit issuers included in the Capital Lease Obligations and Other category (see Table 2). While New York City Municipal Water Finance Authority (NYW) bonds also fund City capital projects, they are not included in Gross NYC debt as they are paid for through charges for water and sewer service set and billed by the NYC Water Board.

Using assumptions from the Fiscal Year 2026 Adopted Budget and Financial Plan, gross debt outstanding is projected to grow annually at an average rate of 7.4 percent from Fiscal Year 2026 through Fiscal Year 2029 and 5.0 percent annually through Fiscal Year 2035 (see Table 6). Growth rates are expected to change as more detailed information about funding needs becomes available and the Financial Plan gets updated throughout the Fiscal Year.

Composition of Debt

The City issues debt to finance or refinance its capital program primarily through GO and TFA FTS bonds, which accounted for 40.9 percent and 48.6 percent of total debt outstanding, respectively at the end of Fiscal Year 2025 (Table 2). Although the City did not issue TFA BARBs for new capital projects in Fiscal Year 2025, TFA BARBs accounted for 6.5 percent of total debt outstanding at the end of Fiscal Year 2025.

Each of the City's credits are secured by sources of revenue to pay debt service, with residual amounts being remitted to the City's General Fund. GO debt service is backed by the full faith and credit of the City and is paid with Property Tax revenues from the General Debt Service Fund before remittance of the residual to the General Fund. TFA FTS debt service is paid from Personal Income Tax and, if insufficient, Sales Tax before remittance of the residual to the General Fund. To date, Sales Tax transfers have never been required to pay debt service. TFA BARBs debt service is paid from State Building Aid which is appropriated annually and paid by New York State to the TFA before being available to be remitted to the General Fund.

Tax-exempt debt accounted for approximately 82.1 percent of the Gross NYC debt outstanding at the end of Fiscal Year 2025. Taxable debt is issued for projects that have a public purpose but are ineligible for Federal tax exemption, such as housing loan programs, and represents 17.9 percent of Gross NYC debt outstanding at the end of Fiscal Year 2025.

At the end of Fiscal Year 2025, fixed rate debt accounted for approximately \$105.9 billion, which represents approximately 92.7 percent of Gross NYC debt outstanding. To diversify interest rate risk and to broaden the investor base, New York City periodically issues variable rate debt. At the end of Fiscal Year 2025, variable rate debt accounted for \$8.3 billion, which represents

approximately 7.3 percent of Gross NYC debt outstanding. Most Gross NYC debt outstanding is in the form of GO and TFA FTS bonds.

GO bonds and TFA FTS bonds, outstanding above the statutory exemption of \$21.5 billion on June 30, 2025, increasing to \$30.5 billion July 1, 2025, are the largest components of indebtedness under the general debt limit. TFA BARBs, TSASC Inc. debt, and GASB 87 capital lease obligations and lease-purchase/conduit debt are not subject to the general debt limit.

Table 2. Gross NYC Bonds Outstanding as of June 30, 2025

(\$ in millions)	GO Bonds	TFA FTS	TFA BARBs	TSASC Inc.	Conduit Debt Issuers ^a	Gross NYC Debt Outstanding	GASB 87 Capital Lease Obligations ^b
Tax-Exempt							
Fixed Rate	\$31,125	\$43,392	\$6,824	\$879	\$3,297	\$85,517	\$0
Variable	<u>\$4,602</u> ^c	<u>\$3,362</u> ^c	<u>\$0</u>	<u>\$0</u>	<u>368</u> ^c	<u>8,332</u>	<u>\$0</u>
Subtotal	\$35,727	\$46,754	\$6,824	\$879	\$3,665	\$93,849	\$0
Taxable							
Fixed Rate	\$10,994 ^d	\$8,803 ^d	\$632 ^d	\$0	\$0	\$20,429	\$12,134
Variable Rate	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal	\$10,994	\$8,803	\$632	\$0	\$0	\$20,429	\$12,134
Total	\$46,721	\$55,557	\$7,456	\$879	\$3,665	\$114,278	\$12,134
Percent of Total	40.9%	48.6%	6.5%	0.8%	3.2%	100.0%	N/A

Source: Annual Comprehensive Financial Report of the Comptroller for the Fiscal Year Ended June 30, 2025

Note: Totals may not add due to rounding.

^a Includes \$2.5 billion of Hudson Yards Infrastructure Corporation (HYIC) bonds, \$484 million of Dormitory Authority of the State of New York (DASNY) bonds related to court facilities, health facilities and community college facilities, \$359 million Health and Hospital bonds, \$258 million of Educational Construction Fund (ECF) bonds, and \$42 million Industrial Development Agency (IDA) bonds.

^b Includes GASB 87 capital lease obligations of \$12.1 billion that are reflected in the table to comply with accounting reporting requirements. There are no bonds associated with the figure shown above.

^c Interest rates on variable rate debt are reset on a daily, weekly, or other periodic basis.

^d NYC GO taxable bond debt includes Build America Bonds (BABs). The TFA FTS and TFA BARBs taxable fixed rate debt includes BABs and Qualified School Construction Bonds (QSCBs). BABs and QSCBs are taxable bonds that were created under the American Recovery and Reinvestment Act of 2009 where the City of TFA receive cash subsidy from the United States Treasury to pay bond interest. These subsidies fluctuate each year due to changes in the amount of bonds outstanding and changes to the discounted rate from federal budget sequestration.

General Obligation Debt

The use of General Obligation (GO) debt, which is backed by the faith and credit of the City of New York, increased in Fiscal Year 2025 relative to Fiscal Year 2024. The total share of GO debt as a percentage of Gross NYC debt outstanding increased from 40.1 percent at the end of Fiscal Year 2024 to 40.9 percent at the end of Fiscal Year 2025. As of June 30, 2025, GO debt totaled approximately \$46.7 billion, an increase of more than 12.0 percent from the close of the prior Fiscal Year. As discussed further in the Appendix, the increase of GO debt outstanding is

representative of a general increase in overall issuance for new capital projects as well as a concerted effort by the City to manage new supply of GO and TFA FTS bonds as well maintaining a reasonable differential of debt outstanding between the two credits.

Debt service for GO bonds is paid from real property taxes which are deposited with and retained by the State Comptroller into the General Debt Service Fund under a statutory formula for the payment of debt service. This “lock-box” mechanism assures that debt service obligations are satisfied before property tax revenues are released to the City’s General Fund.

During Fiscal Year 2025, the City issued \$9.8 billion of GO bonds, of which \$7.7 billion were issued to raise proceeds for the City’s capital needs, \$2.0 billion were refunding bonds that generated savings over the life of the bonds, and \$139 million GO bonds were converted from variable-rate to the fixed-rate interest mode.

A total of \$2.4 billion GO bonds matured during Fiscal Year 2025. GO debt outstanding was approximately \$5.0 billion higher at the end of Fiscal Year 2025 than at the end of Fiscal Year 2024.³

Transitional Finance Authority Debt

The Transitional Finance Authority (TFA) was created as a public benefit corporation in 1997 with the power and authorization to issue bonds up to an initial limit of \$7.5 billion, but after several legislative changes the limit was increased to \$13.5 billion. This debt does not count against the City’s general debt limit. The City exhausted the \$13.5 billion limit in Fiscal Year 2007. In July 2009, the State Legislature authorized TFA to issue FTS bonds beyond the \$13.5 billion limit, with the additional borrowing subject to the City’s general debt limit. Thus, the incremental TFA debt issued in Fiscal Year 2010 and beyond, to the extent the amount outstanding exceeds \$13.5 billion, has been combined with City GO debt when calculating the City’s indebtedness within the debt limit.

As part of the NY State Fiscal Year 2024-2025 budget legislation, the TFA Act was amended to increase the amount of TFA FTS bonds outstanding excluded from the City’s debt limit from \$13.5 billion to \$21.5 billion beginning on July 1, 2024, and \$27.5 billion beginning on July 1, 2025.

As part of the NY State Fiscal Year 2025-2026 budget legislation, the TFA Act was amended again, to increase the TFA FTS statutory exemption by an additional \$3.0 billion beginning July 1, 2025, to a total exemption of \$30.5 billion.

The TFA issues two different types of debt — Future Tax Secured (FTS) bonds, which are payable from Tax Revenues, which consist of Personal Income Tax Revenues and Sales Tax Revenues (the latter only if necessary), and Building Aid Revenue Bonds (BARBs), which are paid by State Building Aid, which is appropriated annually and paid by New York State.

³ Source: [Annual Comprehensive Financial Report of the Office of the Comptroller for the Fiscal Year Ended June 30, 2025](#)

At the close of Fiscal Year 2025, TFA FTS and TFA BARBs debt totaled approximately \$63.0 billion, comprised of approximately \$55.6 billion of FTS debt and approximately \$7.4 billion of BARBs debt, an increase of more than 9.3 percent from the close of the prior Fiscal Year. The total share of TFA debt as a percentage of Gross NYC debt outstanding decreased slightly from 55.4 percent at the end of Fiscal Year 2024 to 55.1 percent at the end of Fiscal Year 2025.

During Fiscal Year 2025, the TFA issued \$12.8 billion of TFA FTS bonds, of which \$7.9 billion were issued to raise proceeds for the City's capital needs and \$4.9 billion were refunding bonds that generated savings over the life of the bonds. The TFA did not have any TFA BARBs financing activity during Fiscal Year 2025. During Fiscal Year 2025 a total of \$1.9 billion TFA bonds matured consisting of \$1.7 billion FTS bonds and \$216 million of BARBs. Total TFA debt outstanding was approximately \$5.4 billion higher at the end of Fiscal Year 2025 than at the end of Fiscal Year 2024.⁴

⁴ Source: [TFA Fiscal Year 2025 Financial Statements](#)

Debt Not Subject to the General Debt Limit

TFA BARBs

In April 2006, the State Legislature authorized the TFA to issue up to \$9.4 billion of outstanding BARBs. This debt is used to finance a portion of the City's educational facilities in its five-year capital plan and is excluded from the calculation of the City's debt counted against the debt limit.

There was no TFA BARBs financing activity in Fiscal Year 2025 and as of June 30, 2025, TFA BARBs debt outstanding totaled \$7.5 billion. The total share of BARBs debt as a percentage of Gross NYC debt outstanding decreased from 7.4 percent at the end of Fiscal Year 2024 to 6.5 percent at the end of Fiscal Year 2025. There are currently no plans for future issuance of TFA BARBs to raise proceeds for new capital needs. The Mayor, in concert with the New York City Comptroller's Office, retains discretion with regard to the specific amount of annual TFA BARBs borrowing subject to statutory and indenture limitations.

TSASC Inc.

TSASC Inc. (TSASC) is a local development corporation created under and subject to the provisions of the Not-for-Profit Corporation Law of the State of New York. TSASC bonds are secured by tobacco settlement revenues (TSRs) as described in the Master Settlement Agreement among 46 states, six jurisdictions, and the major tobacco companies. In January 2017, TSASC refinanced all bonds issued under the Amended and Restated 2006 Indenture. The refunding bond structure continues to allow the TSRs to flow to both TSASC and the City, with 37.4 percent of the TSRs pledged (Pledged TSRs) to TSASC bondholders, and the remainder (Unpledged TSRs) going into the City's General Fund. TSASC's debt is excluded from the calculation of the City's debt counted against the debt limit.

There was no TSASC financing activity in Fiscal Year 2025 and as of June 30, 2025, TSASC debt outstanding totaled \$879 million, which represents a \$30 million decrease from the end of Fiscal Year 2024. The total share of TSASC debt as a percentage of Gross NYC debt outstanding decreased from 0.9 percent at the end of Fiscal Year 2024 to 0.8 percent at the end of Fiscal Year 2025. There currently are no plans for future issuance of TSASC bonds to raise proceeds for new capital needs.

On December 9, 2024, TSASC entered into a Security Agreement which allows TSASC to use Unpledged TSRs, only to the extent needed, to pay debt service on TSASC's Fiscal 2017 Series A and Series B bonds, beginning June 1, 2025, through June 1, 2028. The Security Agreement allowed for a portion of the June 1st and entire December 1st, 2025, subordinate debt service payments to be paid by Unpledged TSRs. Pursuant to the Security Agreement, the projected amount of Unpledged TSRs used to support debt service in Fiscal Year 2025 is approximately \$12.0 million.

Going forward, the Security Agreement pledges all settlement revenues first to TSASC until June 1, 2028, and is intended to forestall default until the bonds reach their par call date and become

eligible to be restructured with tax-exempt bond proceeds. As of the time of this report, no decision has been reached as to the method or timing of any restructuring.

GASB 87 Capital Lease and Other Obligations

Capital Lease and Other Obligations totaled \$15.8 billion as of June 30, 2025. The GASB 87 capital lease component of this total is \$12.1 billion and other amounts included in the total are as follows: \$2.5 billion of Hudson Yards Infrastructure Corporation bonds, \$484 million of Dormitory Authority of the State of New York (DASNY) bonds related to court facilities, health facilities and community college facilities, \$359 million Health and Hospital bonds, \$258 million of Educational Construction Fund (ECF) bonds, and \$42 million Industrial Development Agency (IDA) bonds.

Hudson Yards Infrastructure Corporation

The Hudson Yards Infrastructure Corporation (HYIC) is a not-for-profit local development corporation formed in July 2004 to finance development in the Hudson Yards district of Manhattan — primarily the extension of the Number 7 subway line westward to 11th Avenue and 34th Street, which began operations in September 2015. No Interest Support Payments (monies appropriated from the City budget and paid to cover interest on HYIC bonds if HYIC revenues are insufficient to fund interest) have been made by the City to HYIC since Fiscal Year 2015 and HYIC made its first surplus payment to the City in Fiscal Year 2017. In Fiscal Year 2025, HYIC remitted \$394 million to the City. According to the most recent HYIC budget, that surplus payment is projected to grow to \$451 million by 2029.

As of June 30, 2025, HYIC had \$2.5 billion of debt outstanding which consists of \$2.4 billion of fixed rate bonds and \$100 million which has been drawn upon from a loan facility agreement, which provides \$380 million of financing capacity.

Development within the Hudson Yards area has been proceeding for over 20 years since the initial rezoning and in Fiscal Year 2025 several developments have occurred reflecting the continued evolution of the area.

In August 2018 the City Council passed a resolution authorizing the issuance of up to \$500 million in additional HYIC debt to fund Phase 2 of the Hudson Boulevard (Bella Abzug Park Phase II) expansion and related park and infrastructure improvements from West 36th Street to West 39th Street in the Hudson Yards Financing District (HYFD). At the time of the resolution, the cost of the park was estimated to be approximately \$390 million and HYIC entered into a loan agreement in 2019 to fund the park. The existing agreement is scheduled to expire on June 30, 2027.

According to the HYIC Fiscal Year 2026 Budget, HYIC continues to carry the original cost estimate from 2017 and states it expects to finance Bella Abzug Park Phase II by continuing to draw the term loan and with bond proceeds in fiscal year 2028 and fiscal year 2029.⁵ However, a May 2025

⁵ [HYIC Fiscal Year 2026 Budget](#)

HYIC Board of Directors meeting indicates the costs could exceed \$570 million and cites several risks, such as inflation, tariffs, construction, and acquisition costs that could potentially push costs higher.⁶

On June 10, 2025, the Mayor announced “Phase 2” of the Hudson Yards Project which would construct a deck over the Western Rail Yards (WRY) in order to facilitate development of additional residential and commercial space, including affordable housing units. The announcement stated the intention to use future tax revenues from the development to finance the deck.

On June 30, 2025, the City Council approved a [resolution](#) expanding the description of authorized purposes for which payments in lieu of taxes (PILOTs) may be spent (and thus financed by HYIC) to include a platform and 6 acres of open space over the WRY, the construction of a new school, as well as payments to the New York State Metropolitan Transportation Authority (MTA) for rent and site acquisition (which are currently being paid by Related Companies, the real estate company pursuing the development, as agreed upon in lease agreements executed in 2013 for the Eastern Rail Yards and 2014 for the Western Rail Yards).

Related Companies is currently seeking financing from HYIC to cover the cost of constructing the platform over the WRY. In [materials](#) submitted to the City Council in April 2025, Related Companies has indicated the cost of constructing a platform has risen from \$1.1 billion in 2008 to \$2.0 billion in 2025. The latest Department of Education (DOE) School Construction Authority (SCA) [FY2025-2029 Five-Year Capital Plan](#) Proposed Amendment includes a 686 seat Western Rail Yard School projected to cost \$107 million.⁷

Assuming HYIC were to finance the platform of the Western Rail Yard, the incremental cost of Bella Abzug Park Phase II that is not already represented in the HYIC Fiscal Year 2026 budget (collectively, the Incremental Projects), debt service on incremental HYIC bonds and payments to the MTA (which are not included in projections contained here) could reduce residual revenues projected to flow through to the City’s General Fund. The Western Rail Yard School is already included in the SCA Capital Plan and expected to be financed with bond proceeds, so there is no material incremental impact to the City’s budget whether the project is financed with HYIC, GO or TFA bonds. In total, the Office of the Comptroller estimates approximately \$2.2 billion of bonds are required to finance the cost of the Incremental Projects (see Table 3).

To estimate the debt service of HYIC financing the Incremental Projects, the Office of the Comptroller has structured two scenarios: i) a bond sale that is structured similarly to the HYIC’s original Fiscal Year 2007A transaction (Interest Only) and ii) a transaction that begins to amortize principal and have level debt service requirements in Fiscal Year 2029 and beyond – similar to a traditional GO or TFA FTS transaction.

⁶ [HYIC Board of Directors Meeting, May 12, 2025](#)

⁷ [NYC School Construction Authority FY2025-2029 Five-Year Capital Plan Proposed Amendment, February 2025](#)

The Interest Only scenario has debt service requirements of \$65 million in Fiscal Year 2027, increasing to \$131 million annually in Fiscal Year 2028 and beyond. The Level Debt Service scenario has debt service of \$65 million in Fiscal Year 2027, \$131 million in Fiscal Year 2028, but increases and to \$163 million annually in Fiscal Year 2029 and beyond, once principal starts to amortize.

Construction projects of this size are subject to substantial risk of cost overruns, such as inflation, construction cost and acquisition cost risks, so each scenario also includes debt service for 10% and 20% cost overruns for each project. Table 3 shows projected annual debt service for each scenario as base case, as well as a 10% and 20% cost overrun for each scenario. For each 10% cost overrun the Interest Only scenario's debt service requirement increases \$14.5 million annually and the Level Debt Service scenario's debt service requirement increases \$19.0 million annually.

Table 3. HYIC Incremental Debt Service Expense Scenarios

Interest Only Scenario				Level Debt Service Scenario			
(\$ in millions)	Incremental Issuance	10% Cost Overrun	20% Cost Overrun	(\$ in millions)	Incremental Issuance	10% Cost Overrun	20% Cost Overrun
Wester Railyard Platform	\$2,000	\$2,200	\$2,400	Wester Railyard Platform	\$2,000	\$2,200	\$2,400
Bella Abzug Park Phase II	\$180	\$237	\$294	Bella Abzug Park Phase II	\$180	\$237	\$294
Total Par	\$2,180	\$2,437	\$2,694	Total Par	\$2,180	\$2,437	\$2,694

Projected Debt Service				Projected Debt Service			
FY 2027	\$65	\$73	\$81	FY 2027	\$65	\$73	\$81
FY 2028	\$131	\$146	\$162	FY 2028	\$131	\$146	\$162
FY 2029	\$131	\$146	\$162	FY 2029	\$163	\$182	\$201
Max Annual Debt Service	\$131	\$146	\$162	Max Annual Debt Service	\$163	\$182	\$201

Source: New York City Office of the Comptroller

Note: Totals may not add due to rounding.

It is expected that continued investment in the HYFD will deliver incremental long term economic benefits to the City and the City's General Fund, but those benefits are unknown at this time. The initial years of new development are not likely to generate any material revenue so all incremental debt service and payments to the MTA (which are not included in the estimates) will reduce residual revenues that flow through to the City's General Fund.

Other Issuing Entities

In addition to the financing mechanisms cited above, several independent entities issue bonds to finance infrastructure projects in the City and throughout the metropolitan area. The two largest issuers are NYC Municipal Water Finance Authority (NYW) and the New York State Metropolitan Transportation Authority (MTA). Bond proceeds from these entities are used to support capital projects that serve NYC residents. The outstanding indebtedness of these two authorities is summarized in Tables 4 and 5.

New York City Municipal Water Finance Authority

Created by State law in 1984, NYW's purpose is to finance the capital needs and provide funding for the City's water and sewer system which is operated by the New York City Department of Environmental Protection (DEP). Examples of such projects are the construction, maintenance and repair of sewers, water mains, and water pollution control plants. Avoiding the need to build water filtration plants for upstate watersheds continues to be a high priority for DEP. Land acquisition strategies along with conservation-focused local development help the goal of preserving water quality.

Capital commitments, and by extension, projected borrowing continues to be a driver of water and sewer rate increases over the Financial Plan period and the recent re-introduction of the Base Rental Payment will impact water and sewer rates for the foreseeable future. In Fiscal Year 2025, the City requested a base rental payment of \$289 million, which represents the maximum annual rental payment. The City's Fiscal Year 2026 Adopted Budget and June Financial Plan reflects the intent to request the annual base rental payment. Projected base rental payments in Fiscal Year 2026 through 2030 are \$295.8 million, \$308.7 million, \$344.2 million, \$367.9 million, and \$396.0 million, respectively. These amounts reflect the City's intent to request the maximum annual rental payment based on NYW's debt service projections. Base rental payments are subordinate to required daily deposits for Authority expenses, NYW debt service payments, Water Board expenses, and the City's water and sewer system's operation and maintenance expenses.

As shown in Table 4, NYW had \$33.5 billion in debt outstanding as of June 30, 2025, an increase of \$927 million, or approximately 2.8 percent, from Fiscal Year 2024. Debt issued by NYW is supported by fees and charges for the use of services provided by the system.

Table 4. NYW Debt Outstanding as of June 30, 2025

(\$ in millions)	Tax Exempt and Taxable
Fixed Rate	\$29,383
Variable Rate	\$3,877
Bond Anticipation Notes	\$242
Total	\$33,502

Source: NYW Fiscal Year 2025 Financial Statements

Note: Totals may not add due to rounding.

The Metropolitan Transportation Authority

The MTA, a State controlled authority, is composed of six major agencies providing transportation throughout the metropolitan area. The MTA is responsible for the maintenance and operation of the New York City Transit bus and subway system as well as the Long Island and Metro-North Railroads and various bridges and tunnels.

Debt issued to fund the MTA's capital program is secured by several revenue sources: revenues from system operations, surplus MTA Bridges and Tunnels revenue, State and local government funding, and certain taxes imposed in the metropolitan commuter transportation mobility tax district, which includes the counties of New York, Bronx, Kings, Queens, Richmond, Rockland, Nassau, Suffolk, Orange, Putnam, Dutchess, and Westchester.

The City also contributes to the MTA's capital program. In Fiscal Year 2025 the City contributed \$242 million of capital to the MTA and, as of the Fiscal Year 2026 September Capital Commitment Plan, is projected to contribute \$417 million in Fiscal Year 2026 and \$400 million annually in Fiscal Years 2027 through 2029.

In 2019, the State enacted the MTA Reform and Traffic Mobility Act, which states that the MTA's Triborough Bridge and Tunnel Authority needs to design, develop, build, and run the Central Business District (CBD) Tolling Program (also known as Congestion Pricing). The CBD Tolling Program along with the 2019 Real Estate Transfer Tax and Internet Sales Taxes aim to provide a stable and recurring source of support to finance the MTA's capital program needs. These initiatives were expected to fund approximately \$25.0 billion of capital projects over the 2020-2024 Capital Plan period and subsequent capital programs, including the \$68.4 billion 2025-2029 Capital Plan.

The implementation of the CBD Tolling Program was paused just prior to the June 30, 2024, effective date. On November 14, the Governor announced a plan to restart the CBD Tolling Program which was approved by the MTA board and the Federal Highway Administration later in the month. Congestion pricing was implemented in January 2025 at the toll levels approved in November 2024, which the MTA plans to increase through 2031 and are expected to fund \$15 billion of capital.

On October 29, 2025, the MTA finance committee approved the Congestion Relief Zone (CRZ) Toll Revenue Obligation resolution, which authorized the MTA’s Triborough Bridge and Tunnel Authority (TBTA) to issue notes and bonds secured by the CRZ revenues. Pending the MTA’s Capital Program Review Board (CPRB) approval, the TBTA expects to issue bonds and notes over several years to match the MTA’s capital needs and will seek board approval annually, as part of the regular debt authorization process.

As shown in Table 5, on September 25, 2025, the MTA had \$50.4 billion of debt outstanding.

Table 5. MTA Debt Outstanding as of September 25, 2025

(\$ in millions)	Tax Exempt and Taxable
Fixed Rate	\$47,359
Variable Rate ^a	\$3,039
Total	\$50,398

Source: Metropolitan Transportation Authority “Summary of Debt Outstanding” dated September 25, 2025

(a) Variable rate included \$1.90 billion of synthetic fixed rate bonds.

New York City Health and Hospitals Corporation

New York City Health and Hospitals Corporation (NYCHH) has issued its own debt to fund capital improvements. These include the construction, renovation, improvement, and reconfiguration of NYCHH facilities and the acquisition and installation of machinery and equipment at NYCHH facilities. NYCHH debt is generally secured by all revenues, income, and receipts received by NYCHH, its providers, or HHC Capital with respect to the operation of the health system. A substantial portion of such monies are derived from Medicaid payments due to its providers. Of particular note, NYCHH bonds are secured by a reserve fund which, if unable to be replenished subsequent to a draw on NYCHH revenues, is to be replenished by City monies as certified by NYCHH to the City, subject to City appropriation. To date, the City has not been called upon to make such a payment. As of June 30, 2025, NYCHH had \$359 million bonds outstanding.

On August 27, 2025, NYCHHC issued \$242.9 million Series 2025A bonds for capital purposes, marking its first bond issuance transaction since January 2, 2021.

Analysis of Principal and Interest among the Major NYC Issuers

The two major types of debt that finance City capital projects outside the water and sewer system are NYC GO and TFA FTS bonds. TSASC bonds and TFA BARBs are smaller components of debt outstanding and there are no plans for future issuance of either credit to raise proceeds for capital needs. As a result, any debt for new capital needs is expected to be a mix of GO and TFA FTS bonds. Combined debt outstanding for GO, TFA and TSASC, by Fiscal Year, is shown in Table 6:

Table 6. Projected Combined NYC Debt Outstanding Fiscal Years 2025 through 2035

Projected Combined NYC Debt Outstanding for GO, TFA, and TSASC, Fiscal Year 2025 – Fiscal Year 2035 (\$ in millions)						
Fiscal Year End	GO	TFA-FTS	TFA-BARBs	TSASC	Total	Percent Change
2025	\$46,721	\$55,557	\$7,456	\$879	\$110,612	10.36% ^a
2026	\$51,515	\$59,777	\$7,232	\$854	\$119,378	7.92%
2027	\$56,192	\$64,577	\$6,821	\$827	\$128,417	7.57%
2028	\$61,014	\$69,557	\$6,479	\$800	\$137,850	7.35%
2029	\$65,894	\$74,613	\$6,134	\$773	\$147,414	6.94%
2030	\$70,869	\$79,559	\$5,771	\$744	\$156,944	6.46%
2031	\$75,405	\$83,931	\$5,290	\$716	\$165,343	5.35%
2032	\$78,845	\$87,402	\$4,856	\$689	\$171,792	3.90%
2033	\$81,516	\$89,771	\$4,403	\$662	\$176,351	2.65%
2034	\$83,024	\$90,979	\$3,925	\$635	\$178,563	1.25%
2035	\$83,825	\$91,384	\$3,424	\$609	\$179,242	0.38%

Source: New York City Office of the Comptroller based on future borrowing assumptions from Fiscal Year 2025 Adopted Budget

Note: Totals may not add due to rounding.

(a) Based on \$100.228 billion debt outstanding on June 30, 2024.

Based on NYC Office of Management and Budget (OMB) forecasts, the outstanding debt is expected to grow at an annual average rate of 5.5 percent between Fiscal Year 2025 and Fiscal Year 2035, as shown in Table 6. Projected average annual growth rate in the first half of the current Financial Plan period (Fiscal Year 2025 through Fiscal Year 2029) is approximately 7.4 percent and average annual growth beyond the Financial Plan period is approximately 3.3 percent. This bifurcation in growth is primarily due to relative uncertainty of capital project specifics in the later years. Projected rates of growth are likely to change as more detailed plans are formulated in the future.

Borrowing is projected to average \$12.7 billion annually according to OMB's Fiscal Year 2026 to Fiscal Year 2035 capital cash flow estimates. This represents an increase of approximately \$800 million annually from the Fiscal Year 2025 to Fiscal Year 2035 capital cash flow estimates projected in the Fiscal Year 2026 Adopted Budget.

The combined principal and interest composition for GO, TFA FTS, TFA BARBs and TSASC debt service is shown in Table 7:

Table 7. Estimated Principal and Interest Payments for GO, TFA FTS, TFA BARBs and TSASC Inc. as of June 30, 2025

(\$ in millions)	Projected Principal					Projected Interest						
Fiscal Year	GO	TFA FTS	TFA BARBs	TSASC	Total Principal	GO	TFA FTS	TFA BARBs	TSASC	Total Interest	Total Debt Service	Principal as % of Total
2026	\$2,406	\$1,780	\$231	\$25	\$4,441	\$2,232	\$2,703	\$349	\$44	\$5,327	\$9,768	45.46%
2027	\$2,324	\$2,224	\$318	\$27	\$4,892	\$2,594	\$2,779	\$335	\$43	\$5,750	\$10,642	45.97%
2028	\$2,494	\$2,370	\$357	\$27	\$5,248	\$2,899	\$3,184	\$317	\$41	\$6,442	\$11,691	44.89%
2029	\$2,620	\$2,481	\$374	\$27	\$5,502	\$3,211	\$3,567	\$302	\$40	\$7,120	\$12,621	43.59%

Source: New York City Office of the Comptroller based on future borrowing assumptions from Fiscal Year 2026 Adopted Budget

Note: Totals may not add due to rounding.

Based on existing debt outstanding and projected borrowing assumptions in the Fiscal Year 2026 Adopted Budget, estimated principal payments in Fiscal Years 2026, 2027, 2028 and 2029 are \$4.4 billion, \$4.9 billion, \$5.2 billion and \$5.5 billion, respectively. Principal is estimated to be 45.5 percent, 46.0 percent, 44.9 percent, and 43.6 percent share of debt service in Fiscal Years 2026, 2027, 2028 and 2029, respectively.

Fiscal Year 2025 Issuance

In Fiscal Year 2025, the City issued a combined ten GO and TFA FTS new money transactions, totaling \$15.5 billion, which raised more than \$16.2 billion for new money purposes to finance capital projects. The City also issued five refunding transactions that generated \$593 million of debt service savings over the life of the bonds.

Finally, the City converted \$139 million of GO bonds between variable and fixed rate interest modes. The conversion did not generate proceeds for new capital projects and did not produce any savings or dissavings over the life of the bonds.

There were no TFA BARBs or TSASC financing activity in Fiscal Year 2025.

Fiscal Year 2025 Principal Outstanding and Amortization

GO debt outstanding totaled \$46.7 billion at the end of Fiscal Year 2025. Of the debt outstanding, \$21.3 billion, or approximately 45.6 percent, will mature over the next ten years.

TFA FTS and TFA BARBs debt outstanding totaled \$63.0 billion at the end of Fiscal Year 2025. Of the TFA debt currently outstanding, \$26.1 billion, or approximately 41.4 percent, will mature over the next ten years.

Overall, \$47.3 billion, or approximately 43.2 percent, of GO and TFA debt outstanding at the end of Fiscal Year 2025 is scheduled to amortize between Fiscal Year 2026 through and including Fiscal Year 2035, as shown in Table 8:

Table 8. Amortization of Principal GO, TFA and TSASC as of June 30, 2025

Fiscal Years (\$ in millions)	GO	TFA FTS	TFA BARBs	GO and TFA	Percent of Total	TSASC	Grand Total
2026-2035	\$21,284	\$22,034	\$4,032	\$47,349	43.15%	\$270	\$47,619
2036-2045	\$15,893	\$23,807	\$3,120	\$42,821	39.02%	\$334	\$43,155
2046 and After	\$9,544	\$9,716	\$304	\$19,564	17.83%	\$275	\$19,839
Total	\$46,721	\$55,557	\$7,456	\$109,734	100.00%	\$879	\$110,613

Source: Annual Comprehensive Financial Report of the Comptroller for the Fiscal Year Ended June 30, 2025, TFA Fiscal Year 2025 Financial Statements and TSASC Inc. Fiscal Year 2025 Financial Statements

Note: Totals may not add due to rounding.

III. Debt-Incurring Power

This section of the report provides a description of the City’s general debt limit and estimates of its remaining debt-incurring power after the subtractions of indebtedness through Fiscal Year 2029. Pursuant to Section 135 of the NYS Local Finance Law, in general terms, indebtedness is defined as the sum of GO bonds, TFA Future Tax Secured bonds outstanding in excess of \$30.5 billion (as of July 1, 2025), and capital commitments entered into but not financed with bond proceeds.⁸

In conformance with Section 232 of the NYC Charter, the Comptroller’s Office prepares a table (Table 1 in the Executive Summary and Table 10 below) detailing the City’s debt-incurring power using the prescribed beginning-of-fiscal-year method. Within a Fiscal Year, this method results in the highest amount of debt-incurring power because it coincides with the timing of the appropriation of GO principal. For this reason, this section also provides estimates of debt-incurring power at the end of the fiscal Year, which generally marks the annual low point of debt-incurring power. The section also includes a projection of the City’s remaining debt-incurring power margin through Fiscal Year 2035. Except where otherwise noted, the estimates in this section are derived from the May 2025 Capital Commitment Plan. Estimates based on the September 2025 Capital Commitment Plan are available in Section V of this report.

The General Debt Limit

The New York State Constitution, Article VIII, sets limits to the amount of indebtedness of local governments (counties, cities, towns, villages, and school districts). Because, unlike New York City, local governments generally rely on the property tax as their main source of tax revenue, the value of the real estate within their jurisdictions represents a measure of the capacity to repay debt. Debt limits are set as a percentage of the five-year rolling average of the “full valuation of taxable real estate” (FV). In New York City, FV is derived from two sources: the City’s Department of Finance (DOF) Taxable Billable Assessed Value (TBAV) and the New York State Office of Real Property Tax Services (ORPTS) special equalization ratio. The formula is:

$$\text{Full Valuation of Taxable Real Estate} = \frac{\text{Taxable Billable Assessed Value}}{\text{Special Equalization Ratio}}$$

New York City’s general debt limit (also referred to here as debt-incurring power) equals 10 percent of the five-year rolling average of FV. Because FV is an underestimate of the value of New York City real estate and because it disregards the City’s diversified tax revenue structure, the Constitutional debt limit does not fully reflect the City’s ability to assume and service debt to finance capital assets.

⁸ In July 2009, the State Legislature authorized the issuance of TFA Future Tax Secured bonds above the \$13.5 billion authorization, with the condition that this debt would be counted against the general debt limit. This was later statutorily increased to \$21.5 billion and then \$27.5 billion in 2024 and raised to the current \$30.5 billion in 2025.

The New York City Council determines (“fixes”) the annual property tax rates upon approval of the City’s budget, pursuant to section 1516 of the City Charter. The so-called “tax fixing” resolution contains the calculations for the debt limit effective in the upcoming Fiscal Year. Table 9 contains the data for Fiscal Year 2026.

Table 9. Calculation of the Fiscal Year 2026 General Debt Limit

Fiscal Year	Assessed Valuation of Taxable Real Property	Special Equalization Ratio	Full Valuation of Taxable Real Estate
2022	\$257,560,316,555	0.2027	\$1,270,647,836,976
2023	\$275,614,595,502	0.2044	\$1,348,408,001,478
2024	\$287,719,502,079	0.2112	\$1,362,308,248,480
2025	\$300,109,002,061	0.2045	\$1,467,525,682,450
2026	\$309,180,886,967	0.1955	\$1,581,487,912,875
5-Year Average Value			\$1,406,075,536,452
10 Percent of the 5-Year Average			\$140,607,553,645

Source: Derived from official New York City Council Tax Resolutions adopted with respect to Fiscal Year 2026

Taxable Billable Assessed Value and Special Equalization Ratio

The Taxable Billable Assessed Value (TBAV) is determined by the City’s Department of Finance (DOF) through the annual assessment process, which follows several steps, as determined by statute and outlined below:⁹

1. Classification of property into one of four classes.
2. Estimation of DOF market value.
3. Derivation of assessed values using assessment ratios.
4. Derivation of TBAV by applying assessed value caps, phase-ins, and exemptions.

⁹ For an overview of the steps involved in the calculation process, see the [Preliminary Report](#) from the NYC Advisory Commission on Property Tax Reform.

NYC’s DOF publishes a preliminary estimate of assessed values (“tentative assessment roll”) for the following Fiscal Year in January and a final estimate (“final assessment roll”) in May. In this report, the forecast of TBAV is based on the Fiscal Year 2026 final assessment roll and is consistent with the property tax revenue estimate published in [Comments in NYC’s FY 2026 Adopted Budget](#). A description of the methodology is included in the Appendix.

Under NYS Real Property Tax Law [Article 12-A](#) (sections 1250 through 1254), a special equalization ratio is required for cities with a population of 125,000 or more. As shown in Table 9, each year ORPTS publishes five ratios for the calculation of the debt limit. The ratios are based on the last completed assessment roll. This office has published an [in-depth analysis](#) of special equalization ratios, detailing how they are constructed and the resulting undervaluation of New York City taxable real estate.

The forecast of the debt limit relies on a forecast of TBAV and special equalization ratios and is described in the Appendix.

Remaining Debt-Incurring Power as of July 1st

Table 10 summarizes the projected change in the City’s debt-incurring power, as of the beginning of Fiscal Years 2026 through 2029, as required by the City Charter. Based on the Office of the Comptroller’s projections as of the Fiscal Year 2026 Adopted Budget, the City’s Fiscal Year 2026 general debt-incurring power of \$140.6 billion is projected to increase to \$145.8 billion in Fiscal Year 2027, \$151.8 billion in Fiscal Year 2028 and \$158.6 billion in Fiscal Year 2029.

The City’s indebtedness counted against the statutory debt limit is projected to grow from \$96.3 billion at the beginning of Fiscal Year 2026 to \$131.7 billion by the beginning of Fiscal Year 2029. In April 2024, the TFA Act was amended to increase the total amount of TFA FTS bonds authorized to be outstanding above the City’s debt limit to \$21.5 billion beginning on July 1, 2024, and \$27.5 billion on July 1, 2025. In May 2025, the TFA Act was amended again to increase the amount of TFA FTS bonds outstanding excluded from the City’s debt limit by an additional \$3.0 billion increasing the total exemption to \$30.5 billion, effective July 1, 2025. Giving effect to the new TFA statutory exemption, the Office of the Comptroller projects remaining debt-incurring power of \$26.9 billion on July 1, 2028.

Table 10. Projected NYC Debt-Incurring Power as of July 1st

Date	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
Fiscal Year (\$ in billions)	2026	2027	2028	2029
Gross Statutory Debt-Incurring Power^a	\$140.6	\$145.8	\$151.8	\$158.6
General Obligation (GO) Bonds Outstanding as of July 1, 2025 plus projected bond issuance (net) ^b	\$46.6	\$51.4	\$56.1	\$60.9
Less: Appropriations for GO Principal	(\$2.4)	(\$2.3)	(\$2.5)	(\$2.6)
Less: Excluded Debt	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)
<u>Plus: Incremental TFA Bonds Outstanding Above Statutory Exemption^c</u>	<u>\$24.7</u>	<u>\$29.0</u>	<u>\$33.8</u>	<u>\$38.7</u>
Net Funded Debt Against the Limit	\$68.9	\$78.0	\$87.3	\$97.0
Plus: Contract and Other Liability	\$27.4	\$30.4	\$32.4	\$34.7
Total Projected Indebtedness Against the Limit	\$96.3	\$108.4	\$119.7	\$131.7
Remaining Debt-Incurring Power within General Limit	\$44.4	\$37.4	\$32.1	\$26.9
Remaining Debt-Incurring Power (%)	31.5%	25.7%	21.2%	16.9%

Source: New York City Office of the Comptroller and select information from the Fiscal Year 2026 Executive Capital Commitment Plan and the Fiscal Year 2026 Adopted Budget.

Note: Totals may not add due to rounding. The Statement of Debt Affordability published by OMB in May 2025 presents estimates for the last day of each fiscal year, which is June 30th. The Statement forecasts remaining debt-incurring power to be \$24.54 billion at the end of Fiscal Year 2026.

a New York City Office of the Comptroller projections as of the Fiscal Year 2026 Adopted Budget.

b Net adjusted for Original Issue Discount, GO bonds issued for the water and sewer system and Business Improvement District debt.

c As part of the NY State Fiscal Year 2024-2025 budget legislation, the TFA Act was amended to increase the amount of TFA Future Tax Secured (FTS) bonds outstanding excluded from the City's debt limit from \$13.5 billion to \$21.5 billion beginning on July 1, 2024, and \$27.5 billion beginning on July 1, 2025. As part of the NY State Fiscal Year 2025-2026 budget legislation, the amount of FTS bonds outstanding excluded from the City's debt limit was raised by an additional \$3.0 billion beginning July 1, 2025, increasing the total exemption to \$30.5 billion.

The City's remaining debt-incurring power, the difference between indebtedness (both contractual and funded by bond issuance) and the debt limit, is projected to decrease from \$44.4 billion at the beginning of Fiscal Year 2026 to \$26.9 billion at the beginning of Fiscal Year 2029. Remaining debt-incurring power as a percent of the debt limit is 31.5 percent on July 1, 2025, and is projected to decrease to 16.9 percent by July 1, 2028. Over this period, the debt limit is projected to grow at an average annual growth rate of 4.1 percent, while total indebtedness against the limit is projected to grow at an annual rate of 11.0 percent.

Remaining Debt-Incurring Power as of June 30th

At the beginning of a Fiscal Year, the remaining debt-incurring power reflects both changes in the debt limit and appropriations for GO bond principal payments. Over the course of the year, as capital contracts are entered into, the remaining debt-incurring power declines and reaches its minimum at the end of the Fiscal Year. Absent a decline in the debt limit, the remaining debt-incurring power increases at the beginning of the following year. Table 11 shows the projected debt-incurring power as of the end of the Fiscal Year through Fiscal Year 2029.

Using the Office of the Comptroller's projections as of the Fiscal Year 2026 Adopted Budget, projected remaining debt-incurring margin is expected to decline to \$13.8 billion by Fiscal Year 2029, or approximately 8.7 percent of the projected general debt limit. Again, the amount of debt-incurring power is buoyed by the increase of the TFA statutory exemption, which as of July 1, 2025, is \$30.5 billion.

Table 1111. Projected NYC Debt-Incurring Power as of June 30th

Date	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029
Fiscal Year (\$ in billions)	2026	2027	2028	2029
General Debt Limit (a)	\$140.6	\$145.8	\$151.8	\$158.6
Net GO Bonds Outstanding	\$51.4	\$56.1	\$60.9	\$65.8
Plus: TFA Bonds above Statutory Exemption	\$29.0	\$33.8	\$38.7	\$43.8
Less: Excluded Debt	(\$0.08)	(\$0.08)	(\$0.08)	(\$0.07)
Debt Applicable to the Limit (b)	\$80.3	\$89.8	\$99.6	\$109.5
Contractual liability, land, and other liabilities (c)	\$30.4	\$32.4	\$34.7	\$35.3
Total Indebtedness (d) = (b) + (c)	\$110.7	\$122.2	\$134.3	\$144.8
Remaining Debt- Incurring Power (a) - (d)	\$29.9	\$23.6	\$17.5	\$13.8
As a % of the General Debt Limit	21.3%	16.2%	11.5%	8.7%

Source: New York City Office of the Comptroller and select information from the Fiscal Year 2026 Executive Capital Commitment Plan and the Fiscal Year 2026 Adopted Budget. Note: Totals may not add due to rounding.

a New York City Office of the Comptroller projections as of the Fiscal Year 2026 Adopted Budget.

b Net adjusted for Original Issue Discount, GO bonds issued for the water and sewer system and Business Improvement District debt.

c As part of the NY State Fiscal Year 2024-2025 budget legislation, the TFA Act was amended to increase the amount of TFA Future Tax Secured (FTS) bonds outstanding excluded from the City's debt limit from \$13.5 billion to \$21.5 billion beginning on July 1, 2024, and \$27.5 billion beginning on July 1, 2025. As part of the NY State Fiscal Year 2025-2026 budget legislation, the amount of FTS bonds outstanding excluded from the City's debt limit was raised by an additional \$3.0 billion beginning July 1, 2025, increasing the total exemption to \$30.5 billion.

Debt-Incurring Power: June 30th and July 1st Comparison

Table 12 combines beginning- and end-of-Fiscal Year estimates to show how the remaining debt-incurring margin is depleted through the year by the issuance of debt and new contractual commitments that remain unfunded. For instance, in Fiscal Year 2026 the remaining debt-incurring power started at \$44.4 billion and is projected to decline to \$29.9 billion by June 30, 2026. These amounts capture the full amounts of TFA statutory exemption granted to the City in Fiscal Years 2024 and 2025. After July 1, 2025, there is no additional TFA statutory exemption granted to the City, therefore future debt-incurring power moving from June 30th to July 1st is a result of the increase of the debt limit and appropriation of funds for reimbursement of GO bond principal payments.

For example, additional debt-incurring power is created at the beginning of Fiscal Year 2027 by i) the increase of the debt limit from \$140.6 billion to \$145.8 billion and ii) by the appropriation of funds for the reimbursement of GO bond principal payments (the full amount of the appropriation, \$2.3 billion in this case, reduces outstanding debt on July 1st).

The Office of the Comptroller projects that the increases in debt-incurring power at the beginning of the Fiscal Years are smaller than the additional indebtedness incurred within each year. Therefore, the remaining debt-incurring power drops from Fiscal Year 2026 to Fiscal Year 2029.

Table 12. Comparison of Beginning-and End of Fiscal Year Estimates

Fiscal Year	2026			2027			2028			2029		
(\$ in billions)	Beg.	End	Change	Beg.	End	Change	Beg.	End	Change	Beg.	End	Change
Debt limit	\$140.6	\$140.6	\$0.0	\$145.8	\$145.8	\$0.0	\$151.8	\$151.8	\$0.0	\$158.6	\$158.6	\$0.0
Debt	\$68.9	\$80.3	\$11.4	\$78.0	\$89.8	\$11.8	\$87.3	\$99.6	\$12.3	\$97.0	\$109.5	\$12.6
Contracts not funded	\$27.4	\$30.4	\$3.0	\$30.4	\$32.4	\$2.0	\$32.4	\$34.7	\$2.4	\$34.7	\$35.3	\$0.5
Total Indebtedness	\$96.3	\$110.7	\$14.4	\$108.4	\$122.2	\$13.8	\$119.7	\$134.3	\$14.7	\$131.7	\$144.8	\$13.1
Remaining debt-incurring power	\$44.4	\$29.9	(\$14.4)	\$37.4	\$23.6	(\$13.8)	\$32.1	\$17.5	(\$14.7)	\$26.9	\$13.8	(\$13.1)

Source: New York City Office of the Comptroller and select information from the Fiscal Year 2026 Executive Capital Commitment Plan and the Fiscal Year 2026 Adopted Budget

Note: Totals may not add due to rounding.

Chart 1 shows the historical Fiscal Year-end debt-incurring margin as well as the Office of the Comptroller's projection of Fiscal Year-end debt-incurring margin through the end of Fiscal Year 2035 using select information from the Fiscal Year 2026 Adopted Budget and Fiscal Year 2026 September Capital Commitment Plan. From the end of Fiscal Year 2025 the debt limit is projected to grow at an annual average rate of 3.8 percent through the end of Fiscal Year 2035. This rate is below the average annual growth rate of 5.3 percent observed between Fiscal Year 2015 and

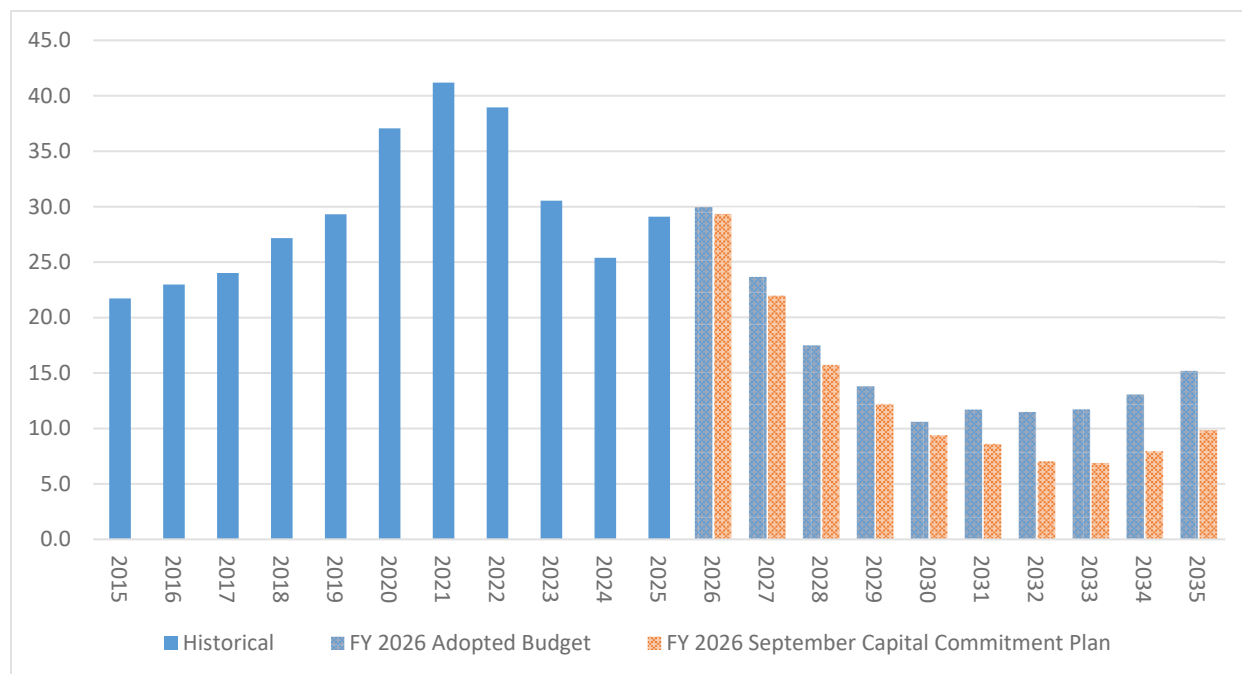
Fiscal Year 2024, and slightly above the annual growth rate of 2.7 percent observed since Fiscal Year 2021.

Assuming target commitments from the Fiscal Year 2026 Executive Capital Commitment Plan and debt issuance assumptions from the Fiscal Year 2026 Adopted Budget, remaining debt-incurring margin is projected to reach a low point of \$10.6 billion at the end of Fiscal Year 2030 before increasing the next two Fiscal Years to \$15.2 billion at the end of Fiscal Year 2035.

Subsequent to the Capital Commitment Plan released in May of this year, OMB released an updated plan in September which increased capital commitments. Assuming target commitments from the Fiscal Year 2026 September Capital Commitment Plan, and Office of the Comptroller's debt issuance assumptions, remaining debt-incurring margin is projected to be \$9.8 billion in Fiscal Year 2035, \$5.4 billion less than projected after the release of the Fiscal Year 2026 Adopted Budget. A more detailed discussion of the Office of the Comptroller's projections using the Fiscal Year 2026 September Capital Commitment Plan and its estimated financing amounts is discussed in Section V of this report.

The estimates do not factor in offsets from the issuance of premium bonds nor the City's capacity to issue debt that is not counted toward the limit through various entities, both of which alleviate the erosion of the remaining debt-incurring power.

Chart 1. Historical and Projected Debt-Incurring Power as of June 30th (\$ in billions)



Source: New York City Office of the Comptroller and select information from the Fiscal Year 2026 Adopted Budget and Fiscal Year 2026 September Capital Commitment Plan. Fiscal Years 2026 through 2035 are forecasts.

IV. Capital Commitments

Background

The Capital Commitment Plan published by NYC Office of Management and Budget is a compilation of estimated future contract obligations for all the City's new construction, physical improvements and equipment purchases that meet capital eligibility requirements. Capital commitments derive from awarded contracts registered with the Office of the Comptroller. Commitments increase indebtedness irrespective of whether expenditures are incurred, or bonds are issued to fund capital projects. The City's Capital Commitment Plan is updated three times a year. The Adopted Capital Commitment Plan is typically released in September (referred to as the September Plan) with updates included with the Preliminary Budget (typically released in January) and the Executive Budget (typically released in April).

A capital commitment refers to an encumbrance against a registered contract and does not represent a capital expenditure. Capital expenditures occur after a contract is registered, and the related spending against that contract can last several years. Capital expenditures are initially paid out of the General Fund and financing of capital projects takes place after spending occurs to reimburse the City's General Fund. The City does not finance individual projects in isolation; rather it finances portions of multiple projects simultaneously with each bond issuance.

Fiscal Year 2026 September Capital Commitment Plan

The City released the Fiscal Year 2026 September Capital Commitment Plan (CCP) on September 30, 2025. The Fiscal Year 2026 September CCP totals \$93.0 billion in all-funds authorized commitments over Fiscal Year 2026 through Fiscal Year 2029. The City-funded share totals \$88.8 billion. The City-funded portion of the Plan increased by \$5.7 billion (6.9 percent) from the Fiscal Year 2025 September CCP, which included planned commitments from Fiscal Year 2025 to Fiscal Year 2028. Non-City funding is comprised of state, federal, and private grants and accounts for only 4.5 percent of the latest plan.

Notably, the Fiscal Year 2026 September CCP, over the four-year period, includes just \$1.44 billion of the \$3.0 billion the City is required to contribute to the MTA's Fiscal Year 2025-2029 capital plan. As noted previously, the New York State FY 2026 Budget increased the amount of debt outstanding excluded from the Constitutional debt limit by \$3.0 billion to accommodate this mandated increase. The City also includes a planned \$360 million payment to the MTA in the City's Fiscal Year 2030. This, however, leaves \$1.2 billion of required capital commitments unaccounted for in the City's current capital plan.

As shown in Table 13, Education/CUNY, Housing & Economic Development, and Environmental Protection account for 57.8 percent of total planned commitments in the Fiscal Year 2026

September CCP. The significant increase in planned commitments for Housing & Economic Development since last year’s plan (\$2.4 billion or 16.6 percent) is driven by additional support for affordable housing, while the increase in planned funds for Environmental Protection is largely due to continued work on the Newtown Creek Combined Sewer Overflow (CSO) storage tunnel.

Table 13. September Capital Commitment Plan: Authorized City-Funded Capital Commitments, Fiscal Years 2026-2029

Categories (\$ in millions)	Planned Commitments	Percent Share of Total	Change from Fiscal Year 2025 September CCP ^a
Education/CUNY	\$17,694	19.9%	\$288
Housing & Economic Development	\$17,157	19.3%	\$2,445
Environmental Protection (DEP)	\$16,512	18.6%	\$2,855
Admin. of Justice	\$12,197	13.7%	\$710
DOT & Mass Transit	\$9,439	10.6%	\$971
Other City Operations	\$6,073	6.8%	(\$682)
Resiliency & Energy Efficiency, Technology, and Equipment	\$4,636	5.2%	(\$812)
Parks	\$3,201	3.6%	(\$29)
Hospitals	\$1,881	2.1%	\$4
Total	\$88,789	100.0%	\$5,748

Source: NYC Office of Management and Budget, Fiscal Year 2026 September Capital Commitment Plan and Fiscal Year 2025 September Capital Commitment Plan

Note: Projects that are funded through NYW do not count towards the City’s indebtedness. Totals may not add due to rounding.

^a The change is calculated across the full four-year plan period for both plans. The Fiscal Year 2026 September CCP runs from Fiscal Years 2026-2029, while the Fiscal year 2025 September CCP runs from Fiscal Years 2025-2028. While the Fiscal Years do not fully align, the number of years do.

Table 14 shows City-funded authorized commitments in the current and the last four adopted plans, net of DEP commitments, which are funded through City’s Water Authority and therefore do not count against the City’s indebtedness. Table 14 shows that in the current plan, total authorized commitments, net of DEP, increased by \$2.9 billion to \$72.3 billion compared with one year ago. This is a 4.2 percent increase, below the 10.7 percent year-over-year increase between the two prior years, Fiscal Year 2024 September CCP and Fiscal Year 2025 September CCP.

Table 14. Authorized Commitments, Net of DEP

September Adopted Commitment Plan	Authorized Commitments (\$ in billions)								
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Total
FY 2022 - 2025	\$17.8	\$17.5	\$15.3	\$13.9					\$64.6
FY 2023 - 2026		\$18.6	\$18.8	\$15.3	\$12.3				\$65.0
FY 2024 - 2027			\$18.7	\$16.8	\$13.7	\$13.5			\$62.7
FY 2025 - 2028				\$22.7	\$17.0	\$14.5	\$15.2		\$69.4
FY 2026 - 2029					\$25.2	\$16.6	\$16.5	\$13.9	\$72.3

Source: NYC Office of Management and Budget

Note: Excludes non-city funded planned commitments. Totals may not add due to rounding.

In each year of the plan, the City sets a “reserve for unattained commitments,” which assumes that projects will move more slowly 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 commitments,” which is authorized commitments reduced by the “reserve for unattained commitments.” After adjusting for the reserve for unattained commitments of \$10.2 billion, total City-funded commitments (target commitments) including DEP total \$78.6 billion over the Fiscal Year 2026 September CCP. Net of DEP, target City-funded commitments in the current plan total \$64.3 billion, an increase of \$3.1 billion from the Fiscal Year 2025 September CCP, as shown in Table 15. Net of DEP, the Fiscal Year 2026 September CCP projects an average of \$16.1 billion over the four-year plan period – a \$766 million increase from the previous September CCP. Like recent plans, City-funded target commitments are evenly distributed over the four-year plan period, with 25.5 percent of commitments planned for the first year.

Table 15. Target Commitments, Net of DEP

September Adopted Commitment Plan	Target Commitments, Net of DEP (\$ in billions)								
	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Total
FY 2022 - 2025	\$11.6	\$15.4	\$15.4	\$14.4					\$56.8
FY 2023 - 2026		\$12.1	\$16.5	\$15.7	\$13.5				\$57.7
FY 2024 - 2027			\$12.1	\$15.2	\$14.2	\$13.8			\$55.3
FY 2025 - 2028				\$14.8	\$16.2	\$15.1	\$15.1		\$61.2
FY 2026 - 2029					\$16.4	\$16.5	\$16.5	\$14.8	\$64.3

Source: NYC Office of Management and Budget

Note: Excludes non-city funded planned commitments. Totals may not add due to rounding.

Table 16 shows the Office of the Comptroller’s projected gross additions to indebtedness based on the Fiscal Year 2026 September CCP.¹⁰ Gross additions are target commitments plus other minor components (inter-fund agreements and the cost of bond issuance) as estimated by OMB, with Office of the Comptroller estimated adjustments to account for bond premiums and the Office’s higher capital commitment estimates.

Projected variance of actual commitments is the difference between the Office of the Comptroller’s target commitment estimations and OMB’s target commitments. Based on the growth of historical actual commitments, the Comptroller’s Office estimates that the City could commit upwards of \$13.3 billion more than the OMB estimated target. Represented as actual commitments as a share of target commitments, or the “commitment achievement rate”, this rate would result in a 120.7 percent commitment achievement rate over the four-year plan period. A further description of the methodology used to calculate the commitment achievement rate is included in the Appendix.

As discussed in greater detail in the “NYC Debt Affordability Analysis” that appears in Section V of this report, a sustained variance between actual and forecasted commitments (the achievement rate) impacts debt-incurring power and debt affordability unless preventative measures are taken. In fact, a sustained 110.0 percent capital commitment achievement rate is projected to exceed the debt limit as early as Fiscal Year 2031.

The premium generated from bond sales is an offset to indebtedness that is also not included in the estimate of remaining debt-incurring power. The City generally sells premium coupon bonds, meaning the purchase price is greater than par due to the bond’s coupon being higher than current market interest rates. As shown in Table 16, an assumed average issue premium of 5.0 percent could lessen the impact of projected debt issuance on debt-incurring power by \$2.8 billion by Fiscal Year 2029. Bond premium potentially provides near-term debt limit relief, but

¹⁰ The projections of indebtedness in this report do not include an estimate of lapsed contractual obligations, which would reduce indebtedness. This is because the lapsed amount was both relatively small and volatile.

continued commitment achievement rates above target commitments are not sustainable given current projections.

Table 16. Projected Gross Additions to Indebtedness Fiscal Year 2026 to Fiscal Year 2029, as of September Capital Plan

(\$ in billions)	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Total
Target commitments (a)	\$16.4	\$16.5	\$16.5	\$14.8	\$64.3
Inter-fund agreements and cost of issuance (b)	\$0.5	\$0.5	\$0.5	\$0.5	\$2.0
Gross additions to indebtedness (c) = (a) + (b)	\$16.9	\$17.1	\$17.1	\$15.4	\$66.3
Projected variance of actual commitments (d)	\$1.5	\$2.3	\$3.4	\$6.1	\$13.3
Assumed bond premium offset (e)	(\$0.7)	(\$0.7)	(\$0.7)	(\$0.8)	(\$2.8)
Restated gross additions to indebtedness (c) + (d) + (e)	\$17.7	\$18.7	\$19.7	\$20.7	\$76.8

Source: New York City Office of the Comptroller, NYC Office of Management and Budget

Note: Totals may not add due to rounding.

V. Debt Burden and Affordability of NYC Debt

This section presents measures to assess the size of the City's debt burden and its affordability. No single measure completely captures debt affordability; hence the Office of the Comptroller employs several measures that can be used to assess a locality's debt burden. The first portion of this section provides several measures: outstanding debt as a share of personal income, debt service as a share of local tax revenues, and debt service as a share of total revenues. The Office of the Comptroller then presents a comparison of key debt affordability measures for three of these measures and comparisons with a peer group of other jurisdictions. The section concludes with an analysis of how various capital commitment achievement rates (or the percent of target commitments actually committed) applied to the Fiscal Year 2026 September Capital Commitment Plan and projected related borrowing could impact remaining debt-incurring power and overall debt affordability.

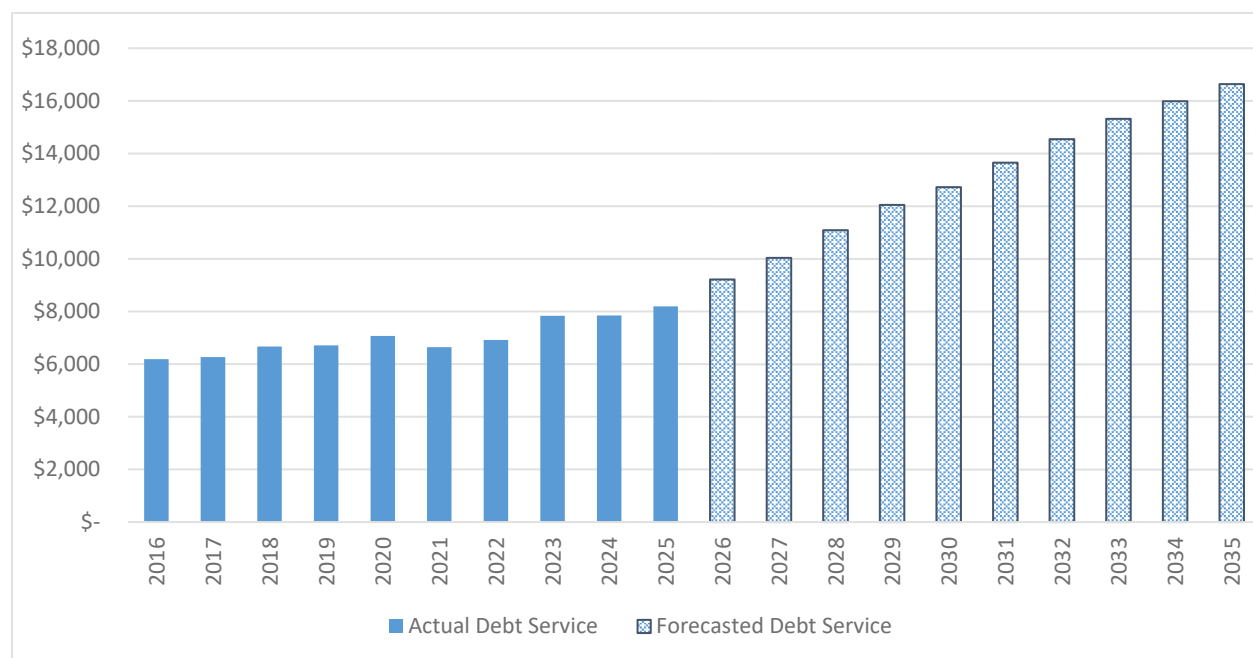
Upon release of the Fiscal Year 2026 Adopted Budget in June of Fiscal Year 2025, the City, through its GO and TFA FTS credits, was projected to borrow (issue) an average of \$14.2 billion annually between Fiscal Year 2026 through Fiscal Year 2029, with the greatest estimated borrowing of \$15.0 billion expected to occur in Fiscal Year 2029. The Fiscal Year 2026 September Capital Commitment Plan increased capital commitments through the Fiscal Year 2026 – 2029 plan period relative to the previous CCP, the Fiscal Year 2025 May CCP. The Office of the Comptroller projects this will increase the amount of debt issuance over the same period.

This level of borrowing, if fully executed, may put increased pressure on the operating budget in the event that tax revenues are lower and do not meet the Financial Plan's expectations. In addition, there may be pressure on the City's remaining debt-incurring power after Fiscal Year 2029 when capacity is projected to be lower than during the Financial Plan period.

Using updated commitment projections from the Fiscal Year 2026 September Capital Commitment Plan, the Office of the Comptroller projection for debt service on GO and TFA FTS bonds grows at a compounded annual rate of 6.7 percent from Fiscal Year 2025 to Fiscal Year 2035, to \$16.7 billion by Fiscal Year 2035, as illustrated in Chart 2.

It is worth noting that the rate of growth could be slower as the projection incorporates conservative long-term bond interest rate assumptions and does not consider the likelihood of refunding issues and/or lower than projected capital commitment (contract registration) rates. However, should future capital commitments increase, be incurred more quickly than projected, or actual disbursements relative to the expected timeline accelerate, debt service could grow faster than currently projected.

Chart 2. Debt Service, Fiscal Year 2016 - Fiscal Year 2035 (\$ in millions)



Source: Annual Comprehensive Financial Reports of the New York City Office of the Comptroller, Fiscal Years 2011 through 2025. In this measure of debt service, the New York City Office of the Comptroller includes servicing for GO, TFA FTS, Lease Purchase, and Net-Equity Contribution Adjustments. These are adjusted for prepayment. Note: Fiscal Years 2011 – 2025 are actuals. Fiscal Years 2026 – 2035 are forecasts.

Debt Burden

NYC debt outstanding, which the Office of the Comptroller calculates here as the sum of outstanding GO, TFA-FTS, TFA-BARBs, and TSASC debt, has increased from \$83.6 billion to \$110.6 billion, or 32.3 percent, from Fiscal Year 2016 through Fiscal Year 2025.^{11 12} Over this same period, NYC personal income grew by an estimated 44.7 percent,^{13 14} NYC local tax revenues by 49.9 percent, and total revenues (including state and federal contributions) by 47.1 percent.

¹¹ The debt outstanding figures are from the Annual Comprehensive Financial Report Fiscal Years 2016 through 2025. They are at par value, excluding the impact of premiums/discounts.

¹² This calculation of debt outstanding does not include lease obligations as GASB 87 accounting standards changed in 2022 that significantly shifted how lease obligations are calculated. Its inclusion would result in a dramatic shift in debt outstanding as a percent of personal income beginning in Fiscal Year 2022. Debt outstanding figures also do not include the debt of the NYW and the MTA.

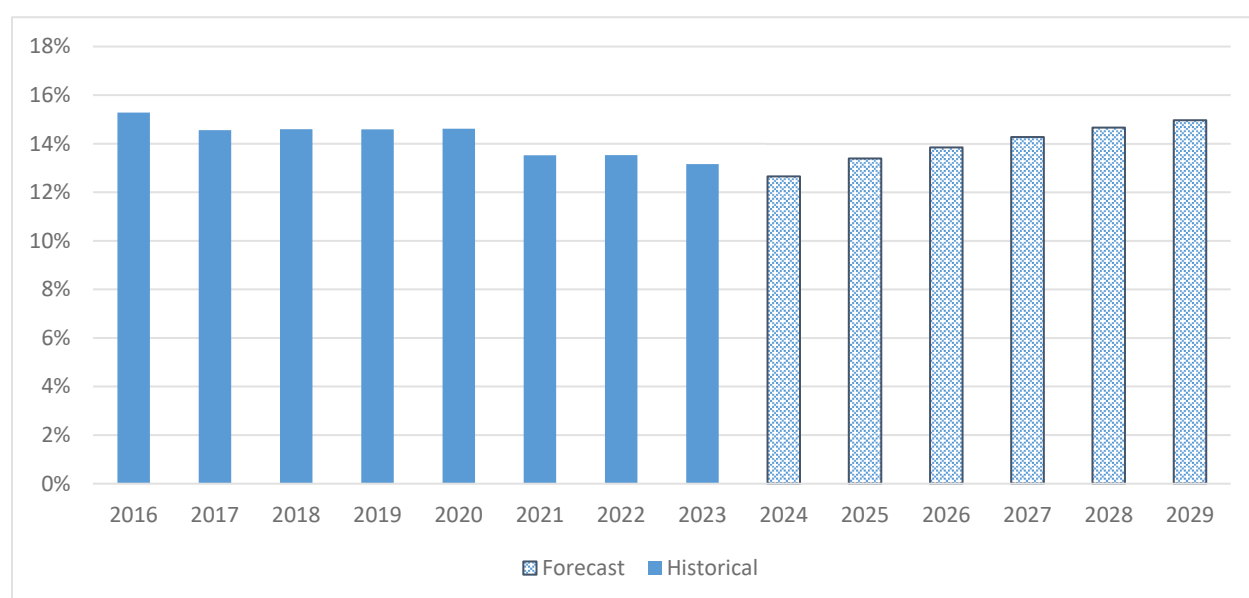
¹³ Calculation for Personal Income uses data from the calendar year ending during the respective fiscal year, Bureau of Economic Analysis, US Department of Commerce.

¹⁴ Due to a lapse in Federal government funding, actual personal income numbers are only available through 2023. Fiscal Year 2024 numbers are Office of the Comptroller projections.

Debt Outstanding as a Percent of Personal Income, Fiscal Year 2016 – Fiscal Year 2029

One measure of debt affordability is debt outstanding as a share of personal income. Chart 3 illustrates the historical and projected trend of gross debt outstanding as a share of personal income from Fiscal Year 2016 to Fiscal Year 2029. This ratio has remained relatively steady over the historical period, ranging from a high of 15.3 percent in 2016 to a low of 12.7 percent projected in Fiscal Year 2024.

Chart 3. NYC Debt Outstanding as a Share of Personal Income, Fiscal Year 2016 – Fiscal Year 2029



Source: Bureau of Economic Analysis, US Department of Commerce, Fiscal Years 2016 through 2023; Office of the Comptroller's Debt Service and Tax Revenue Forecasts

Note: Fiscal Years 2016 - 2023 are actuals. Fiscal Years 2024 - 2029 are projected.

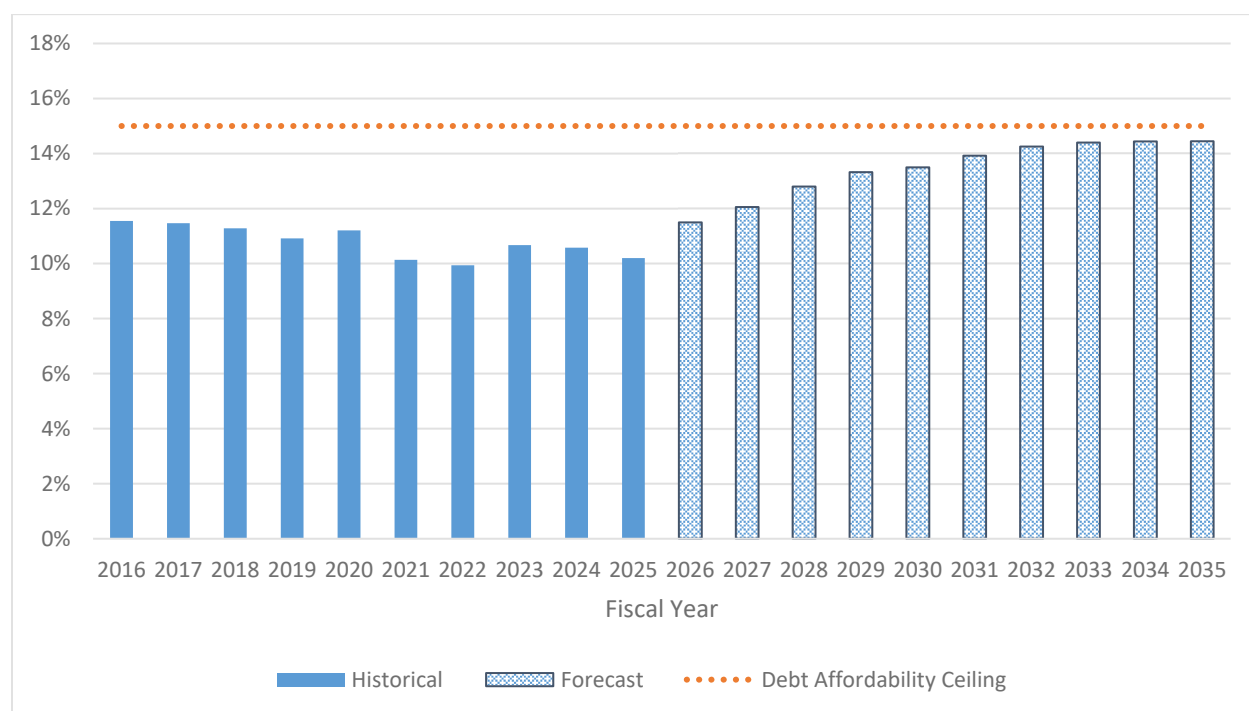
NYC Debt Service as a Percent of Tax Revenues

Another measure of debt affordability is annual debt service expressed as a share of annual local tax revenues. This measure shows the pressure that debt service exerts on a municipality's locally generated revenues. Oversight entities consider debt unaffordable once it exceeds 15 percent of tax revenue. New York City has not breached this measure of affordability since 2002. Chart 4 shows debt service as a share of tax revenues since 2016, when debt service was 11.5 percent of tax revenue. This measure has since generally trended downwards, reaching a low of 9.9 percent in Fiscal Year 2022, before increasing slightly to 10.2 percent in Fiscal Year 2025. This was a small decrease of 0.4 percentage points since Fiscal Year 2024 due to a significant 8.3 percent year-over-year jump in tax revenues. In this measure of debt service, the Office of the Comptroller

includes funding for GO, TFA FTS, Lease Purchase, and Net-Equity Contribution Adjustments. These are adjusted for prepayment.

Debt service as a share of tax revenues is projected to climb each year of the four-year Fiscal Year 2026 September CCP, reaching 13.3 percent in Fiscal Year 2029. Debt service as a share of tax revenues is projected to continue rising to 14.4 percent by Fiscal Year 2033, where it is projected to remain through Fiscal Year 2035. This is driven by estimated 6.9 percent compounded annual growth of debt service from Fiscal Year 2026 to Fiscal Year 2029 compared to 3.0 percent compounded annual growth of local tax revenues over the same period.

Chart 4. NYC Debt Service as a Percent of Tax Revenues



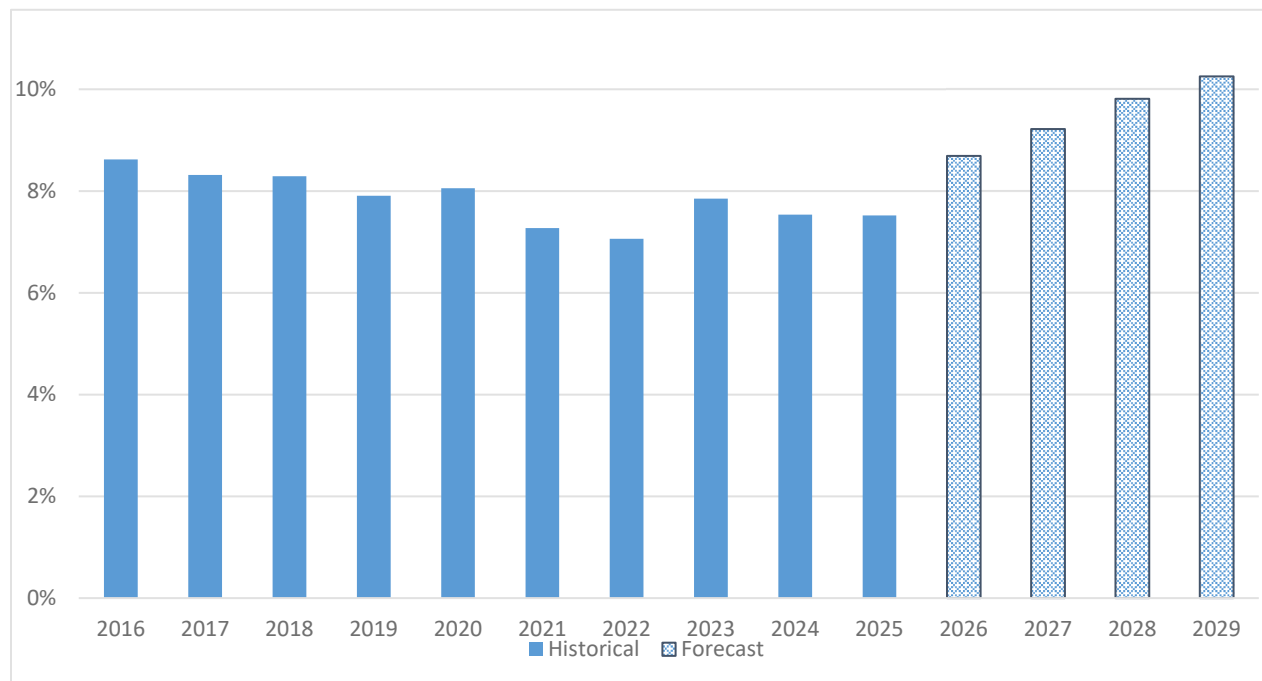
Source: Annual Comprehensive Financial Reports of the New York City Office of the Comptroller, Fiscal Years 2016 through 2025; Office of the Comptroller's tax revenue forecast as of the June 2025 Financial Plan and Comptroller's debt service forecast as of the September 2025 Capital Commitment Plan; and NYC Office of Management and Budget Debt Service Documentation

Note: Fiscal Years 2016 - 2025 are actuals. Fiscal Years 2026 - 2035 are projected.

Historical debt service as a share of total revenues, between Fiscal Year 2016 and Fiscal Year 2025, ranges from a high of 8.6 percent in Fiscal Year 2016 to a low of 7.1 percent in Fiscal Year 2022, as shown in Chart 5. Debt service in this measure differs from Chart 4 in that debt service associated with TFA BARBs (secured by New York State Building Aid) and TSASC Inc. debt (secured by tobacco settlement revenues) are included in addition to the other types of debt service. All are adjusted for prepayment. Over this period, this ratio averaged 7.8 percent. The ratio is forecast to reach 10.3 percent in Fiscal Year 2029, as the compound annual growth rate of debt service is projected to increase by 4.3 percentage points more than total revenues between Fiscal Years 2026 and 2029. Note also that the projected 1.2 percentage point increase in this ratio

between Fiscal Year 2025 and 2026 is largely driven by a decline in projected revenues from the Federal government in Fiscal Year 2026 due to the expiration of Federal COVID-19 aid.

Chart 5. NYC Debt Service as a Percent of Total Revenues



Source: Annual Comprehensive Financial Reports of the New York City Office of the Comptroller, Fiscal Years 2016 through 2025; Office of the Comptroller's revenue forecast as of the June 2025 Financial Plan and Comptroller's debt service forecast as of the September 2025 Capital Commitment Plan; and NYC Office of Management and Budget Debt Service Documentation
Note: Fiscal Years 2016 – 2025 are actuals. Fiscal Years 2026 – 2029 are projected.

While New York City has a large amount of outstanding debt, its credit rating remains strong, as shown in Table 17. The rating agencies continue to cite the City's large and diverse economy, strong financial management, and liquidity among positive credit attributes that support GO ratings. High TFA and NYW ratings reflect their strong legal frameworks and debt service coverage by pledged revenues.

Table 17. Ratings of Major New York City Debt Issuers

Rating Agency	GO	TFA FTS Subordinate ^a	TFA BARBs	NYW First Resolution	NYW Second Resolution
S&P	AA	AAA	AA	AAA	AA+
Moody's	Aa2	Aa1	Aa2	Aa1	Aa1
Fitch	AA	AAA	AA	AA+	AA+
Kroll	AA+	Not Rated	Not Rated	Not Rated	Not Rated

^a There are currently no TFA FTS Senior Bonds outstanding

Comparison with Selected Municipalities¹⁵

New York City is the largest city in the U.S., with a population over twice as large as that of second ranked Los Angeles, and a complex, varied, and aging infrastructure. The City has more school buildings, firehouses, health facilities, community colleges, roads and bridges, libraries, and police precincts than any other city in the nation. Moreover, NYC has broader responsibilities than most other large cities in the U.S. These responsibilities include city, county, and school district functions and, as a result, NYC has similarities to many county governments. Responsibilities for various functions in other large U.S. cities generally are distributed broadly to state, county, school districts, public improvement districts, and public authority governmental units. NYC has responsibility for all these functions.

Selection of the Peer Group

NYC has important features that pose challenges when attempting to identify peers among other U.S. cities and in drawing useful comparisons. One of these is its sheer scale and density, including population, infrastructure, and economic activity relative to other large U.S. cities. The other feature to consider is the government's broad scope of responsibilities, an important difference that distinguishes itself from virtually all its potential peers. Therefore, when selecting an appropriate peer group for the City, it is important to consider both scale and governance. Differences in scale and governance can be partially mitigated with ratio analysis, similar to the methods used by rating agencies, and by using, where appropriate, Direct and Overlapping Debt, to address differences in governance structure, when measuring debt burden and debt affordability. As discussed in more detail below, Direct and Overlapping debt includes not only the debt of the peer city, but also other debt (for example, issued by school districts) supported by taxpayers in that jurisdiction.

The Peer Group includes the top 10 most populous U.S. cities, representing different regions and a variety of infrastructure life cycles, and then expanded by adding cities that were both highly

¹⁵ This section was authored by Acacia Financial Group, Inc. This section includes input from the New York City Office of the Comptroller.

ranked in population (that is, ranking at least among the top 25 nationally) which also assumed city and county functions along with direct responsibility for funding and financing their schools.

While NYC may have more in common with other international financial and commercial centers, such as London, Paris, Shanghai, Seoul, Tokyo and others in terms of population and level of business and cultural vibrancy, these were not considered for inclusion in the Peer Group because of the lack of direct comparability in terms of legal structure, funding sources, budgeting, accounting and financing practices.

The Peer Group is shown in Table 18, along with each city’s credit ratings, population, and governing functions and responsibilities.

Table 18. New York City Peer Group Identified for Comparisons

City	Moody's	S&P	Fitch	Kroll	Population		City & County Functions
					Total	National Rank	
New York City	Aa2	AA	AA	AA+	8,335,897	1	Yes
Los Angeles	Aa2	AA-	AAA	AA	3,802,725	2	No
Chicago	Baa3	BBB	A-	A-	2,746,388	3	No
Houston	Aa3	AA	AA	-	2,288,250	4	No
Phoenix	Aa1	AA+	AAA	-	1,657,035	5	No
Philadelphia	A1	A+	A+	-	1,567,258	6	Yes
San Antonio	Aaa	AAA	AA+	-	1,481,496	7	No
San Diego	Aa2	AA	AA+	-	1,374,790	8	No
Dallas	A1	AA-	AA	AA+	1,300,239	9	No
Jacksonville	Aa2	AA	AA	-	993,468	10	No
Austin	Aaa	AAA	AAA	-	981,610	11	Yes
San Francisco	Aa1	AAA	AAA	-	808,437	17	Yes
Nashville	Aa2	AA+	-	AA+	708,144	21	Yes
Washington DC	Aa1	AA+	AA+	-	670,949	22	Yes
Boston	Aaa	AAA	-	-	650,706	25	Yes ^a

Source: Population as of 2023; derived from U.S. Census Bureau. Ratings sourced from publicly available credit reports as of October 29, 2025.

a. Formerly consolidated with Suffolk County, MA; county government abolished in 1999.

Metrics Selected for Comparison between NYC and the Peer Group

The Peer Group metrics provided herein utilize data and calculations from each Peer Group member’s Annual Comprehensive Financial Report (ACFR) as well as data from the U.S. Census Bureau and the U.S. Bureau of Economic Analysis. Although some of the nuances specific to each city are difficult to conform, the data sources provide the most comparable and readily available data. Additionally, when comparing debt metrics between jurisdictions it is important to obtain the data from uniform sources wherever possible. Using the table of Direct and Overlapping Debt from each Peer Group member’s ACFR ensures greater comparability because this table provides

the total amount of GO and other property tax levy supported debt obligations that are imposed upon the taxpayers of each Peer Group member, regardless of governance structure. For example, if the Peer Group comparisons utilized Direct Debt rather than Direct and Overlapping Debt, the Chicago Board of Education's debt would be excluded from Chicago's calculations since it is a separate entity from City of Chicago and finances its own capital program. As a result, comparability between Chicago and NYC would be reduced because NYC directly finances the capital program for NYC Public Schools, the largest school district in the nation, which is an integral part of the City's reporting entity and included in its Direct Debt.

At the same time, ACFR indicators and concepts may not correspond with indicators commonly used by the City or by the Peer Group members. This is most evident for debt service, which in the ACFRs includes the payment of refunded bond principal (which is actually paid with refunding bond proceeds) as well as the amortization of principal and the payment of interest. For the City, debt service as presented in the ACFR is greater than the amount of principal and interest paid from the debt service fund on GO, TFA FTS, and City-related subject-to-appropriation debt, which, as a percent of general fund tax revenues, is the City's measure of debt affordability per its debt management policy (the metric is shown in Chart 4 of this report). Similarly, revenues in this section of the report are Total Governmental Funds (TGF) tax and total revenues before other financing sources, which are different from General Fund revenues (used in Charts 4 and 5 of this report). For these reasons, the debt service ratios in this section are referred to as ACFR debt service as a percentage of TGF tax and TGF total revenues.

The key ratios selected for Peer Group comparisons are focused on debt burden and debt affordability. They include the following which are described in greater detail below:

- Debt per Capita
- Debt as a Percent of the Full Value of Taxable Property
- Debt as a Percent of Personal Income
- ACFR Debt Service as a Percent of TGF Tax Revenues
- ACFR Debt Service as a Percent of TGF Total Revenues

Comparison Metrics: Debt per Capita

Table 19 compares NYC’s Direct and Overlapping Debt per Capita with the Peer Group members. Debt per capita is a widely used metric that measures the debt burden on a city’s residents without considering other demographic indicators which measure income and wealth.

Table 19. Debt Per Capita for NYC and Peer Group, Fiscal Year 2024

City	Population	Direct and Overlapping Debt Outstanding (\$000)	Debt Per Capita
Washington DC	687,324	\$14,923,301	\$21,712
New York City	8,390,888	104,063,000	12,402
San Francisco	819,151	8,159,377	9,961
San Antonio	1,502,711	11,151,166	7,421
San Diego	1,394,555	10,078,844	7,227
Austin	989,583	6,810,938	6,883
Chicago	2,699,144	17,973,817	6,659
Dallas	1,394,555	10,078,844	6,213
Nashville	694,294	3,476,517	5,552
Los Angeles	3,847,428	20,621,100	5,360
Philadelphia	1,563,349	7,611,500	4,869
Houston	2,346,908	10,370,010	4,410
Boston	664,603	2,078,320	3,127
Jacksonville	993,468	3,001,518	3,021

Source: FY 2024 ACFRs and U.S. Census Bureau: 2023 for population figures; FY 2024 for direct and overlapping debt

Note: Based on data extracted from each city’s “Direct and Overlapping Debt Outstanding” exhibit included in that city’s ACFR and population reported by the U.S. Census Bureau. While the individual exhibits are similar in format, there is no assurance that the components of the data published in those exhibits are comparable. Debt figures include bond premiums and discounts. New York City figures exclude GASB 87 lease liabilities but include \$524 million in capital leases.

As shown in Table 19, in Fiscal Year 2024, debt per capita for NYC was ranked second highest among the Peer Group with Washington, D.C. almost twice as high and closely followed by San Francisco and San Antonio. Washington, D.C., San Antonio and San Francisco have much lower populations and report a much lower total amount of Direct and Overlapping Debt. At the time this report was prepared, all three are more highly rated than NYC with San Antonio and San

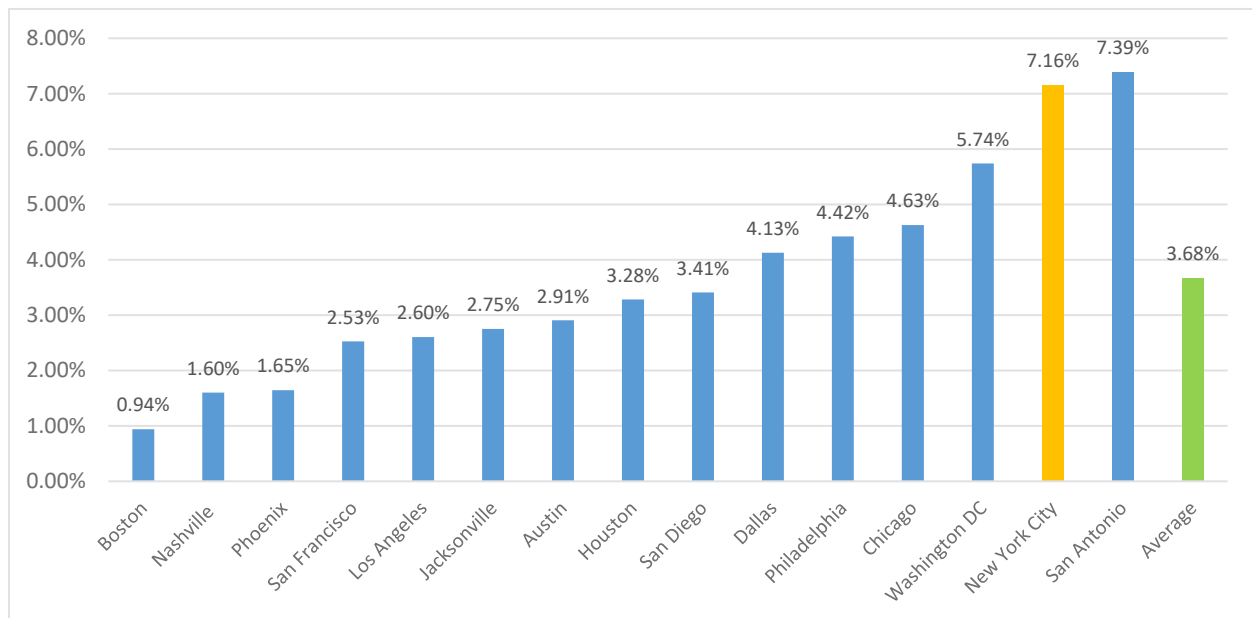
Francisco having a “AAA” rating which tends to indicate that debt per capita is not a critical rating driver when evaluated separately.¹⁶

Comparison Metrics: Debt as a Percent of the Full Value of Taxable Property

Another way to examine a city’s debt burden is to measure its debt relative to its taxable base. One commonly used measure of this relationship is shown in Chart 6. The rationale behind the use of this metric is that the taxable asset base provides a substantial revenue source for debt payment and that there is generally some reasonable limit on the amount of debt that can be borrowed against it, particularly with regards to taxation of real property. Unlike NYC, which does not impose taxes on personal property such as cars or jewelry, there are certain jurisdictions within the Peer Group (for example, Boston) that do impose personal property taxes in addition to taxation on real property. For those localities, the full value of taxable property also includes personal property in order to more accurately reflect the size of the taxable asset base.

¹⁶ As the rating agencies have continued to adjust and refine their methodologies, each agency has also established its own set of metrics. S&P and Kroll each define their metrics differently, but the source data for each is readily available, generally from each municipality’s respective ACFR. Moody’s, and to a somewhat lesser degree Fitch, adjust certain data elements found in each municipality’s ACFR to produce their own customized set of metrics that can be difficult to replicate.

Chart 6. Debt Outstanding as a Percent of the Full Value of Taxable Property, Fiscal Year 2024



Source: Each city's ACFR for Fiscal Year 2024

Note: Debt Outstanding and Full Value of Taxable Property are based on data extracted from each city's "Direct and Overlapping Debt Outstanding" and "Assessed Value and Estimated Actual Value of Taxable Property" exhibits included in its ACFR. While the individual exhibits are similar in format, there is no assurance that the components of the data published in those exhibits are comparable. See the note to Table 19 for the definitions of outstanding debt.

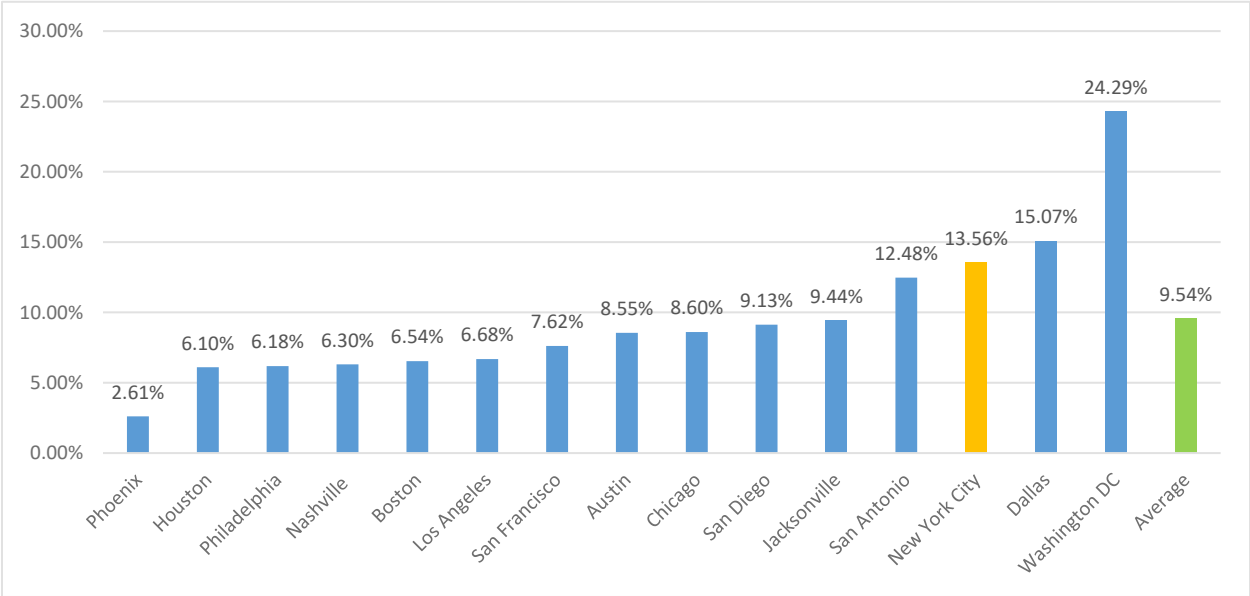
New York City's ratio of debt as a percent of full value of taxable property was 7.16 percent in Fiscal Year 2024. The comparison with other cities as presented in Chart 6, shows that the average among the Peer Group members is 3.68 percent. Its nearest Peer is San Antonio at 7.39 percent and carrying two "AAA" ratings which is a big divergence and may show that this also is not a primary rating driver, although it is useful information to consider for credit analysis in the context of affordability and tax burden.

It should be noted that TFA FTS debt is secured by Personal Income Tax and Sales Tax revenues, and that the property tax represents less than half of the City's tax revenues. Diversification of revenue is an important credit strength for the City. Therefore, the value of real estate is only a portion of the City's capacity to levy taxes and repay debt. The full valuation measure is an underestimate of the true value of real estate in NYC, and therefore the ratio shown in Chart 6 is an overestimate of debt burden.

Comparison Metrics: Debt as a Percent of Personal Income

The debt to personal income ratio is conceptually related to the ability of the underlying population to repay the outstanding debt, regardless of whether a given municipality has a Personal Income Tax.

Chart 7. Debt Outstanding as a Percent of Personal Income, Fiscal Year 2024



Source: Fiscal Year 2024 ACFRs of each city

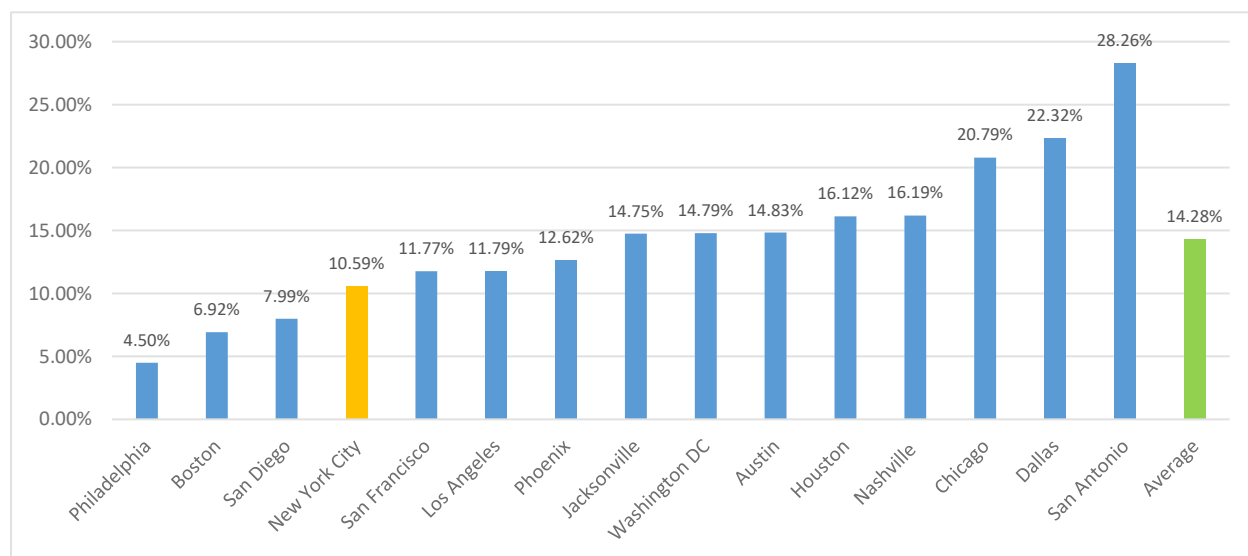
Note: Debt Outstanding is based on data extracted from each city’s Direct and Overlapping Debt Outstanding exhibits included in each city’s ACFR. While the individual exhibits are similar in form, there is no assurance that the components of the data published in those exhibits are comparable. See the note to Table 19 for the definitions of outstanding debt. 2023 Personal Income was used as this is the most recent year for which there is widely available data and is based on data published by the U.S. Census Bureau in its American Community Survey (ACS) in addition to data from the U.S. Bureau of Economic Analysis (BEA, as published in October 2025).

Looking at Chart 7, New York City’s ratio of 13.56 percent in Fiscal Year 2024 was the third highest among the peer cities behind Washington D.C. at 24.29 percent and Dallas at 15.07 percent. Three of the Peers with a higher ratio of Direct and Overlapping Debt as a percentage of personal income are rated the same as or higher than NYC, with only Houston rated below the City, so a higher ratio is not an obstacle to a higher rating, when considering other factors. Overall, NYC’s Direct and Overlapping Debt as a percentage of personal income is about 1.4 times the 9.54 percent average of the 14 members of the Peer Group. This measure of the population’s ability to repay debt is not a primary rating driver, although it is useful information to consider for credit analysis in the context of debt burden and debt affordability.

Comparison Metrics: ACFR Debt Service as a Percent of Tax Revenues and Total Revenues

Another way to examine the debt burden of a city is to measure its debt service as a percentage of tax revenues. All references to “ACFR Debt Service” include payments of principal, interest, and issuance costs as itemized in the Statement of Revenues, Expenses, and Changes in Fund Balances for Governmental Funds. This metric serves as a broad measure of affordability for the City and the Peer Group, with the caveat that ACFR debt service includes the value of bond redemptions, even if the debt is refinanced. This results in an overstated value for debt service because refunded principal is not paid with current revenues but rather refunding bond proceeds or perhaps some Peers’ defeased cash on hand. As such, refunded principal, included in the accounting total below, is not a burden on governmental revenues. Because redemptions can be volatile, the measure is an average of the last three available Fiscal Years for the Peer Group cities. The metrics presented below are intended to present the Peers on a comparable basis, whereas each value may be overstated due to the inclusion of refunded principal.

Chart 8. ACFR Debt Service as a Percent of TGF Tax Revenues, Fiscal Year 2024



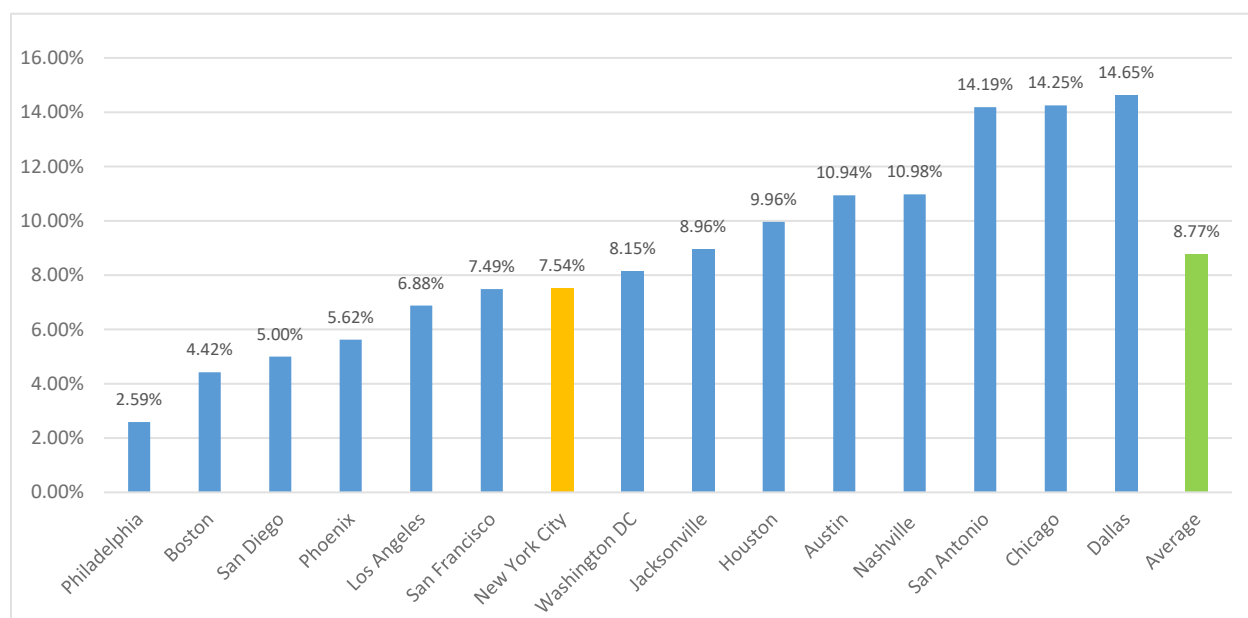
Source: Fiscal Year 2024 ACFRs of each city

Debt Service and Tax Revenue are based on data extracted from each city’s “Statement of Revenues, Expenditures, and Changes in Fund Balances” exhibits included in that city’s ACFR. While the individual exhibits are similar in form, there is no assurance that the components of the data published in those exhibits are comparable.

As shown in Chart 8, NYC’s ratio was 10.59 percent in Fiscal Year 2024, lower than the average of 14.28 percent for the Peer Group. Although consummate comparability cannot be assured, in terms of ACFR debt service, the City is close to the average of the comparison cities despite its higher amount of debt outstanding, reflecting strong revenue diversity and sharply higher ACFR

Debt Service as a percent of TGF Tax Revenues for San Antonio, Dallas and Chicago which skews the overall average upwards.

Chart 9. ACFR Debt Service as a Percent of TGF Total Revenues, Fiscal Year 2024



Source: Each city's ACFR for Fiscal Year 2024

Note: Debt Outstanding and Full Value of Taxable Property are based on data extracted from each city's "Direct and Overlapping Debt Outstanding" and "Assessed Value and Estimated Actual Value of Taxable Property" exhibits included its ACFR. While the individual exhibits are similar in format, there is no assurance that the components of the data published in those exhibits are comparable. See the note to Table 19 for the definitions of outstanding debt.

As shown in Chart 9, NYC's ratio was 7.54 percent in FY 2024, which is slightly lower than the average of 8.77 percent for the Peer Group. Although consummate comparability cannot be assured, in terms of ACFR debt service, the City is close to the average of the Peer Group despite its higher amount of debt outstanding, reflecting strong revenue diversity and sharply higher ACFR Debt Service as a percent of TGF Tax Revenues for San Antonio, Dallas and Chicago (See Chart 8) which skews the overall average upwards.

Conclusion to Peer Group Analysis of Debt Burden and Debt Affordability

New York City's debt burden and affordability are relatively high compared to the Peer Group, but not unreasonably so when viewed in context and across metrics. As shown in Table 18 and Table 19, NYC's population and its direct and overlapping debt are both well above the Peer Group; however, as shown in Charts 7, 8, and 9, NYC is much closer to the average for debt outstanding as a percentage of personal income, or for debt burden as a percent of city revenues. NYC should also be viewed as an essential leader of the global economy with economic strengths





that flourish in a high-density environment, which drives the need for greater infrastructure and debt financing. The City’s capital assets for governmental activities net of depreciation and leases were valued at \$85.4 billion in the Fiscal Year 2024 ACFR. This is comparable to the combined capital assets of 11 of the 14 Peer Group cities.

To put the City’s rating in context, Table 20 divides the Peer Group cities into quartiles with darker coloring indicating a higher debt burden (a credit negative) relative to the average for each of the indicators. Table 20 also ranks the Peer Group from highest to lowest overall rating using a Credit Quality Index which assigns values to ratings notches on a scale from 1 to 10, with 1 being equivalent to a BBB-/Baa3 rating and a 10 being equivalent to a AAA/Aaa rating and averages these across the major rating agencies.

Table 20. Credit Ratings and Affordability Indicators Relative to Peer Group Mean

City	Credit Quality Index	Direct & Overlapping Debt Per Capita	Total Direct & Overlapping Debt as % of Estimated Full Value	Total Direct & Overlapping Debt as % of Personal Income	ACFR Debt Service as % of TGF Tax Revenues	ACFR Debt Service as % of TGF Total Revenues
Austin	10.0	6,883	2.9%	8.6%	14.8%	10.9%
Boston	10.0	3,127	0.9%	6.5%	6.9%	4.4%
San Antonio	9.7	7,421	7.4%	12.5%	28.3%	14.2%
San Francisco	9.7	9,961	2.5%	7.6%	11.8%	7.5%
Phoenix	9.3	1,733	1.6%	2.6%	12.6%	5.6%
Washington DC	9.0	21,712	5.7%	24.3%	14.8%	8.1%
Nashville	8.5	5,552	1.6%	6.3%	16.2%	11.0%
Los Angeles	8.3	5,360	2.6%	6.7%	11.8%	6.9%
New York City	8.3	12,402	7.2%	13.6%	10.6%	7.5%
San Diego	8.3	7,227	3.4%	9.1%	8.0%	5.0%
Jacksonville	8.0	3,021	2.8%	9.4%	14.8%	9.0%
Houston	7.7	4,410	3.3%	6.1%	16.1%	10.0%
Dallas	7.5	6,213	4.1%	15.1%	22.3%	14.6%
Philadelphia	6.0	4,869	4.4%	6.2%	4.5%	2.6%
Chicago	2.8	6,659	4.6%	8.6%	20.8%	14.3%

Source: Fiscal Year 2024 ACFR of each city. “Credit Quality Index” represents the average rating assigned to each city by the major credit rating agencies based on an ascending scale ranging in value from 1 (BBB-/Baa3) to 10 (AAA/Aaa)

Key:	 = Top Quartile (High Burden)	 = Third Quartile	 = Second Quartile	 = Bottom Quartile (Low Burden)
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There is not a direct relationship between the indicators and credit ratings. This is clearly shown in Table 20 where the shading of quartiles are not predictive of the assigned rating. For example, the City has two indicators in the second quartile (debt as a percentage of revenues) and three indicators in the top quartile of the distribution (debt as a percentage of personal income, debt per capita and debt as a percentage of estimated full value). Boston and Phoenix are cities with more indicators in the lowest debt burden quartile and receive high ratings. Despite having debt

burden indicators in the bottom quartile, Philadelphia has a low credit quality index overall. Conversely, San Antonio has more indicators in the highest debt burden quartile than the City and receives a higher rating. This demonstrates that each city's rating is a combination of the rating agency's metrics and their subjective view of their overall creditworthiness.

NYC's GO ratings of Aa2/AA/AA/AA+ (Moody's/S&P/Fitch/Kroll) all have a stable outlook. While each of the rating agencies uses its own methodology and metrics, the common overriding themes include the City's global dominance as a business and cultural center supported by strong transportation access, population size and resiliency of its economy, strong labor pool and educational opportunities, strong financial and management controls, reserve balances, diversity of revenues and access to world-class health care. Offsetting factors often cited include the exposure to economic cyclicalities and real estate fluctuations, increasing vulnerability from weather events, and unfunded OPEB liabilities. NYC's debt is currently regarded by the rating agencies as manageable, albeit somewhat elevated in some cases, and appropriate given the scale of the City's responsibilities.

Remaining Debt-Incurring Power and Debt Affordability Stress Tests

Section II of this report details estimates of remaining debt-incurring power using a complete and consistent set of projections for capital commitments, debt service, and bond issuance and amortization from the May 2025 Capital Commitment Plan and the Fiscal Year 2026 Adopted Budget and Financial Plan.

This section updates the projections using the [Fiscal Year 2026 September Capital Commitment Plan](#) and its estimated financing amounts. Because the City has in recent years been able to meet and exceed the target commitment amounts in the September commitment plans, this section also formulates potential scenarios where actual future commitments exceed targets by between 5.0 percent and 15.0 percent. An analysis of recent trends in actual and target commitments is available in the appendix shows that the actual commitments exceeded target commitment by 20.0 percent in Fiscal Year 2024 and by 14.0 percent in Fiscal Year 2025. For each scenario, this section also provides a projection of debt affordability using the Office of the Comptroller's tax forecast from its [Comments on the Fiscal Year 2026 Adopted Budget](#), extended using a long-term growth rate of 4.0 percent.

Table 21 shows projected remaining debt-incurring power updated using target commitments from the September Capital Commitment Plan and the Office of the Comptroller's corresponding debt issuance assumptions. Target commitments total \$139.1 billion from Fiscal Year 2026 to Fiscal Year 2035, excluding Department of Environmental Protection investments that are financed by the City's Water Authority. Because the targets in the September Plan are higher than those projected in May, the estimate of remaining debt-incurring power drops to a low point of \$6.9 billion in Fiscal Year 2033, \$4.8 billion less than projections as of the Fiscal Year 2026 Adopted Budget. Remaining debt-incurring power is projected to rebound to \$9.8 billion in Fiscal Year 2035, but it remains \$5.4 billion less than projected in May 2025.

Table 21. Projected Remaining Debt-Incurring Power as of Fiscal Year-End

Fiscal Year (\$ in billions)	General Debt Limit (a)	Debt Applicable to the Limit (b)	Contractual liability, land, and other liabilities (c)	Total Indebtedness (d) = (b) + (c)	FY 2026 September Capital Commitment Plan Remaining Debt- Incurring Power (e)=(a) - (d)	FY 2026 Adopted Budget Remaining Debt-Incurring Power (f)	Difference (e)-(f)
2026	\$140.6	\$80.5	\$30.8	\$111.3	\$29.3	\$29.9	(\$0.6)
2027	\$145.8	\$90.3	\$33.6	\$123.9	\$21.9	\$23.6	(\$1.7)
2028	\$151.8	\$100.4	\$35.7	\$136.1	\$15.7	\$17.5	(\$1.8)
2029	\$158.6	\$110.6	\$35.7	\$146.4	\$12.2	\$13.8	(\$1.6)
2030	\$165.8	\$120.6	\$35.9	\$156.4	\$9.4	\$10.6	(\$1.2)
2031	\$174.7	\$129.8	\$36.3	\$166.1	\$8.6	\$11.7	(\$3.1)
2032	\$180.4	\$137.5	\$35.9	\$173.4	\$7.0	\$11.5	(\$4.4)
2033	\$186.1	\$143.4	\$35.9	\$179.2	\$6.9	\$11.7	(\$4.8)
2034	\$192.0	\$146.7	\$37.3	\$184.0	\$8.0	\$13.1	(\$5.1)
2035	\$198.0	\$148.5	\$39.7	\$188.2	\$9.8	\$15.2	(\$5.4)

Source: New York City Office of the Comptroller and select information from the Fiscal Year 2026 Adopted Budget and Fiscal Year 2026 September Capital Commitment Plan.

Note: Totals may not add due to rounding.

As discussed in the Appendix, the City has in recent years been able to meet and exceed commitment targets. Therefore, Table 22 shows the remaining debt-incurring power under the assumption that actual commitments exceed targets by between 5.0 percent and 15.0 percent. The results show that should the City be able to exceed targets by 10.0 percent in each year of the plan, it would run out of borrowing capacity in Fiscal Year 2031. An analysis of recent trends available in the Appendix (see Chart A6) and incorporated in Table 15 of this report, suggests that a 10.0 percent excess achievement could be considered a conservative assumption, at least for the length of the current plan. It should be noted that the estimates in Tables 20 and 21 are conservative because they don't include potential offsets from the issuance of premium bonds. As shown in Table 16, premia earned on new bond issuances could generate \$2.8 billion in additional borrowing capacity by Fiscal Year 2029.

Table 22. Projected Remaining Debt-Incurring Power Scenario Summary

Achievement Scenario (\$ in billions)	Fiscal Year									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
100% Achievement	\$29.3	\$21.9	\$15.7	\$12.2	\$9.4	\$8.6	\$7.0	\$6.9	\$8.0	\$9.8
105% Achievement	\$28.5	\$20.3	\$13.2	\$9.0	\$5.5	\$4.0	\$1.8	\$1.2	\$1.7	\$3.2
110% Achievement	\$27.6	\$18.6	\$10.8	\$5.8	\$1.6	\$(0.6)	\$(3.4)	\$(4.6)	\$(4.5)	\$(3.5)
115% Achievement	\$26.8	\$17.0	\$8.3	\$2.6	\$(2.4)	\$(5.3)	\$(8.6)	\$(10.3)	\$(10.7)	\$(10.2)

Source: New York City Office of the Comptroller and select information from the Fiscal Year 2026 September Capital Commitment Plan released on September 30, 2025.

Table 23 shows debt service as a percentage of tax revenue under the same scenarios, with two additional scenarios: i) a case that applies the Office of the Comptroller’s recession scenario from the [Comments on New York City’s Fiscal Year 2026 Adopted Budget](#) report released on August 13, 2025 (Recession Scenario) and ii) a scenario that applies a long-run tax revenue growth rate of 2.75 percent rather than 4.0 percent starting in Fiscal Year 2030 (Revenue Growth Slowdown). Using conservative (given current market conditions) interest rate assumptions on projected borrowing, the City’s debt affordability policy threshold could be breached in Fiscal Year 2033 if actual commitments exceed September 2025 targets by 15.0 percent or in Fiscal Year 2035 if commitment exceed targets by 10.0 percent.

Because the Recession Scenario only forecasts a “mild recession”, where revenues rebound to baseline levels by Fiscal Year 2029, and long-term revenue figures are projected to be modestly higher than in the baseline scenario, debt service as a percentage of tax revenues never breaches the 15.0 percent threshold. However, the 15.0 percent threshold is exceeded in Fiscal Year 2033 in the Revenue Growth Slowdown scenario. A combination of actual commitments exceeding targets and a more sustained downturn or slowdown in revenue growth could result in the City approaching or even exceeding the policy benchmark unless preventative measures are taken.

Table 23. Projected Debt Service as a Percentage of Tax Revenues Scenario Summary

Achievement/Revenue Projection Scenario	Fiscal Year									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
100% Achievement	11.4%	11.9%	12.7%	13.2%	13.4%	13.8%	14.2%	14.3%	14.4%	14.4%
105% Achievement	11.4%	11.9%	12.7%	13.3%	13.5%	14.0%	14.4%	14.6%	14.7%	14.7%
110% Achievement	11.4%	12.0%	12.8%	13.4%	13.6%	14.2%	14.6%	14.8%	14.9%	15.0%
115% Achievement	11.4%	12.0%	12.8%	13.4%	13.8%	14.3%	14.8%	15.1%	15.2%	15.3%
Recession Scenario	11.7%	12.2%	12.7%	13.2%	13.3%	13.8%	14.1%	14.3%	14.3%	14.3%
Revenue Growth Slowdown	11.4%	11.9%	12.7%	13.2%	13.6%	14.2%	14.7%	15.1%	15.3%	15.5%

Source: New York City Office of the Comptroller and select information from the Fiscal Year 2026 September Capital Commitment Plan released on September 30, 2025.

Despite an established 15.0 percent policy benchmark, the City currently does not have a binding mechanism to implement measures in the event the benchmark is projected to be or is, in fact, breached. As discussed in the [“How Much is Enough?”](#) report, and in last year’s [Annual Report on Capital Debt and Obligations for Fiscal Year 2025](#), the Comptroller again proposes to adopt into the City’s Debt Management Policy the use of the City’s Capital Stabilization Reserve to lower future-year debt service, should it be forecasted to exceed the threshold, to make sure that the City’s debt service expense remains affordable.

VI. Appendix

Estimation of the General Debt Limit

The TBAV forecast is a component of the overall property tax forecast produced by this office. The methodology is specific to each of the four property classes, as outlined below.

Class 1: the NYC Department of Finance (DOF) values Class 1 properties using comparable sales. In this approach, Class 1 properties' observed sale price are estimated using a hedonic regression model and applied to the properties that did not transact. In Fiscal Year 2025, one-family homes represented 44.7 percent of total Class 1 market value¹⁷ and, therefore, their value drives the market value estimate for the whole class. The Office of the Comptroller's forecast of Class 1 DOF market value is based on the changes in the median price for one-family homes sold outside of Manhattan, where few one-family homes are located. The forecasting equation is $\Delta Price_t = \alpha + \beta_1 \Delta Price_{t-1} + \beta_2 trend_t + u_t$ where $\Delta Price$ is the change in median price of one-family homes sold outside Manhattan, $trend$ is a time trend, and $u_t = w_t + \theta_1 w_{t-1}$ is a moving average error process. Assessed values (which are generally capped within the class) are projected using their historical relationship with DOF market values. Total exemptions are forecasted based on their historical relationship with assessed values. The difference between projected assessed values and the exemptions is the projection of billable assessed values.

Class 2 properties are subdivided into the components listed below. The billable assessed values are forecasted separately and combined to get the total billable assessed value for Class 2.

- Manhattan rentals with more than 10 units: the forecast is based on the average DOF market value (MV) per apartment unit (MV Per Apt). The equation is: $\log MV_Apt_t = \alpha + \beta_1 \log MV_Apt_{t-1} + \beta_2 Dummy2008 + u_t$, where $\log MV_Apt_t$ is the log of MV Per Apt and $Dummy2008$ is a dummy variable equal to 1 in Fiscal Year 2008. The forecasted change in DOF market value per apartment unit is then applied to the final total DOF market value of the current Fiscal Year. The DOF market value forecast is used to project actual assessed values (45 percent of market values) and transitional assessed values (changes to the value of Class 2 properties with eleven units or more that derive from market conditions are phased into transitional assessed values over five years). Total exemptions are forecasted based on the historical relationship between transitional assessed values and the total exemptions. The difference between the estimated transitional assessed value and exemptions is the projection of billable assessed values.
- Manhattan co-ops with more than 10 units: the methodology follows the same steps outlined for rentals, but the equation is changed to $MV_Apt_t = \alpha + \beta_1 MV_Apt_{t-1} + \beta_2 trend_t + \beta_3 Dummy2008 + u_t$.

¹⁷ See NYC DOF (2025) https://www.nyc.gov/assets/finance/downloads/pdf/reports/reports-property-tax/nyc_property_fy25.pdf

- Manhattan condominiums with more than 10 units: the methodology follows the same steps outlined for rentals, but the equation is changed to $\log MV_{Apt_t} = \alpha + \beta_1 \log MV_{Apt_{t-1}} + \beta_2 Dummy2007 + \beta_3 Dummy2014 + u_t$, where $u_t = w_t + \theta_1 w_{t-1}$.
- Brooklyn rentals, co-ops, and condominiums with more than 10 units: DOF market values are projected using the average annual growth rate of market values per apartment in the past six years.
- Other Class 2 properties: DOF market values are projected using the average annual growth rate of market values per apartment in the past four years. Adjustments are made to account for assessed value caps in Classes 2A, 2B and 2C in this category.

Class 3: changes in actual assessed values (AV) are forecasted by using the equation: $\log AV_t = \alpha + \beta_1 \log AV_{t-1} + \beta_2 Dummy2008 + \beta_3 trend_t + u_t$. The most recent Fiscal Year total exemption for Class 3 is used as a proxy for the total exemption in the forecast years. The difference between estimated transitional assessed values and exemptions is the projection of billable assessed values.

Class 4 properties are subdivided into Manhattan offices and all other properties. Billable assessed values are forecasted separately and combined to obtain totals for the class.

- Manhattan offices: the forecast is based on total actual assessed value minus exemptions (AVTX) using the equation: $\Delta AVTX_t = \alpha + \beta_1 \Delta AVTX_{t-1} + \beta_2 trend_t + \beta_3 dummy2011 + \beta_4 dummy2009 + u_t$. Projected changes in AVTX are phased into billable assessed values over five years.
- Other Class 4: the methodology follows the same steps outlined for Manhattan offices, but the equation is changed to: $\Delta AVTX_t = \alpha + \beta_1 \Delta AVTX_{t-1} + \beta_2 trend_t + \beta_3 dummy2011 + u_t$.

Table 24A1. DOF Market Value Forecast, June 2025

(\$ in billions)	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
Class 1	\$781.3	\$811.8	\$849.9	\$889.0
Class 2	\$395.1	\$418.2	\$439.1	\$460.5
Class 3	\$63.2	\$65.9	\$70.8	\$76.1
Class 4	\$334.8	\$338.5	\$351.9	\$364.1
Total	\$1,574.4	\$1,634.4	\$1,711.7	\$1,789.7

Source: New York City Department of Finance and New York City Office of the Comptroller

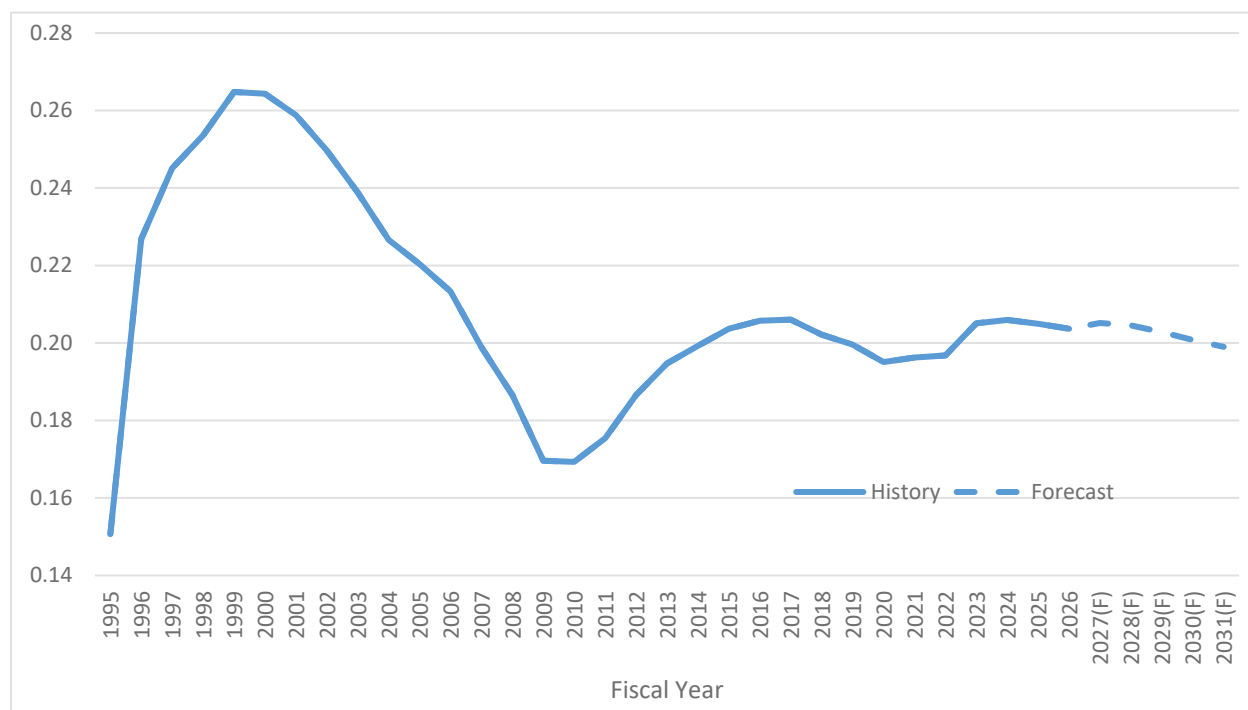
Table 25A2. TBAV Forecast, June 2025

(\$ in billions)	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
Class 1	\$27.4	\$28.4	\$29.4	\$30.5
Class 2	\$119.5	\$123.0	\$126.6	\$131.0
Class 3	\$28.3	\$29.5	\$31.7	\$34.1
Class 4	\$134.0	\$139.1	\$143.8	\$147.8
Total	\$309.2	\$320.0	\$331.5	\$343.4

Source: New York City Department of Finance and New York City Office of the Comptroller. Note: TBAV is gross of STAR exemptions, consistent with the debt limit calculations in the tax fixing resolution. The tax expenditure deriving from STAR exemptions is reimbursed by NY State to the City

Chart A1 shows the five-year average of equalization ratios starting in Fiscal Year 1995. Ratios fluctuated significantly in the past and their sharp increase in the mid-1990s necessitated the creation of additional financing capacity through the Transitional Finance Authority. However, since Fiscal Year 2013 the 5-year average remained in a relatively narrow range between 0.1947 and 0.2060. The forecast calls for the average to gradually fall from 0.2037 in Fiscal Year 2026 to 0.1990 in Fiscal Year 2031.

Chart 10A1. Average Equalization Ratios



Source: NYS ORPTS, NYC Council Tax Fixing Resolutions, New York City Department of Finance, New York City Office of the Comptroller

The methodology for the forecast of special equalization ratios follows the calculations outlined in the [report](#) published in March 2024. There are three main inputs in the forecast:

1. The equalization ratios derived from DOF's Fiscal Year 2026 final assessment roll and the forecast in Tables A1 and A2.
2. The 5-year average percentage difference between ORTPS' market value ratio and the equalization ratio derived from DOF's final assessment rolls. For Fiscal Year 2021 to Fiscal Year 2025, the average was 9.3 percent. This parameter remained relatively stable over the five years.
3. The 5-year average percentage point difference between ORTPS' change in level factors and DOF's annual growth rate of TBAV (before STAR exemption). For Fiscal Year 2021 to Fiscal Year 2025 the average was 2.1 percentage points. The difference has grown from approximately 1.1 in the first two years of the average to 3.1 percentage points in the last. Should the difference remain high in the future and other things equal, the 5-year average used in the estimates would result in an overestimate of the equalization ratios.

The equalization ratios are shown in Table A3.

Table 26A3. Projected Special Equalization Ratios

Fiscal Year	Five-year Window								Five-year Average
	2022	2023	2024	2025	2026	2027	2028	2029	
2026	0.2027	0.2044	0.2112	0.2045	0.1955				0.2037
2027(f)		0.2045	0.2113	0.2112	0.2038	0.195			0.2051
2028(f)			0.2113	0.2081	0.2080	0.2019	0.1933		0.2045
2029(f)				0.2082	0.2066	0.2065	0.2006	0.1922	0.2028

Source: NYS ORPTS, NYC Council Tax Fixing Resolution, New York City Office of the Comptroller.

Table A4 compares the Office of the Comptroller’s general debt limit estimates with those from OMB.

Table 27A4. Comparison of Debt Limit Estimates

Fiscal Year	Debt Limit Estimates (\$ in billions)				
	Comptroller 2025	Comptroller 2024	OMB*	Difference Comptroller 2024-2025	Difference Comptroller 2025 - OMB
2026	\$140.61	\$140.00	\$140.73	(\$0.61)	(\$0.12)
2027	\$145.79	\$148.00	\$146.40	\$2.21	(\$0.61)
2028	\$151.80	\$153.20	\$151.84	\$1.40	(\$0.04)
2029	\$158.58	\$n/a	\$158.48	\$n/a	\$0.10

* Available from the April 2025 Debt Affordability Statement. Source: NYC Office of Management and Budget, New York City Office of the Comptroller.

The debt limit forecast for Fiscal Year 2030 to Fiscal Year 2035 is based on its historical annual growth trend estimated between Fiscal Year 2002 and Fiscal Year 2026. The resulting annual average growth rate of the debt limit from Fiscal Year 2030 to Fiscal Year 2035 is 3.1%.

Maintaining GO and TFA FTS Balance

One of the primary challenges the City faces in achieving the lowest possible borrowing costs is managing a large amount of projected bond issuance, in addition to outstanding amounts. While many investors manage GO and TFA FTS positions as separate credit exposures, investor appetite for new supply is dependent on outstanding holdings of each credit and specific capacity constraints, relative to other holdings, in their portfolio. To that end, the City has traditionally rotated issuance between the GO and TFA FTS credits in an effort to not oversaturate the market during its issuance windows.

Dating back to Fiscal Year 2010, the first full fiscal year TFA was allowed to issue FTS bonds beyond the \$13.5 billion limit, the City has issued a total of \$8.3 billion less GO bonds than TFA FTS, as shown in Table A5. Of that differential, \$5.4 billion was in Fiscal Years 2024 and 2025, and the cumulative differential never exceeded \$3 billion in either direction until Fiscal Year 2022.

Table 28A5. NYC GO and TFA FTS Debt Issuance by Use of Proceeds, Fiscal Years 2010 through 2025

Fiscal Year (\$ in billions)	New Money Issuance			Refunding Issuance			Total Issuance		
	GO (a)	TFA-FTS (b)	GO/TFA FTS Differential (c)=(a)-(b)	GO (d)	TFA-FTS (e)	GO/TFA FTS Differential (f)=(d)-(e)	GO (a)+(d)	TFA-FTS (b)+(e)	GO/TFA FTS Differential (f)=(d)-(e)
2010	\$3.4	\$3.6	(\$0.2)	\$2.0	\$1.7	\$0.3	\$5.4	\$5.3	\$0.1
2011	\$2.2	\$3.6	(\$1.4)	\$2.0	\$0.7	\$1.3	\$4.2	\$4.3	(\$0.1)
2012	\$2.7	\$2.8	(\$0.1)	\$2.2	\$0.7	\$1.5	\$4.9	\$3.5	\$1.4
2013	\$1.6	\$2.9	(\$1.3)	\$2.9	\$1.8	\$1.1	\$4.5	\$4.7	(\$0.2)
2014	\$2.3	\$2.8	(\$0.5)	\$2.6	\$0.4	\$2.2	\$4.9	\$3.2	\$1.7
2015	\$1.1	\$2.9	(\$1.8)	\$1.8	\$0.8	\$1.0	\$2.9	\$3.7	(\$0.8)
2016	\$0.0	\$3.7	(\$3.7)	\$2.5	\$0.4	\$2.1	\$2.5	\$4.1	(\$1.6)
2017	\$2.3	\$4.4	(\$2.1)	\$0.9	\$0.8	\$0.1	\$3.2	\$5.2	(\$2.0)
2018	\$3.3	\$3.6	(\$0.3)	\$1.8	\$0.0	\$1.8	\$5.1	\$3.6	\$1.5
2019	\$1.2	\$4.5	(\$3.3)	\$1.8	\$0.0	\$1.8	\$3.0	\$4.5	(\$1.5)
2020	\$3.8	\$3.6	\$0.2	\$1.5	\$0.0	\$1.5	\$5.3	\$3.6	\$1.7
2021	\$2.0	\$3.2	(\$1.2)	\$2.9	\$2.9	\$0.0	\$4.9	\$6.1	(\$1.2)
2022	\$2.6	\$3.7	(\$1.1)	\$1.0	\$2.1	(\$1.1)	\$3.6	\$5.8	(\$2.2)
2023	\$3.9	\$3.8	\$0.1	\$2.3	\$2.1	\$0.2	\$6.2	\$5.9	\$0.3
2024	\$4.2	\$6.1	(\$1.9)	\$1.0	\$1.4	(\$0.4)	\$5.2	\$7.5	(\$2.3)
2025	\$7.7	\$7.9	(\$0.2)	\$2.0	\$4.9	(\$2.9)	\$9.7	\$12.8	(\$3.1)
Total	\$44.3	\$63.1	(\$18.8)	\$31.2	\$20.7	\$10.5	\$75.5	\$83.8	(\$8.3)

Source: Annual Comprehensive Financial Report of the Comptroller for the Fiscal Years 2010 through 2025

Despite the City's efforts to maintain balance between its two workhorse credits, net supply of TFA FTS bonds has far outpaced GO bonds, such that beginning in Fiscal Year 2019 TFA FTS par outstanding is greater than GO par outstanding, as shown in Table A6. This imbalance is largely attributable to the GO credit amortizing more quickly than TFA FTS as well the City issuing \$10.5 billion more GO refunding bonds and \$18.8 billion fewer new money GO bonds than TFA FTS bonds since Fiscal Year 2010.

Table 29A6. NYC GO and TFA FTS Debt outstanding, Fiscal Years 2010 through 2025

Fiscal Year (\$ in billions)	NYC GO	% Growth	TFA-FTS	% Growth
2010	\$41.6		\$14.4	
2011	\$41.8	0.6%	\$17.6	22.3%
2012	\$42.3	1.2%	\$19.6	11.1%
2013	\$41.6	-1.6%	\$21.8	11.4%
2014	\$41.7	0.2%	\$24.0	10.1%
2015	\$40.5	-2.9%	\$25.5	6.1%
2016	\$38.1	-5.9%	\$28.4	11.5%
2017	\$37.9	-0.5%	\$32.0	12.7%
2018	\$38.6	1.9%	\$34.7	8.5%
2019	\$37.5	-2.9%	\$38.0	9.3%
2020	\$38.8	3.4%	\$40.3	6.1%
2021	\$38.6	-0.5%	\$41.3	2.5%
2022	\$38.8	0.7%	\$43.5	5.4%
2023	\$40.1	3.2%	\$45.6	4.8%
2024	\$41.7	4.0%	\$49.9	9.5%
2025	\$46.7	12.0%	\$55.6	11.2%

Source: Annual Comprehensive Financial Report of the Comptroller for the Fiscal Years 2010 through 2025

The City has recognized the potential implications of a sustained imbalance and has recently taken steps to bring both credits back to a more equal footing. In April and October 2025, the City issued back-to-back GO new money transactions, one taxable and one tax-exempt, to take advantage of different market segments and limited disclosure windows. The City also intends to issue more GO than TFA FTS bonds in Fiscal Year 2026 for new money purposes.

Prospectively, the Office of the Comptroller is continuing to be mindful of issuance across both credits and, as much as possible, diversifying issuance to take advantage of different pools of investors. Managing net supply for each credit and keeping an eye on potential capacity constraints from investors is key to encouraging strong participation and deliver competitive borrowing costs.

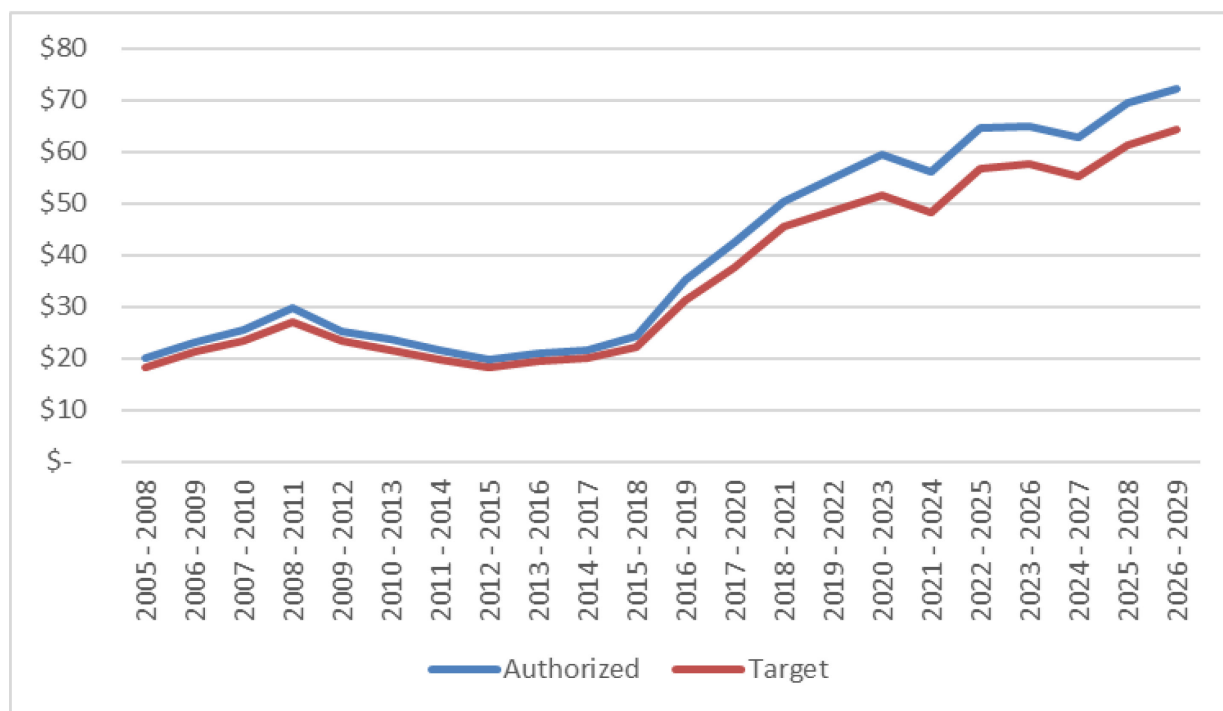
Analysis of September Capital Commitment Plans from Fiscal Year 2005 to Fiscal Year 2026

Our analysis of September Capital Commitment Plans over the past 22 years indicates that the City has been more equally distributing target commitments across the plan years. At the same time, the gap between authorized and target commitments—or the reserve for unattained capital commitments (defined in subsection Fiscal Year 2026 September Capital Commitment Plan)—continues to increase.

Chart A2 shows the total size of authorized and target commitments in each four-year September CCP from the Fiscal Year 2005 September CCP to the Fiscal Year 2026 September CCP. Authorized and target commitments have grown significantly since the Fiscal Year 2015 September CCP. Over the period, authorized commitments and target commitments have increased by a compounded annual rate of 9.5 percent and 9.3 percent respectively. As a result, the gap between authorized and target commitments grew (expressed as a percent of authorized commitments) from 8.7 percent to 11.0 percent over the same period.

Below we measure actual commitments as a share of target commitments, or what we term the “achievement rate”, to measure forecasting accuracy. We use target commitments as the denominator in this measure as it is a more accurate forecast of commitments, due to the adjustment for the reserve for unattained capital commitments. As target and authorized commitments have diverged, the City’s achievement rate has risen – this suggests the City is over-estimating the reserve for unattained capital commitments.

Chart 11A2. Authorized and Target Commitments, Excluding DEP (\$ in billions)



Source: NYC Office of Management and Budget, New York City Office of the Comptroller

Between Fiscal Year 2005 and Fiscal Year 2022, target commitments exceeded what was committed—in large part a result of the City planning a disproportionate amount of commitments in the first year of each plan. Front-loaded plans reached their height in the Fiscal Year 2014 September CCP, where 45.0 percent of commitments were planned for year one (Fiscal Year 2014) of the four-year plan. In that year, the achievement rate dropped to 50.0 percent – the lowest since at least Fiscal Year 2005.

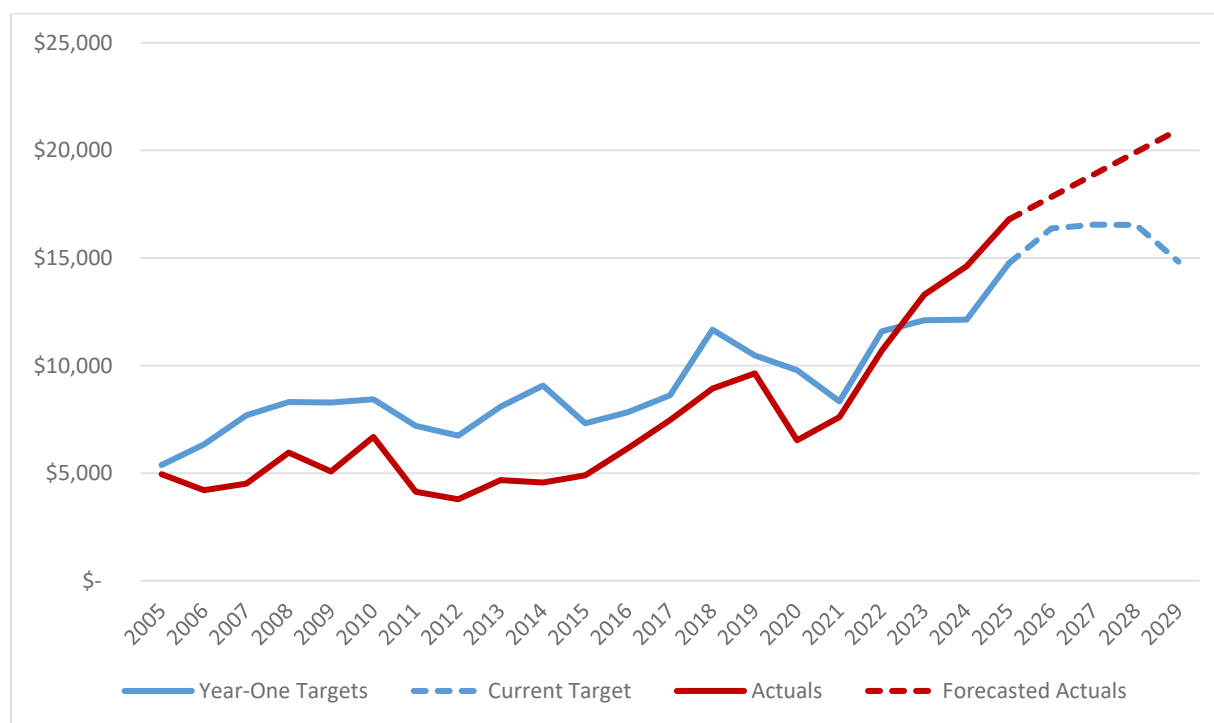
Since then, as planned commitments have become more evenly distributed across the plan period and capital spending has accelerated, the achievement rate has inched closer to and then exceeded 100.0 percent. The COVID-19 pandemic briefly disrupted the rising achievement rate, as capital projects were deferred or halted. In Fiscal Year 2020, the achievement rate hit 67.0 percent. Actual commitments increased substantially between Fiscal Years 2020 and 2022 due to high inflation and the resumption of work on delayed capital projects. The achievement rate reached 110.0 percent in Fiscal Year 2023. Actual commitments have increased every Fiscal Year since, with the City reaching an achievement rate of 120.0 percent in Fiscal Year 2024; its highest since at least Fiscal Year 2005. The City’s achievement rate decreased in Fiscal Year 2025, to 114.0 percent, as target commitments increased more than actual commitments.

Chart A3 shows annual actual and forecasted commitments compared with the amount targeted in the corresponding Fiscal Year’s September Capital Commitment Plan. The September Capital Commitment Plan projects \$16.4 billion in target commitments in Fiscal Year 2026, \$16.5 in Fiscal

Year 2027 and Fiscal Year 2028, and \$14.8 billion in target commitments in Fiscal Year 2029. While target commitments are projected to remain relatively flat through Fiscal Year 2029, historical actual commitments have grown an average of \$1.2 billion year over year since Fiscal Year 2016 and an average of \$2 billion annually since Fiscal Year 2020.

Assuming a year over year growth rate of approximately \$1.0 billion, the Comptroller's Office projects actual commitments reach \$21.0 billion in Fiscal Year 2029 – the City would reach an annual commitment achievement rate of approximately 120.7 percent from Fiscal Year 2026 through Fiscal Year 2029.

Chart 12A3. Actual Commitments v. Target Commitments by Four-Year Plan, Excluding DEP (\$ in billions)



Source: NYC Office of Management and Budget, New York City Office of the Comptroller

Other inputs and assumptions

Bonds Premium and Debt Limit Offsets

The City generally sells premium coupon bonds, meaning the purchase price is greater than par due to the bond's coupon being higher than current market interest rates. The premium generated from bond sales is an offset to indebtedness that is also not included in the estimate of remaining debt-incurring power.

For bonds issued to raise proceeds for the City's capital needs, the net premium is the difference between proceeds net of underwriting costs. In refinancing issues, the net premium is the difference between the par refunded and the face value of refunding bonds. The premium generated from new issue and refinancing issuances is an offset to the increase in indebtedness because proceeds reduce unfunded commitments by more than the par amount.

Table A7 shows the amount of premium earned on GO and TFA new and refinancing issuances from Fiscal Year 2020 through Fiscal Year 2025. Over this period nearly \$7 billion of debt limit offset has been generated, on \$74.2 billion of bonds issued –\$52.2 billion from new money transactions and \$21.7 billion from refunding transactions. On average, new money issuance generated 8.1 percent net premium to be applied to new capital projects and refunding transactions have defeased 12.6 percent more bonds than were issued through premium generated. The amount of premium generated generally changes with market conditions, moving inversely with interest rates, but coupon selection and the proportion of taxable bonds (which are generally issued at par) influence the final amount.

In the projection of future indebtedness in Table 16, the Office of the Comptroller assumes that the City will conservatively generate 5.0 percent premium annually on new issuance as forecasted based on select information from the Fiscal Year 2026 Executive Capital Commitment Plan and the Fiscal Year 2026 Adopted Budget. Future refinancing issues, though not explicitly modeled in the estimate of the debt-incurring margin, are also expected to generate additional debt limit offsets.

Table 30A7. Bond Premium and Debt Limit Offsets: Fiscal Year 2020 through Fiscal Year 2025

Fiscal Year (\$ in billions)	New Money Issuance			Refunding issuance		
	Par issued	Debt Limit Offset	Offset %	Par issued	Debt Limit Offset	Offset %
2020	\$7.4	\$0.8	11.49%	\$1.5	\$0.2	15.09%
2021	\$5.2	\$0.8	14.63%	\$5.7	\$0.7	11.82%
2022	\$6.1	\$0.7	12.09%	\$3.0	\$0.5	16.64%
2023	\$7.7	\$0.4	4.94%	\$2.8	\$0.3	11.41%
2024	\$10.3	\$0.8	7.29%	\$1.6	\$0.2	13.24%
2025	\$15.5	\$0.8	4.87%	\$7.0	\$0.8	11.35%
Total	\$52.2	\$4.2	8.11%	\$21.7	\$2.7	12.62%

Source: New York City Office of the Comptroller

Note: Totals may not add due to rounding.

As of October 31, 2025, there has been \$5.8 billion of bonds issued to raise proceeds for the City's capital needs and \$841 million of refunding bonds issued. Combined issuance has generated approximately \$375 million of Debt Limit Offset

NYC Conduit Issuers

Conduit debt issuers are agencies created by or under State law to finance and operate projects within New York City. While these agencies do not constitute debt of the City, the City makes annual appropriations from its General Fund for agreements with other entities that issue debt to build or maintain facilities on behalf of the City that have a similar budgetary effect. Table A8 shows the amount of debt outstanding for certain New York City conduit issuers through Fiscal Year 2035.

Table 31A8. Combined Debt Outstanding for NYC Conduit Issuers, Fiscal Year 2025 – Fiscal Year 2035

Combined Debt Outstanding for NYC Conduit Issuers, Fiscal Year 2025 – Fiscal Year 2035 (\$ in millions)							
Fiscal Year End	HYIC	DASNY Hospitals	DASNY Courts	CUCF	ECF	IDA Stock Exchange	Total
2025	\$2,521	\$272	\$202	\$10	\$258	\$42	\$3,305
2026	\$2,463	\$231	\$191	\$6	\$248	\$37	\$3,176
2027	\$2,293	\$188	\$180	\$4	\$238	\$31	\$2,934
2028	\$2,224	\$143	\$168	\$3	\$227	\$30	\$2,794
2029	\$2,149	\$95	\$156	\$2	\$215	\$26	\$2,645
2030	\$2,072	\$66	\$143	\$1	\$203	\$20	\$2,505
2031	\$1,990	\$35	\$130	\$0	\$191	\$14	\$2,359
2032	\$1,904	\$3	\$116	\$0	\$178	\$7	\$2,207
2033	\$1,813	\$2	\$101	\$0	\$164	\$0	\$2,081
2034	\$1,719	\$1	\$86	\$0	\$150	\$0	\$1,956
2035	\$1,619	\$1	\$70	\$0	\$135	\$0	\$1,825





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