BEFORE THE NEW YORK STATE SENATE FINANCE
AND ASSEMBLY WAYS AND MEANS COMMITTEES

JOINT LEGISLATIVE HEARING

In the Matter of the
2020-2021 EXECUTIVE BUDGET
ON HOUSING

Hearing Room A
Legislative Office Building
Albany, New York

February 5, 2020
12:45 p.m.

PRESIDING:

Senator Liz Krueger
Chair, Senate Finance Committee

Assemblywoman Helene E. Weinstein
Chair, Assembly Ways & Means Committee

PRESENT:

Senator James L. Seward
Senate Finance Committee (RM)

Assemblyman Edward P. Ra
Assembly Ways & Means Committee (RM)

Assemblyman Steven Cymbrowitz
Chair, Assembly Housing Committee

Senator Brian Kavanagh
Chair, Senate Housing Committee

Senator Zellnor Myrie

Assemblywoman Carmen N. De La Rosa

Assemblyman Harvey Epstein

2020-2021 Executive Budget
Housing
2-5-20

PRESENT: (Continued)

Assemblyman Colin Schmitt

Assemblyman Michael J. Fitzpatrick

Senator Brad Hoylman

Assemblyman Victor M. Pichardo

Assemblyman Eric M. Dilan

Senator Julia Salazar

Assemblyman Charles Barron

Senator John Liu

Assemblywoman Yuh-Line Niou

Senator Robert Jackson

Assemblyman Walter T. Mosley

Senator Brian A. Benjamin

Assemblywoman Latoya Joyner

Assemblyman William Colton

Senator Diane J. Savino

Assemblywoman Linda B. Rosenthal

Senator George M. Borrello

Assemblyman Mark Johns

Senator Todd Kaminsky

Assemblyman Michael Blake

Senator Gustavo Rivera

2020-2021 Executive Budget
Housing
2-5-20

PRESENT: (Continued)

Assemblyman Michael Blake

Senator Jessica Ramos

Assemblywoman Diana C. Richardson

Assemblywoman Latrice Walker

Senator Jamaal T. Bailey

Assemblywoman Aravella Simotas

Assemblyman Robert J. Rodriguez

Assemblyman Kevin A. Cahill

Assemblywoman Marjorie Byrnes

Assemblyman Felix W. Ortiz

2020-2021 Executive Budget
Housing
2-5-20

LIST OF SPEAKERS

	STATEMENT	QUESTIONS
RuthAnne Visnauskas Commissioner & CEO New York State Homes and Community Renewal	11	17
Jolie Milstein President & CEO NYS Association for Affordable Housing -and- Judi Kende VP and Market Leader Lorraine Collins Director of Public Policy and External Affairs Enterprise Community Partners	157	167
Laura Mascuch Executive Director Supportive Housing Network of NY -and- Rachel Fee Executive Director New York Housing Conference	183	192
Mark Streb Executive Director Neighborhood Preservation Coalition of NYS -and- Blair W. Sebastian Director New York State Rural Advocates -and- Jeff Keller Executive Director Colin McKnight Deputy Director New York State Rural Housing Coalition	207	223

2020-2021 Executive Budget
Housing
2-5-20

LIST OF SPEAKERS, Cont.

	STATEMENT	QUESTIONS
Matthew Dunbar VP of External Affairs Habitat for Humanity NYC	228	233
Emily Goldstein Director of Organizing and Advocacy Association for Neighborhood and Housing Development -and- Christie Peale CEO & Executive Director Center for NYC Neighborhoods	240	249
Michael McKee Treasurer Tenants Political Action Committee -and- Paulette Soltani Political Director Felix Guzman Leader VOCAL-NY	262	276
Anita Long Volunteer Leader Pablo Estupinan Deputy Director Community Action for Safe Apartments (CASA)	304	309
Melissa Sklarz Senior Government Affairs Strategist SAGE -and- Perry Junjulas Executive Director Albany Damien Center	318	327

2020-2021 Executive Budget
Housing
2-5-20

LIST OF SPEAKERS, Cont.

	STATEMENT	QUESTIONS
Oksana Mironova Housing Policy Analyst Community Service Society of New York -and- Adam Zaranko President New York Land Bank Association -and- Kirsten Keefe Senior Staff Attorney Empire Justice Center	332	346
Richard William Flores Individual	348	
Zohran Kwame Mamdani Individual	351	
Boris Santos Member Housing Justice for All Coalition	358	

CHAIRWOMAN WEINSTEIN: We're about to start the Housing hearing. I thought we had some guests who were outside who wanted to come in for the Housing hearing, but we'll see if that happens. I -- we don't solicit extra people necessarily.

So good afternoon. I'm Assemblywoman Helene Weinstein, chair of the New York State Assembly's Ways and Means Committee, cochair of today's hearing.

Today we begin the eighth in a series of hearings conducted by the joint fiscal committees of the Legislature regarding the Governor's proposed budget for fiscal year 2020-2021. The hearings are conducted pursuant to the State of New York Constitution and the Legislative Law.

And today the Assembly Ways and Means Committee and the Senate Finance Committee will hear testimony concerning the Governor's budget proposal for housing.

I'll introduce members who are here from the Assembly majority, and then Senator Krueger, chair of Senate Finance,

will introduce members from the Senate. And then our ranker on Ways and Means, Ed Ra, will introduce members from his conference.

So we have -- in no particular order, we have with us Assemblywoman Niou, Assemblyman Epstein, Assemblyman Barron, Assemblyman Colton, Assemblywoman Rosenthal, Assemblyman Blake, Assemblywoman Richardson, Assemblywoman De La Rosa, Assemblywoman Joyner, and Assemblyman Mosley.

Liz?

CHAIRWOMAN KRUEGER: Thank you.

Good afternoon. So I'm joined by quite a few Senators. We have, starting at the bottom row, our new Senator George Borrello, Senator Brad Hoylman, Senator Robert Jackson, Senator Gustavo Rivera, Senator Todd Kaminsky, Senator Diane Savino, and up at the top here Senator John Liu, Senator Zellnor Myrie, Senator Julia Salazar, Senator Jessica Ramos, chair of Housing Brian Kavanagh, ranker on Finance James Seward, and I am Liz Krueger.

Thank you.

CHAIRWOMAN WEINSTEIN: Assemblyman Ra.

ASSEMBLYMAN RA: We're joined by Assemblyman Mike Fitzpatrick, ranking member on the Housing Committee, as well as Colin Schmitt and Assemblyman Mark Johns.

CHAIRWOMAN WEINSTEIN: Thank you.

So before introducing our first witness, I'd like to remind all the witnesses testifying today to keep your statement within your allotted time limit so everyone can be afforded the opportunity to speak.

And you can figure out your time by looking at the clock. It's 10 minutes for governmental witnesses for testimony, up to five minutes for nongovernmental witnesses.

Members should also be mindful of the countdown clocks. The chair of the respective Housing Committees have 10 minutes to ask questions of the governmental witnesses, five minutes for the nongovernmental witnesses. Other members of relevant committees have five minutes to ask questions. And only the chairs have a second round of five minutes. And when we get to

the nongovernmental witnesses, members have three minutes.

So I know there are a bit of rules, but we found that by adhering to these guidelines we get an opportunity to hear from everybody who signed up to be a witness.

And for the witnesses coming who are the nongovernmental witnesses, we have most of your testimonies electronically, they've been shared with all of the members of the Ways and Means and Housing Committees. We encourage you to summarize rather than read your testimony, because what most people find is they get halfway through their written testimony if they read it and then we get to -- we miss all the important parts that you have on the last page.

So with that being said -- and also, just a reminder both for the witnesses and the members, this is a budget hearing on the Governor's housing budget. I know that there are -- from looking at some of the testimonies submitted, a number of people have written urging us to adopt certain

legislation. The discussion on legislation will take place at another time. This is to focus on the Governor's Executive Budget.

So with all that being said, I think we are ready to begin the hearing. And our first witness, commissioner of New York State Homes and Community Renewal, RuthAnne Visnauskas.

Welcome, Commissioner.

COMMISSIONER VISNAUSKAS: Thank you.

And good afternoon, Chairs Krueger, Weinstein, Kavanagh, Cymbrowitz, and distinguished members of the Legislature. My name is RuthAnne Visnauskas, and I'm commissioner and CEO of New York State Homes and Community Renewal. I'm honored to testify before you today on the housing portion of Governor Andrew Cuomo's Executive Budget proposal for the '20-'21 state fiscal year.

Once again the Governor's budget demonstrates his unwavering dedication to a progressive agenda that addresses homelessness and sweeps away barriers that

block New Yorkers' opportunity to have a safe and affordable place to live in the community that they choose.

National data on the housing landscape across the U.S. reinforces the need for a strong commitment here in New York State, and I'm happy to report today on our accomplishments on the Governor's Housing Plan to date.

A study released last month from Harvard's Joint Center on Housing Studies provided data supporting some troubling factors in the U.S. rental housing market. Vacancy rates are at their lowest levels since the 1980s. The number of people experiencing homelessness nationally is more than 500,000, and one in four renters is cost-burdened and pays more than 30 percent of their income on rent.

I'm thrilled to work for a Governor who understands the need to tackle each of these issues: Housing supply, the need for supportive housing, and the rising cost of rentals.

For proof of this commitment, look no further than the progress we've made to date in carrying out the state's $20 billion, five-year Housing Plan to create and preserve more than 100,000 affordable housing units and 6,000 supportive housing units.

On supply, I'm pleased to announce that as of the end of this past December, we have produced more than 62,000 affordable and supportive homes. And in keeping with our initial vision for this investment, approximately half of the units are in New York City and half are located across the rest of the state, with every region benefiting. This includes new construction, preservation, and home mortgages for low-income first-time homebuyers.

This is a strong investment in our communities and creates job opportunities as well as neighborhoods of opportunity. But don't take it from me. Here are some words of a resident at one of the projects we financed near Albany: "My family and I were chronically homeless. My son attended five

different schools by the time he reached the eighth grade, because we were always moving. At the time I was offered affordable housing, I was spending 89 percent of my gross income on rent and utilities, and avoiding homelessness was my top priority.

"Since securing an affordable apartment, I was able to enroll in college, and I am now one semester away from earning my bachelor's degree. Additionally, I was able to secure full-time employment doing work I love at an organization that values my lived experiences."

And while this story is from a woman who lives near Albany, we enable this transformation across the state and across diverse groups of people. We're serving seniors and veterans, public housing residents and Mitchell-Lama residents, and thousands and thousands of first-time homebuyers.

And we are incredibly focused on our supportive housing goals. Across the state we have created homes for survivors of

domestic violence, for the growing senior population, individuals suffering from mental illness, youth aging out of foster care, and the developmentally disabled -- and, of course, for those who are at risk of being homeless.

I'm proud to say we've financed more than 4,600 supportive apartments to provide housing with essential services that allow people to live independently in the communities that they call home. This puts us on target to meet the 6,000 supportive unit commitment by the end of next year.

There is always more to do, but we believe we are making a real impact in the fight to reduce homelessness and housing insecurity and are truly grateful for the support we have come to count on from our partners in government, finance, and the nonprofit and private sectors.

And while creating opportunities and increasing access to affordable housing is paramount to HCR's mission, so too is addressing the issue of housing-cost burden.

In 2019, together we further protected the rights of New York's 2.5 million rent-regulated tenants. When I sat before you last year, we were on the precipice of what became the most sweeping changes in history of the state's rent laws. You played an essential role in making these much-needed reforms a reality, and it is obvious that these new laws have had an immediate impact for many renters in New York.

As Governor Cuomo said in his budget presentation, it's not what you say, it's what you do that makes changes in people's lives. Together we've done a great deal. Together we have made tremendous progress. I'm honored to work with all of you. And on behalf of my great HCR team who sits right behind me, I ask for your continued support securing the resources and advancing the legislation we need to continue to make a real difference in New Yorkers' lives and communities.

Thank you, and I'm happy to address your questions.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to the chair of our Housing Committee, Assemblyman Cymbrowitz.

Before he begins, we've been joined by Assemblyman Rodriguez and Assemblyman Cahill.

Assemblyman Cymbrowitz now.

ASSEMBLYMAN CYMBROWITZ: Thank you, Chairs.

And thank you, Commissioner. I wanted -- and I thank you for your testimony. Thank you for being here.

I wanted to dig down a little deeper into your testimony and talk about the $2.5 billion, five-year Housing Plan that was put together jointly. It was a first. It was terrific. We're all very, very proud to have put that together. But can you tell us, you know, of the $2.5 billion, how much money has been spent, how many units have been produced, what's in the pipeline? I don't know if you can break it down to city, upstate, Long Island -- but that would be helpful for us.

COMMISSIONER VISNAUSKAS: I'd be happy

to. So of the $2.5 billion that was allocated in the budget, we have spent $1.5 billion of that. We've produced a little over 62,000 units to date. They are roughly split between New York City and rest of state, with a little less than 50 percent in New York City and a little more upstate at this point. But we still have two years left to go to spend the balance of the funds.

ASSEMBLYMAN CYMBROWITZ: Of those units, how many are less than 60 percent AMI, how many of them are permanently affordable?

COMMISSIONER VISNAUSKAS: So we track below 80 AMI -- what I would have for you today is below 80. We track at multiple levels. But the units that we produce that are below 80 and above 80, which is the low-income -- federal definition of low-income, 75 percent of the units we produced are 80 percent of AMI or below, and 25 percent are 80 percent and above.

ASSEMBLYMAN CYMBROWITZ: And what are the plans for the rest of the money and the number of units that are being produced with

that?

COMMISSIONER VISNAUSKAS: So we are on schedule for the next two years to complete the full 100,000 affordable units and 6,000 supportive units. As I said, we have about a billion dollars left to spend, and we will make sure that we start construction on every unit that we committed to before the end of the five years.

ASSEMBLYMAN CYMBROWITZ: How much is in the pipeline?

COMMISSIONER VISNAUSKAS: Excuse me?

ASSEMBLYMAN CYMBROWITZ: How much -- how many units, how much money is in the pipeline ready to go out?

COMMISSIONER VISNAUSKAS: So we -- so across all the different spending programs -- I don't have all the numbers by program, but the total left to spend would be the billion of the 2.5.

And we have a very full pipeline of projects. We traditionally and annually receive more applications than we can fund in any given year across our different programs,

so we won't have any trouble meeting those targets.

ASSEMBLYMAN CYMBROWITZ: A hundred million dollars was allocated for the preservation and creation of truly affordable housing, especially in New York City. Could you talk about how many units have been produced with those dollars?

COMMISSIONER VISNAUSKAS: Sure. I don't have the exact figure for the units for the -- this is the 100 percent affordable New York City program? I can get back to you with the expected number of units for that program.

But we have, certainly in the last year, funded two or three projects that I can recall, and I believe we did some the year before that. So we can get back to you with the exact units.

ASSEMBLYMAN CYMBROWITZ: Funds were also allocated for substantial or moderate rehab. Could you tell us what types of projects received funding for that?

COMMISSIONER VISNAUSKAS: This would

be for the multifamily preservation program?

ASSEMBLYMAN CYMBROWITZ: Yes.

COMMISSIONER VISNAUSKAS: So it serves a variety of different project types. It can be existing affordable that is at the end of its regulatory period, and we would be lending to do sort of another, you know, 20- or 30-year investment in scope and then extend the regulatory agreement for those projects by another 30 years.

And that's I think one of the most common things that we use the multifamily preservation for. So whether that's a 202 or -- a HUD 202, a senior project, or an existing tax credit project that might have been done 25 years ago. And they can be big or small, upstate or in New York City. It runs the whole gamut.

ASSEMBLYMAN CYMBROWITZ: Funds were made available for Mitchell-Lama. Could you talk a little bit about the Mitchell-Lama program?

COMMISSIONER VISNAUSKAS: Sure. So we have been very successful deploying the funds

in the Mitchell-Lama program. I believe we had $75 million in total, and I think we've spent 60 or 70 percent of that to date, to fund both co-ops and rentals -- because we have a mix in our portfolio of co-ops and rentals -- to do capital improvements, and then also extend their affordability for another 40 years.

ASSEMBLYMAN CYMBROWITZ: Was there a process for their allocation?

COMMISSIONER VISNAUSKAS: People apply. So we work with all -- obviously we work fairly closely with all of our Mitchell-Lamas. And so we certainly work with the ones that are most in need of capital to make sure that they can develop a scope and come in and apply for those funds.

ASSEMBLYMAN CYMBROWITZ: Supportive housing receives a large amount of dollars in the budget. Can you talk about where we are in that, what year -- that's -- they're in the fourth year of the -- no, they started a year early, I think. Right? So they're in the last year of their fifth year.

Can you talk about how much has been allocated, number of units?

COMMISSIONER VISNAUSKAS: Yup, happy to.

So the Supportive Housing Program, as we think of it, is sort of in two pieces. There are service contracts that are awarded, and those are done through a variety of the state agencies, including OMH and OTDA and OASAS and others. And then there's a capital budget, which is what sits primarily in HCR's budget. And those two things fund the supportive housing, both the service contracts and the capital.

So there was $950 million in HCR's budget for supportive housing when the Housing Plan was started. To date we have spent about $650 million of that $950 million towards the creation of and have financed the construction of 4500 supportive housing units. So we are well on our way to completing, in this calendar year, the 6,000 commitment.

ASSEMBLYMAN CYMBROWITZ: And what's in

the pipeline?

COMMISSIONER VISNAUSKAS: We have many projects in the pipeline. You know, the supportive housing community I think has been extremely appreciative of the amount of capital that was put into HCR's budget, and so they have been busy buying sites and bringing them to us. It's a mix of New York City and rest-of-state projects.

ASSEMBLYMAN CYMBROWITZ: The Governor put out a press release today touting $20 billion for housing. Is that the same 20 billion that he talked about two weeks ago? Is this an additional 20 billion? How many 20 billions are going to be in this new program?

COMMISSIONER VISNAUSKAS: So the press release today was announcing that we have started construction on the 62,000 units, which is a combination of the affordable and the supportive, towards the 100,000 and the 6,000 unit goal. And it was in the context of the original $20 billion that funded that.

ASSEMBLYMAN CYMBROWITZ: It's

essential for the supportive housing community to know how much money they're going to have in order to go forward and plan. As you know, it takes several years to put one supportive housing project together, going through the community process, putting all the different funding together to make a project work.

Can you talk about the next five years for supportive housing?

COMMISSIONER VISNAUSKAS: I would say that since we have the -- funding left of the 950 million that we have left, we will be very busy over the next two years deploying that. And I certainly agree with you, I think it takes a very long time for all developers, but especially for supportive housing developers, to put their projects together. They are complex and involve multiple sources of funds.

But we look forward to working with them, to continuing on our commitment for the next two years.

ASSEMBLYMAN CYMBROWITZ: So does the

Governor have -- does he plan on putting out another five-year plan with dollars?

COMMISSIONER VISNAUSKAS: I think for the moment we're very focused on completing the plan we committed to already.

ASSEMBLYMAN CYMBROWITZ: But you can understand the supportive housing community being extremely concerned on what they can go forward and build if they don't know what is going to happen after this year.

COMMISSIONER VISNAUSKAS: I think that's true not just for the supportive housing community but for the affordable housing community writ large, as well as for all of you and for neighborhoods and advocates and all of us who work in this business.

I think everybody is appreciative of the existing commitment and looks forward to that continuing in the future.

ASSEMBLYMAN CYMBROWITZ: So I'm sure the Governor will then want to come out with another five-year plan so that we can continue to go forward.

COMMISSIONER VISNAUSKAS: I suspect a five-year plan will be something that the Governor and the Legislature would work on together.

ASSEMBLYMAN CYMBROWITZ: We look forward to it.

Let's talk about public housing a little bit. Upstate public housing has many of the same or has the same problems that New York City Housing Authority has. We put money into the budget. Can you talk about how much money has been spent, how it was allocated and who it was allocated to?

COMMISSIONER VISNAUSKAS: Yes. So we had $125 million in the Housing Plan for public housing around the state. We have spent almost all of that money, as of the end of December, on housing authorities around the state, including in Auburn, in Albany, in Yonkers and really across the whole -- in Southampton, Easthampton, across the state.

And then additionally we received another $20 million last year in the budget for additional public housing, which was --

we are very thankful for. And we are currently working with Schenectady and Auburn and still with Albany on several other public housing --

ASSEMBLYMAN CYMBROWITZ: Are these all RAD projects or are they --

COMMISSIONER VISNAUSKAS: No, they are not all RAD.

ASSEMBLYMAN CYMBROWITZ: So they're using their dollars for other issues -- or other programs?

COMMISSIONER VISNAUSKAS: They're a mix, yeah. Some people will utilize RAD -- some developers will utilize RAD; others will do a tax credit execution that might not involve converting their public housing dollars into a RAD contract.

ASSEMBLYMAN CYMBROWITZ: Thank you, Commissioner.

COMMISSIONER VISNAUSKAS: Thanks.

CHAIRWOMAN WEINSTEIN: Thank you.

Before we go to the Senate, I just wanted to say we were joined by Assemblyman Dilan, Assemblyman Pichardo and

Assemblywoman Byrnes.

CHAIRWOMAN KRUEGER: Thank you.

We were joined by Senator Brian Benjamin and Senator Jamaal Bailey, but they might have also walked out again. But they'll be back.

And our first questioner is Housing Chair Brian Kavanagh.

SENATOR KAVANAGH: Thank you, Chairs. And I acknowledge my colleague Chairman Cymbrowitz, who's been a very great partner on many of these issues as well.

And thank you, Commissioner, for being here, for testifying.

Just as a preliminary matter, just to follow up on some of Chairman Cymbrowitz's questions about the kind of overall status of our effort to provide capital funding, so the $20 billion which has been kind of a multi-yearly commitment for a while now, looking at this year's Executive proposal, just to be clear, there's no new funding for New York City Housing Authority, correct?

COMMISSIONER VISNAUSKAS: For the

New York City Housing Authority? No.

SENATOR KAVANAGH: And no new funding for other public housing authorities.

COMMISSIONER VISNAUSKAS: No.

SENATOR KAVANAGH: And no new funding for the supportive housing program that you were discussing with Chairman Cymbrowitz as well, right?

COMMISSIONER VISNAUSKAS: No. We still have funding in our budget for supportive housing and for --

SENATOR KAVANAGH: So we're working our way through the five years there, and with -- in some years we work on allocating specific funds and in other years we're just kind of leaving in place what's passed. And with respect to those programs, we're just sort of working off old money at this point.

Talking about NYCHA, for a while we -- for several years we were holding -- the executive was holding funding, the $450 million that had been allocated in prior state budgets. There was a positive announcement that money is now available and

as I understand it, NYCHA is now authorized to move forward with projects that will be reimbursed.

There was an additional $100 million that was allocated in June. Has there been any movement on getting that money out the door to be available to NYCHA?

COMMISSIONER VISNAUSKAS: I don't believe at this time there's been an agreed-upon plan between NYCHA and the Executive for the last hundred from last year's budget, yes.

SENATOR KAVANAGH: I just -- I'm sorry --

COMMISSIONER VISNAUSKAS: So your question was is there a plan to spend that money?

SENATOR KAVANAGH: Right.

COMMISSIONER VISNAUSKAS: I don't believe at this time there's a plan. As you had mentioned, the $450 million from 2016 and 2018 was approved by the federal monitor late in 2019, so that work will begin and the state will reimburse NYCHA for that. I don't

believe there's an agreed-upon plan for the 2019 funding of $100 million.

SENATOR KAVANAGH: To your knowledge, has there been discussion about how to spend that money?

COMMISSIONER VISNAUSKAS: Excuse me?

SENATOR KAVANAGH: Has there been discussion between NYCHA and the state about how to spend that money, to your knowledge?

COMMISSIONER VISNAUSKAS: I'm not sure.

SENATOR KAVANAGH: Okay. Turning to -- you know, we -- in the Housing Stability and Tenant Protection Act, we imposed a great many obligations on your agency to enforce those laws. We've had numerous opportunities to have conversations about the efforts of the agency to implement that, and we know that's been a big challenge and we appreciate that work.

Can you just talk a little bit about the status of those efforts and the resources the agency needs, including the status of hiring up? You know, we added 94 positions

to the agency last year in the Office of Rent Administration and TPU.

COMMISSIONER VISNAUSKAS: I'd be happy to.

We spent a lot of time in the summer and in the early fall updating all of our documents, which include, you know, the ways we communicate with both tenants and landlords about the rent laws, which included fact sheets and advisory opinions and lease amendments. And we'd produced all of those in what we felt was the priority order of importance so that we could get information out -- the most important information out as quickly and timely as we could.

In addition to that, we have gone out to many public forums, both for tenants and landlords, and also to borough presidents and any other sort of elected official that has asked, to talk about where we are in the -- both what the changes to the rent laws are and what they mean, and then also our process for updating documents.

So we feel, you know, at this time we

are -- have sort of completed I think what we felt was our sort of public process for that. There are still a couple of things that have to get done, including, most largely, the regulations. And those regulations will get published this spring. They will go through the SAPA process this year, with an aim to be complete by the end of 2020.

On staffing, we were very appreciative to get 94 additional full-time employees last year prior to the rent laws actually even being passed, but as part of the budget process. That was the largest influx of staffing that ORA had ever had, and it had had quite a decline in staff over the period of time before that.

So since we received that over the past year, we are estimating that by June -- by March, sorry, of this year -- so one year since the budget -- we will have hired and have working, in seats in the office, 75 new employees of the 94.

I would caveat that by saying in the same period of time we've had a lot of

retirements in the Office of Rent Administration -- not any more than we normally have in a given year, but we have had about -- a little over 30 people retire. So we are net up about 45 employees in the overall ORA staffing.

So what that means is over the course of the next year, we'll continue to absorb the balance of the 94 heads. And we do this as quickly as we could. We work very closely with the Office of Civil Service to bring on people. We bring them on sort of in waves of 20 or so at a time. It takes obviously a lot of staff time to train people.

I would also add that as you would imagine, when people retire from the Office of Rent Administration with 30 years of experience, they take that out the door with them. And when new people come in, they're coming in green and they have not processed rent applications before. And so we do a -- take a serious amount of time to train people and on-board them.

So we wouldn't expect to really see

the full impact of the productivity of those 94 new heads really probably for a year from now.

SENATOR KAVANAGH: I assume there will probably be other panelists with questions about that and also about hard costs like computer systems and other that are part of the administration of that. But I'll leave it there for now, given my time.

Just on the issue of how this money changes hands, the Executive is proposing to -- instead of the city reimbursing the department for the cost of this, to -- it seems that the proposal is that at any given point the state can just remove money from virtually any payment that would otherwise go to the city for whatever service, and also charge the cost of that billing to the city.

Can you estimate what the reduction, the net reduction in payments to the city would be as a result of that change?

COMMISSIONER VISNAUSKAS: The -- yes. So the change has been made so that instead of the city and the state sending checks back

and forth for a myriad of things, that instead the city would -- the state would have an offset to payments to the city for the cost of running ORA. There's no change in the cost of running ORA. There's no change to our processes, our procedure or our staffing as a result of that change. It's just a process change, so that instead of trading checks there's just an offset of expenses.

SENATOR KAVANAGH: So we shouldn't be concerned about the language that says the city can -- in addition to the cost of running, of administering the rent system, the city can -- the state can also bill the city for the cost of that accounting mechanism?

COMMISSIONER VISNAUSKAS: For the account -- their cost of what?

SENATOR KAVANAGH: There's additional language that suggests the city could also -- the state could also bill the city for the cost of billing them for this payment. Okay. I'll leave that there as well.

The -- but it also eliminates the notion that HCR is the agency that administers these laws in New York and instead substitutes the idea that just generically the state administers them. Can you talk about the purpose of that and what its implications would be?

COMMISSIONER VISNAUSKAS: Sure. So since -- the change in the language would allow the state to offset city payments for any other expenses due. It wouldn't nec -- it wouldn't be DHCR expenses, it could be other expenses of the state. So that's what that language is meant to reflect.

SENATOR KAVANAGH: So the purpose of that is to allow the state to bill the city for expenses of other agencies as well as HCR for the administration of the rent laws?

COMMISSIONER VISNAUSKAS: No, I think the notion would be that rather than just billing the city and having the city pay the state back, that the state could offset other payments that are other expenses of other aspects of the state that aren't just

DHCR-specific expenses. Hence the substitution of the word.

SENATOR KAVANAGH: Okay. Again, with the clock ticking, I'll just note that it seems -- from our reading of the language, it seems to be that there's, in addition to this payment mechanism, there's also a change in the nature of the agency that is supposed to administer these laws in New York. Which we're not -- it's very unclear to a lot of us why that -- how -- why that would even be necessary, or what its effect would be.

Foreclosure prevention -- we had this conversation last year. This is the HOPP program, sometimes called Communities First. You know, we had a fight right down to the wire about finding $20 million. This was originally, I believe, funded through your agency; in more recent years it's been funded through the AG.

Can you just talk about the -- does the administration have plans to ensure that those programs continue? As we know, this funding expires March 31st, which was a

situation that was very problematic last year. Can you --

COMMISSIONER VISNAUSKAS: Yes, I recall the conversation from last year.

My understanding is that there is a $10 million -- the funding that was provided last year will carry through -- halfway through the next year, because it was a $30 million total against a $20 million annual cost.

And I would anticipate that through this budget process we continue to work on the balance of that.

SENATOR KAVANAGH: Is that $10 million in the Executive Budget?

COMMISSIONER VISNAUSKAS: I think it was in -- the 30 from last year covered 20 of one year and half of the -- of a following year.

SENATOR KAVANAGH: Okay, so we just -- we're -- you know, we're reading it as zeroed out, but we I guess -- we'd like to have further conversations with you about ensuring that that $10 million is available at this

stage, obviously so we continue the programs and look for additional funding to get through the year.

Just very briefly -- I have 10 seconds left. On code enforcement, we have had some conversations. You know that the Legislature has looked through this. Can you talk about whether the state should be assisting localities in ensuring that the codes are enforced?

COMMISSIONER VISNAUSKAS: If it's blinking, do you --

SENATOR KAVANAGH: I'm not sure what the rules are and what's -- if the question is out the door.

CHAIRWOMAN WEINSTEIN: RuthAnne, why don't you just answer.

COMMISSIONER VISNAUSKAS: Yes. We -- housing quality is very important to us, so too the intersection of code enforcement with sort of housing funding policy generally is important.

As I'm sure you see when you travel the state, local municipalities are often

challenged with resources to ensure good quality and just sort of general code. And so we are -- we work with municipalities around the state to try and assist where we can and to make sure that we can provide funding where they have buildings that are not meeting, you know, local code in municipalities across the state.

So we're happy to continue to talk about that as well.

SENATOR KAVANAGH: Okay. Thank you for all your work throughout the year and for your testimony today.

COMMISSIONER VISNAUSKAS: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Now we go to Assemblyman Barron.

ASSEMBLYMAN BARRON: Thank you very much.

Commissioner, as you know, we've had several meetings, so I like to always put my micro perspective in a macro perspective. As you know and may or may not agree, we live in a very racist, parasitic, predatory, exploitative, capitalist system that affects

housing. Exploitative. And I think the real solution is revolution: Radical systemic change of the system. But in the meantime, we're in the budget process now --

(Laughter.)

ASSEMBLYMAN BARRON: -- so I want to talk about gentrification. Honesty compels me to say we've done very productive work together in East New York. I'm not going to say things to you privately and not say them publicly, that we've done a very good job working together at 888 Fountain Street, Fountain Avenue. And the housing development there is 40 to 60 percent of the AMI. And we talked about getting more black developers getting contracts and not just the white men getting all the contracts out of these multi-billion-dollar programs, and we've actually done that in East New York. And I have to give my partner in East New York, and in my house, my wife, Inez Barron, Council member -- we were able to stop gentrification in our districts and maintain real affordable housing as we define affordability in our

district.

My concern is what about the rest of the state, where we are 80 percent, I heard you say -- 75 percent of the housing is at 80 percent of the AMI. And that does not match affordability in Brownsville and East New York and Harlem and many of our districts. So HUD cannot define affordability for us.

In New York City I think the AMI is $95,000 for a family of three. So 80 percent of that would be like $75,000 for a family of three. And if you look at the neighborhood AMI, we're talking $36,000 for a family of three? So that's not affordable. So I want you to address that.

Also I want to criticize the Governor for eliminating the Advantage Program years ago. That is subsidies for the homeless. We've got subsidies for rich developers, but we don't have subsidies to help the homeless pay their rent. So that's a criticism.

The RAD program, I'm concerned about privatization of public housing and public

property. In some instances it can work if it maintains affordable. If you take property and maintain the affordability of it, it can work.

And finally, we will never get out of poverty paying rent. At some point we've got to build real affordable homeownership for those of us in black and brown high-poverty neighborhoods. Homeownership. And I do understand that the state and the city gives a lot of subsidies to these developers for rentals, but when it comes to homeownership and building homeownership, the subsidies aren't there.

So I don't want them to see our community as ching-ching, profit-making time, and making money because it's more profit-making to do rentals than it is to do homeownership. So I'm very, very concerned about that as well.

So I believe that we need some radical changes in our system, but in the meantime we need to address these very serious issues of foreclosures and gentrification,

homeownership and the housing crisis that we're in, especially homelessness.

COMMISSIONER VISNAUSKAS: Okay. That was a lot. So I'll do my best to address it all.

I thank you for your words on the Brooklyn Developmental Center work that we are doing together, and I thank you for your partnership. As someone who's been working on affordable housing for a long time, it is incredibly sort of -- it really is a privilege to be able to work on really large-scale projects like that that will bring thousands and thousands of units in one project of affordable housing to one community. It's not something we get to do all the time, so we feel very lucky to be able to work on that with you.

And I think -- feel very grateful for your partnership and think that we've arrived at a place that we are producing housing at a variety of income levels that really serves the people who live in East New York.

I think as it relates to AMI -- and

we've talked about this in the past -- we use one standard, and we use that for a variety of reasons that relate to how we get our funding and to also having sort of a standard that we use across the city. But that doesn't mean we produce the same AMI of units across the city, right? So we produce 30 AMI, 40 AMI, 50 AMI. We're not always at 80 when we're -- or 60 when we're producing.

So we try to work with you and other local electeds to make sure that we are providing units at household incomes that are reflective of the neighborhoods where we're working in. We might not do it a hundred percent all the time, but we certainly try.

I would -- can I keep going to answer? I'll be quick. I would say on RAD we have done several RAD transactions. And while I think people are -- often have concerns about them, I think from my perspective we see that as a way to get really significant investment into housing that has been disinvested in for a very long time. And so as the federal government has pulled back on its capital

that it provides to public housing authorities, they have so little money to make what are really significant and needed investments. So I think for us, we see RAD as really a way to do major capital improvements into buildings that have been neglected for a long time.

And then lastly I would say on homeownership, we do have AHC, which is our homeownership program, that does thousands of units around the state every year, and we'd be happy to work with you more on homeownership opportunities.

ASSEMBLYMAN BARRON: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblyman Liu -- I mean Senator Liu. I'm sorry, John.

SENATOR LIU: {Inaudible; mic off.}

How about now? Thank you.

Commissioner, you testified that the Governor has committed $20 billion for this five-year Housing Plan to create 100,000 units of affordable housing and 6,000 supportive housing units. What are the main

tools that the state employs to create this affordable housing?

COMMISSIONER VISNAUSKAS: We have many tools that we use, but I think the two most common ones that people think of in terms of production and preservation of multifamily housing would be that we get federal resources in the form of volume cap, which would be tax-exempt bonds that come with 4 percent tax credits. And we also get from the federal government 9 percent tax credits. So we use both of those as a main driver for production of new affordable housing and supportive housing.

SENATOR LIU: So federal tax incentives for developers to build affordable housing.

COMMISSIONER VISNAUSKAS: They are somewhat tax --

SENATOR LIU: Okay. Well, what about the $20 billion of state money? Where does that go?

COMMISSIONER VISNAUSKAS: Where does it what?

SENATOR LIU: How does that manifest itself, the $20 billion? Is that straight capital spending? Is it subsidies, is it tax breaks? What is it?

COMMISSIONER VISNAUSKAS: Yes. So it's a variety of things that would probably take a while to go through. I think from our -- the key one that we utilized would be that there was $2.5 billion of state capital put into HCR's budget that we've been spending over the past couple of years, in connection -- alongside federal resources that we get in order to create housing.

SENATOR LIU: All right, I'm just focused on the state's $20 billion. According to your testimony, $2.5 billion of that is straight capital expenditures.

COMMISSIONER VISNAUSKAS: Correct.

SENATOR LIU: Is there an accounting for tax incentives? For example, the 421-a program, does that cost money out of this $20 billion?

COMMISSIONER VISNAUSKAS: It does not.

SENATOR LIU: All right. So where's

the other 17.5 going? I mean, it's got to be going somewhere.

COMMISSIONER VISNAUSKAS: So the $20 billion includes federal resources that we use to do the affordable housing plan, so the credit, the volume cap that I was speaking of. But only a portion of that is the housing that we produce at HCR. There's also a portion of that $20 billion that is for shelters and other --

SENATOR LIU: Got it, okay. So that $2.5 billion is -- I presume that's going to NYCHA or public housing -- no?

COMMISSIONER VISNAUSKAS: No. The $2.5 billion is in HCR's budget, and we're spending it for affordable and supportive housing.

SENATOR LIU: Okay. Cities like New York City employ what they now call mandatory inclusionary housing, right?

COMMISSIONER VISNAUSKAS: Mm-hmm.

SENATOR LIU: That's something that the state doesn't really have, because the state doesn't govern zoning laws, whereas

localities do govern zoning laws.

But does your department have any oversight into the kinds of deals that municipalities make with developers?

COMMISSIONER VISNAUSKAS: Not if they don't involve our funding.

SENATOR LIU: I'm sorry, not that --

COMMISSIONER VISNAUSKAS: We wouldn't have any oversight of a deal that a municipal makes with a developer unless it involved -- unless --

SENATOR LIU: So in other words, for example, if the City of New York makes a deal with a developer to give them additional bulk for their development in exchange for affordable housing, DHCR has no oversight as to what level of affordability or what percentage of affordability that development or that particular deal would encompass?

COMMISSIONER VISNAUSKAS: That is correct.

SENATOR LIU: So it's completely up to the city.

COMMISSIONER VISNAUSKAS: If they are

using their own zoning to create affordable housing, that's within their jurisdiction, yes.

SENATOR LIU: Okay, great. And then one last set of questions has to do with the new tenant reform -- the rent reform that I was very happy and proud to be a part of last year. There was just one item in the new rent laws that are -- is harming a large part of my constituency. These are co-op owners, who of course they -- under the law they are classified as shareholder tenants.

And so they're some kind of tenant, and they're swept up into the tenant reforms. But in fact they're shareholder tenants, meaning they basically own their apartments, and they I guess legally, technically pay rent to themselves. But the problem that they're faced with is that some of the restrictions on the fees, the deposits, et cetera, it's harming the ability for many of these co-op buildings to govern themselves.

Is there any look that your department

is taking to see what can be done to mitigate some of the problems here?

COMMISSIONER VISNAUSKAS: Yes, I think you're referring to part of the Housing Stability and Tenant Protection Act that is commonly referred to as Part M, which had a series of protections that were sort of outside of the rent stabilization aspects of the law.

We don't have any jurisdiction over the condo and co-op portion of the law and the changes that were made. My understanding is that -- but I certainly have heard of and am aware of issues. My understanding is that many of the organizations that work with co-ops and their boards are working with the Attorney General's office to better understand that part of the law.

SENATOR LIU: Got it. Thank you, Commissioner. And thank you, Madam Chair.

CHAIRWOMAN WEINSTEIN: Thank you.

Now we go to the ranker on Housing, Mr. Fitzpatrick.

ASSEMBLYMAN FITZPATRICK: Thank you,

Madam Chair.

Hello, Commissioner, welcome. Has DHCR given any thought or -- about the changes to the MCIs and IAIs based on the new law? Has there -- have you given any look at how that is working out?

COMMISSIONER VISNAUSKAS: I'm not sure exactly what part of it you want to me to address. But we continue to process MCI applications according to the new provisions provided in the law.

ASSEMBLYMAN FITZPATRICK: Have we seen any impacts yet of the changes to the IAI and MCI provisions?

COMMISSIONER VISNAUSKAS: We have not -- you mean in terms of applications? Or a change of what type of impact?

ASSEMBLYMAN FITZPATRICK: Anything at all. Have you noticed any?

COMMISSIONER VISNAUSKAS: I mean, it's still soon, right? The law was passed June 14, 2019. Certainly in the case of an MCI, a landlord has up to two years after they complete the work to submit, so -- and the

MCIs that we're processing right now are probably not MCIs that were done after the law was changed, right? They were probably MCIs that were done prior to it.

So I think it's still fairly soon in any way of data or anything to see any result of the change -- of the effects of the law.

ASSEMBLYMAN FITZPATRICK: All right. How about with respect to lead paint, mold and asbestos? The $15,000 cap, do you feel that is enough to remediate those problems? Or should that be higher or --

COMMISSIONER VISNAUSKAS: Again, so we haven't seen, you know, any challenges in IAIs as a result of the $15,000 cap yet. So I think it's too early to tell.

ASSEMBLYMAN FITZPATRICK: Okay. And have you had any municipalities around the state reach out to DHCR for guidance with regard to the new rental laws?

COMMISSIONER VISNAUSKAS: We are aware that Kingston and Albany and a couple of other municipalities have done -- are starting to do the study in order to look at

whether there's an emergency in the vacancy for their municipalities. But we haven't had any -- no one has reached out to us for direct guidance on that. I think the law provides them guidance on how to start the process.

ASSEMBLYMAN FITZPATRICK: All right. Thank you very much.

COMMISSIONER VISNAUSKAS: Thanks.

CHAIRWOMAN WEINSTEIN: Thank you. We now go to Assemblyman -- I'm sorry, Senator Brad Hoylman.

SENATOR HOYLMAN: Thank you.

Nice to see you, Commissioner. I just wanted to ask a couple of questions about the implementation of the rent laws, if that's okay.

As you know, in my Senate district, which I share with Assemblymember Epstein, there is a large housing complex, probably the richest source of affordable housing in the area called Stuyvesant Town and Peter Cooper Village. It includes over 11,000 apartments and about 25,000 residents.

And I'm sure you're familiar with the case that dates back to 2009 where a settlement was reached between the then-owner and the tenants that specified that tenants who entered into that settlement agreement with the then-owners resulted in apartments that had been illegally deregulated prior to this decision. And the rent stabilization terms were extended through June 2020 at the same time that the owners' J-51 tax benefits expired.

We're reaching that deadline closely, as we approach June, of these J-51 tax benefits, and it's led to a lot of questions about whether the tenants of this class are going to be held to the settlement agreement or to the new rent laws that we passed that repealed deregulation.

Is it your opinion that deregulation has been repealed comprehensively?

COMMISSIONER VISNAUSKAS: So we are certainly familiar with Stuy Town and Peter Cooper Village as well as with the issue. It's a complex one, right, in terms of the

relationship between the settlement and the new rent laws and what prevails. And I think that we are also very sensitive to tenants being unsure of an outcome as they approach a lease renewal date. And so we will continue to work with your office and the owners to address that issue.

SENATOR HOYLMAN: I do thank you for the work that you've done. And I have to give a shout out to Woody Pasquale, of course, everyone's favorite employee at HCR and maybe the State of New York, I don't know. But looking at the laws --

COMMISSIONER VISNAUSKAS: I thought I was your favorite employee.

(Laughter.)

SENATOR HOYLMAN: -- more -- more broadly, have you -- have you received many reports of warehousing from landlords who are trying to evade the short-term impacts of the new rent laws? And are you keeping track of that information, and what do you plan as an agency to do about it?

COMMISSIONER VISNAUSKAS: So I have

read the same articles you have about warehousing. It is not something that we would see until the registration period opens, as it will in April of this year. But even at that time I think it would probably hard to perceive the warehousing perhaps in the numbers because the system is so big.

But as you know, landlords can keep apartments off the market if they so choose.

SENATOR HOYLMAN: So there's no regulatory approach that you're considering in terms of a response to at least press reports on warehousing?

COMMISSIONER VISNAUSKAS: Again, we haven't seen it and we wouldn't see it until after the registration period was closed to really know whether it existed or not.

And so it's sort of an odd economic issue as to why a landlord would keep a apartment off the market unless they anticipated that all the laws might be undone this year that were done last year. So I don't think we've perceived that people will make uneconomic choices and continue to just

hold apartments off the market.

SENATOR HOYLMAN: Thank you very much.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblyman Schmitt.

ASSEMBLYMAN SCHMITT: Thank you, Chairwoman.

Thank you, Commissioner, for being here.

I just wanted to expand off of a previous line of questioning. Since -- given the new rent laws that limit and restrict an owner's ability to recover investments in an apartment building, building upgrades, you mentioned you really haven't seen any MCI applications since post-passage of the new laws. So you haven't seen -- not one has come across yet, to your knowledge?

COMMISSIONER VISNAUSKAS: Well, landlords, as I said, would have two years after completing an MCI to submit an application. So if they were to do work related to an MCI, they would have had to start it in presumably June or July of last year, completed it and already filed -- which

would be a fairly short time frame for an MCI, which is generally a large capital improvement for a building.

So I don't know specifically that we haven't received any, but I would imagine that the majority of MCIs that we have been processing in the fall -- you know, in the second half of last year, were probably MCIs that were done prior to the law changing.

ASSEMBLYMAN SCHMITT: Do you have a time frame when you expect to see it, then? Is it within that two-year time frame? When do you expect that we'll have some data where we could be able to see is there -- what are the associated dollar amounts, has there been an overall decrease in the overall requests, I guess.

COMMISSIONER VISNAUSKAS: I mean -- as I said, landlords are allowed the two-year time frame. So where they apply within that is obviously driven by the landlord and/or the owner. You know, there was not a change to the amount an owner can spend on MCIs. So I don't know that we would perceive

necessarily a change in that. But, you know, as the -- we will be supplying, as we did this year, data as required by the law on an annual basis.

ASSEMBLYMAN SCHMITT: Now, have you received an increase in inquiries from building owners or from any parties regarding these changes, seeking guidance? Has there been any -- you know, if you haven't necessarily received the applications, has there been an increase in any individual trying to seek clarification, trying to see what might be appropriate or seeing how -- what new laws may impact the long-term condition of their properties?

COMMISSIONER VISNAUSKAS: Well, I'd say the MCIs had changes for both landlords and tenants, right, so there was changes in the way that the MCI impacts the rents as well.

We have done a series of meetings, public meetings, that tenants were invited to and had open Q&A sessions. We've also met with RSA and with the Small Property Owners

of New York and with the Community Housing Improvement Program, and various owner organizations too, to understand their questions, things they may or may not understand in the law or understand in the processing of cases.

So we have been as open door, I think, as we can be to make sure that we're taking in issues and questions from all stakeholders.

ASSEMBLYMAN SCHMITT: Have any -- going outside of New York City, have any upstate cities enacted rent regulation that didn't previously have it since the new laws have gone into effect?

COMMISSIONER VISNAUSKAS: No one has opted into ETPA as of yet.

ASSEMBLYMAN SCHMITT: Is there any active in the Hudson Valley, upstate, that are in the process in the near future that would enact that?

COMMISSIONER VISNAUSKAS: My understanding is that both Kingston and Albany are in the process of undertaking

the -- a study that is required to determine that there is a housing emergency.

ASSEMBLYMAN SCHMITT: Are they doing that in conjunction with you, or using outside --

COMMISSIONER VISNAUSKAS: No, there's no requirement that they do it with us. They just have to perform their own -- you know, perform their own evaluation.

ASSEMBLYMAN SCHMITT: Great. Another quick question. What projects and activities are going to be funded with the new $40 million in federal HUD money for the Small Cities Community Development Block Grant program?

COMMISSIONER VISNAUSKAS: So we receive at HCR about $40 million a year in CBG dollars and we implement that through a series of programs that are for economic development and micro-enterprise and for housing. And we assist many communities throughout the state to achieve their priorities. So we will continue to deploy that money in 2020 as well.

ASSEMBLYMAN SCHMITT: Great, thank you.

Thank you, Chairwoman.

CHAIRWOMAN WEINSTEIN: Thank you.

I just wanted to acknowledge we were joined a while ago by Assemblywoman Aravella {sic} and Assemblywoman Walker.

And before we go to the Senate, I just wanted to -- for colleagues who may have -- members who may have come in after we began the hearing, just wanted to remind you that it's the hearing on the Governor's budget. Though it's tempting, with the commissioner here, to move on to other non-budget-related items.

So now we go to Senator Kaminsky.

SENATOR KAMINSKY: Thank you.

Good afternoon, Commissioner.

I just wanted to turn your attention to the Governor's Office of Storm Recovery. Many of us here had districts that were decimated in Superstorm Sandy. And we're coming up on almost 71/2 years, and many of the community redevelopment projects which have

game-changing potential are kind of mired in planning status or in some type of bidding status. And, you know, the communities are still suffering from flooding on, you know, just regular full moons or, you know, just regular bad rains, let alone storms.

And I'm wondering if GOSR is still trying to make these projects a priority, trying to get them accomplished, and what efforts are being taken to help move the ball along.

COMMISSIONER VISNAUSKAS: Yes, thank you for the question. We are very proud of the work that the Governor's Office of Storm Recovery has done.

As you would know, the priority at the beginning of the spend was really around housing and helping the 11,000 people that applied for assistance. There was also a multiyear planning process since the storm that resulted in the identifying of all the projects that are going to be done through community reconstruction.

And so that the fact that things are

only at 30 percent design is not a reflection of any lack of commitment to those projects, it's really just sort of where they are in the process.

We still have two years till the end of the spending deadline for HUD, and so these projects are all being planned and managed to make sure that they meet that spending deadline.

SENATOR KAMINSKY: And do you have confidence -- I also assume that the disbanding of GOSR which is proposed in the budget is coterminous with when that spending deadline ends, so that GOSR will be around to make sure that all these projects get to the finish line and across the finish line?

COMMISSIONER VISNAUSKAS: Absolutely. So GOSR will be in place through the end of the spending deadline.

And in fact as you probably know, there's a fair amount of reporting that actually happens after that deadline, so we will make sure that we are staffed to do all the reporting required to HUD.

SENATOR KAMINSKY: And do you think all the specific cases with specific homeowners will be resolved by the time GOSR is planned to be disbanded?

COMMISSIONER VISNAUSKAS: Yes, I would hope so.

SENATOR KAMINSKY: Okay. I also just want to call your attention to a tremendous amount of contractor fraud that frankly, in my opinion, the law has been inept and unable to deal with.

Many of these you have to prove ahead of time that a contractor knew that, when he or she originally entered into a contract, that fraud would ensue. And when someone goes and builds a quarter of it, takes your money and goes away, you can't really make a criminal case out of that. And it's -- you know, it's caused a lot of extra heartache to storm victims.

We've tried to inject some fairness and sense to the process when GOSR has been dealing with those homeowners in reclamations and other things. I have a bill this year

that would create I think a more fair statute and standard for contractor fraud after a storm disaster. And I'd love your office to take a look at it and work with me on trying to get that -- I think we learned a lot of lessons from Sandy about fly-by-night contractors and how -- we've seen a lot of the best that comes out in people after storms, but we also see some of the worst when people prey upon people in very vulnerable positions. And I think the amount of contractor fraud that we've seen -- and I'm sure that GOSR has interacted with -- is quite concerning.

COMMISSIONER VISNAUSKAS: We'd be happy to work with you on that.

SENATOR KAMINSKY: And so in -- just in conclusion, your -- your -- you don't see any issue with winding down GOSR and its impact on the impacted storm areas and affected storm areas?

COMMISSIONER VISNAUSKAS: The GOSR team will be there to make sure that we complete on all the commitments that we have

made for not just housing, but also for the community reconstruction projects.

SENATOR KAMINSKY: Okay, thank you.

And I just want to take this opportunity to compliment Betsy Mallow and all of the great work she's done overseeing a lot of this. This is very complicated, and we have people with very difficult situations. But thank you for working with us, and we hope that we'll get these projects over the finish line and help all of our homeowners.

COMMISSIONER VISNAUSKAS: Thank you. I appreciate that. And thank you for acknowledging my staff.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblyman Mosley.

And I just wanted to -- I mentioned before Assemblywoman Aravella Simotas, but I left out the Simotas part.

(Laughter.)

CHAIRWOMAN WEINSTEIN: So Assemblyman Mosley.

ASSEMBLYMAN MOSLEY: Thank you,

Chairs.

First and foremost, I'd like to thank the commissioner and your staff for always being responsive to my office and to my staff in realtime.

So I'm just going to go over just three topics. One is dealing with overcharges, leases, and major capital improvements, related to what happened in last year's budget with the Tenant Protection Act and how that has translated into what we see today.

So in the past few years the legislators have been discussing with you and your predecessors in terms of the backlogs of complaints at ORA and the Overcharge Bureau. What is the average time does it take to resolve an overcharge right now?

COMMISSIONER VISNAUSKAS: Overcharge cases take between 12 and 18 months. And as you might recall, one of the changes that was made in the law last year was to extend the period of time that we can go back to ascertain a last reliable rent. So

previously it had been four, now it's at least six, but really it could go back much longer than that per the provisions of the law.

So I would not expect to see our processing time go down as a result of those changes in the law.

ASSEMBLYMAN MOSLEY: And have the complaints that we've seen in the past with regards to the Overcharge Bureau, have they been diminished? Are they starting to handle these cases in a more timely fashion?

COMMISSIONER VISNAUSKAS: Well, again, I don't know that we will reduce our processing time, given that now the law requires us to sort of do even more. And I think it also additionally provided some additional time for tenants to respond to certain parts of the process.

ASSEMBLYMAN MOSLEY: But the complaints -- do you believe the complaints have diminished in lieu of that?

COMMISSIONER VISNAUSKAS: Do I believe the complaints have been addressed?

ASSEMBLYMAN MOSLEY: Yes.

COMMISSIONER VISNAUSKAS: I mean, look, we work really -- have been working very, very hard to adjust to all the changes in the new law and to be as responsive as we can, and we are sort of continuing to adjust to the -- and from a staffing and processing perspective, to what our new timelines will be for different aspects of the law. So I think it's probably a little early for us to know whether we -- you know, where we will sort of settle on those.

ASSEMBLYMAN MOSLEY: Okay. And how many overcharge cases were processed in 2019?

COMMISSIONER VISNAUSKAS: In 2019? I don't have that number, but I'd be happy to get back to you with it.

ASSEMBLYMAN MOSLEY: Okay. And the average amount awarded to tenants?

COMMISSIONER VISNAUSKAS: The same. I can get back to you with those numbers.

ASSEMBLYMAN MOSLEY: And can you tell me about the Overcharge Bureau, how they're processing cases post-Tenant Protection Act

of 2019? Like what's -- is there a significant change in how we're handling that process?

COMMISSIONER VISNAUSKAS: Well, look, the main change, right, would be that we will go back much further in time to ascertain a last reliable rent.

So whether that's -- six years would suffice for the sort of base of the law or whether we're going to go back 10 years or 15 years obviously is on a case-by-case basis. But that will certainly -- you know, that takes more time, obviously, the further back we go.

ASSEMBLYMAN MOSLEY: Okay. Leases. Just three quick questions. Landlords submit a copy of every single lease signed by tenants to HCR for recordkeeping. Do they do that now?

COMMISSIONER VISNAUSKAS: I -- I'm not sure. I can get back to you on that.

ASSEMBLYMAN MOSLEY: Okay. And has HCR updated its lease renewal forms to reflect the new laws?

COMMISSIONER VISNAUSKAS: Yes. So over the summer we updated our fact sheets, our advisory opinions, as well as our lease riders, so that landlords had them over the summer as they were doing lease renewals.

ASSEMBLYMAN MOSLEY: Okay. And, Commissioner, do the new -- the lease renewal forms indicate MCI or IAI rent increases?

COMMISSIONER VISNAUSKAS: Yes, a lease renewal would reflect an MCI or IAI.

ASSEMBLYMAN MOSLEY: And that's reflective of the actual cap on rent increases, which is -- which indicates preferential rent, lease status, and includes any updated riders with summary of tenants' rights? Is that also in the leases as well?

COMMISSIONER VISNAUSKAS: Yes, so the lease would now be required to reflect, I think, in what you're asking is sort of in the case of like a 2 percent MCI cap rather than what previously had been a 6 percent cap.

ASSEMBLYMAN MOSLEY: Okay. MCIs. The MCI increase has been approved and provided a

breakdown for the numbers statewide? Do we have those numbers?

COMMISSIONER VISNAUSKAS: Numbers for how many MCIs we approved?

ASSEMBLYMAN MOSLEY: Right.

COMMISSIONER VISNAUSKAS: Yeah, I'm happy to follow up with those too.

ASSEMBLYMAN MOSLEY: Okay. And will the reasonable cost schedule be completed by June of this year?

COMMISSIONER VISNAUSKAS: Yes.

ASSEMBLYMAN MOSLEY: Okay. And I guess one last question. Is it legal for a landlord to refuse to rent to a tenant solely because that tenant has housing subsidies or other types of government vouchers?

COMMISSIONER VISNAUSKAS: It is not. Thanks to the source-of-income law that was passed last year, you cannot deny a tenant based on their source of income.

ASSEMBLYMAN MOSLEY: How is HCR -- what is HCR doing to address that particular issue? Because that's like a systemic issue.

COMMISSIONER VISNAUSKAS: So those

cases would be processed by the Division of Human Rights, not by DHCR. But we make sure, as best as we can, that everyone understands their rights, through disseminating information through our network and through working with other state agencies.

ASSEMBLYMAN MOSLEY: All right, thank you very much.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate.

CHAIRWOMAN KRUEGER: Thank you.

Senator Salazar.

SENATOR SALAZAR: Thank you.

I want to follow up on some questions that Senator Kavanagh asked about the Executive Budget proposal designating the state generally as administrator of rent regulations in New York City, seemingly rather than designating DHCR. Is it your -- is that your assessment?

And is your assessment that this would increase the city's costs in administering the -- particularly the rent regulations post-Housing Stability and Tenant Protection

Act? And what if any impact would you anticipate from that?

COMMISSIONER VISNAUSKAS: So no, we don't believe it increased the costs of running the system to the City of New York. And that the language change is really just to allow the state to reimburse for other expenses, not just DHCR rent regulation expenses. We do not see any change in the way we operate, in the way we are funded, in the way we are staffed as a result of that language.

SENATOR SALAZAR: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblywoman Rosenthal.

ASSEMBLYWOMAN ROSENTHAL: {Inaudible; mic issues.}.

COMMISSIONER VISNAUSKAS: But I can hear you if you just --

ASSEMBLYWOMAN ROSENTHAL: Okay, now you can hear me. Thank you.

I have questions on other issues, but I just wanted to follow up on something

Assemblymember Fitzpatrick asked. Is lead remediation covered under an IAI, or would repairs around lead and mold be acceptable as IAIs under the old law or new law?

COMMISSIONER VISNAUSKAS: I'd have to get back to you on -- I don't think there's been any change in certainly what was allowed under an IAI or an MCI --

ASSEMBLYWOMAN ROSENTHAL: It was allowed.

COMMISSIONER VISNAUSKAS: It -- excuse me?

ASSEMBLYWOMAN ROSENTHAL: You're saying it was allowed earlier?

COMMISSIONER VISNAUSKAS: Sorry, I'm saying there was no change to what was allowed in an IAI, but the changes in the law reflected the amount and the time frame.

ASSEMBLYWOMAN ROSENTHAL: Okay. Because sometimes landlords say they can't do lead remediation, or mold, because of the IAI change. But as far as you know right here, no change in IAI mission, purpose, allowance?

COMMISSIONER VISNAUSKAS: Correct.

Right. The changes in the law were around the dollar figure, the amortization and the rent.

ASSEMBLYWOMAN ROSENTHAL: Okay. Okay, I appreciate that.

What was the budget of the Tenant Protection Unit last year? And what is it this year.

COMMISSIONER VISNAUSKAS: Five-point-five million dollars.

ASSEMBLYWOMAN ROSENTHAL: Both years?

COMMISSIONER VISNAUSKAS: Yes.

ASSEMBLYWOMAN ROSENTHAL: So given that we made such large-scale changes, shouldn't TPU's budget be increased?

COMMISSIONER VISNAUSKAS: So the TPU budget, at $5.5 million, funds 29 staff people. I think that in many ways the work of TPU has changed, right? So that if no more units are exiting the system, that's one less --

ASSEMBLYWOMAN ROSENTHAL: I'm sorry, no more units are exiting?

COMMISSIONER VISNAUSKAS: Right. So

as a result of the elimination of the vacancy and high-income decontrol threshold, right, a lot of the work that -- the audits that TPU would do would be for looking for units illegally exiting the system.

So I think that a lot of the changes that were made in the law -- we could sort of go through them one by one -- actually provide a lot more structure that -- and a lot more tightening of the law so that not as many units obviously can sort of -- can come out of the system illegally.

So I think the -- while TPU's work will still remain incredibly important -- to date they've returned over 80,000 units back into the system, which we're very proud of -- we don't see the changes in the law creating an uptick in work for them as much as it helps them narrow their focus and where they're really looking for anomalies.

ASSEMBLYWOMAN ROSENTHAL: So TPU does return units that were illegally decontrolled, destabilized, is that right?

COMMISSIONER VISNAUSKAS: Correct.

ASSEMBLYWOMAN ROSENTHAL: And TPU does that for cases that TPU works on but not on individual apartment bases? DHCR does not do that?

COMMISSIONER VISNAUSKAS: TPU has sort of an audit function, right? So they're sort of looking at the whole system and they're looking for anomalies either by landlord or by neighborhood or just by sort of rent units leaving the system or rent increases that don't sort of fit the formula.

ASSEMBLYWOMAN ROSENTHAL: Right. Right. Right.

COMMISSIONER VISNAUSKAS: And so now that the formula has changed, their work will change.

ASSEMBLYWOMAN ROSENTHAL: Okay. Can you tell me -- DHCR's upgrading its technology, we've heard this for many years. Where is that process now?

COMMISSIONER VISNAUSKAS: So we have had a lot of technology changes in the past year. As you will recall, last year when I sat here we had just launched Rent Connect,

which was our online portal to allow landlords and tenants to sort of better access the agency.

In the past year we have also created a data warehouse which, while sounding kind of dull, is actually sort of the back end of what will be the new front-end processing system that we're launching this year. So it was a major step for us to be able to create the data warehouse to -- for the ORA database.

We changed the system to allow it to process according to all the new rent laws, so that was not sort of an insignificant technology upgrade we did. We also were required by the law to create a database for IAIs, so landlords now have to upload before and after photos. That was launched this week.

ASSEMBLYWOMAN ROSENTHAL: So what's left to do?

COMMISSIONER VISNAUSKAS: Well, I'm building up to the big --

ASSEMBLYWOMAN ROSENTHAL: I know, I'm

running out of time.

COMMISSIONER VISNAUSKAS: Oh. So the IAI database was launched on Monday, and then the last big change will be a front-end processing system for ORA. We have been working very closely with ITS on that, and it will be completed in 2020.

ASSEMBLYWOMAN ROSENTHAL: In this year?

COMMISSIONER VISNAUSKAS: In this calendar year.

ASSEMBLYWOMAN ROSENTHAL: So you have enough funding to complete all the upgrades.

COMMISSIONER VISNAUSKAS: Yes.

ASSEMBLYWOMAN ROSENTHAL: Okay. There are these units called Frankenstein apartments, where one -- those have been created with space taken from an adjoining apartment, and new apartments created from the remaining space. Owners can use this practice to create apartments with first rents in their attempt to deregulate multiple units.

What is -- is DHCR tracking that? And

if not, what would you need in order to have the capability to track that?

COMMISSIONER VISNAUSKAS: So that provision is not addressed in the rent laws sort of writ large, or in the new housing act passed last year. We will be addressing that issue in our regulations.

ASSEMBLYWOMAN ROSENTHAL: As -- can you say how?

COMMISSIONER VISNAUSKAS: No.

(Laughter.)

CHAIRWOMAN WEINSTEIN: Thank you.

Senate.

CHAIRWOMAN KRUEGER: Senator Jim Seward.

SENATOR SEWARD: Thank you, Madam Chair.

And thank you, Commissioner.

COMMISSIONER VISNAUSKAS: Hi.

SENATOR SEWARD: I wanted to shift gears a bit to the Lake Ontario relief program. Can you provide an update on how the 2019 -- I think there was $20 million for the homeowner program -- how that is

operating? Has the money flowed?

And the second part of that question would be, is that enough, considering the assistance provided to homeowners -- I think back to 2017 -- was 70 million? I mean, is that 20 million enough? And how is it being used?

COMMISSIONER VISNAUSKAS: Yes, I appreciate the question. We've been working very hard on all the applications that we've received for the 2019 Lake Ontario program.

As you'll recall, the application process happened late last year, the end of 2019. We have been sorting through -- the applications have made I think several hundred awards, and are working as fast as we can with the four organizations who are processing the applications to get people's approvals out as quickly as we can so they can begin work.

SENATOR SEWARD: Okay, thank you.

The Executive has pledged $300 million for the REDI program, the Lake Ontario Resiliency and Economic Development program,

to rebuild the shoreline through that program. And can you provide us with any kind of update on that and the plans there? How many projects have been identified? Any money disbursed yet?

COMMISSIONER VISNAUSKAS: It is a very big program, the $300 million. And as you know, it was awarded to hundreds of projects throughout the region. So we would be happy to sit with you separately and go through county by county what the priority projects are, and also the ones that are -- that spread obviously multiple counties -- there's several large infrastructure projects that benefit multiple -- to talk about where they are in the process. We are running a very tight ship on that.

SENATOR SEWARD: So a list does exist of projects?

COMMISSIONER VISNAUSKAS: Yes. Absolutely.

SENATOR SEWARD: Okay. We would like to reach out -- you know, we would like to get the list of those, because a number of

our members are -- that border the lake are very interested in those.

COMMISSIONER VISNAUSKAS: Great.

SENATOR SEWARD: One final question on that topic. The -- I note in the Executive's budget there's a reappropriation of $100 million for the REDI program. But where's the other $200 million coming from? Where is that appropriated, or where is that coming from?

COMMISSIONER VISNAUSKAS: I don't know the technical sort of budget of where the money is located. But there is a -- for sure a $300 million commitment to the program overall.

SENATOR SEWARD: So you can't share with us where the --

COMMISSIONER VISNAUSKAS: Yeah, I'm not aware of sort of technically where the funding lives in the budget. As I -- we sort of speak mostly to the housing aspect of it.

SENATOR SEWARD: I wanted to shift -- I know some discussion earlier on the Governor's Office of Storm Recovery. I note

that the Executive's Budget does not include any new appropriations for that office. I mean, why is this? Is the job done or --

COMMISSIONER VISNAUSKAS: We are continuing to work through the balance of the housing in the community reconstruction and the infrastructure projects. So since we still have some time to go as those work their way through the process, and we don't have final budget numbers for many of those projects -- which again is not a concern, it's just where we are in the process, and we have two years left to go. So as we better define those budgets for all projects that are remaining, we will have a better idea of what the budget -- if there's a sort of a net budget need there.

SENATOR SEWARD: Can you share with us what type of projects and improvements are being funded with that -- the appropriations of the past? And how is this money being spent? I mean, we're almost a decade after Lee, Irene and Sandy. What type of projects are being funded?

COMMISSIONER VISNAUSKAS: Sure. So as you would recall, the bulk of the money was spent on homeowners for the -- in the initial years of the project. So the things that we are focused on now are a series of 200 community reconstruction projects that are sort of all different shapes and scales. It could be a microgrid project, it could be a shoreline hardening, it could be elevation of a firehouse or a hardening of sort of a firehouse.

So they run the gamut from small, medium to big and vary, obviously, in complexity. And so we'd be happy to sit with you and talk through the projects in whatever order makes sense to you. But for sure there's a very diverse set of community reconstruction projects.

SENATOR SEWARD: Once again, a list would be -- would be great.

One real quick question regarding the Housing Development Fund increase. The Executive Budget increases funding for -- to be used for improved farmworker housing. Can

you explain the program and the reason for the increase?

COMMISSIONER VISNAUSKAS: Mm-hmm. So we work with Farm Credit East, which is a lender that lends to agricultural producers and farms. And the funding is available as a low-cost revolving loan to either buy, renovate or construct farmworker housing.

SENATOR SEWARD: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Thank you.

I also just want to remind members, as we have at each hearing, to make sure your mic is off when you're not speaking. We are hearing from people who are streaming, who are watching this online, that they are hearing voices other than the two main speakers.

So now we go to Assemblywoman Niou. New.

ASSEMBLYWOMAN NIOU: Hello. Can you hear me? Great.

So actually our Housing chairs asked

some really important questions about NYCHA's operating deficit. NYCHA's operating deficit is currently $40 billion. NYCHA provides affordable housing to 600,000 of some of the state's most vulnerable households.

You know, Brian had asked a question about whether or not they were in the budget at all, and they're not. Why are these households ignored in our State Budget?

And also, my Housing chair had asked about the public housing upstate, and they're also left out of the budget. So why have these housing authorities been left out of the conversation? And what are we doing to basically making sure that every public housing resident in New York State has safe living conditions?

COMMISSIONER VISNAUSKAS: Yes. Obviously we care very much about our public housing residents across the state.

I would note, as you know, that there's $650 million that has been appropriated in the last several years for NYCHA specifically; $100 million of that has

been spent. There's $450 million that was pending the appointment of the federal monitor. As you recall, there was a lot of discussion last year about the appointment of the federal monitor and the funds being released from the state.

So that monitor has finally signed off on the spending plan for the $450 million --

ASSEMBLYWOMAN NIOU: I know about the 500 million. I just -- what I'm asking is when the deficit is in the $40 billion range, why we are giving so little. And we haven't provided anything this budget.

So New York State developed and funded its own public housing developments until 1990. However, the state has since abandoned its financial commitment to these projects. This divestment has cost New York City $60 million a year.

So would you agree that New York State should actually step up to fully fund state public housing?

COMMISSIONER VISNAUSKAS: So we have spent over $100 million in the last two years

working with upstate public housing authorities on their capital needs. We have funding left in that budget line, and we have an additional $20 million from the Legislature last year. So we will continue to work with the upstate housing authorities to address their capital needs.

ASSEMBLYWOMAN NIOU: But do you believe that we should fully fund state public housing?

COMMISSIONER VISNAUSKAS: I'm not totally sure what you mean. So we -- they are -- there's -- let me sort of step back for a second. There's two types of public housing in the rest of the state, right? There's federal public housing that is -- receives their operating capital money from the federal government, and then there's a very small section of state public housing that we have oversight of that's about -- I think it's about 1500 units around the state. And we work very closely with those state housing authorities, both on their capital needs -- we have, as you recall, a public

housing modernization budget line in our budget that's $6 million a year, and we deploy that year over year to those state public housing authorities to make sure that they can make capital repairs.

ASSEMBLYWOMAN NIOU: Are you open to exploring new state-funded public housing programs?

COMMISSIONER VISNAUSKAS: As I said, we have funding in our budget that we would certainly continue to spend down. And once that is done, I think -- I'm sure there will be a broader conversation about new resources for all affordable housing.

ASSEMBLYWOMAN NIOU: So like -- but are you open to exploring new programs for state-funded public housing?

COMMISSIONER VISNAUSKAS: I'd be happy to talk to you about that, yeah.

ASSEMBLYWOMAN NIOU: And what is your position on new revenue streams, like eliminating 421-a and passing a tax on private equity or like mezzanine debt in order to fund public housing?

COMMISSIONER VISNAUSKAS: I haven't read those bills, so I'm not familiar with the details of them.

ASSEMBLYWOMAN NIOU: I mean, we know what 421-a is. Are you open to eliminating it?

COMMISSIONER VISNAUSKAS: I think 421-a has been for a very long time the major stimulus for the production of rental housing in the city. So I think if you're going to eliminate it, there should be certainly discussion about how rental housing would get developed in New York City.

ASSEMBLYWOMAN NIOU: Yeah, 421-a costs our state billions annually, actually. And how can we justify this expenditure to corporate landlords like, for example, The Related Group to build Hudson Yards, when our public housing is actually in such massive disrepair?

COMMISSIONER VISNAUSKAS: Again, I think you'd have to look at the consequences of eliminating it on the production of housing overall.

ASSEMBLYWOMAN NIOU: What is the administration's position on the Rental Assistance Demonstration program?

COMMISSIONER VISNAUSKAS: So at HCR we financed the first RAD project that was done by the New York City Housing Authority, but we have also financed multiple RAD transactions around the state. And in every case the leveraging -- the changing of the public housing operating subsidy to basically what is essentially a Section 8 contract allows those public housing authorities to access capital that otherwise they would never be able to reach, and to do really significant long-term capital improvements.

So from my perspective, as the goal is to make sure that those properties stay in good condition for the low-income residents who in them, RAD has been one of the few tools that the federal government has really provided over the last decade to be able to allow public housing authorities to make significant investments in their properties.

ASSEMBLYWOMAN NIOU: Do you believe

that there are other pathways or options that the state can provide public housing residents, you know, funding without privatization?

COMMISSIONER VISNAUSKAS: I think that the significance of the RAD program has been leverage and that you will never get as much sort of state, you know -- or never get as much direct investment using just public dollars as you can when you can leverage other sources. So I think it's a conversation.

ASSEMBLYWOMAN NIOU: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Senate.

CHAIRWOMAN KRUEGER: Thank you. Senator Myrie.

SENATOR MYRIE: Thank you, Madam Chair.

Thank you, Commissioner. I want to publicly thank you and your staff for working very closely with us, particularly the members in Brooklyn, on the Vital Brooklyn developments and for other local

developments. Thank you very much for your work and cooperation on that.

I want to focus my line of questioning on homeownership, and I want to talk about two things. First, HOPP funding. And so as you know better than most, the foreclosure crisis, while it had a severe impact all over the nation and of course the state, black and brown communities felt that in a severe way. We are still feeling the remnants of that crisis, and HOPP funding has been critical to keeping homeowners in their homes. It has been the first line of defense for things like deed theft and foreclosure.

And so I'm wondering if you could explain why that funding is not in this Executive Budget and why we continue to have this shift. As you know, this used to be in the budget and in 2012 was shifted to AG settlements. And so I'm hoping that we can have a discussion about why that's not in the budget.

COMMISSIONER VISNAUSKAS: Yes, thank you for your comments about Vital Brooklyn.

We are very excited about all the work that we are doing there.

Foreclosures is certainly something that weighs on us, and we keep an eye on it. I think I read, as did you, that foreclosures are down 20 percent, which it would be better if they were down 100 percent, but we'll take 20 percent as at least a little bit of a reprieve for the moment.

We had this conversation last year about the HOPP program. And as I understand it, the program is funded for half of this coming year. The annual need is $20 million, and there's 10. And we would expect that that -- to have conversation about the balance of that funding over the course of the budget process.

SENATOR MYRIE: And do you believe that this is funding that we should be going back and forth about every year, or should this be a line item in the budget? Should this come out of the AG settlements, given the importance of keeping folks in their homes?

COMMISSIONER VISNAUSKAS: As you noted, it's been run by the Attorney General's office for the last six to eight years. So I think to the extent that it stays there or transitions into the state is a conversation to be had through the process.

SENATOR MYRIE: Thank you. And speaking of ownership, in the HSTPA last year there's a provision on the rent to own concept for manufactured homes, which we were very proud to legislate and to see implemented. And it is a concept that I believe is important not just to folks in manufactured homes, but also to renters in the city that would love to have the opportunity to own as well.

I think there are many folks that are of the opinion, including myself, that ownership is the strongest anchor against gentrification and displacement, and so we are having discussions both publicly and privately around what that might look like for renters.

I know that these are programs that

have had some facsimiles in localities in the past where the government provides some subsidies for financing to allow tenants the opportunity to own. And I was wondering if you could speak to your experience or thoughts on both the opportunity for tenants to own and what your thoughts are on the limited co-op equity model.

COMMISSIONER VISNAUSKAS: So we certainly have a lot of programs that address homeownership and agree, you know, it is -- while New York City tends to be opposite from the rest of the state, right, there is a sort of strong homeownership component across the state.

So we spend a lot of money on our HC program in New York City and outside to guarantee home ownership. And we also, while not necessarily always talked about in the budget, run the State of New York Mortgage Agency, where we assist thousands of homeowners every year to achieve first-time homeownership by providing long-term, low-cost mortgages. And we are increasing

our marketing efforts in minority communities, especially at a time where there seems to be an obvious disparity in lending across the state.

So we are very focused on this issue and are putting our resources behind it, and we would be happy to work with you more closely on programs and opportunities.

SENATOR MYRIE: Great. And if I could, in the last 30 seconds, there has been discussion on the numbers of evictions that have gone down, attributed to what we passed last year. And I was wondering if HCR had any numbers that they could provide on the effects on evictions since the HSTPA has been passed.

COMMISSIONER VISNAUSKAS: We don't sort of have oversight on evictions, so we don't have data on that.

SENATOR MYRIE: Great. Thank you.

COMMISSIONER VISNAUSKAS: Thanks.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: We were joined

earlier by Assemblyman Ortiz.

We go to Assemblyman Epstein for questions.

ASSEMBLYMAN EPSTEIN: Thank you, Commissioner, for all you do. And appreciate you taking the time to be with us today.

So as you heard earlier, we spent -- we created such massive change in the rent laws last year. I'm wondering why the Governor's office and your office hasn't decided to put money into tenant education, funding community-based organizations who can get the word out about the changes in the rent law.

COMMISSIONER VISNAUSKAS: We do a lot of public work on the rent laws, as I had mentioned earlier, and -- both myself and also my staff. And we are constantly in communities and in neighborhoods and providing resources everywhere we can to make sure people understand their rights as it relates to the law, and we're happy to continue doing that.

ASSEMBLYMAN EPSTEIN: Yeah, and I

appreciate that. But as -- you know, we're governments, and not everyone trusts governments, so there are community-based organizations around who have much more ability to get to communities that are harder to reach. I'm wondering why there was a decision not to fund those groups in this proposed budget.

COMMISSIONER VISNAUSKAS: It's not something we have done before. So I'm not sure if you're suggesting that it was something that we had been committed to or not any longer. I think we're -- we're happy to talk about what that would look like. It's just not something we've done in the past.

ASSEMBLYMAN EPSTEIN: Great, I'm glad to hear that. I'll follow up with you later about that.

And so source-of-income discrimination laws were passed last year in the budget, so we have a statewide source of income discrimination {sic}. And, you know, obviously we've heard the stories of what's

happening on Long Island, housing discrimination is rampant. And I'm wondering why we didn't see a large effort to put money into education and enforcement on housing discrimination that's clearly happening all across our state based on source of income.

COMMISSIONER VISNAUSKAS: So we also saw the Newsday article, as many people did, about the broker discrimination in Long Island.

I think we have a lot of guardrails in place for our part around fair housing as it relates to our multifamily development, and so feel confident that fair housing laws are being followed. I think source of income is an incredible resource layered on top of that, to give people a tool and also knowledge and understanding of what their rights are, which they oftentimes don't have.

And for our part, on our single-family side, we do a lot of outreach and education, especially in disadvantaged communities, to make sure that people have access to credit and understand what our programs are so they

can then ask for them. Our lending in African-American communities trends with the state population, so we don't have a disparity in our efforts per se and try to make sure that from a marketing perspective we are out there and making people aware of our products.

ASSEMBLYMAN EPSTEIN: And I do appreciate that. I just think -- just to be honest, I think we need to do more. Clearly source-of-income discrimination is happening, housing discrimination is happening across the state. I'd love to see your agency step up and do much more aggressive education, enforcement, especially since we see so much discrimination happening around housing and housing discrimination, and especially around source of income discrimination.

COMMISSIONER VISNAUSKAS: As you know, the Department of Human Rights has the enforcement over fair housing. We work very closely with them to make sure that we're communicating -- anytime something is raised to us or anytime we see something, that we

are referring it to DHR so that they can enforce.

ASSEMBLYMAN EPSTEIN: I just want to follow up with similar questions raised by my colleague Ms. Niou. And you mentioned RAD and, you know, how some of the programs are successful.

I'm wondering about focusing on RAD with nonprofit developers. We've seen, in my district and my community, concerns around RAD and those resources being sent to for-profit developers. I'm wondering around ensuring that RAD and the resources that we're putting in there create nonprofit partners and we're really funding and supporting those nonprofit community-based organizations that are doing and preserving affordable housing.

COMMISSIONER VISNAUSKAS: I mean, certainly I think the examples that some people see in New York City probably have more private developers.

Certainly from my perspective, as we see this work happening across the state,

that's not the norm, and that there are certainly a mix. There's many, many nonprofits who work with not only housing authorities on RAD -- but also any other sort of federally funded Section 202 or anything else that wants to RAD, there's often strong nonprofit partners who do that work as well.

ASSEMBLYMAN EPSTEIN: Great. And, you know, we're running out of time. Just quickly, just -- I know Senator Hoylman raised the concerns just making sure that, post-Roberts, that those units are remaining in rent regulation. You know, we have some concerns that we don't want to lose any units from rent regulation.

I assume you share that position that we don't want -- if -- once a unit is regulated, as long as it's not coming out because it wasn't regulated before, six or more built before '74, we're taking the position that they remain in rent regulation. Is that your understanding as well?

COMMISSIONER VISNAUSKAS: I think in the case of Stuy Town, as Senator Hoylman

said, it's certainly complicated as it relates to the settlement documents. And we'll continue to work on that.

ASSEMBLYMAN EPSTEIN: Great. Thank you. And just for my last few seconds, just making sure that as we go forward -- I know homelessness is a huge problem, and the ability to deal with some of the homelessness. We'd love to see you and your agencies create a bigger commitment to deal with the over 90,000 people who are homeless and really making institutional commitments to deal with the homelessness problem we've seen continue to rise instead of decrease over the last 10 years.

COMMISSIONER VISNAUSKAS: Yeah, I mean, we're committed to spending the balance of our supportive housing dollars just to make sure we can build every unit we can with the dollars we have, and to stretch those dollars as far as we can to provide as much housing as possible.

CHAIRWOMAN WEINSTEIN: Thank you.

Senate?

CHAIRWOMAN KRUEGER: Thank you.

Senator Robert Jackson.

SENATOR JACKSON: Good afternoon, Commissioner. How are you?

COMMISSIONER VISNAUSKAS: Good, thank you.

SENATOR JACKSON: Good to see you and your staff here. And thank you for your leadership of HCR.

I have a couple of questions quickly. Last year I believe we allocated about $8 million for the Code Enforcement Unit. That money -- tell me what have you done with that money so far. Have you expanded the staff? And exactly where around the state or specific locations?

COMMISSIONER VISNAUSKAS: Is this the expansion in ORA?

SENATOR JACKSON: I'm sorry, say that again?

COMMISSIONER VISNAUSKAS: Do you mean our expansion of the rent office?

SENATOR JACKSON: Of the code enforcement office, yeah. If that's the

rental office, then yes. I'm talking about code enforcement, really.

COMMISSIONER VISNAUSKAS: Oh, for TPU, for the Tenant Protection Unit?

SENATOR JACKSON: I'm sorry, it's the Code Enforcement Unit.

COMMISSIONER VISNAUSKAS: I can talk a little bit about our efforts around the state to make sure that we are -- from the lens of TPU, that we're making sure that landlords are following the building codes and the rent stabilization laws.

SENATOR JACKSON: Have you expanded the staff, considering that you got $8 million more in the budget?

COMMISSIONER VISNAUSKAS: So we have --

SENATOR JACKSON: And if so, how many staff have you added?

COMMISSIONER VISNAUSKAS: Yup, sure. So we last year at this time had 10 housing inspectors who go out and do inspections for the Office of Rent Administration, and we have expanded that staff by three in place

already, and we have another fourth person that will be hired by the end of March. And we think 14 is a right-sizing for that division based on the number of inspections we do.

SENATOR JACKSON: And is that additional staff in New York City, or is it in Rochester or Syracuse or other areas? Where, where at?

COMMISSIONER VISNAUSKAS: Those are in New York City, but they cover the New York City and the surrounding counties.

SENATOR JACKSON: Around where?

COMMISSIONER VISNAUSKAS: The Office of Rent Administration would cover New York City and Rockland, Nassau and Westchester Counties. That's their jurisdiction.

SENATOR JACKSON: Okay. And what about -- do you have code enforcement up in Rochester, New York?

COMMISSIONER VISNAUSKAS: We do not have a code enforcement office in Rochester.

SENATOR JACKSON: Okay. Great. So you must be aware that the real estate -- the

landlords filed a lawsuit against the rent laws that were passed and the Governor signed into law. Is your office involved with that, and to what extent?

COMMISSIONER VISNAUSKAS: I believe four different people have filed lawsuits against myself, my agency and various other parties as a result of the rent laws that were passed in June of 2019, and we are being represented by the Attorney General's office in those cases.

SENATOR JACKSON: And so you're working with the Attorney General's office regarding whatever information she needs in order to represent you and the stability of those rent laws that we passed, is that correct?

COMMISSIONER VISNAUSKAS: Absolutely.

SENATOR JACKSON: Okay. I'm going to ask you a question, understanding the time. According to the financial plan, there was over $33.8 million for the fire prevention and code enforcement account by the year end 2021, but there is only an appropriation

amount out of this account of $2.17 million in the Department of State aid to localities budget. Why is such a small amount of this account authorized for disbursement? And what is this appropriation anticipated to be used for?

COMMISSIONER VISNAUSKAS: I would have to get back to you on all those facts and figures. I'm not that familiar with those.

SENATOR JACKSON: Okay, would you get back to central staff on that, if you don't mind?

COMMISSIONER VISNAUSKAS: Sure, mm-hmm.

SENATOR JACKSON: Because I want to say to you the Senate has recently introduced a comprehensive code enforcement bill package that could result in additional costs to the state associated with the necessity of enforcement and administrative oversight matters. And do you think, though, that if in fact there's an appropriate utilization of the excess funds in this account to be used for fire prevention and code enforcement?

COMMISSIONER VISNAUSKAS: We'd be happy to talk further with you about that.

SENATOR JACKSON: Okay, sure, if you can get back to central staff on that, I appreciate that.

And my last one is concerning the education that it talks about segregation in schools and housing. Do you track and keep account of which owners have been found guilty of discriminatory practices? And where's that list at, if you have it?

COMMISSIONER VISNAUSKAS: No, we do not have a -- I'm sorry, do we track owners that have been accused of? I'm sorry.

SENATOR JACKSON: No, not only accused, but have been found to discriminate.

COMMISSIONER VISNAUSKAS: We as -- and sort of depending on which part of our agency you're referring to, but as we lend to private developers to build or preserve affordable housing, we do a background check and that to ensure anybody that was found to --

SENATOR JACKSON: But those that are

found guilty, does your office keep a list of those landlords, owners, that have been found to discriminate in housing? And if not, I would truly recommend that that be the case.

It needs to be known that landlords have discriminated of people against their income or because they're black, they're white, they're yellow, green or blue. Discrimination is discrimination. And I believe that your office should keep a list of those and make that public on your website. So I ask you to do that and take that into consideration, because a number of our members are working on legislation aimed at combating discrimination in housing and the rental real estate market.

And so I want to know, has your office taken the time to review those proposals and if so, do you have any thoughts or comments on this particular matter?

COMMISSIONER VISNAUSKAS: I have been very focused on my budget testimony, so I have not familiarized myself with that legislation. But for sure, as we get past

the budget, I will do that.

SENATOR JACKSON: Then I'm going to ask central staff to follow up with your office about this particular matter.

COMMISSIONER VISNAUSKAS: Great.

SENATOR JACKSON: And thank you for your time.

COMMISSIONER VISNAUSKAS: Thank you.

CHAIRWOMAN KRUEGER: Assembly.

CHAIRWOMAN WEINSTEIN: Assemblyman Blake.

ASSEMBLYMAN BLAKE: Commissioner, good to see you. And thank you for you and your team, as we all spend a lot of time with Concourse Village and many places, respectively.

Commissioner, for the sake of time, a few quick questions. Have you or your team been able to review the federal monitor's quarterly reports that they have one? They just did a third quarterly, but have you been able to review the first, second or third?

COMMISSIONER VISNAUSKAS: I have -- we have read them. Not the most recent one, but

I have read the first and second one.

ASSEMBLYMAN BLAKE: Within the report it comments around 148 elevators, 108 boilers and the challenges around lead, in particular 134,000 apartments that have lead, 52,000 common areas that are lead-based.

I'm trying to understand, the $100 million that has been allocated last year, who within state government is overseeing that negotiation? You said earlier today that you are not a part of that currently.

COMMISSIONER VISNAUSKAS: I believe that the Executive works directly with NYCHA and the funding has to date been reimbursed by DASNY.

ASSEMBLYMAN BLAKE: So just very clearly, who specifically within the Executive is leading the effort of the $100 million on NYCHA?

COMMISSIONER VISNAUSKAS: I'd have to get back to you on that. I don't know.

ASSEMBLYMAN BLAKE: When can someone get back to us on that?

COMMISSIONER VISNAUSKAS: Shortly.

ASSEMBLYMAN BLAKE: Shortly being a week?

COMMISSIONER VISNAUSKAS: We'll get back to you as soon as we know.

ASSEMBLYMAN BLAKE: Moving forward, what is the specific rationale for zero dollars for NYCHA capital in this budget, given the concerning and glaring need for NYCHA improvements?

COMMISSIONER VISNAUSKAS: As I had said earlier, there's still $450 million that have yet to be spent, and there's another 100 million for which I'm not sure a plan has been submitted yet for review.

So I think the idea would be to spend down some of that before additional funding is provided.

ASSEMBLYMAN BLAKE: Respectfully, Commissioner, we always would have additional funding for other matters even if we have not spent down on those items. The 450 had a clear responsibility towards it. So given the continuing need, why would there be a

rationale of zero for NYCHA capital when there is more need than the 450?

COMMISSIONER VISNAUSKAS: Again, I think that that funding has to be begun to be spent, and a plan would need to be submitted for the 100 that remains from last year.

ASSEMBLYMAN BLAKE: I'm just trying to understand. Based upon -- when you said that has to be spent, the approval from the federal monitor was for the 450.

COMMISSIONER VISNAUSKAS: Right.

ASSEMBLYMAN BLAKE: So I'm asking about additional funding. I'm just trying to understand, what was the state's position as to why there's a rationale for zero dollars?

COMMISSIONER VISNAUSKAS: I believe since the work on the 450 hasn't begun and a plan for the 100 has not been submitted yet, that there's still some time for those funds to be expended before additional funds would be allocated.

ASSEMBLYMAN BLAKE: Just on the record, the 450 has begun. That's why I was referencing the 148 elevators, the 108

boilers itself.

You had mentioned that HCR does not have oversight on eviction. If not, then who does?

COMMISSIONER VISNAUSKAS: I believe that information would live with the court system. But it's not -- it's an area that we have jurisdiction over.

ASSEMBLYMAN BLAKE: Is there a reason why HCR would not be the entity that would have data on evictions for the state?

COMMISSIONER VISNAUSKAS: Well, evictions are done through the court, so I think the court maintains that data.

ASSEMBLYMAN BLAKE: But in part -- I mean, that's part of the reason why we created the changes last year, respectfully. So is it to say that there is no one within the state that would be able to provide us information on evictions?

COMMISSIONER VISNAUSKAS: I could -- I'm not sure of that. I think -- I believe all that information lives within the court system.

ASSEMBLYMAN BLAKE: Understand. For Opportunity Zones themselves, obviously they're tracts primarily in communities of high impact of poverty. Just want to understand, does the administration have a position on whether you support or oppose legislation to ensure affordable housing within the Opportunity Zone tracts? Since that's currently not mandated.

COMMISSIONER VISNAUSKAS: We have found -- although happy to discuss more -- that the overlay of affordable housing production in Opportunity Zones is more complicated than it would seem at first blush, given the timelines as Opportunity Zones and our mandate and goal that affordable housing is very long term.

So we have not seen a lot of production coming to us of affordable housing in Opportunity Zones.

ASSEMBLYMAN BLAKE: Just to state for the record that in Charleston they announced about two weeks ago -- and I would encourage your team to review this -- legislation being

produced to ensure affordable housing to occur within Opportunity Zones, which we think that would have to be absolutely necessary.

On Mitchell-Lama, could you just give a top line of the amount that was spent on Mitchell-Lama for the year last year? And equally, any ballpark on Mitchell-Lama funding within the Bronx?

COMMISSIONER VISNAUSKAS: I don't know the Bronx number, although I'd be happy to get back to you on that.

We had $75 million in the original housing plan, and we have spent about 60, 65 percent of that already. Although sometimes not all of the properties will need subsidy dollars; sometimes we can do them with tax credits alone.

So happy to get back to you on how many Mitchell-Lamas we have financed in total.

ASSEMBLYMAN BLAKE: Is there a dollar amount in this year's proposal for Mitchell-Lama funding that you all have

proposed?

COMMISSIONER VISNAUSKAS: No. We still have money to spend --

ASSEMBLYMAN BLAKE: From the previous --

COMMISSIONER VISNAUSKAS: From the previous, mm-hmm.

ASSEMBLYMAN BLAKE: But going back to the previous point, we always would put forth more funding when there's additional need. So I'm just trying to understand, what is the rationale for not having more funding toward Mitchell-Lama this year?

COMMISSIONER VISNAUSKAS: We have two years left to go to spend down that. So I think -- I suspect we'll be having this conversation at this time next year as well.

ASSEMBLYMAN BLAKE: Okay. And then just in conclusion, just for clarity purposes, is there anyone within your team that is responsible for assessing the progress of the federal monitor's findings for the $450 million and the $100 million and the other concerning items that are going on

with NYCHA? Since we have provided this funding, who is the individual responsible to give us progress reports on heat, lead and mold?

COMMISSIONER VISNAUSKAS: We will get back to you on that.

CHAIRWOMAN WEINSTEIN: Senate?

CHAIRWOMAN KRUEGER: Thank you.

Senator Kavanagh, second round, to end.

SENATOR KAVANAGH: Thank you, Chairs.

And thank you for your patience with the many questions. And I would note that as Chairwoman Weinstein mentioned, this is a budget hearing and we have some off-budget conversations.

But I actually want to clarify something that arose from one of those conversations, which is we had several questions today about the new rules with respect to IAIs and the extent to which they might hinder people from correcting mold conditions and other maintenance issues.

Just can you clarify, the IAI law --

IAIs have never been available for routine repairs -- mold remediation, that sort of thing -- as a project. Right? And nothing had changed with respect to people's ability to use IAIs for that, in that they couldn't use them before and presumably can't use them now. Is that your understanding?

COMMISSIONER VISNAUSKAS: Correct. The changes to the law around IAIs were around amortization, capping the amount, the term of the benefit.

SENATOR KAVANAGH: Great. Okay. And so I'll just end again by thanking you and just noting that, you know, as my colleague Michael Blake in the Assembly was noting, you know, many of us view the needs particularly of public housing in New York and other places, but several of the capital needs that we've talked about, as kind of ongoing needs where we would expect and we have fought for additional infusions of money.

You know, the idea that we delayed the spending of $450 million for several years as a reason not to allocate new money this year

is -- you know, is not -- is something that I think we'll be having a further conversation about during the process.

But again, I thank you for all of your work and for your patience with all of us today.

COMMISSIONER VISNAUSKAS: Thanks.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Aravella Simotas.

ASSEMBLYWOMAN SIMOTAS: Thank you, Commissioner, for joining us today.

New Yorkers who experience domestic violence oftentimes can't get out of their abusive environments because they have nowhere else to go, they have no other options, they have to stay with their abuser because they won't have a place to live. In the past budgets we have prioritized creating housing opportunities for DV survivors, and I know that this budget does so as well.

I want to ask specifically how much is the state -- is the Governor wanting to prioritize capital expenses for -- specifically for DV survivors?

COMMISSIONER VISNAUSKAS: So as you probably know, there is, within the Empire State Supportive Housing Initiative -- which is the service dollars that drive the supportive housing creation for HCR -- there is funding available for DV populations and for services to serve those. It's certainly very important to us to make sure that those projects are funded.

So as organizations receive those operating awards, they come to us for capital. And so we have done -- I'd be happy to get back to you the number, about how many we have done over the last several years. But we are -- have done in the past and will continue to finance housing for survivors of domestic violence.

ASSEMBLYWOMAN SIMOTAS: And what would be the process if there is a DV survivor who wants to look for other options to get out of their situation? How would they apply for this type of housing? And how is that -- how are those slots prioritized for these survivors?

COMMISSIONER VISNAUSKAS: So the organizations that get the contracts, so the -- you know, often what our supportive housing providers that specialize in domestic violence survivors, they will run processes to pull women and their families from the shelters that are specifically for domestic violence survivors, and have other ways that they can access people in the community. So they control that process, as long as they follow fair housing and other guidelines that we require. They are predominantly looking to take people from the domestic violence system into their permanent housing.

And we work closely with those organizations so that they can meet their objectives as they do that.

ASSEMBLYWOMAN SIMOTAS: And is there money allocated in this budget for education? Because oftentimes, as I mentioned when we began, DV people who are caught in the cycle don't know that this -- that these housing opportunities are available -- would be available to them, and sometimes they won't

get out of their scenario because they just won't have a place to live.

You know, they're going to become homeless, and they choose not to do so and not to take the -- all of the resources that are available to them to get out of their situation.

But do we specifically allocate money for education?

COMMISSIONER VISNAUSKAS: I think we primarily have a role sort of in the marketing of that, to make sure that people have awareness. And we rely on the organizations to sort of tell us how they think to best market the units to make sure that people know that they exist. We'd be happy to talk more about some of the marketing plans we get and how people approach that and ways that you think that could be done better.

ASSEMBLYWOMAN SIMOTAS: Thank you very much.

COMMISSIONER VISNAUSKAS: Thanks.

CHAIRWOMAN WEINSTEIN: Assemblywoman

Walker.

ASSEMBLYWOMAN WALKER: Good afternoon.

I would like to submit my comments and my support for all of my colleagues' statements regarding public housing. Of course I represent 29 NYCHA developments, which is roughly, in estimate, about nearly 14,000 individuals. So clearly this is something that is a huge need. And it really provides the only level of affordable housing, definitely in the communities that I represent.

But regarding affordable housing, in the Governor's budget did -- are there any resources for the Supportive Housing Opportunity Program, the New Construction Capital Program, the Middle-Income Housing Program, and any other tax credits for affordable housing?

COMMISSIONER VISNAUSKAS: Yes. So when we received the $2.5 billion several years ago for the overall plan, we have been spending that down. And we have at the moment approximately a billion dollars left

across those various programs, including the Supportive Housing Opportunities Program, the new construction, and the others that all add up at the bottom line to a billion dollars for us left to spend over the next two years.

ASSEMBLYWOMAN WALKER: So when a developer utilizes these resources to build, are there any approvals that they have to go through either with your office or with HFA?

COMMISSIONER VISNAUSKAS: Yes, absolutely. These are sort of highly structured financial deals that go through a series of reviews and approvals -- not only the internal credit committee, they go to the HFA board, they go to the PACB. There's multiple layers of review for our projects.

ASSEMBLYWOMAN WALKER: Is there any oversight that your office provides over the course of time once these funds have been expended on particular projects?

COMMISSIONER VISNAUSKAS: Yes. So we both monitor them through construction to make sure they're complete and then once they complete the projects and move into our asset

management division. And we are doing compliance for financial, physical and regulatory compliance for everything that we finance.

ASSEMBLYWOMAN WALKER: Okay. So the reason for I guess the concern that I have is, moving forward with how these projects are being handled, is that there was just recently an announcement of a $179 million public financing opportunity for a development in Brooklyn. And of those resources for this particular project, there was a transfer of the ownership or the development from one developer to another. But when we reached out to your office, there was some concern as to not necessarily knowing much about what's happening there.

So in your opinion, are there any items that we may be able to address or include particularly on these financing opportunities, where either HCR continues to have authority and control over any changes that are made? And what type of outreach or community support may be provided at the

state level in order to help assist in that regard?

COMMISSIONER VISNAUSKAS: So if any borrower of ours wants to change ownership or sell their property, they have to get our approval before they do that. I'd be happy to talk to you in specifics about yours or to think, you know, more creatively about how we might do that. But they have to come to us for approval if an owner wants to transfer their interest in a property.

ASSEMBLYWOMAN WALKER: But I think, you know, $179 million is a lot of money. So are you aware that there was a transfer of either ownership or control from one developer to another on the Marcus Garvey development site? Is that typical?

COMMISSIONER VISNAUSKAS: We can talk more about sort of the specifics of that. But for sure the owner would have to come to my staff to seek their sign-off before they can transfer their interest in a property.

ASSEMBLYWOMAN WALKER: And also I'm just wondering whether or not there are any

opportunities for affordable homeownership with respect to increasing, you know, wealth in many different communities. Of course as we know, the Nehemiah development was a huge success, and it is the one item that we can point to that has the starkest growth of generational wealth to the children from their parents. And so we would love to have more support for that.

There is a request in now for about $100 million for more affordable homeownership opportunities. So I'm just wondering what your organization -- what your agency feels about an affordable housing tax credit.

COMMISSIONER VISNAUSKAS: We -- we are fairly active in the ownership space.

As I had mentioned before, we have our AHC program, which has been used in Nehemiah and at other developments around the city and around the state to allow for low-income homeownership. We also have a first-time-homebuyer mortgage program that we provide thousands of mortgages each year to

first-time homebuyers.

But we are always happy to talk about ways that we can expand our efforts within homeownership to make sure that we are driving that as a policy matter. So we'd be happy to talk to you about that more.

ASSEMBLYWOMAN WALKER: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you. Okay. Now -- the light was on, but it still wasn't working. So I have a few questions.

One, I want to just follow up -- sometimes it's a little hard to hear up here in terms of the questions and responses, so I wanted to follow up on the foreclosure prevention funding. So I know in response to Senator Kavanagh you said there's $10 million that we expect to be reappropriated into this -- the budget that we're discussing now, that will be six months worth of funding. I know Senator Myrie also had asked questions about this program, which is very important to homeowners throughout the state who are facing foreclosure.

So if we were looking at 20 million on

an annual basis, where is the additional $10 million going to come from or the program's going to end in September?

COMMISSIONER VISNAUSKAS: Yes, so my understanding, which I think as is yours, is that the program has been funded and operated by the Attorney General's office for the last six or more years, and that last year $30 million was put in to cover the $20 million for last year and half of this year.

And we would anticipate discussing funding the balance of that during the course of this budget process.

CHAIRWOMAN WEINSTEIN: I'm sorry, can you just -- can you repeat that? Maybe talk into the mic. It's really difficult to hear.

COMMISSIONER VISNAUSKAS: Sure. No, that's fine. It's hard to tell if I'm on the mic or not.

We -- as you know, the program was funded and operated by the Attorney General's office for the last six or more years. Last year, through the course of the budget

process, $30 million was added to the budget, which funded the $20 million for last year and $10 million in this.

And we would anticipate that in the course of this year's budget discussion, that the funding of the balance of that would be part of that discussion.

CHAIRWOMAN WEINSTEIN: Part of the reason it came out of the Attorney General's office was that there was settlement monies as a result of some of the fraud committed by banks, and that settlement money has been -- the amount of settlement money coming in has been greatly reduced, so the Governor has redirected it for other purposes.

So it would be better if we started off with the money we needed in the budget, not rely on adding it later.

I want to just ask a couple of questions some of my colleagues didn't have an opportunity to have enough time to ask. So I just wanted to know, what role does the agency play in reducing the homelessness crisis? And what is the administration's

position on the Home Stability Support? And then I'll have some follow-up questions.

COMMISSIONER VISNAUSKAS: As you know, homelessness is a complex issue. And so I think it is addressed, from the state's perspective, through many programs. I know that my colleagues from OTDA and OMH and other agencies have been testifying over the last couple of days, and they all sort of play a role in the broad strategy around addressing homelessness in the state.

For our part at HCR, we have a very strong commitment to creating 6,000 units of supportive housing in the five-year period, and so we have financed over 4,500 of those to date and are on track to complete that commitment. And while permanent supportive housing isn't the only tool for homelessness, we certainly believe that it's a very important one and are happy to be doing our part in that.

CHAIRWOMAN WEINSTEIN: So I guess it was in 2016 that the Governor committed to developing 20,000 units of supportive

housing. So you're saying that the 6,000 -- so has it been -- how much of that 20,000 does the 6,000 that you're talking about represent?

COMMISSIONER VISNAUSKAS: Sure. So the Empire State Supportive Housing Initiative -- ESSHI, as we call it -- was the sort of umbrella for the services as it related to the 20,000 unit announcement. So the first 6,000 of those are what's being done in this first five-year period.

As you also probably know, nonprofit organizations apply through ESSHI to get service contracts for different populations according to who they serve. They then come to OMH, OTDA, HCR to finance the construction of those projects.

So the last round of the ESSHI operating subsidy contracts will happen this year, and that will complete the award for all 6,000. And then we are financing those after they get their operating award, and we have financed 4500 of those so far and are aggressively working our way toward the end

of the full 6,000 commitment of the ESSHI.

CHAIRWOMAN WEINSTEIN: Okay. And then there was an issue about people who were in supportive housing where the supportive -- for some reason the supportive housing providers were taken to court and the individual tenants lose their -- they're not on the lease. So that they don't have -- they don't have the rights of tenants.

And there's been some complaints that when the supportive housing tenants complained -- they were getting harassed or threatened when they made complaints to HPD and DHCR over conditions. And I was wondering if your Office of Rent Administration has heard of those complaints. Because clearly the legislative intent was that they would have -- the tenants themselves would have the full rent stabilization tenant protections even though they weren't -- even though it was the provider who was receiving the funding.

COMMISSIONER VISNAUSKAS: Yes, so I think it's long been the practice of the

supportive housing community that they are the -- they lease apartments and then they have a client who's in that apartment. And the supportive housing provider, as the recipient of the operating subsidy, is the one who is paying the rent, hence why they are on the lease. And that the client they're serving likely does not have the full income that would be required to pay whatever the rent might be.

So that has long been the practice in the way it was -- certainly we financed those projects. So I think there were some changes in the 2019 law around adding additional protections to the subtenants or the clients or whatever the right term would be for those. So that will now change and provide additional protections for those tenants.

CHAIRWOMAN WEINSTEIN: That's good. If you could keep us informed as to how that process happens -- obviously it's just going to start happening now, then -- so we can find out if there are complaints that are happening as a result of tenants making

complaints, and if in fact they are being able to get the full rent stabilization protections.

COMMISSIONER VISNAUSKAS: Okay. Mm-hmm.

CHAIRWOMAN WEINSTEIN: Thank you.

Now we're going to go to Assemblyman Cymbrowitz for his second round of five minutes.

ASSEMBLYMAN CYMBROWITZ: Thank you.

Appreciate the stamina. Appreciate your responses to my colleagues' questions. And I just wanted -- you know, just to fill in the blanks a little bit, be brief.

Of the many line items included in the five-year plan, are there any funding lines -- is there any funding that has not yet been committed?

COMMISSIONER VISNAUSKAS: We -- when we originally devised the five-year plan, we had some funding sources that were not within the 2.5 that funded certain programs.

So to answer your question specifically, in the case of some of our

homeownership programs, we had had some JPMorgan settlement dollars that we got in 20 -- I think it was 2016. And they -- for example, we used some of that funding to provide Habitat for Humanity resources so that they could provide very-low-interest mortgages to the people that they work with in their homes. And so the first two, probably two and a half years of that program had been funded by some JPMorgan settlement dollars that we had.

And so now, going forward, that program will be funded by the homeownership line in our budget. So there are probably maybe two lines within our overall budget that now that they're in year -- in the last two years of the spending plan, that will begin to be tapped. But rest assured we will spend them all by the end of the five years. So if they haven't been spent yet, it's not because we aren't programmatically working on those issues; they may just have been funded by a different source.

ASSEMBLYMAN CYMBROWITZ: So they're on

homeownership programs?

COMMISSIONER VISNAUSKAS: Excuse me?

ASSEMBLYMAN CYMBROWITZ: Homeownership programs, is that what's left --

COMMISSIONER VISNAUSKAS: Correct, so in our homeownership program line.

So we had some funding from JPMorgan that we used first, and once we spend that down -- which we have just done -- we will now start to spend the Housing Plan dollars for that.

ASSEMBLYMAN CYMBROWITZ: State public housing authorities, as we mentioned before, have many of the same problems. And in order to comply with HUD regulations, they need to do a PNA. And many state authorities have said that they don't have the money to do those PNAs. Is there something that HCR can do as far as maybe a revolving loan that they can actually do these so that they comply with all regulations?

COMMISSIONER VISNAUSKAS: We'd be happy to talk more about that. We allow the state public housing authorities that we have

oversight of to utilize the Public Housing Modernization funds that flow through our budget to pay for PNAs, to allow that to move forward. We'd be happy to talk about that in a broader sense.

ASSEMBLYMAN CYMBROWITZ: And just lastly, just to talk a little bit about the modernization of your computers. What's the estimated cost of the total modernization? What funds are being used to finance it? And do you have enough money to do that?

COMMISSIONER VISNAUSKAS: The -- we anticipate that the modernization of the processing system for ORA to be completed in 2020. And the costs associated with that modernization are included in the costs that we bill the city for, for the overall operation of the rent system. So we are funded at this time to do that.

ASSEMBLYMAN CYMBROWITZ: What steps is HCR doing to reduce the amount of paperwork that's distributed and submitted? Is there any opportunity for tenants and landlords to use electronic signatures?

COMMISSIONER VISNAUSKAS: So last year when we launched Rent Connect, one of the key things that it allows people to do is to submit both cases and also responses to filings on a computer or on their phone, in an effort to not require people to always be filling out paper documents and submitting them to our borough rent offices.

So as much as we can, we are trying to both modernize our documents so that they are easy to understand, easy to read, easy to fill out. Obviously for many people English is not their first language, and so we want to make sure that our documents are clear generally. And then we also will continue over time to add more documents to Rent Connect so that more people can file and interact with the Office of Rent Administration electronically rather than going to a borough rent office.

ASSEMBLYMAN CYMBROWITZ: And just very quickly, can you talk about what the agency is doing as far as the Census and making sure people answer those questions?

COMMISSIONER VISNAUSKAS: Yes. We have done some outreach to our owners, Mitchell-Lama owners, tax credit owners -- we have approximately over 300,000 units in our asset management division -- to make sure that all those owners are aware of what the Census is and that they can proactively talk to their tenants about being involved.

ASSEMBLYMAN CYMBROWITZ: Commissioner, thank you very much.

COMMISSIONER VISNAUSKAS: Thanks.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you, Commissioner, for being here and for staying and being responsive to all of the members.

CHAIRWOMAN KRUEGER: Yes, thank you very much.

COMMISSIONER VISNAUSKAS: Thank you.

CHAIRWOMAN WEINSTEIN: So this -- oh, Felix, I'm sorry.

Assemblyman Ortiz has a question.

ASSEMBLYMAN ORTIZ: Hello. Thank you, Commissioner, for being here. And I'm going to take only a few minutes, don't worry about

it.

COMMISSIONER VISNAUSKAS: That's okay.

ASSEMBLYMAN ORTIZ: But also I would like to really thank you and your team for the help that you guys give me, to my district, on some of the evictions that was taking place that -- to fight back with those unscrupulous landlords. I really appreciate the help that your agency provided last year.

I have a few questions, very quickly -- I know that you have to go -- on Mitchell-Lama. We have a Mitchell-Lama in the Bay Ridge area, and the Mitchell-Lama now there has been discussion about privatizing, which I'm completely against privatization.

What is your agency's procedures or process in order to be involved in what they are implementing to do so as we speak?

COMMISSIONER VISNAUSKAS: So we have about 140 Mitchell-Lamas under our regulatory authority, both a mix of co-ops and rentals, and we work very closely with them, both from an oversight perspective but also in sort of any other matters that relates to poor

governance or capital repairs, to make sure that they have what they need to be a good, healthy, functioning building.

ASSEMBLYMAN ORTIZ: So you've been aware of the Towers in Bay Ridge, that there's been conversation about privatization?

COMMISSIONER VISNAUSKAS: So when -- so Mitchell-Lamas can opt out of the program when their regulatory period expires. We work very closely to make sure that when Mitchell-Lamas are exiting the Mitchell-Lama program, that they are entering another affordability program.

So almost every Mitchell-Lama but for a few that have privatized in the last decade have either gone into a -- like a HUD Section 8 regime or gone into an Article 11, a city tax exemption that requires affordability. So we try to make sure that when they exit, so when they privatize, that they are privatizing into another affordability program and not just going to market.

ASSEMBLYMAN ORTIZ: So one of my biggest concerns is that people might take advantage of trying to sell these little condos for too much price value. And I hope that we can be vigilant to ensure that that doesn't take place, especially that there's a lot of working families that live there, there's probably 2,000 families.

The other question I have is that -- very quickly -- is I met with the federal monitor at HUD, as well as NYCHA, and I was getting a complete layout and update of what's happening. I represent 52 buildings, 2900 units in Red Hook, east and west. And I -- my office and myself have been keeping track of all the progress that has been made. That was the reason why we decided to have this big meeting.

I know that we have been very helpful to fund some of these projects to help NYCHA to get out of the hole. But with the circumstances that we continue to have in the federal government in Washington, there's not going to be no rescue soon in order to really

bring these NYCHA developments into -- to be upgraded.

So my question is, what are we doing, what are the agencies trying to do in order to ensure -- and I know that our funding, that we might have to work together. I know the advocates are asking for $2 billion, which I support. If that's the case, we will -- should do that. But at the same token, what the agency is doing in order to try to sunset or put aside some money to continue to help our developments, the NYCHA developments in New York City, especially -- specifically in my district.

COMMISSIONER VISNAUSKAS: I would say -- and, you know, you heard me say earlier in the hearing that the $650 million that the Governor put forward in the series of four different budgets is the biggest commitment the state has made to NYCHA in decades. And so we stand by that commitment, understand that the need is great and that there is still a significant amount of that 450 million that has to get spent, and

additionally the plan for the last $100 million.

As you said, the federal government has year over year, you know, been reducing the capital operating budgets of housing authorities across the country, and that is of course always of concern to us, as we want to make sure that people can keep their buildings in good repair.

So we work closely with the city as it relates to the spending of the $650 million to make sure that money goes into the buildings.

ASSEMBLYMAN ORTIZ: Lastly, you know -- and I have your report right here, the report that was presented by the Governor -- we always have been fighting for the Neighborhood Preservation Program and Rural Preservation Program, and it looks like there hasn't been no change for the year ahead. So it's completely flat, $18.2 million.

So these programs are very beneficial for people in my community and the minority

community as a whole. So I will recommend that we should rethink whether or not we can allocate other funding to ensure that these programs continue, because they've been very successful to help my people.

Thank you very much, Commissioner.

COMMISSIONER VISNAUSKAS: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you. Now you can leave.

(Laughter.)

COMMISSIONER VISNAUSKAS: Thank you.

CHAIRWOMAN KRUEGER: Thank you very much.

CHAIRWOMAN WEINSTEIN: And we look forward to some of the follow-up information that you're going to be giving us, and we'll share it with all of the members. Thank you.

COMMISSIONER VISNAUSKAS: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: So now we're going to begin the nongovernmental portion of the hearing. We start with a panel: New York State Association for Affordable Housing, Jolie Milstein, and Enterprise

Community Partners, Judi Kende and Lorraine Collins.

So even though you're a panel, and for future people, Jolie, you have five minutes, and Enterprise Community Partners, you have five minutes between the two of you. And whoever goes first, if you're both speaking, just remember to leave some time for your colleagues so they're not mad at you on the way home.

(Laughter.)

MS. MILSTEIN: Is this on?

CHAIRWOMAN WEINSTEIN: Yes. Yes, it should be.

MS. MILSTEIN: Thank you for the opportunity to participate in today's hearing regarding the '20-'21 New York State housing budget. My name is Jolie Milstein. I'm the president and CEO for New York State's Association for Affordable Housing. NYSAFAH is the trade association for New York's affordable housing industry statewide. Its 375 members include for-profit and not-for-profit developers, lenders,

investors, attorneys, architects, and others active in the financing, construction and operation of affordable housing. Together, NYSAFAH's members are responsible for most of the housing built in New York State with federal, state and local subsidies and incentives.

We'd first like to thank the Senate and Assembly and the Cuomo administration for its collective commitment over the past several years to develop and preserve thousands of units of affordable housing.

The five-year Housing Plan, we are entering its fifth year, and we are pleased to see that the Governor has proposed funding that fifth year of the '20-'21 Executive Budget, and we respectfully request that the Legislature approve this critical funding as part of the enacted budget. This funding is essential for a variety of housing programs that we rely on to build and preserve affordable housing and to create communities, including the Middle-Income Housing Program, Rural and Urban Communities Investment Fund,

the Low-Income Housing Trust Fund, the Homes for Working Families Program, and many more. We thank you in advance for your support.

We also urge you to provide supplemental funding in the '20-'21 budget for needs not addressed in the five-year plan that we previously identified for Governor Cuomo and the Senate and Assembly leadership. As we have progressed in our efforts over the past years, our coalition of housing organizations has identified several key housing-related needs which require immediate funding, such as additional monies for public housing, the Homeless Housing Assistance Program, Home Stability Support, the Affordable Housing Corporation, the Senior Resident Assistant Program, and others.

One particular high-need area for funding relates to a proposed Sustainable Affordable Housing Program, which we believe should be administered by HCR in cooperation with NYSERDA. With $50 million in grants dedicated to creating sustainable affordable housing, New York State can achieve the

complementary goals of reducing greenhouse gas emissions and achieving savings from burdensome energy costs for low-income families.

Battling climate change is our most pressing global issue, and New York's policies towards that effort have been extraordinary, especially with the enactment into law of the Climate Leadership and Community Protection Act, which will develop policies to reduce economy-wide greenhouse gas emissions over the next two decades. NYSAFAH believes that affordable housing should be a key contributor to the state's efforts since emissions from residential housing will be a significant target for such reductions; there is already a strong relationship between affordable housing developers and our government partners; and the low-income households we serve are part of the principal focus for financial assistance under the CLCPA.

Moreover, sustainable affordable housing will reduce energy expenses for

low-income families, enabling them to have the resources they need to improve their lives. These are expenses that could be better directed to education, healthcare, food, and other necessities. And with some modest additional resources, our developers can build more sustainable, affordable housing that benefits our families and our environment.

Finally, while providing additional funding to address emerging housing needs is imperative, a strong continued public funding commitment remains essential. New York has been a leader in financial support for affordable housing, and the Legislature has long championed the housing programs that NYSAFAH and other housing organizations use to build and preserve housing for those who need it most.

As I previously noted, New York is entering its final year of the landmark five-year $2.5 billion Housing Plan. The plan has been a success, and it's enabled us to significantly confront the housing crisis

and offered many New Yorkers a better life.

Our work is not done, however, as the housing crisis persists. We are therefore asking our partners in New York State government to establish a statutory process by which the state will be required to prepare and fund a five-year housing plan on an ongoing basis, much as the MTA and other capital programs require with their five-year capital plans.

A multiyear commitment is necessary to continue the pipeline of affordable housing projects, which often take two to three or more years in planning and approvals. Without the assurance of an uninterrupted multiyear plan and commitment by the state, we will have fewer housing projects in the planning and development stages and a resulting loss of momentum in the progress we have achieved to date.

Accordingly, we urge you to work with the Cuomo administration to include a statutory five-year funding process in the 2020-2021 enacted budget.

Thank you again for the opportunity to testify and for your consideration of our budget requests. I welcome any questions.

CHAIRWOMAN KRUEGER: All right, very good timing.

Assemblymember Cymbrowitz.

ASSEMBLYMAN CYMBROWITZ: Thank you, Jolie --

CHAIRWOMAN KRUEGER: Wait, have you gone? Were we supposed to let you go separately and then --

MS. MILSTEIN: I don't know how this works. It's a panel. Do we all testify?

CHAIRWOMAN KRUEGER: Oh, I'm sorry, I jumped the gun.

CHAIRWOMAN WEINSTEIN: You have five minutes to share. Remember my warning.

(Laughter.)

MS. KENDE: We'll be quick.

Thank you. Good afternoon. My name is Judi Kende, and I am the vice president and New York market leader for Enterprise Community Partners. I'm fortunate to be joined by my colleague Lorraine Collins, who

leads our public policy and external affairs. For those who don't know Enterprise, we are a mission-driven nonprofit dedicated to finding solutions for affordable housing and investing capital in it.

On behalf of Enterprise, thank you, Chair Cymbrowitz, thank you, Chair Kavanagh, thank you, Chair Krueger, and thank you, Chair Weinstein, for the opportunity to speak with you this afternoon. We are pleased to be joined by so many housing providers, advocates and community development groups echoing similar comments in our field.

First I'd like to talk to you about the current five-year Housing Plan. We applaud the Governor's commitment to fully fund the final year of the state's five-year Housing Plan. We join a coalition of affordable housing advocates to call for funding to supplement the final year of the Housing Plan.

While we are pleased to see that funding for the Homeless Housing and Assistance Program was doubled from last

year's amount, we need to see similar funding increases for other programs related to public housing, supportive housing, senior housing and affordable homeownership.

Regarding the new five-year Housing Plan, the continuous availability of affordable housing financing resources is necessary for affordable housing developers to maintain a pipeline of sites and buildings. We call on the state to adopt a new five-year Housing Plan beginning in fiscal year 2021-2022.

The state should also enact a requirement that a statewide affordable housing plan be developed and funded at least every five years to ensure continuous funding for affordable housing long-term.

MS. COLLINS: And thanks to your leadership, namely Assemblyman Mosley, last year New York added non-wage income to the state's protected class list outlawing source of income discrimination. As a co-lead of the Statewide Source of Income Coalition --

CHAIRWOMAN KRUEGER: If you wouldn't

mind getting near the mic.

MS. COLLINS: Sorry. As a co-lead of the Statewide Source of Income Coalition, we are asking for $5 million to be allocated each year in perpetuity for enforcement and education efforts to fund the New York State Division of Human Rights, six full-service fair housing groups, and local community-based organizations across the state.

For the past year, Enterprise has been working with fellow advocates to respond to prevailing wage legislation and strike the balance between the state's desperate need for new affordable housing and economic well-being and mobility for workers in our industry. Enterprise looks forward to continuing conversations with legislators this session, particularly regarding racial and gender equity concerns about prevailing wage legislation, as well as the need for a living wage.

In 2017, Enterprise co-convened a Regional Affordable and Fair Housing

Roundtable, in partnership with the Fair Housing Justice Center. The roundtable has developed a set of policy priorities for 2020 related to strengthening tenant protections, overcoming land-use barriers, and maximizing density. We hope to have an opportunity to work with the Legislature this session on these priorities.

MS. KENDE: In closing, we would like to thank you again for the opportunity to testify here today and for your continued leadership to address housing issues in New York. We are happy to answer any questions, and we look forward to working with you this coming session.

CHAIRWOMAN WEINSTEIN: Now Assemblyman Cymbrowitz.

ASSEMBLYMAN CYMBROWITZ: Thank you very much, everyone.

I wanted first to ask all three of you, last year or the year before we were able to accomplish something regarding the bifurcation of tax credits, and I wanted to know how that has worked out. Have more

projects been built? And what effect will that have for affordable housing in the future?

MS. MILSTEIN: I'll take this one.

The bifurcation certification of the state tax credit has been in place I guess it's 18 months now. It's been slow to participation, but the places -- I believe there are several syndicators that have used this certification bifurcation process, which has resulted in an increase in the tax credit monies that were raised, as we had hoped that it would.

I think we're hoping that now that we have some successes demonstrating that increased raise, we'll have other syndicators able to market more broadly to a diversity of investors, as planned.

We're still struggling with the non-transferability. There's only a single transfer allowed in the bifurcation certification process. Other states that started with a single transfer have subsequently moved to additional transfers

allowed within the structure, which has made it a much more popular option. But we're continuing to track this year.

ASSEMBLYMAN CYMBROWITZ: Is there something that we can do legislatively to make it easier to use?

MS. MILSTEIN: I believe there is. Let me get back to you on that.

ASSEMBLYMAN CYMBROWITZ: Okay.

MS. MILSTEIN: With a proposal. In writing.

ASSEMBLYMAN CYMBROWITZ: The $2.5 billion that we're now winding our way through -- I happen to agree with you that we need another five-year plan. What do you see as the most important housing programs that we need to put in there? Last time half of it was used for supportive housing, less for other programs. Do you see that that formula needs to change, or keep it the way it was?

MS. KENDE: So I think that we continue to see the same -- so supportive housing is a critical priority, and we'd like to see funding for that increase. We would

also like to see a continued allocation of funding across a variety of things from -- and some new things. Homeownership is very important, senior housing, public housing are key priorities for us.

ASSEMBLYMAN CYMBROWITZ: You've been very vocal about the need for the state to give more public housing -- dollars for particularly NYCHA. Could you talk about that a little bit?

MS. KENDE: Yeah, the number that the group that we work with together is putting forward is a billion dollars per year. We think that that's vital. Right now the deficit or the capital backlog is $40 billion. So it's going to take a lot to catch up on that.

MS. COLLINS: (Inaudible.)

ASSEMBLYMAN CYMBROWITZ: And as far as operating funds --

MS. KENDE: What were you going to say?

MS. COLLINS: I was just going to add just as an upstater, in addition to the

$1 billion, a $50 million ask for the upstate PHAs, just in collaboration with the New York State Public Housing Directors Association.

ASSEMBLYMAN CYMBROWITZ: And do you also think that there should be operating -- a recurring stream for operating?

MS. COLLINS: Mm-hmm.

ASSEMBLYMAN CYMBROWITZ: For downstate and upstate public housing.

MS. COLLINS: Yes.

ASSEMBLYMAN CYMBROWITZ: And have you thought about how to do that?

MS. COLLINS: We have not had specific conversations. I know we're waiting to meet with the chair of NYCHA to have a conversation as a coalition to talk through exactly what those needs -- itemize what that would look like.

And I think the same could be said for NYSPHDA, because we have many different PHAs upstate -- so those representing cities such as the City of Rochester and then smaller communities -- and just making sure that we're speaking with one voice.

ASSEMBLYMAN CYMBROWITZ: Thank you very much.

CHAIRWOMAN KRUEGER: Thank you.

Housing Chair Brian Kavanagh.

SENATOR KAVANAGH: Is this working? Okay, great. Thank you.

Thank you all for your testimony. And, you know, we've had a lot of opportunity over the last year to talk about a lot of these issues, and we appreciate all of your work and all of your advocacy.

I'd just like to start -- you know, I've had the opportunity to speak with both of your organizations about this question of whether this five-year plan should be more formally a statutory requirement. And I'm glad -- yeah, I think as you know, we will be introducing a bill very soon to that effect.

Can you talk a little bit more about -- I mean, I think some people would say, you know, money is money and you put plans out as you go and you authorize the money each year in the budget. Can you just talk a little bit more about the value of

making that a more kind of structured, routine requirement going forward?

MS. MILSTEIN: Well, as a former developer of affordable housing for the AIDS homeless in New York City, I can speak to personal experience that knowing that there is a pipeline of money for years forward, the planning and predevelopment cycle for these projects that are very complicated, and often involve brownfield remediation and other externalities you don't control, is several years.

And if you're looking to purchase a piece of property in the fifth year of a five-year plan -- and there's no forward-looking commitment to that pipeline continuing -- you're in a lot of trouble. You can't really make that commitment, and financial backers aren't interested in supporting you in that process.

So I'd say it's vitally important from the developer point of view, and I think from communities' points of view, so that they can anticipate a planning process that makes

sense.

MS. KENDE: We would reiterate that. As an investor, it's critical to know that the resources will be there. And when we've seen delays, there's also been delays in the pipeline.

SENATOR KAVANAGH: So it's fair to -- I mean, we have this $20 billion number that's been out there for a bit, and some of it is over this five-year period, some of it extends beyond that.

But from your perspective, a bit more certainty and a bit more formality about how that will roll out in the years beyond that initial five would be useful in ensuring that the money is well-spent and that developers can plan to use it effectively? Great.

Is -- and I just -- and just that applies -- I think there was some questions from colleagues before about that issue of predictability with respect to supportive housing, because supportive housing projects need to put services in place and involve other agencies and ongoing operating support

as well that may not be coming from the capital budget.

But just to be clear, you -- your organizations believe that that logic or some version of that logic applies to really across the capital plan, not just for supportive housing projects but for all elements of it?

MS. MILSTEIN: Absolutely yes.

In fact -- yes, absolutely. Preservation and new construction. All of these very complicated financial transactions require a very long predevelopment planning cycle, with a lot of moving parts and many, many players. So --

MS. KENDE: Yes, as much the services, it's also in parallel about the predevelopment period, which can be one, two-plus years, acquiring -- you know, acquiring the land, knowing when you're going to get the financing to actually start construction or -- so it's vitally important.

SENATOR KAVANAGH: Great. I guess this one's particularly for Enterprise, with

respect to the source of income discrimination funding that you're proposing. You know, it's -- so you described it briefly in your testimony, but if you can just talk a little bit more about why you think that's a necessary program for us this coming year.

MS. COLLINS: I'd say just -- you know, we all know that, you know, laws are only as good as they are enforced. And what we've seen with source of income, particularly in those communities across the state that have had laws on the books for some time, New York City being one of those, where, you know, they're -- still with a lack of enforcement, you still see rampant discrimination.

And so given that the state really not in recent history has made a significant investment in housing discrimination, and with the new legislation, I'd say this would be a good complement to make sure that both tenants are aware of their rights and know where to go to if they feel that they've been discriminated against, and also use it as an

opportunity to inform property owners of their responsibilities.

I also just add with the news of your recent legislation regarding vouchers, I think it's even all the more important that we have enforcement dollars behind, so that individuals are not being discriminated against when they have a voucher.

SENATOR KAVANAGH: Great. Thank you.

And since that bill was introduced yesterday, I was not going to ask you all your opinion of it, but I appreciate your mentioning it.

And just quickly, we've done a lot of work on fair housing in the housing sale market, particularly in response to some events in Long Island. But you believe there's a broader question of discrimination going on in the rental market in New York State as well.

MS. COLLINS: Yes. I'd say statewide, both for homeowners as well as renters.

SENATOR KAVANAGH: Great. Thank you so much.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblyman Epstein.

ASSEMBLYMAN EPSTEIN: I want to thank you all for coming and testifying today. I wanted to talk to you a little bit about financing mechanisms and revenue sources.

So I wanted to figure out how often, in the affordable housing context, you guys are using private equity money and what's your mezzanine debt to help finance projects, and whether you believe that, seeing how private equity money or mezzanine debt isn't treated the same as traditional mortgage debt, there's not a mortgage recording tax, there aren't other -- you know, there aren't the same costs associated with them -- whether you feel like there should be more oversight and regulation on mezzanine debt and whether those funds then could be used for affordable housing projects.

MS. KENDE: It's something that we would want to come back to you on. We don't

provide any conventional equity in New York. We're a low-income housing tax credit syndicator. We do have conventional equity in other markets, but it's not kind of I think what you're thinking of, of coming from the real kind of for-profit private equity sector.

MS. MILSTEIN: Those are mostly mixed-income projects, and often they're market-driven, whatever affordable -- what's 421-a called now? Affordable New York? There are non-subsidy tax abatement programs that may attract those investors. That's not typically what we're involved with.

ASSEMBLYMAN EPSTEIN: So if there was more oversight or more requirements under private equity financing, it wouldn't really have any impact on the product you're financing, it would just really impact the private market, is that right?

MS. MILSTEIN: As far as I know.

MS. KENDE: Yeah.

ASSEMBLYMAN EPSTEIN: That's great. That's good to hear.

Just on source of income discrimination, I want to support what Senator Kavanagh said about, you know, the importance of having oversight, ensuring that. We see discrimination, housing discrimination happening all over our city and state. Do you feel like $5 million was the right number, and why you chose that number, and whether you think that will have enough statewide impact around source of income discrimination that we're seeing.

MS. COLLINS: So I'd say -- first I'd like to note that the $5 million isn't a one-time ask, it's something that we would like to see as a budget line item.

We came up with that number -- 3 million of those dollars would be directed to DHR. And that was going back to the 2010 veto of Governor Paterson of the SOI legislation. At that time he noted that it was -- would take approximately $2.7 million for DHR to effectively enforce the new law. And so we just rounded that up to 3 million. So it is very much a baseline.

As far as the other components, 1.2 million we have set aside for the six full-service fair housing groups. That was based on itemized budgets that they provided to Enterprise in terms of what would it take or the cost over a year for fair housing testing, for staff resources and other operating resources.

And then the balance of $800,000 would be used for organizations that aren't fair housing groups but would serve the fair housing desert -- so where there's no local organization.

ASSEMBLYMAN EPSTEIN: Thanks.

CHAIRWOMAN WEINSTEIN: Thank you. I believe that's all the questions --

CHAIRWOMAN KRUEGER: Oh, I'm sorry, no. Excuse me.

CHAIRWOMAN WEINSTEIN: Sorry.

CHAIRWOMAN KRUEGER: Senator Salazar.

(Mic problems.)

MS. MILSTEIN: Well, we can hear you.

MS. KENDE: We can hear you.

SENATOR SALAZAR: Okay, I'll just

speak loudly.

So Assemblyman Epstein sort of alluded to the question that I wanted to ask, because he's the lead sponsor of the expanded mortgage recording tax bill, or mezzanine debt bill, that I am the lead sponsor of in the Senate.

I basically just wanted to get your opinion. Some in the real estate allege that it is going to have an adverse effect or opposite from our intent in introducing the bill, that it would not only tax these currently untaxed assets and make sure that multi-millionaire investors will be paying their fair share of taxes but that it would raise the cost of financing across the board.

Have any of you -- are you familiar with the bill that Assemblymember Epstein and myself introduced? If not, I won't take up time discussing it.

MS. KENDE: It hasn't been a conversation in our -- in the affordable housing sector. And so I'll definitely go back and talk to my finance team and see if

they think it would have any impact, and we'll take a look and get back to you. But it's not something that's coming up --

MS. MILSTEIN: No. I'm aware of the bill; I haven't reviewed it. But we'll collegially review it and get back to you with an opinion from our --

SENATOR SALAZAR: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Next we have put together a panel, New York Housing Conference, Rachel Fee, and Supportive Housing Network of New York, Laura Mascuch and Maclain Berhaupt.

So one of you is --

MS. MASCUCH: I'm Laura Mascuch from the Supportive Housing Network of New York.

CHAIRWOMAN WEINSTEIN: And --

MS. FEE: Rachel Fee, New York Housing Conference.

CHAIRWOMAN WEINSTEIN: So just the two.

MS. MASCUCH: Just two of us.

CHAIRWOMAN WEINSTEIN: So there's five

minutes for each of you, and then if there are any questions. Thank you.

MS. MASCUCH: Terrific. Thank you, Chairs Krueger and Weinstein and Housing Chairs Kavanagh and Cymbrowitz, for having me testify today.

My name is Laura Mascuch. I'm the executive director of the Supportive Housing Network of New York, a membership organization of over 200 nonprofits that own and operate 52,000 units of supportive housing statewide.

As you know, supportive housing represents a critical tool to ending chronic homelessness, offering permanent housing solutions with wraparound social services for homeless individuals and families with special needs. As you know, we continue to experience the worst crisis in homelessness the State of New York has seen. Across the state there are over 92,000 people, including nearly 30,000 children, living on streets or in shelters. This was one reason why we were happy to see the doubling of OTDA's Homeless

Housing Assistance Program in the Executive Budget from $64 million to $128 million. To date it has helped create over 16,000 units of supportive housing throughout the state.

But that commitment alone will not solve this problem. Almost five years ago, the Governor and the Legislature recognized the need for a long-term plan to tackle this crisis and enacted a five-year affordable housing and homelessness plan which included funding 6,000 units of supportive housing. The funding commitment was Phase I of the Governor's commitment to develop 20,000 units of supportive housing over the next 15 years. We applauded this long-term commitment then and continue to today.

But in fact we strongly encourage the state to continue this long-term-planning approach and enact a requirement that a statewide affordable and supportive housing plan be developed and funded every five years.

Having a long-term commitment, as you

heard from my colleagues, for capital, services, and operating funding for supportive housing in particular is critical to attracting investors and developers. It diminishes risk by setting a long-term target to fund a specific number of units, thereby boosting investor confidence.

Four years into the five-year commitment, the state has made significant progress, funding approximately 4,500 permanent ESSHI awards. There are another 163 projects encompassing 5,400 units in the pipeline that have received conditional awards, which are currently working on securing state and local capital needed to progress forward.

As we enter the fifth year of the Empire State Supportive Housing Initiative, there is currently no funding commitment in the Executive Budget that indicates the program will continue to fund the remaining 14,000 units. Without a commitment in this year's budget, there will be another halt in production like the one that took place

between NY/NY III and ESSHI due to the absence of this commitment. Nonprofits and developers will stop buying sites, and many investors and syndicators will be unwilling to invest without concrete assurances that the program will continue.

I draw your attention to the two graphs on the next page which show the NY/NY III trajectory coming down in development units and the ESSHI trajectory going up. We in no way want to see that taking a downward trend.

It is critical that the state 2020-2021 enacted budget authorize a continuation of the program by statutorily committing funding for the next five years, beginning in state fiscal year 2021-2022. This will signal to investors, developers, syndicators and service providers that the commitment is real and the state will finance the remaining 14,000 units.

ESSHI has been a successful supportive housing program because of the long-term funding outlined in the state budget. A

commitment in this year's budget will prevent history from repeating itself and ensure ESSHI's continued success.

Thank you for this opportunity to testify.

MS. FEE: Good afternoon. Thank you for the opportunity to testify.

My name is Rachel Fee. I'm executive director of the New York Housing Conference. We're an affordable housing policy and advocacy organization, and our mission is to support the development and preservation of decent and affordable housing for all New Yorkers.

I, in the interests of time, don't want to repeat everything that has been said already; we are working in a coalition. So I'll just run through my points.

The first one would be that we would, like the Supportive Housing Network just mentioned, the authorization of ESSHI to continue. This is the cornerstone of new construction in the statewide affordable housing plan, and we think it's really

important that investors have the confidence that this program will continue. And that's also critical to uphold the Governor's commitment to a longer-term supportive housing plan.

We also are seeking to codify a five-year housing plan requirement. We think that as -- in New York State we have an affordable housing crisis, and ensuring that there will be capital to address this crisis in a multiyear fashion is important.

We also urge you to support the preservation of public housing with a billion dollars for NYCHA and $50 million for the rest of the state. Public housing is a critical affordable housing resource, and if we lose that housing stock to deterioration, we are going to be in a worst crisis.

You know that New Yorkers across the state are struggling to afford rents. We've heard many statistics today: 900,000 households pay half of their income towards housing, one in 10 New York City public schoolchildren will experience homelessness

during the year, and tonight more than 92,000 New Yorkers will either sleep in shelters or on the streets across the state.

The solutions to the homelessness crisis in New York are not new ideas. It's more affordable housing, including more supportive housing, and it's rental assistance. So we're supportive of the increase in the Governor's budget for the Homeless Housing Assistance Program. We also would advocate for Home Stability Support, and we're also supportive of Senate Bill 7628, recently introduced. Rental assistance is really critical to keeping people stably housed.

We're also supportive of affordable homeownership. We've heard about this in many of the questions today directed towards the Housing commissioner. We all know that owning a home can increase a family's financial security, and it should really be a priority and part of the housing plan. So we are advocating for funding for HOPP, and also to increase the funding for the Affordable

Housing Corporation.

And some of our colleagues from Habitat New York City and the Center for New York City Neighborhoods will talk about those programs in more detail.

We're also very keen to see some money allocated to enforce the source-of-income protection law that was newly adopted last year. You heard Enterprise talk about the importance of this program. I just underscore the need for enforcement across the state.

I would also like to just point out that we are not preparing for our aging population. We do have money for senior funding in the existing Housing Plan, but what we really want to see is affordable senior housing being produced and being paired with a resident service coordinator, really embracing the 202 model that has been a successful example established by the federal government.

We also think, as NYSAFAH mentioned earlier, that a new sustainable housing

program is needed to ensure that our affordable housing is meeting sustainability requirements.

So again, as you heard, we're working in a coalition with 14 organizations on our top priorities for FY 2020-2021. We've also given consideration to the important role that New York State has to play in addressing our public housing crisis, homelessness, and affordable housing across the state. And we do have a set of recommendations for what a five-year housing plan should look like moving forward.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblyman Cymbrowitz.

ASSEMBLYMAN CYMBROWITZ: Thank you, Laura and Rachel.

Laura, how many supportive housing units have been created and move-in ready as a result of the five-year Housing Plan?

MS. MASCUCH: So the commissioner testified that there's 4500 actually permanent awards that have been made through

ESSHI.

ASSEMBLYMAN CYMBROWITZ: Is that an accurate number?

MS. MASCUCH: Yes. Yes.

ASSEMBLYMAN CYMBROWITZ: Okay. And how many projects are shovel-ready but waiting for funding release?

MS. MASCUCH: Well, we have another 5,400 with conditional awards. So those awards are one year in nature, and then people will reapply if they don't have their capital stack ready to go. So when the budget closes, the ESSHI RFP for the final round will be issued, and then folks will reapply. That will be the last opportunity to gain supportive housing conditional awards and find capital funding.

So we think the demand is there to easily, you know, finish the 1500 units and go beyond. And you and I have often talked about the pace of development, and we're at a very good pace right now. And so we don't want to see the whole effort drop off, you know, the side of a cliff because we don't

have Year 6 lined up.

ASSEMBLYMAN CYMBROWITZ: Are supportive housing projects that have been completed filled to capacity?

MS. MASCUCH: Yes. Yes. They're rented up in very expeditious fashion because people need to meet their low-income housing tax credit deadlines, and the referrals have been flowing. We have actually five people waiting for every one unit.

ASSEMBLYMAN CYMBROWITZ: In Rachel's $2.5 billion next five-year plan, do you both think that another billion should go towards supportive housing or we should mix it up more? Anyone want to touch that?

MS. MASCUCH: So I think there's tremendous needs. I think that, you know, we all speak to the need for affordable housing because we have such a homelessness crisis, with 90,000 people homeless. Not all of those people actually need supportive housing, it's for a very specific subset.

But we currently have a lot of people who are chronically homeless that have been

homeless for over 400 days, and for those individuals and families, supportive housing is often the way that they exit homelessness.

ASSEMBLYMAN CYMBROWITZ: Okay. Thank you very much.

CHAIRWOMAN KRUEGER: Thank you.

Housing Chair Kavanagh.

SENATOR KAVANAGH: Thank you.

We had the opportunity to speak about the issue of having continuity and, you know, appreciate the concerns expressed by Assemblymember Cymbrowitz on that.

A couple of questions. Rachel, in your testimony you talk about recommending a billion-dollar investment for NYCHA. Can you talk about the -- is that something you would hope to see kind of -- is that a five-year number? Is that something that you think we should be looking to do, kind of infuse immediately in the budget?

MS. FEE: I think the ideal would be that the city and state have a long-term funding plan and that they're both pitching in to really fill in the gap from where the

federal government has left NYCHA high and dry.

So I think the city and state both have a role to play. The billion-dollar number is for this year, and we think it should be a multiyear commitment. The capital needs seem to be growing.

You know, you asked earlier about should, you know, NYCHA also receive operating funding. I think they're going through a plan right now to, you know, figure out better operations and management as part of their settlement agreement and working with the monitor. So I would hold off on that. But the clear -- there's clearly a need for capital, and it can be deployed right away.

SENATOR KAVANAGH: I appreciate that.

And, you know, just for comparison, it's been about $650 million that's been allocated over the last five years or so. So that would be a great infusion. And I agree, we need to be looking at much larger numbers than we have seen in the past.

Your -- you deal with a variety of these development programs. I want to focus particularly on how a voucher, a rent subsidy program -- which you testify that you support Home Stability Support, which has been around for a while. And I also have been a big supporter of that, and our new thing, which is, as you mentioned, S7628, which are housing access vouchers. I think my staff told me I had to say that at least three times during the hearing so we can get the name of that program out there.

But can you just talk about the value of having kind of direct rent subsidies as well as kind of these longer-term development programs, how they -- sort of how they might complement each other, and why your organization supports both of those approaches?

MS. FEE: So we need to increase the supply of affordable housing, and that's what the capital program does, to provide new construction of supportive housing, new construction of affordable, and preservation

of existing affordable housing.

But we're not going to be able to build new affordable housing to meet demand. And people cannot afford market rents right now. So Home Stability Support or a voucher program would fill that gap between what someone can afford in rents and what the market rents are. So it's really allowing people to avoid shelters, especially if it's targeted towards homeless prevention. It's allowing them to access housing in the market.

And again, as Lorraine Collins had mentioned, that also makes pairing it with enforcement funding across the state even more important.

SENATOR KAVANAGH: So it's fair to say that to the extent we're viewing homelessness as both a long-term challenge and an emergency, if we want to make kind of an immediate impact, a voucher program is more suitable for that, and then, longer term, we want to develop capital so maybe we're not facing such a crisis going forward?

MS. FEE: I think you need to pursue both strategies. I mean, in New York City alone we have 60,000 people in the shelter system. You know, they are living in hotels and places not suitable for families. If there was more access to vouchers that could provide access to housing in the private market, that's going to be part of the solution.

SENATOR KAVANAGH: Okay, and just -- I have one minute left, but a question for Laura. To the extent that -- you know, we talked about 20,000 units over 15 years. We've been doing about 1200 a year, which is 6,000 over five years, so that's a little slower than a pace that gets you to 20,000 over 15 years.

Is there the capacity in the communities to develop units at a higher rate if we wanted to go to 1400 units a year rather than 1200 units a year? Is there the capacity out there to develop those, to provide the services for those?

MS. MASCUCH: Yes, so we would think

in the next five years we could do another 7,000 units. And that the capacity is there, because now it's really ramped up due to the 6,000. And so we think it's achievable.

SENATOR KAVANAGH: Great. Thank you. I'll leave it there. Thank you so much.

CHAIRWOMAN WEINSTEIN: Assemblyman Epstein.

ASSEMBLYMAN EPSTEIN: Thank you for your patience and being with us today.

I really just want to applaud your -- some of your testimony around NYCHA. Clearly a real serious investment in NYCHA is a critical idea.

I'm just wondering what you thought about more publicly owned land, like a new NYCHA, a new public housing across the state, where, you know, obviously we're talking about a housing crisis here and we're talking about having amazing nonprofit partners and seeking that really deep affordable, deep investment in public housing. Whether that's NYCHA-like or Mitchell-Lama-like, you know, I'm wondering about thinking big as we move

forward on a housing plan.

MS. FEE: So I think the first priority should be investing in NYCHA and making sure that every unit there is up to code and each resident has safe and decent living conditions.

In terms of producing more affordable housing, that's definitely a priority. What that model looks like -- I mean, there's lots of options. Right now we're using federal low-income housing tax credits, and that's really what is driving production of new affordable housing. And in that model, you're having, you know, public investment and private partners.

I think what you're getting at is more continued public ownership. I mean, the funding would have to be there on the capital side, on the operating side, in a model that's going to be sustainable or else we end up in the same situation.

ASSEMBLYMAN EPSTEIN: So I agree with the concerns you have around the crumbling infrastructure we have in NYCHA, and knowing

that we have a $40 billion capital hole.

And so are you suggesting that the state -- you know, there's a billion-dollar investment in NYCHA or an ongoing investment in NYCHA, or are you thinking that we give them resources so they can bond-finance the capital work now? I'm wondering, you know, if you feel like this is something that's short term or you think it's more a long-term, deeper commitment to NYCHA.

MS. FEE: I think -- I think you need multiple strategies, that the problem is so big and the funding gap is so large. So I think we need the state to invest to preserve the public housing that we have.

Right now, you know, for NYCHA the city has a plan to convert 62,000 units in the public/private partnership model. So, you know, that's a separate need. I think all of these strategies are needed if we're going to make those capital repairs over the next decade or so.

ASSEMBLYMAN EPSTEIN: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Thank you for being here --

CHAIRWOMAN KRUEGER: We have one more, sorry.

CHAIRWOMAN WEINSTEIN: Oh, I'm sorry.

CHAIRWOMAN KRUEGER: Senator Robert Jackson.

SENATOR JACKSON: So good afternoon. Let me thank you for coming in, and thank you for the advocacy that you do on behalf of all of the residents that you represent and all those that are in need of a permanent home. Thank you.

And understanding that -- I was reading on page 2 of Rachel's testimony. The gap between income and rent is the primary cause of high rent burdens, but access to housing is an ongoing issue.

In your opinion, what are the primary purposes of why people -- the gap is there between income and rent? Is it because of education, is it because the fact that so many people are, you know, working two or three jobs trying to make ends meet? I mean, what are the reasons why there's such a high

burden between income and rent, in your opinion? I mean, you're experts in the field and I'm not. Really. And let's talk truthfully.

MS. FEE: So wages have stagnated --

SENATOR JACKSON: Wages have what?

MS. FEE: Wages have stagnated, right? They've stayed relatively the same. And then you have demand -- more demand for housing than you have supply, especially in New York City. So the rents just keep going up. And those two things have clashed.

So, you know, certainly there could be solutions that also boost people's incomes so they can afford more, but we still need access to affordable housing, that the gap is so large.

SENATOR JACKSON: So in essence there's not enough affordable housing to meet the needs, is that correct?

MS. FEE: That's correct.

SENATOR JACKSON: That's why in your testimony you say that we need to renew that five-year plan so that investors will have a

signal that they can continue to look forward of investing into affordable housing, is that correct?

MS. FEE: Absolutely.

SENATOR JACKSON: Were you here when I asked the HCR commissioner about when organizations or landlords are found to discriminate -- found to discriminate, not allegations -- do you think there should be a permanent list of landlords and have it public on their website of landlords that have discriminated, whether for income or any other reason, against tenants?

MS. FEE: Well, I think if we were funding enforcement, we would know who's being charged with this, right? A lot of this happens now discreetly and people aren't being brought to court over it.

So I think if we had funding, especially around source-of-income discrimination, we would know more about what's happening. And that funding could go both to Human Rights and to the groups -- the fair housing organizations on the ground.

SENATOR JACKSON: Okay. But CBOs and nonprofits being aware is one thing -- and publicizing so everyone knows what owners have discriminated. That's what I'm asking, whether or not that is appropriate or not.

MS. FEE: Well, I think something like the Worst Landlords list has certainly been a deterrent. And you've seen, I think, the Public Advocate keeps that kind of list in New York.

I don't really know, you know, how you would collect information on discrimination outside of courts. But I understand what you're getting at in terms of the need for information.

SENATOR JACKSON: Thank you, ladies.

Thank you, Madam Chairs.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you. Thank you for being here.

Next we have a panel we've put together of Neighborhood Preservation Coalition of New York State, Mark Streb; New York State Rural Advocates, Blair

Sebastian; and New York State Rural Housing Coalition, Jeff Keller.

It's possible that Colin McKnight is here and hasn't checked in.

MR. McKNIGHT: I'm here.

CHAIRWOMAN WEINSTEIN: Okay.

So Neighborhood Preservation Coalition gets five minutes, New York State Rural Advocates five minutes, and New York State Rural Housing Coalition, if you're both speaking, you share the five minutes.

MR. STREB: Good afternoon. My name is Mark Streb, and I'm the executive director of the Neighborhood Preservation Coalition. I'd like to thank the members of the committee for inviting me to testify about the important value that the Neighborhood Preservation Companies provide.

The Neighborhood Preservation Program consists of more than 135 local boots-on-the-ground, grassroots companies working every day to help make consistent, safe and affordable housing a reality for low-to-moderate-income residents.

The Neighborhood Preservation Program was created by the Legislature, in the forward-thinking vision of the late Assemblyman Denny Farrell, to give grants to community organizations in order to help them do their vital work. Yesterday would have been Assemblyman Farrell's 88th birthday, and I'm sure he's looking down in support of us as we fight to continue and grow this program.

The coalition was formed to provide technical assistance to the NPCs in completing grant applications, training on subjects relevant to the services they provide, and to give the NPCs a chance to speak with a unified voice when advocating for the work that they do.

The NPCs around the state provide a variety of services, including financial counseling, homelessness prevention, workforce assistance, and services for addiction and mental health issues, to name just a few. The HCR Annual Report on Neighborhood and Rural Preservation Programs

states that these programs additionally constructed or began construction on over 5,000 new residential units to ensure that their constituents have stable, well-cared-for housing.

This work, these vital services, are an investment in the community, as shown by the more than 400 businesses who were attracted to these revitalized areas in 2019.

Thanks to the Legislature, last year was an historic year with the passing of the Housing Stability and Tenant Protection Act. We must keep this great momentum going, because there is more work to be done. The research clearly shows that the number of individuals and families that are becoming cost-burdened and severely cost-burdened is increasing for both owners and renters. The work of the NPCs is becoming more and more critical.

Funding the NPCs in the coalition is a sound investment in the state, as appropriated dollars spur economic development and maximize the state's existing

funding commitment to create and maintain affordable housing units.

Affordable housing isn't merely an investment in economic capital -- its true benefit is an investment in human capital. The benefit of the NPP is that it doesn't assume a one-size-fits-all solution for affordable housing. It rather understands that each neighborhood is best served not by forcing solutions on communities from above, but rather by enabling residents to take responsibility for their own community. Needs may differ, but the ingredients of community ownership and government support must remain constant.

The NPCs create waves of both economic and social benefits resulting in a situation not of "We're from the government and we're here to help," but, rather, "I'm your neighbor and understand this challenge. Let me work with you."

While we appreciate that Governor Cuomo for the first time ever proposed last year's funding level of 12.8 million for the

NPP in his Executive Budget, the reality is that the NPCs have been operating at a triage level in the state for years. During the past two decades, the rate of renters cost burdened has increased from 40 to 50 percent; the rate of severely cost-burdened from 19 to 27 percent. The financial support granted to the NPCs has not increased at a commensurate rate.

Unfortunately, the coalition has no funding allocated towards it in the Executive Budget. Thanks to the support of the Legislature, we have traditionally been funded in the final budget. Unfortunately, our level of funding has been stagnant at 150,000 for two decades, even though the services provided continue to grow. We therefore respectfully request an increase to 200,000, allowing us to better serve our members through enhanced training and support services.

I'm pleased to have had this opportunity to speak with you about the vital importance of the work the Neighborhood

Preservation Companies do and the need to ensure that the Neighborhood Preservation Program is fully funded at $14.5 million, an increase of $1.7 million, and the Neighborhood Preservation Coalition at $200,000 in the final budget.

Thank you for your time and attention.

MR. SEBASTIAN: I'm under a lot of pressure now, as he nailed the time frame.

Thank you all for having us here. My name is Blair Sebastian. I work with a group called New York State Rural Advocates. We're a conglomeration of community-based not-for-profits, RPCs, and others -- some of the financial institutions who serve in our market, and actually some of the small contractors who do the work that we all do.

We have submitted written testimony that details our point of view on a number of issues with respect to the Executive Budget proposal and our own perceived need for additional funding in some places. But I just want to sort of mumble my way through four points here out of that testimony that

I'd like to highlight.

We spend a lot of time, as Rural Advocates, talking about particular challenges of trying to operate in rural communities. Two of those issues that come to the fore most often are the small scale of those communities and the limited access to resources, both financial and human resources, in small rural communities.

The Rural Preservation Company model is a great model to address those challenges. These are community-based organizations -- as Mark says, they're controlled by local boards of directors, the decisions about their priorities and how they deliver programming is in response to the local context within which they work, and they wind up providing a very highly targeted product that fits these small variable rural communities very well.

Another issue that we address in the written testimony is funding for the Affordable Housing Corporation program. This is a point of some frustration for those of us who work in rural areas. Those counties

in our state that are more than 50 percent rural are also more than 70 percent dominated by homeowners. These are very much homeownership markets.

We're interested in a resource that both helps expand and drive homeownership and deals with the challenges that existing homeowners are faced with. The housing stock in rural New York tends to be older. It's suffered from some disinvestment as a result of the lack of resources. AHC is really an important tool to address that problem.

AHC, the Affordable Housing Corporation program was created in 1985 with what were then known as the big three funding programs: The Housing Trust Fund Corporation, HHAP, and AHC. All three programs started out at $25 million. This year I believe the Executive proposes 44.2 for the trust fund and through our other programs now that supplement the trust fund. We're thrilled to see HHAP proposed at 128 million; it's a terrific program that works very, very well in our communities.

Meanwhile, the Affordable Housing Corporation is $1 million over where it was in 1985. In 35 years we've gone from $25 million in funding to $26 million in funding, while the costs of construction and doing business have skyrocketed over that period.

We are supportive of some changes to the Affordable Housing Corporation program that would increase the per-unit limits in the -- for the program for the first time in 15 years, to sort of bring them up-to-date with current construction costs. That's either we're going to reduce the number of units we're able to address or we're going to need an increased appropriation. We hope you'll consider that.

Again, the small scale of rural communities means that rental housing in those communities also has to be appropriately scaled, which means relatively small projects. Most of the tools that we have at our fingertips in the 21st century to deal with rental housing involves -- requires

some scale, whether it's tax credits or bonded programs. Those all require much bigger projects than are practical in small rural communities.

We really need a program designed specifically to support small projects. We've had a couple of examples of that over the past several years. I think it was 2013, there was a $12 million set-aside out of the Housing Trust Fund for small projects. That initiative was desperately oversubscribed. Did some great projects, recovered some very old Housing Trust Fund projects, brought them back up to speed, put some other smaller projects in small communities back online.

And more recently, the commission in the last couple of years has talked about the SRDI program, a program developed by the -- nope -- I won't do so good, Mark -- developed by the Office of Community Renewal that addresses small projects.

Thank you.

MR. KELLER: Good afternoon. I am Jeff Keller, and I'm the executive director

for the New York State Rural Housing Coalition. Beside me is Colin McKnight, the deputy director for the coalition.

I'd like to thank the chairs and members of the committees for holding this hearing and allowing us to testify on behalf of the affordable housing concerns of rural New Yorkers.

One year ago I came before this joint committee asking the Legislature to restore the funding for our affordable housing program and to reject the deep cuts in the Executive Budget. Today, thanks to the members of these committees and the Legislature, I'm happy to come before you and start my testimony by saying thank you. Because of your constant support, the funding for RPP, NPP, and other affordable housing programs did not see the drastic cuts in this year's Executive Budget. We cannot thank you enough for this support and what it means for the rural communities of New York.

Rural New Yorkers face many of the same housing issues that you see in urban and

suburban New York. With the lack of affordable housing, we need housing for special-needs populations, homes need rehab, and also we are seeing increases in rents. With that in mind, I would like to talk with you about the work that the Rural Housing Coalition and our Rural Preservation Corporations, known as RPCs, do across the state and talk to you about the ways the Legislature can further enhance these efforts.

The coalition supports our members and our network of rural housing professionals. Our members help build and manage affordable housing developments, do rehabilitation of single- and multifamily residences, mobile and manufactured home replacements, and work on helping your constituents find affordable housing options. The coalition serves as a source of education, best practices, and technical assistance to allow our members to serve these underserved populations.

But what does that really mean? We currently have 58 RPCs in New York. Over

75 percent of those RPCs own or manage an average of 60 affordable housing units per RPC. RPCs are also active in housing rehabilitation and replacement for low-to-moderate-income households, working on an average of almost 40 houses annually per RPC. All of these programs are in addition to helping your constituents navigate the process of finding affordable housing in their communities.

We serve the most underserved in the communities, from low-income to seniors, veterans, victims of domestic violence, homeless and homeless youth, those with physical disabilities and those recovering from substance abuse.

Our members and the coalition are diligent stewards of the monies we receive from the state and actively bring in other sources of funding, both private and federal, to make sure that the state funds are enhanced and compounded. Without a doubt, we take the funds from the state and turn it into one of the best investments around. We

are the boots on the ground -- developing, maintaining, rehabbing, and making sure that affordable housing is available for those in need.

With that in mind, I'd like to highlight some of the funding requests that we have.

We ask that the funding for the RPP/NPP program receive an increase to 6.1 million for RPP funding, which will allow for 100,000 for each RPC, the development of two new RPCs in underserved areas, and an increase to 200,000 for the coalition. I would ask the committee to make sure that both the Assembly and Senate include language to make sure the coalition receives our funding as part of the approved programmatic budget.

I would also note that we are looking for this increase to be in parity with the Neighborhood Preservation Coalition, with them also receiving 100,000 per NPC, 200,000 for the coalition, and an increase of four NPCs.

We also ask that AHC funding be restored to parity with the Housing Trust Fund. This would be an increase from 26 million to 44.2 million.

We ask that HHAP funding be restored to a level deemed appropriate to carry out the program and the needed homeownership education and foreclosure prevention programs. The coalition knows these programs are extremely effective ways to help provide education and resources to those facing foreclosure.

Furthermore, we ask for slight increases in four other programs. For the Manufactured Home Advantage program, which allows for the replacement of mobile homes and manufactured homes, which represents one of the largest forms of affordable housing in rural communities -- and we see continuing issues -- we ask the funding increase to 6 million.

For the New York State Main Street program, a highly successful program that has rural communities and leaders finding new

approaches to enhancing their main streets, we ask for an increase of at least one million.

We ask for an additional increase of at least 1 million to both the Access to Home programs and the HOPE/RESTORE programs, which help provide vital assistance to ensure that the elderly and disabled can continue to live independently.

Finally, the coalition and our members are grateful for all the hard work and dedication that the HCR staff provides to our programs. They're truly a wonderful partner, and I know that in my first year as executive director they've been a major asset to us.

While the staff does amazing work, the need for affordable housing has led to longer approvals and reviews and less time for staff to do lien releases and application or exit interviews. We ask that as HCR looks to increase their staff, they look to focus on that area.

Thank you very much for the opportunity to speak to you today, and we're

happy to answer any questions you have.

CHAIRWOMAN WEINSTEIN: Thank you for being here.

We have a question from Senate Chair Brian Kavanagh.

SENATOR KAVANAGH: Thank you.

And I'll try to be brief, noting the relatively late hour and the very long list of witnesses.

But I just want to thank all three of your organizations for your, you know, constant advocacy. And as a relatively new chair of the Housing Committee, you've all been particularly helpful to me in representing communities across the state that I'm somewhat less familiar with, so it's been a great education.

I also think it's important to note the -- you credited the legislators who have advocated for the Neighborhood and Rural Preservation Programs and to keep them whole each year for many years. And I think, you know, that is -- it is a long, distinguished sort of tradition of advocacy, again starting

with Denny Farrell. But I think it's also a credit to your organizations that you've, you know, carried the torch for so long.

And I think it's worth giving credit where credit is due. I think it's been a number of years where the Executive Budget each year began a dance where the number was rolled back about $6 million to the previous Executive Budget, and then we would fight to get it in the enacted budget and we would succeed. I think it's worthwhile to note that the Executive has decided to, you know, fund these programs at the level that they were in the enacted budget last year right from the get-go.

So I think the Governor and his staff should be complimented for that, and I think, again, that's a credit to your advocacy.

I want to just ask a question about the proposal to get HCR to put out an RFP for two new Rural Preservation Corporations. Is there -- would that be -- would the intent be to fill gaps in specific -- for those who are following, this is on page 3 of the Rural

Housing Coalition testimony. But would that be to fill the gap in specific jurisdictions that you've identified? Or is there just this sort of general sense that there might be greater capacity for these kinds of corporations to work in the state?

MR. KELLER: It would be to fill the gaps. We do have, in the rural side, five communities that either do not have an RPC currently or have recently lost one. So it would be to fill the gaps in those areas that do not have service right now.

SENATOR KAVANAGH: Okay. So just in the interests of time, I will end it. But if you could get us specific -- they're -- you're mentioning -- I don't know if they would be countywide, or are they specifically within these counties that are mentioned?

MR. KELLER: Most of them are countywide. The one that I would say is -- two are not -- is rural Schenectady County and Northern Dutchess County, would be the two that are not countywide.

SENATOR KAVANAGH: Okay. So we do

appreciate just additional information about, you know, the catchment areas and the needs there. And to the extent there are organizations that have been incumbent organizations in those areas that are maybe not -- you know, you're expecting maybe won't be doing that work, we'd just appreciate additional information. But I'll leave that for offline so we can keep moving here.

But again, thank you all for all of your work and your advocacy and for testifying today.

CHAIRWOMAN WEINSTEIN: Thank you.

We have a question from Senator Seward.

SENATOR SEWARD: Yup, thank you.

I wanted to ask a quick question on the Lake Ontario relief program which your agencies have been involved in --

MR. KELLER: Yes, they have.

SENATOR SEWARD: -- on behalf of the state. And number one, I want to thank you, you know, for your efforts and activities along that line. Greatly needed, as you

know, with the -- some of the -- particularly the homeowners along the shoreline.

My question is, you know, how is that going, in your estimation? Are we meeting the needs that are out there in terms of these homeowners and others?

MR. SEBASTIAN: Well, for my part, the sense is the demand is overwhelming. Organizations on the ground who have been dealing with this have been challenged to deal with the number of applicants that have been to the program. I kind of have the sense that the resources are being used up at a fairly rapid rate, and that I think can cause some concern.

Colin, have you got --

MR. McKNIGHT: We got involved in the Lake Ontario project because we had a VISTA volunteer program that we were running and we were able to provide one of those agencies with the services of VISTA to help with the caseload that they were dealing with. And if memory serves, she was carrying a caseload of almost 4,000 files.

And that's an example of the kind of demand that there is for this service. I'm sure not all of those people ended up being served because of limited resources. But it certainly shows the scope of what the impact is of these kind of natural disasters and the need for some planning for the future in terms of emergency response in vulnerable rural communities.

I think that there is a need for anticipation for this kind of disaster and coming up with appropriate programmatic responses that really do make sense based on the experience of the most recent two flooding cycles.

SENATOR SEWARD: Well, I appreciate your perspective here today. And more than that, I appreciate your efforts on behalf of those property owners.

CHAIRWOMAN WEINSTEIN: Thank you.

Thank you, gentlemen.

Next we have the Habitat for Humanity of New York City.

MR. DUNBAR: Good afternoon. My name

is Matthew Dunbar, I oversee external affairs for Habitat for Humanity New York City.

My colleague from Habitat New York State fell ill and was unable to accompany me today, but I represent about 40 affiliates, Habitat for Humanity affiliates across the state. We are all not-for-profit homebuilders that focus specifically on affordable homeownership, and we serve families ranging from as low as 40 percent AMI up to about 90 percent AMI in New York City. In New York City we've served over 1300 families through our home purchase and preservation work.

And I want to -- I sit here today to testify and thank all of you for the past support that we've received from the state, and especially to HCR and their amazing staff that has provided funding through the Affordable Housing Corporation and through SONYMA to allow us to continue to serve homeownership opportunities with low-income families and not see that AMI go up into the moderate and the middle-income range.

Support from the state is critically important for what we do. Every Habitat home that we build in New York City has Affordable Housing Corporation funding in it, and every Habitat homeowner that purchases a home in New York City receives a SONYMA mortgage to keep that home affordable.

But as was mentioned by the previous panel and some of the previous folks testifying from the coalitions that we're a part of, the Affordable Housing Corporation funding has not kept up with the cost of construction. It was mentioned that the program was started in 1985, funded at a level of $25 million, and it has now increased by about 4 percent to $26 million over those 35 years. And the program is statutory, meaning that the funding that we can access for each home is set in the law.

And so we are supportive of the law that's been put forward by Assemblymember Walker and Senator Bailey to reform the program and to increase the per-unit funding level to up to $75,000 per unit, in

accordance with cost increases that have tripled over the past 35 years. We're supportive of that and, in connection with that increase, we would love to see that legislation incorporated into the budget.

But of course with more money allocated per unit, we need to see the budget right-sized as well. So we stand with the previous members who are asking for a budget rightsizing to see that budget go from 26 million to the 44.2 million, in parity with the Housing Trust Fund program.

But as we also understand that with increased resources, public resources, there should be increased public benefit. And so the legislation that has been put forward really does emphasize that the larger amounts of funds can be tiered by the -- by HCR to ensure that the largest amounts in the highest-cost communities are paired with longer terms and deeper levels of affordability.

And so we're happy to be a member and a cofounder of Interboro Community Land

Trust, which is the first citywide CLT in the city, and we stand with community land trusts across the state to advocate for another bill that is introduced by Senator Montgomery and Assemblymember Maritza Davila that would provide stable and fair taxation for properties on community land trusts. As of right now, none of the properties that are currently on CLTs have any legislation that backs up that the properties that are resale restricted should be taxed at their resale-restricted rate and not at market rate.

And so as we seek to build more homes, both single-family and multifamily cooperatives, on community land trusts and utilize greater public resources to do so, we do want to see long-term and permanent affordability. And so we encourage the CLT fair taxation bill to be incorporated into the budget as well so that we can see that affordable housing that we built today last for generations.

And lastly, I also want to stand with

those that came before me in supporting the HOPP program and fully funding foreclosure preservation counseling and legal services, as well as a program that's been put forward by the Governor to fund the Community Development Financial Institutions at $25 million and to ensure that that funding will be extended both to banks, credit unions, and also community funds like the Habitat New York City Community Fund that funds housing preservation and creation as well.

So I thank you for all of your time, and I'm happy to take any questions.

CHAIRWOMAN WEINSTEIN: Assemblyman Blake.

ASSEMBLYMAN BLAKE: Thank you.

Thank you, Matthew, for your comments. And specifically, you mentioned CLTs several times; I want to just get some guidance and some clarity here.

First of all, can you convey the efforts of collaborating with community-based housing advocates on the ground, the success

you're seeing around what could be done there to partner, of course, with local financial institutions? You've talked about CDFIs, which obviously is a critical element of this.

And specifically, how can places like the Bronx and other areas similar to that equally see benefit here? I think a lot of us are trying to figure out how do our community entities actually benefit from this program.

MR. DUNBAR: Well, thank you for your question.

So community land trusts are essentially, you know, not-for-profit organizations that come together -- kind of the classic governance structure is a tripartite board in which the board has representatives from the community, from residents who live in housing on the CLTs, and from other outside experts.

There are, you know, successful examples of community land trusts that have existed in New York State, including

Cooper Square on the Lower East Side. There's one right here in Albany, Albany CLT. There's a -- you know, a CLT in the Adirondacks and across the state. And each one of those -- and Ithaca as well, Long Island.

All of them essentially kind of form in order to make sure that the land is owned collectively by that not-for-profit, in partnership with the community, and have that, you know, long-term ground lease with the housing that is created on top, to ensure that that housing is affordable for generations to come. So on the homeownership side, there would be a ground lease saying that there would be resale restrictions for the future homebuyers and that low-income people would have access and those sales prices would be limited.

So across -- so speaking of -- on the local level, there is a lot of conversation up in northern Manhattan, the Bronx, and in various other areas where people are coming together to do so. We just need to

understand how they will be taxed affordably and then partner it with existing housing programs to make it successful.

ASSEMBLYMAN BLAKE: So just to be specific, you mentioned examples in other parts of the state. I want to go back concretely -- for the areas like the Bronx, how would this work, how is this working, how are you engaging with all of the financial institutions or housing advocates? And is there a track record of success that's happening here that we can then focus in on specifically within the Bronx and similar areas?

MR. DUNBAR: Sure. So from my understanding, I don't believe that there are any community land trusts currently incorporated and -- with housing in the Bronx. The one that's the best example in New York City is Cooper Square on the Lower East Side, where they had I think over 350 units within their community land trust. They're all structured as MHA co-ops.

And so, you know, I would say, you

know, Interboro Community Land Trust is citywide, and so we can partner with existing programs and with existing developers to develop the land or preserve buildings and transfer them onto a CLT in that way. But as of right now, there's no examples in the Bronx that I can show you.

CHAIRWOMAN WEINSTEIN: Thank you.

We have Senator Krueger for a question.

CHAIRWOMAN KRUEGER: Sorry, I'm sorry. Sneezing at the wrong time.

I think as a follow-up question for Michael Blake's question, have there been cases where Habitat for Humanity homes have been then sold off after they are built for market rate, as opposed to remaining in perpetuity affordable? And can that still happen, and what can we do about it?

MR. DUNBAR: Yeah. So in the past, the Habitat -- we started off by building HDFC co-ops on the Lower East Side. And then through various programs and during the nineties and the aughts, we moved into more

condo development, which had UDAAP tax exemptions rather than Article 11 tax exemptions. And those were more structured as kind of anti-flip mortgages, recapture mortgages.

And so there are examples in which Habitat homes that have been developed in Harlem or in Bed-Stuy were structured as condos, and then after 15 years or so they are sold. Some of the subsidies are recaptured, but it's really sold at market rate.

So we have transitioned away from that model to ensure that the funding that we get from the city and the state and from our philanthropic partners lasts for generations. So we have moved our multifamily construction now in New York City -- is predominantly cooperatives, and we have helped to establish the CLT to ensure that both our single family homes and our and multifamily homes are affordable for generations to come.

Across the state, it would vary. We have a saying in the Habitat world: If

you've seen one Habitat affiliate, you've seen one Habitat affiliate. But there is a lot of momentum and interest in establishing and partnering with community land trusts to ensure that in addition to the deed restrictions that we put on our homes for resale, that it would get stronger and even longer-lasting over time.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you for being here today.

So next we have a panel --

MR. DUNBAR: Thank you so much.

CHAIRWOMAN WEINSTEIN: -- a panel with Association for Neighborhood and Housing Development, Emily Goldstein; Center for NYC Neighborhoods, Christie Peale -- and is someone here for Churches United for Fair Housing? Yes? No? I guess no. They haven't checked in.

Okay, thank you. If there's anybody in the audience who was scheduled to speak who hasn't checked in at the top desk, please do, because we need to know you're here.

So it's five minutes for each of you, and then if there are questions, we will ask. Just identify yourself when you speak.

MS. GOLDSTEIN: Good afternoon, and thank you for the opportunity to testify.

My name is Emily Goldstein. I'm the director of organizing and advocacy at the Association for Neighborhood and Housing Development, or ANHD. I want to thank the chairs of the committees and all of the Senators and Assemblymembers who are here today for this important hearing.

ANHD's mission is to advance equitable, flourishing neighborhoods for all New Yorkers. We work in coalition with our approximately 80 member organizations as well as allies and partners to support policies and programs that center justice, equity and opportunity for New York's marginalized communities and neighborhoods.

First and foremost, we want to applaud this Legislature for passing the Housing Stability and Tenant Protection Act of 2019. This law is a game-changer and an historic

opportunity to provide crucial protections for the 365,000 low-income households that live in rent-regulated apartments, as well as beginning to create some new protections against harassment and displacement for the well over 3 million renters across the state.

We do hope to see those protections expanded this year with the passage of "good cause" eviction to further extend necessary protections to all New York State residents and renters.

The strength of our rent regulation system is dependent on strong and consistent enforcement and timely processing. Given the significant expansion in rent regulation processes from the HSTPA, we recommend an increase in the ORA's budget sufficient to fully enact and enforce the new law.

It is our understanding that the budget increase ORA received in FY19 -- I'm sorry, FY20 -- was to address the backlog in processing overcharges and tenant complaints, which do remain an ongoing concern for many New York City residents, as I have personally

heard in many community meetings. In order to effectuate the additional changes in the new rent laws, ORA does, we believe, need additional staff, legal services, equipment and technological systems. Without a significant increase in ORA's budget, they won't be able to successfully implement the groundbreaking changes to the law that were passed in 2019.

In addition, we feel that the Tenant Protection Unit, TPU, has done important and impactful work with its existing resources, reregulating nearly 80,000 units, as the commissioner mentioned earlier this afternoon, and reaching important settlements with landlords who have patterns of systematic tenant harassment.

Given the size of the rent-regulated housing stock in New York State and the expanded protections under the new laws, we believe TPU needs additional funding to continue this important work and increase its impact. We recommend increasing their budget to 10 million -- approximately doubling --

thus expanding their ability to do audits, investigations, and take legal actions.

Moving on, ANHD supports the Home Stability Support program, a form of rental assistance for low-income families and individuals who are facing eviction, homelessness, or loss of housing due to domestic violence or hazardous conditions. This program would help bridge the difference between public assistance and shelter allowance and fair market rents for those leaving the homeless shelter system or who are at risk of homelessness.

State funding is also crucially needed to address the critical infrastructure and capital needs of public housing throughout the state. This is an irreplaceable resource for all New Yorkers and should be prioritized in our budget. There are hundreds of thousands living in unacceptable conditions that public housing residents face each day.

We recommend this year that the State Legislature invest $3 billion to fix and preserve public housing statewide, with

approximately $2 billion directed to NYCHA and $1 billion directed to the rest of the state, proportional to population.

Finally, ANHD supports full funding for the HOPP program, as was discussed by many people earlier this afternoon. New York homeowners and their communities continue to struggle with the devastation caused by foreclosures. The Communities First campaign ensures that low- and moderate-income homeowners throughout the state in every county of New York receive vital housing counseling and legal services necessary to protect homeownership, prevent blight, and prevent further foreclosures.

Thank you again for the opportunity to testify today and for all your great work for preserving housing for the residents of New York State, and I'd be happy to answer any questions.

MS. PEALE: Good afternoon. My name is Christie Peale, and I'm the executive director of the Center for New York City Neighborhoods.

I'd like to thank Chairs Krueger, Weinstein, Kavanagh, and Cymbrowitz for the opportunity to testify today and for your stamina. I really appreciate that so many of you have stayed so long in the day on this really critical issue.

So the center's mission is to promote and protect affordable homeownership. We are here today primarily to talk about the Homeowner Protection Program, but I just want to start by thanking my colleagues from across the affordable housing spectrum for supporting all of our collective work.

We really feel that affordable housing is part of a continuum. There are many homeowners who will be renters, renters who will be homeowners, folks from NYCHA who want to own a home -- and we don't see any of these issues as separate, but really all very much connected. And so we fully support the five-year housing budget plan that our colleagues at the New York Housing Conference, and more, had referenced.

In addition, I know that last year our

funding in the State Budget was truly a collaborative effort between the Senate, the Assembly, the Executive, and the Office of the Attorney General. So we just want to say a huge thank you for allowing the services that exist from Buffalo to Long Island to continue to serve so many at-risk New Yorkers.

There's a lot of information in our testimony and in subsequent testimonies, but I just wanted to make sure that we highlighted who we serve. Not only are we serving almost 16,000 homeowners a year -- in New York City, 80 percent of the folks that the HOPP groups serve are families of color, 52 percent of those African-American families -- so we're really focused on righting a lot of the wrongs that have happened over the years in homeownership and housing that have had a really disproportionate, deleterious impact on African-American, Latinx, and other families of color.

It's really important that we preserve

this critical piece of the social safety net. I take issue with some of the statistics that were previously cited about foreclosures being down by 10 percent from last year. We have not seen that. At our best day, doing this work since 2009, we are able to see 10 percent of the people in need. And unfortunately, we're in a new normal where there are 22,000 new foreclosures every year -- so we still see a very high demand for our services.

I'm very curious to find out where this $10 million that the commissioner testified about is. As far as the Attorney General's office has let us know, we got funded at a $20 million level. Those contracts end on March 31st, and we have no confidence at this point that we'll be able to keep our doors open.

We've surveyed our colleagues across the state. We think 28 of the groups that we work with would have to close their doors if there isn't additional funding, and 26 would have to reduce their services to down to one

or two providers.

All of the homeownership initiatives that we run throughout the state are leveraged by HOPP. You know, HOPP is not only providing legal services assistance for folks that are in the legal process of foreclosure, but it helps folks that are trying to buy a home avoid getting discriminated against in fair lending or other issues, it helps leverage other funding -- which is frankly not sufficient -- from HUD and other sources, and it's a really, really critical foundational piece of all of the other programs that we talked about that serve and promote affordable homeownership.

So it won't just impact the homeowners that are trying to save their homes, it will impact homeowners that are trying to buy and a lot of other new opportunities we have for families to build as well.

So there are a lot of other spots in the testimony. I just wanted to highlight that the majority of families that we serve

are in financial distress through no fault of their own -- a loss of employment, a catastrophic health issue, the loss of a family member. You know, there are things that can happen to anybody at any time, and we now know that we need these services. We didn't have them before the crisis. I think we wouldn't have had as significant a crisis if the HOPP network had been around.

And we're very anxious about what the future holds for our state and these communities, and we really appreciate all of your support and working with you to keep these critical services open.

Thank you so much.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblyman Cymbrowitz.

ASSEMBLYMAN CYMBROWITZ: Thank you very much.

Emily, I wanted to ask you about the DAP program --

MS. GOLDSTEIN: Sure.

ASSEMBLYMAN CYMBROWITZ: -- that you've put together, which as a matter of

fact we have a training for members next week. If you could talk about that, but also about the Displacement Alert portal. I understand that there is -- you've been defunded, that there's no money in the budget for that?

MS. GOLDSTEIN: So thank you for that question. So one of ANHD's projects is the Displacement Alert project, which includes a new component, a portal.

We think that it is crucial to be making data available to community organizations, to residents, and to elected officials so that they can better evaluate and analyze and then respond to the needs of local communities. So we do a lot of work to essentially take all of the open data available and put it into an accessible, searchable online form. We're very excited to be doing that training next week.

We did rely last year on state funding to help us basically put state-level geographies into our system so that you all are able to look at the data by Assembly

district or by Senate district and add some additional information as it became available. We hope to be able to continue to provide and expand that work, but don't currently have funding for that.

ASSEMBLYMAN CYMBROWITZ: How important is restoration of those funds?

MS. GOLDSTEIN: I mean I think we will, you know, keep up what we have. We're not going to take it off our website. But in order to be able to continue to update the data, provide timely information, and expand it to add additional options for searches and for analysis, we do need that funding.

ASSEMBLYMAN CYMBROWITZ: Thank you.

MS. GOLDSTEIN: Thank you.

CHAIRWOMAN WEINSTEIN: Senate?

CHAIRWOMAN KRUEGER: Thank you.

Senator Salazar.

SENATOR SALAZAR: Thank you. I just had a quick clarifying question for Emily.

In your testimony you mentioned that you support the state investing $3 billion annually in -- dedicated to public housing

statewide. And with $2 billion directed to NYCHA, was that 2 billion of the 3?

MS. GOLDSTEIN: Yes.

SENATOR SALAZAR: Okay. Sorry. Thanks.

CHAIRWOMAN WEINSTEIN: Assemblyman Felix Ortiz.

ASSEMBLYMAN ORTIZ: Thank you, Madam Chair. I also have a quick question for the Center for NYC Neighborhoods.

On the Association for Neighborhood and Housing Development -- and I quote -- on their paper, you say that "ANHD also supports full funding for the Communities First Campaign," which I do support. "New York homeowners and their communities continue to struggle with the devastation caused by foreclosures," and I close quote.

And on the other hand, in your statement you have stated that, and I quote, "The Center is a proud member of the Homeowner Protection Program funding campaign to preserve foreclosure" -- and I close quote.

So my question to you -- and I read all the beautiful testimonies that are here -- is that I represent the area of Sunset Park and Red Hook, and my question to you is if it has been any help to any of the foreclosure people that live in my district. And if the answer is yes, can you provide us with who those people are, that we will be able to also follow up with them as well?

MS. PEALE: Yeah.

ASSEMBLYMAN ORTIZ: And I thank you for the work that you guys do.

MS. PEALE: Thank you for the question. We can provide you statistics with -- of the number of homeowners that we've -- that the HOPP network has assisted in your district, and any other statistics that you need.

ASSEMBLYMAN ORTIZ: Thank you.

MS. PEALE: And thanks for your support.

CHAIRWOMAN KRUEGER: Senator Robert Jackson.

SENATOR JACKSON: So I want to thank

you for coming in and staying the course. You know, when you sit around for hours and hours and hours, you know, you need to be thanked. So thank you --

MS. GOLDSTEIN: Thank you.

MS. PEALE: Thank you.

SENATOR JACKSON: -- on behalf of all of the people that you represent and help, let me just tell you.

And I read some of the testimony of individuals around the State of New York. This is telling in itself. People read this and you can see, you know, most people -- a lot of people, they're like one paycheck to a month or two or three months away from losing their home, whether they own the home or whether they rent.

And so I just wanted to thank you in understanding what it means to know that you have legislators that are supporting you. And we do everything we can to increase the funding so that you all can help more of our constituents around the state.

Thank you very much.

MS. GOLDSTEIN: Thank you.

MS. PEALE: Thank you.

SENATOR JACKSON: Thank you, Madam Chairs.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: We go to Assemblyman Epstein.

ASSEMBLYMAN EPSTEIN: Thank you both for being here and for testifying.

Just on the HOPP funding, it's critical funding. And I implore my colleagues to continue to support it, because I know how vital it is for our community to protect people's homes and that, you know, people unfortunately have been scammed and lost them from various sources.

But I have a larger question around mezzanine debt, and I just -- so -- so -- you want to call it mezzie debt?

(Laughter.)

ASSEMBLYMAN EPSTEIN: So we've seen a lot of private equity money in the market, and we've seen that money really be unregulated. You know, it's hard to track,

it's hard to know. And we've seen a lot of homeowners who are -- people trying to purchase homes are competing with private equity money. We've seen it with multifamilies where we've seen a lot of, you know, dark money, private equity money coming in.

I was wondering what you think about a better system to oversee it, regulate it, make sure it's reported, and then also ensure that they're paying taxes on that private equity money the same way we see traditional mortgagors paying mortgage recording taxes and other fees. I want to get a sense of your -- both -- opinion on that.

MS. PEALE: Thank you for the question. I would say that we've seen homeowners who are, you know, lucky enough to get approved for a mortgage, are in the market trying to buy a home, are often beat out by cash buyers, as well as seeing properties removed through other finances purchased with other sources.

And we really don't have enough

information about the role of private equity in both -- for property scams, deed theft. You know, there's a lot of ways in which it could be operating in the market that we don't know. So we are really excited about the proposed legislation that would create more transparency.

I think looking at a way to, again, equalize the impact of cash buyers as well -- you know, if you have to borrow money and then you're paying more in a mortgage recording tax than somebody who's paying cash, it doesn't seem quite fair, as well as somebody who's leveraging private equity debt.

So we're really supportive of an effort to level the playing field for regular New Yorkers in that purchase context.

MS. GOLDSTEIN: Yeah, and I'll just say I agree with that. And particularly on the multifamily side, where we look a little more closely, you know, this is certainly a problem both in terms of transparency and information gathering.

You know, we have had various issues with banks, but we at least are able to get a baseline of information and there's sort of a level of regulation there. There are regulators, right, to go to. And that really doesn't exist with non-bank lenders.

So I think certainly having transparency, having the information is absolutely necessary to understanding what we're dealing with and trying to fix it. And then certainly putting that tax in place and sort of treating non-mezzanine debt as all other kinds of debt would help to take away that unfair advantage that speculators have.

ASSEMBLYMAN EPSTEIN: Thank you.

CHAIRWOMAN WEINSTEIN: Assemblyman Blake.

ASSEMBLYMAN BLAKE: Very quickly.

First, thank you to both of you. If I could, I think this may be first to Emily. On the back page, when it talks about public housing --

MS. GOLDSTEIN: Mm-hmm.

ASSEMBLYMAN BLAKE: -- just if you

could give some context of how was the number determined. Saying the state should invest $3 billion statewide and $2 billion directly to NYCHA, how was that number determined?

MS. GOLDSTEIN: So the 2 billion as an -- you know, out of the 3 -- was looking at public housing needs statewide and just trying to sort of divvy up proportionally. And that is a number that you'll hear from a lot of tenant organizations and folks who work directly with NYCHA residents, sort of agreed upon as a way to do that fairly.

ASSEMBLYMAN BLAKE: And just finally on NYCHA and then moving from there, what do you think is the initial reaction from advocates hearing and seeing that the current proposal from the Governor has zero dollars towards NYCHA?

MS. GOLDSTEIN: I think it's upsetting. And I think it will contribute to the continuing decline of an irreplaceable affordable housing resource and to, you know, really horrific living conditions for a lot of New Yorkers.

ASSEMBLYMAN BLAKE: Certainly. And then to follow up and assess here to Christie and others -- yeah, I was just looking at my piece of paper first -- for HOPP funding specifically, can you give a sense, practically speaking, how much at risk would homeowners be if this does not continue? I mean, a lot of times we talk about foreclosure prevention, and it's broad and theoretical.

MS. GOLDSTEIN: Yeah.

ASSEMBLYMAN BLAKE: But just -- what's the dollar and cents impact we're talking if this were to occur?

MS. PEALE: We can capture that in a couple of different ways. We can look at the impact on property taxes. We can look at the impact of a foreclosure on neighboring property values and loss of neighborhood equity.

We can look at the increased debt that homeowners are going to face. The longer you're in foreclosure, the longer your unpaid principal balance increases, and the harder

that debt is to discharge, either if you have to represent yourself in the foreclosure process or if you have to pursue bankruptcy.

So it's, you know, the personal debt calculation, increasing the loss of tax revenue and the loss of neighborhood equity, are some of the ways that we think about it. And we have a piece on the economic impact of HOPP that we can forward to you that captures some of those pieces.

ASSEMBLYMAN BLAKE: And so it's fair to say that it's not just the devastating impact on the homeowner, but it's also the community that would it have devastating impact as well.

MS. PEALE: Absolutely. You know, we impact that -- we have some estimates on the downward drag of a foreclosure on neighborhood equity that we can share with you as well.

ASSEMBLYMAN BLAKE: That would be incredibly helpful. Thank you.

MS. PEALE: And just to -- I would love to talk to you about CLTs in the Bronx.

ASSEMBLYMAN BLAKE: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you --

MS. PEALE: Thank you so much.

CHAIRWOMAN WEINSTEIN: -- for all the questions.

Next we have a panel, Tenants Political Action Committee, Michael McKee, and VOCAL-NY, Felix Guzman.

MR. McKEE: We only have three chairs.

CHAIRWOMAN WEINSTEIN: I think they brought extra chairs because you had colleagues walking down --

MR. McKEE: I thought we were all doing this together.

CHAIRWOMAN WEINSTEIN: You are. You have five minutes and VOCAL-NY has five minutes.

MS. SOLTANI: Thank you. My name is Paulette Soltani, I'm the political director of VOCAL-NY, and I'm reading testimony on behalf of our leader, Ms. Flowers. She apparently had to get back to New York City because she's in a shelter and has been living there for almost four years.

"My name is Nathylin Flowers Adesegun. I'm a member of VOCAL-NY. VOCAL-NY is a grassroots organization working to end AIDS, mass incarceration, the war on drugs, and homelessness.

"On behalf of VOCAL-NY, I want to thank the Senate and Assembly Housing Committee chairs, Brian Kavanagh and Steve Cymbrowitz, and the other members of the committee.

"My story of homelessness started in February 2015, when I was evicted from my apartment of 34.5 years when I lost my rent stabilization status. Since then, I have been living in a homeless shelter along with more than 92,000 people across New York State. Many of the women in my shelter have become my closest friends. We share memories, experiences, and most of all we share solidarity with each other as we search for housing stability and basic dignity.

"My shelter is in Queens. I have to leave my room each morning by 9 a.m. and be back for curfew at 10 p.m. Our toilet paper

is rationed because the shelter has so many plumbing issues. There is one microwave for 200 women. I am a vegetarian, and I love to cook, but the options for food at my shelter are sparse at best. When I'm not at my shelter, I cook every chance I get.

"Year after year we've heard Governor Cuomo make announcements about his unprecedented commitment to housing and homelessness. He says he's investing historic resources to help homeless New Yorkers, so why hasn't all of that money materialized in housing for the homeless? The fact is, the Governor's words are empty if 92,000 people are still homeless.

"People are in desperate need of supportive housing. The Governor promised New York State 20,000 units of supportive housing in 2016, but only a fraction of the funds that we need have been released. For every five approved supportive housing applications, only one vacancy exists.

"Meanwhile, the overdose crisis has taken the lives of over 20,000 people since

2016. Many of those lives could have been saved if more people had access to housing. At the same time prosecutors, police, and elected officials are doing whatever they can to roll back bail reform laws. We will never stop relying on incarceration without meeting the basic needs of New Yorkers.

"While homeless New Yorkers struggle every day, New York is home to 112 billionaires with over $525 billion in wealth, and dozens more that live in part-time" --

CHAIRWOMAN WEINSTEIN: Excuse me. I just asked them to pause the clock because I know Felix -- yes?

MR. GUZMAN: Yes.

CHAIRWOMAN WEINSTEIN: -- also has a statement in these five-minutes-for-the-two, so I just wanted to make sure there was some time for him to speak. I don't know if he wanted -- if you want to add something, or should we go to him? You know, we do have the testimony, it's circulated to everybody, but I just didn't want you to use up all the

time and not have something for him.

MS. SOLTANI: Sure. I will do the time for Felix -- I just want to say that there haven't been a lot of homeless New Yorkers testifying in the housing hearing, so I think it's important that the members of this committee hear from homeless New Yorkers.

I'll just lastly say that Ms. Flowers supports 20,000 units of supportive housing for the state along with -- she asks for $500 million for a state-funded rental assistance program.

We support Brian Kavanagh and Steve Cymbrowitz's recently introduced bill for a new voucher program, and along with that also Home Stability Support, which is Liz Krueger's bill, I think.

MR. GUZMAN: Hello. My name is Felix Guzman. I'm a leader of VOCAL-NY, a poet, activist, and former shelter resident. I would like to thank you for the opportunity to speak today.

VOCAL-NY is a part of the Housing

Justice for All campaign. Last year we won an expansion of rent protections, but we know there is still more work to do. We are fighting for a New York homes guarantee because every New Yorker has the right to a safe, stable, and affordable place to live.

Today I'm here to talk to you about our state's homelessness crisis. My story is emblematic of how our current housing system fails people and keeps them trapped in dangerous situations at high cost to the taxpayer.

Several years ago, my then-landlord started to convert units in my building into a scattered cluster site shelter. He was allowed to make tremendous amounts of money from the city to kick out rent-stabilized tenants and replace them with people who had no rights and therefore couldn't complain or join tenant associations. The result was a rapid deterioration of the building conditions.

This, in combination with complications due to being stuck in an

abusive relationship, forced me out of my home and into the very same shelter system that caused my problem in the first place.

The more I have organized with members of my community, the more I have seen that I was caught up in a larger system of displacement and gentrification. I was born and raised in Brooklyn, and I have seen how it has changed. Massive glass skyscrapers have been built all over the borough, representing thousands and thousands of units of new housing. How could it be that thousands of units of housing have been built all around our borough over the last 20 years, and yet tens of thousands of more people have become homeless?

The answer is actually quite simple. The private housing market's primary goal is not housing people, its primary goal is to maximize the profits.

In New York City, 248,000 units of housing are empty. That's 8 percent of the overall housing stock. Twenty-five percent of new luxury condos that were built since

2013 remain empty, and yet thousands more are in the process of being built. All of this adds up to a system where there are four empty apartments for every single New Yorker in the shelter.

This criminal greed has gone on long enough, and at the end of the day, the blame lies with a governor that has not put any meaningful resources into tackling this problem at its root. The blame lies with a legislature that has not effectively challenged him into addressing this moral crisis.

The solutions to the problems we face are not a mystery. We have been fighting for them for years. First and foremost, we need a new housing subsidy program that can actually cover apartments at the market rate. Rental assistance is the fastest and most effective way to get people out of temporary shelters and into permanent homes.

Other states have created programs that actually cover apartments at the market rate. In New York City, we have CityFHEPS,

which will only cover apartments up to $1400 for most individuals, which is woefully inadequate if you consider that the average one-bedroom apartment in New York City rents for $2860. It is criminal for the city to give out vouchers when it knows that there are not enough apartments to be covered by them.

We cannot continue on this path. We must fight for a New York where everyone has a home. New York State must make a plan to end homelessness, and it must start by investing in the needs of homeless people.

We need our Senate and Assembly to fight for $500 million for a state-funded rental assistance program to help New Yorkers and those at risk of becoming homeless. Funding rental assistance will help tens of thousands of people and will put us on the path to having a New York homes guarantee.

Thank you, and I apologize for going over time.

CHAIRWOMAN WEINSTEIN: Thank you.

Michael.

MR. McKEE: Good evening -- afternoon. I should say evening.

CHAIRWOMAN WEINSTEIN: Almost.

MR. McKEE: Almost. It feels like it. I'm sure you're more tired than I am. It's kind of tiresome to listen to three hours of somebody patting Andrew Cuomo on the back.

First of all, my name is Michael McKee. I'm the treasurer of Tenants Political Action Committee.

I want to -- at the risk of cutting into my time, I have to take a moment to say thank you for the Housing Stability and Tenant Protection Act of 2019. There are many reasons this happened, including a tremendous grassroots organizing campaign led by the Upstate-Downstate Housing Alliance. The fact that we flipped the State Senate and turned it blue and turned it overwhelmingly blue, it would never have happened if that had not happened.

But I also want to single out Senator Kavanagh and Senator Myrie and Mr. Cymbrowitz, the chair of the

Housing Committee, for a terrific job of putting this bill together. And I want to particularly thank you for Part M, a very unexpected and pleasant surprise.

I want to also thank Senator Salazar and Assemblymember Glick for the Loft Tenant Protection Bill -- very, very important and very dear to my heart.

I'm here to ask you to tax the rich and house the poor. I mean, really, this is what it's down to. We can't sit here in this day and age and talk about millions of dollars to address the problems of public housing and housing the homeless -- a hundred million here, 450 million there. I want to remind you that that 450 million had nothing to do with Andrew Cuomo. It was the State Assembly that put that into the budget. All Andrew did was hold it up and refuse to turn it over to NYCHA.

We've got to start talking in terms of billions, and you've got to stop being afraid to raise taxes on rich people. You've been able to afford to cut taxes on rich people --

when I say "you," I don't mean you particular people, I mean you the institution. You've been able to cut taxes on rich people, you've been able to afford to cut taxes on big corporations. Our Governor has wasted billions of dollars on stupid economic development projects that have afforded him a photo op, you know, ribbon cutting, and then go belly up, like his famous Central New York film studio.

This is ridiculous. We're asking for $3 billion for public housing. If you don't do this at some point soon, it's going to be too late to save public housing. It's just going to be too late. And we can't let that happen.

We're asking for at least $500 million for a realistic rent subsidy program. And we want to give a shout out to Senator Krueger and Assemblymember Hevesi and Senator Kavanagh and Assemblymember Cymbrowitz for these bills that we think is a very good model for how to do this.

We're tired of hearing we can't afford

it. You've got to get beyond that. We want full funding for supportive housing. We believe Andrew Cuomo owes us 14,000 units. He promised 20,000. Where are the other 14,000?

We need a Tenant Opportunity To Purchase Act. We want you to get rid of 421-a and 485-a tax subsidies. These are boondoggles. They are the worst way to subsidize and create housing. Get rid of it. That money could go into something really useful, instead of funding market-rate housing.

I want to make a pitch for increasing funding to the Neighborhood Preservation Companies and Rural Preservation Companies programs. I think all of you know what benefit these companies do for the State of New York and for our communities.

And finally, the State Senate had a very interesting hearing two weeks on code enforcement. I learned a lot just sitting and listening to some of the people testifying. The state used to fund code

enforcement. Governor Mario Cuomo cut it out of the budget in 1990 and 1991. It's never been put back. I think if you really want to do something about the lack of code enforcement, especially in upstate New York, you're going to have to put some money into the program.

To paraphrase the old American Express TV commercial, don't come home without it. We're looking to you, our friends, to do this. You're going to have to fight the Governor to do this -- as well as, perhaps, some of your more conservative members.

I'm not going to go into a lot about the Office of Rent Administration except to say that the most important thing you can do is not to give them more money but to change the laws so that you tie their hands. This is an agency that will do anything it can to let landlords off the hook for their failure to comply with the law. Their whole approach is to cut everything down the middle instead of enforcing the law and protecting tenants and preserving affordable housing. So the

best way to do this is to tie their hands by changing the law.

We specifically urge you to restore the rent registration system to its pre-1993 state. For some reason this did not end up in the 2019 act. In 1993, the rent registration system was gutted and it is now a voluntary program. If you put it back to where there are significant penalties for failure for register or filing a fraudulent registration, you're going to increase enforcement of the rent laws.

Thank you very much.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblyman Blake for a question.

ASSEMBLYMAN BLAKE: First I just want to say that -- how much I appreciate the three of you and the work that you're doing. That as we have talked about many times, that this is incredibly personal for me, because my family was homeless. And so I think too often we ignore putting a face on the reality that without one paycheck, how things can

change dramatically for many families.

So I just had to start there. And whenever we see you all, you give us strength and we appreciate you.

Very quickly -- because I know our colleagues will have many different questions -- specifically in the Housing Justice for All campaign, which I know we're doing a workshop during Caucus Weekend around this, is there one element of it that you think we especially need to make it critical, that has to happen within that? Because a lot of times we have big packages and people don't internalize the elements within them.

MS. SOLTANI: So we want all of it.

(Laughter.)

ASSEMBLYMAN BLAKE: Of course. Yes. I know.

MS. SOLTANI: And we won't stop saying that. I think Felix and I are talking about homelessness, and Michael also did -- but we also have zero dollars in the budget right now for public housing, which is just a disaster and horrendous. And our government

needs to be doing much more to address public housing and the crisis across the state.

So there isn't just a single part of this. I think the housing crisis is hitting everybody, every low-income brown and black New Yorker across the state in epic proportions. And we need -- I think that's what Michael was talking about in terms of taxing the rich. We need that kind of resources to actually tackle this crisis and end homelessness and fund a New York homes guarantee.

ASSEMBLYMAN BLAKE: Absolutely. And as we hopefully transition from a state of crisis, which we are too often always in, to finally getting to a place where people have better opportunities, can you give us a sense of what would be the impact of passing the Tenant Opportunity to Purchase Act?

MR. McKEE: Well, you did it for mobile home residents last year, which was great. I mean, that section of the law was really a win-win-win. I mean, it was really great. I wish you would do the same for the

rest -- every other tenant in the state.

If you're going to cap rents for manufactured-home tenants at 3 percent per year with a hardship provision that landlords can get more if they can prove hardship, why not do it for all unregulated tenants everywhere in the state? I mean, it would be a simple bill to draft, and I don't see why we don't do that.

You don't have to have a survey, you don't have to see what the vacancy rate is, you don't have to have a vote to -- by the local legislature to opt in. I mean, obviously it wouldn't be as strong as strong rent control, but it would be a very good supplement to a rent control program.

ASSEMBLYMAN BLAKE: Thank you.

MR. McKEE: And, I'm sorry, I didn't address the Tenant Opportunity to Purchase. I mean, this is something, you know -- and Senator Myrie is, I read, drafting a bill that if a building goes up for sale, tenants would have an opportunity to purchase it and keep it affordable.

CHAIRWOMAN WEINSTEIN: Thank you.

MR. McKEE: And presumably as a limited-equity co-op.

CHAIRWOMAN WEINSTEIN: Senate?

CHAIRWOMAN KRUEGER: Thank you.

Housing Chair Brian Kavanagh.

SENATOR KAVANAGH: Thank you.

First of all, thank you, Mr. McKee, for your kind words about our work last year and for knowing what Part M is, which I'm -- because -- because for those of you that aren't as familiar as Mr. McKee, that's the portion of the law that deals with all the non-rent-regulated -- has all the many protections that we added to the law that protect tenants statewide. And there is actually some talk outside this room now about how that's being interpreted with respect to broker fees and -- so that's going to be a continuing topic as we see how that affects the many millions of tenants that are not part of the rent-regulation system.

And I echo my colleague Michael Blake's comments about the work of each of

your organizations in advocating over many years, and particularly Ms. Soltani's comment that it's very important that we're hearing from tenants, that we're hearing from homeless people directly who are experiencing these things.

And I think a lot of -- you know, we had five hearings around the state on the rent laws last year, and I think a lot of the value of that was hearing directly from tenants. And I know your organization played a big role in making sure that tenants were able to get to those hearings and express their point of view directly to the Legislature.

I'd just like to talk briefly about -- we've spent a lot of time over a number of years now arguing about the capital budget, about the sort of money for public housing, and I continue to join you and many others in suggesting that it's grossly inadequate. But I want to focus particularly on -- the focused conversation about direct rent subsidies I think is getting -- you know,

it's kind of a newer thing for a lot of folks. And particularly in housing, it's been considered a type of public assistance program in the past.

So can you just talk a little bit about -- you know, one argument is, you know, you work for the long term, you invest in capital, you build the right buildings, you get the right programs. Why is it also important that we have sort of a rental subsidy program as well, like the housing access vouchers or Home Stability Support?

MS. SOLTANI: So I think the most immediate way to help a homeless person who's low-income or somebody who's experiencing homelessness is by giving them the resources to pay rent. As we've seen, it's taken far too long for us to build the kind of housing to reduce our homelessness crisis in any meaningful way.

And so the way we always frame it, and the way local members always fight for it when you hear them speaking publicly, is the fact is that we need money to pay the rent

today. And these programs, like the voucher that you introduced recently, like Home Stability Support, not only helps people pay the rent and get out of homelessness, but it actually prevents people from becoming homeless if you're severely rent-burdened. And so it's an immediate way to really have a meaningful impact in people's lives today.

MR. McKEE: I just want to add to that that there are -- you know, I was really stunned to read in the Daily News today when, in the article about the new Kavanagh-Cymbrowitz bill, a representative of the Governor, unidentified, said "Rent subsidy programs often perpetuate the cycle of homelessness."

What? I mean -- come on, guys. I mean, the problem is not subsidies. The problem is lack of subsidies.

There are a few things you can do if you really want to help homeless people or near-homeless people. You can increase the housing supply and make sure you're building affordable housing. You can roll back rents,

roll back high rents so they're more affordable. Or you can give low-income people some assistance to help them pay the rent. Those are the three things you can do. And/or you can do all three.

But to say that, you know, subsidies, you know, continue the cycle of homelessness -- I mean, that's just -- I'm sorry, that's 1984.

SENATOR KAVANAGH: Okay. In the interest of -- sorry, Felix. Did you have something to add?

MR. GUZMAN: Hello. Hi. I actually just wanted to touch base on a couple of things.

The money is there because apparently we're throwing hundreds of millions of dollars at these shelter providers, for-profit and nonprofit. And at the end of the day, nonprofits that are receiving money should be held accountable to a higher standard because they receive monies from where they do. And again, like if they're not providing permanent housing, then

why are we throwing hundreds of millions of dollars at some of these providers?

And if you want to talk about actually ending homelessness, we've got to redirect the monies that are actually being provided for each person's bed and locker in a shelter into actually some kind of proper program or something, because more is being spent on actually a bed and a locker in a shelter for homeless individuals than the shelter vouchers are actually going for.

So at the end of the day, the money is there. Whether that be mismanagement of funds or creating and perpetuating homelessness, the industry of homelessness and the manufactured problem that it is -- we should actually start holding accountable whoever is managing this money and actually creating pathways out of homelessness.

Thank you.

SENATOR KAVANAGH: Thank you all for your testimony. And we do hope to have additional opportunities to testify on these matters in the coming days.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblyman Ortiz.

ASSEMBLYMAN ORTIZ: Thank you, Madam Chair.

Thank you all for being here. And, Mike, thank you very much, for every single one of you, for your testimony.

I just want to be on the record very quick that the Neighborhood Preservation Companies and Rural Preservation Company programs not only are very beneficial for my community, but for the state. And I did address that to the commissioner. And the reason I ran out was because I had a conversation with her -- not just about this, but a few other issues that are very critical for the people of my district, which by default will impact the people of the State of New York.

But thank you for supporting that and putting it in your testimony. This is very --

MR. McKEE: I lobbied the bill into

law in 1977, the Neighborhood Preservation Companies bill, I worked with Denny Farrell, and I lobbied the Rural Preservation Companies Act into law in 1980, and they were very gratifying experiences.

And I think, you know -- some people said you're creating a Frankenstein monster. I said I don't think so, I think these groups are essential to -- you know, it's a community-based approach to solving housing problems.

ASSEMBLYMAN ORTIZ: I know. And I do have a quick question for Ms. Flowers. You live in a shelter as we speak, right?

MS. SOLTANI: So I work in an organization, but Ms. Flowers is a leader at the organization that I work at, at VOCAL-NY. So she's a community leader.

But she's currently getting back to New York City because she has to be in her shelter before the curfew hits, otherwise she could lose her bed.

ASSEMBLYMAN ORTIZ: My question -- my question is -- it's more about logistics,

about whether or not the shelter -- how many social workers are there? What is the protocol regarding breakfast, lunch, and dinner?

And you stated that a person from 9 a.m. to -- 10 p.m. is when you can come back, is the curfew, and a person who probably might be able to -- they only consume vegetable foods, for example, or maybe halal foods or others. How does the shelter accommodate these people, and if they do or if they don't?

MS. SOLTANI: She'll be the first to tell you that they don't, and that she doesn't get -- she doesn't have the food that she would want to be eating. She's not as healthy as she wants to be because of the food she eats.

I think there's a lot of media that you can read of news articles about how a lot of people have complaints, especially in the last few months, about this problem in New York City.

I think you can probably speak to this

a lot better.

MR. GUZMAN: Hello? (Mic problem.)

I would like to say something about -- Ms. Flowers is currently in an Acacia shelter. As we know, they're actually under investigation by the Department of Investigation, and it's just -- it's a telltale sign.

There's also other organizations -- CCS -- that are able to continue going forward.

So whatever is available, that's what we get, and that includes food that is not adhering to our dietary needs. And again, having experienced having to seek out healthy food somewhere else, it's a lack of consistency and also concern and care for people's diets.

As you know, people lose weight, and I'm sure that being on a vegetarian/vegan diet is very much more restrictive in that nature. So Ms. Flowers is an amazing person. She can't be here, obviously, because she's living in a shelter. And I'm just thankful

to be able to speak on her behalf.

ASSEMBLYMAN ORTIZ: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Senator Salazar.

SENATOR SALAZAR: Thank you. I just want to thank, first of all, all three of you for sharing both Ms. Flowers' experience with us and your expertise with us.

My question is for Michael. You mentioned in your testimony support for repealing 421-a and also 485-a, and I agree with you. But we less frequently talk about 485-a in the Legislature, frankly, and in the public discourse, so I was wondering if you could elaborate.

MR. McKEE: Well, I'm not an expert on 485-a, it's -- what I'm told by my upstate colleagues is that it's the upstate equivalent of 421-a.

I'm very familiar with 421-a and have been familiar with it since it was first enacted in 1971, the same year that the State Legislature enacted vacancy decontrol. If you look at the actual -- these programs --

421-a and 485-a cost localities billions of dollars every year, and they are subsidies that go to developers who essentially create market-rate housing.

I believe, and I have believed this for many, many years, that it is bad policy to bribe profit-making developers to build a little bit of affordable housing by giving them subsidies that allow them to build market-rate housing. I think it is a misuse of public dollars, I believe. And sometimes the housing that is supposedly affordable is not really affordable, and it's not permanently affordable. It's affordable for a limited period of time.

Government makes this mistake again and again and again. The State of New York made it with the Mitchell-Lama program by allowing landlords or co-ops to buy out after 20 years of affordability, and they make it again and again and again.

So I believe that if we are going to spend tax dollars on subsidizing the creation of housing, it should be low- and

moderate-income housing, and it should be permanently affordable. You can allow private developers to build it, but I don't think they should be subsidized to own it and make huge profits off of it.

And of course now what we're seeing with the neighborhood rezonings that the de Blasio administration has been pushing through the City Council -- and I think we are seeing the end of that now, you know, considering what's happened with the last three -- these are -- I view these as attempts to allow market-rate housing to be inserted into low-income communities that is going to ultimate change that community in a negative way.

Look at what the de Blasio administration said they were going to do with East New York. Whether this actually happens or not remains to be seen, but supposedly it was going to result in 6,000 new units of housing -- 3,000 of them affordable, 3,000 of them market rate -- with some neighborhood amenities. And if this

happens, it will be just -- now, these will not be Manhattan market rents, obviously, but they will be much higher --

CHAIRWOMAN KRUEGER: Michael, I'm going to cut you off.

MR. McKEE: I'm sorry?

CHAIRWOMAN KRUEGER: We have two more questions --

MR. McKEE: Okay. I'm sorry. I think you understand what I'm saying --

CHAIRWOMAN KRUEGER: -- and we can have -- the city government is doing things in a different direction --

MR. McKEE: -- it's just a matter of time until we have coffee shops and upscale restaurants.

CHAIRWOMAN KRUEGER: Thank you.

Assemblymember Niou.

ASSEMBLYWOMAN NIOU: Hello. I actually have two questions. One is a follow-up on the 421-a issue.

So when we were talking to the commissioner, she was saying that she felt like there was very few alternatives to

building affordable housing. What would be some alternatives that you could think of?

MR. McKEE: Well, first of all, you have to increase revenues in a meaningful way that would allow you to produce new housing.

The State of New York funded the Mitchell-Lama program between the years 1955 and 1979 that created -- and local governments put in money too, and especially the City of New York put in money -- which created 175,000 units, I believe, of housing statewide in that 25-year period. It cost -- I believe, if memory serves, I think it cost about $7 billion. Now, those were dollars back then.

But if we want to get serious about this, we need to start talking about a new Mitchell-Lama type program. And you know, Andrea Stewart-Cousins, at her hearing, the Housing Committee hearing in Westchester County last spring, talked about we need a new Mitchell-Lama program. I think that's the kind of thing we need. We need to look at that model, and we should avoid the

mistakes of the past.

ASSEMBLYWOMAN NIOU: But in the same vein for public housing, you know, people talk about RAD and privatization. Do you feel like there should be -- there's an alternative to privatization?

MR. McKEE: We should have more public housing. But the Clinton administration pushed a bill through Congress that basically prohibits localities from creating more public housing.

I mean, this is a huge problem. It's hard enough to preserve the public housing we have, but it would be great if we could build more.

ASSEMBLYWOMAN NIOU: So then you would suggest that we fund public housing and that we get more.

MR. McKEE: I would -- if I could design a program that would -- it would be very different from what we have. It wouldn't be towers in the park, it would be integrated housing with lively street commercial operations and green space and

schools and playgrounds.

ASSEMBLYWOMAN NIOU: Like Singapore.

MR. McKEE: And, you know, they do this in Europe, and they hire top architects to build public housing with amenities, with art, with playgrounds, and -- I mean, it's -- I just spent a week in Vienna last fall, and it was amazing to see what the City of Vienna has done.

ASSEMBLYWOMAN NIOU: Yes. Singapore has -- 80 percent of its housing is public housing.

CHAIRWOMAN KRUEGER: Thank you.

ASSEMBLYWOMAN NIOU: Thank you.

CHAIRWOMAN KRUEGER: Assemblywoman Rosenthal to close.

Oh, excuse me. Excuse me, Assemblywoman. Senator Jackson first, then Assemblywoman Rosenthal.

SENATOR JACKSON: I think next time I'm going to sit up there so you can see me.

CHAIRWOMAN KRUEGER: You have to tell me.

SENATOR JACKSON: But first let me

thank you all for waiting towards the end of the testimonies of everyone so you got to hear everyone's questions. And I thank you for your advocacy on behalf of the people that we represent.

So one of the things I wanted to comment on your statement, brother -- when I call you brother, it's because we all are brothers and sisters from a human point of view. Now, you said that the blame lies with the Legislature that has not effectively challenged him, meaning the Governor, in addressing this moral crisis.

It's all of our responsibility. It's the advocates' responsibility, it's for the people that you advocate for that we must educate everyone to be advocates, to put pressure on the system to do what's right.

And I know that -- because you may not be aware, I filed a lawsuit against the State of New York -- they were cheating our children out of billions of dollars. Thirteen years of litigation, walked 150 miles -- we won.

Last year, with the blue wave coming in, the Republicans are out now in the Senate, we did humongous work on behalf of residents in New York State.

That's the type of coming together, all of us working to make it happen. And I say to you that the Governor has so much power in the budgetary process that was challenged before, and the courts ruled in the Governor's favor. But we collectively -- not just us -- we have to do what's right to make sure that we get everything we need in order for affordability for everyone. Because the housing justice for all is a human right.

But I said at the rally, I said at the rally last week, yes, but education plays an important part in that. It's been known, a proven fact, that the more education you receive, the more than likely you will earn more income, more than likely. And that will close that gap between income and affordability.

And I agree that rents are too damn

high. That's what the guy said when he ran for mayor, and I agree with that. And you heard me say earlier about the fact that if landlords are discriminating against -- because of someone's source of income or any other reason, we need to have that open and clear so everyone knows that they're cheating and discriminating us.

But I thank you for coming in. I just wanted to say this to you, that it's not only us, it's all of us working together.

Mike, thank you for your advocacy. Thank both of you for coming in. And I appreciate what you said on behalf of Ms. Flowers. Thank you.

MS. SOLTANI: Can I just say -- one thing Flowers had in her testimony is that last year 150,000 students experienced homelessness across New York State. So we've got to --

SENATOR JACKSON: Oh, I'm fully aware of that. I know. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you. But stay there.

Assemblywoman Rosenthal.

ASSEMBLYWOMAN ROSENTHAL: Okay. Thank you all for your great work.

I am the sponsor of the 421-a bill, to just get rid of it, because we have not found that the credits that we give to developers equals adequate at all numbers of affordable -- whatever affordable means -- units.

I always note how the streets, the sidewalks of New York City have so many homeless people, just that's their place to live, whereas above us in the sky are hundreds, thousands of empty units. Do any of you have any thoughts about how we could take advantage of the fact that they are there, they are empty, and yet there are many, many people who might need to live in them?

MR. GUZMAN: Hello. So really quickly, the cluster site program was actually good-intentioned. Perhaps something along the lines of that, but with some accountability and some actually security

implemented.

Again, like we're paying shelter providers and landlords, as a result of that, three to four times what the vouchers actually go for -- probably even more than that. I don't really know the business of homelessness. But then again, we're actually paying over market rate, luxury rates for penthouse apartments, maybe perhaps for duplex apartments, to put someone in a bed in dangerous conditions in shelter.

So anything -- anything is better than that. The cluster site --

ASSEMBLYWOMAN ROSENTHAL: So maybe -- maybe people should live in those luxury penthouses --

MR. GUZMAN: Yeah, again --

ASSEMBLYWOMAN ROSENTHAL: -- for the price of a shelter.

MR. GUZMAN: -- if DHS is -- hasn't actually to this point just created a mass of their own buildings where they could actually direct people in there, which would actually solve that issue, then we should actually

look at creating vouchers or creating some sort of system that allows people to be placed in those apartments.

Again, the housing stock is -- is as available as homelessness is present. So, you know, it's something --

MS. SOLTANI: It's more available. There's more open, empty apartments --

MR. GUZMAN: Yeah.

MS. SOLTANI: -- like you're saying.

ASSEMBLYWOMAN ROSENTHAL: Yeah.

MR. GUZMAN: You know, this is a situation where like the housing stock currently is available and people don't have entry points to that. So we should really look at seeing how that money being provided to a shelter provider can actually be redirected into getting someone a home.

ASSEMBLYWOMAN ROSENTHAL: Well, let's work on that.

MR. McKEE: Shift the money from the shelter system to subsidizing tenants. Something our Governor would not agree with, because he has a stake in the shelter system,

if you consider his history.

But this is what it's all about. This is the fight that you're going to have to have. It's shifting priorities.

ASSEMBLYWOMAN ROSENTHAL: I mean, we also see in Berlin the rents have been frozen now.

MR. GUZMAN: Yeah.

MR. McKEE: Yeah.

ASSEMBLYWOMAN ROSENTHAL: Just now, for the next five years. I don't think that would even be possible here.

MR. McKEE: Prevention.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

CHAIRWOMAN KRUEGER: Thank you all.

CHAIRWOMAN WEINSTEIN: Thank you for the work you do --

CHAIRWOMAN KRUEGER: Thank you for your work.

CHAIRWOMAN WEINSTEIN: -- and for being here.

MR. McKEE: I hope you all don't have to stay here until midnight.

CHAIRWOMAN KRUEGER: Thanks.

CHAIRWOMAN WEINSTEIN: Up, up, up, Senator.

Next we have Community Action for Safe Apartments, CASA, Anita Long, Pablo Estupinan -- Espinan? Hopefully I did not torture your name too much -- to be followed by a panel of SAGE and Albany Damien Center.

Again, just a reminder that it's five minutes for the two of you. So make sure whoever goes first leaves some time for the other person so you don't have a fight in the hall.

(Laughter.)

MS. LONG: Thank you. And thank you for hearing me. My name is Anita Long, and I'm a volunteer leader with CASA, which is also known as Community Action for Safe Apartments, located in the southwest Bronx. And I have been organizing with them for almost three years.

I'm also a member of the Housing Justice for All, under the banner today of New York Homes Guarantee 2020. And we're

fighting because we all understand that all tenants in New York, no matter where they live, deserve basic protections.

Now, in June of 2019 we won changes to an antiquated rent control system here in New York. No one gave us this. We fought for it. And we organized for it. And we had a vision and we did advocacy for it. And that was all the things that have changed the rent laws today.

So now you may ask why we're here today. And it is 2020. We are here because we have to finish an uncompleted agenda. We, the tenant movement, we understand that we cannot rest on our laurels because we know that we have to continue to fight so that all tenants get the benefits they deserve from the new rent laws and also what we left off the table last year.

HSTPA did make a tremendous positive impact in our communities. But we also know that if we stop fighting, Governor Cuomo's HCR will undermine our wins. We know that HCR is overwhelmed by the number of

complaints that they're receiving, they are tremendously understaffed, untrained, and are using outdated technology to handle this daunting task. And this Governor only proposed $25 million to fix HCR. But to ensure the success of HSTPA, the Housing Justice for All Coalition is advocating for $500 million.

We all know that homelessness is on the rise in New York City, across the state, and even across this country. In 2019, the Good Cause and the No More MCI bills did not pass, and those are the two major triggers that contribute to homelessness in our communities. So that's why we are here, and we are going to continue to aggressively fight to pass the good-cause evictions and the elimination of MCIs.

Thank you.

MR. ESTUPINAN: Good evening. My name is Pablo Estupinan, and I'm the deputy director at CASA. CASA is a member-led, grassroots tenant organizing group in the Southwest Bronx, and we're made up of over

3,000 members.

So I'm here to affirm that CASA is a proud member of the Housing Justice for All Coalition and we stand in solidarity and are also demanding the same things from the Executive Budget: $500 million in rental assistance for homeless New Yorkers or New Yorkers at risk of homelessness.

When we invited our partners from VOCAL to come to talk to our members about homelessness, we saw the solidarity of our members recalling experiences in their lives and living in public housing without adequate conditions, being homeless, having high rents. So we see the connections run deep across the state, not just in the Bronx.

We're also here to also demand that 20,000 units of supportive housing be built; a $3 billion investment in public housing authorities across New York; and $500 million for HCR, specifically the Office of Rent Administration.

CASA, along with many other groups in Housing Justice for All, have been advocating

and targeting the HCR since 2015, and we have seen little shifts. In fact, I recall a recent conversation with one of the executive staff at HCR in the hallway before we walked in, in which they said "If we didn't have to meet with you so often, we'd have more time to do the work." To which I countered, "We wouldn't be meeting with you if we didn't have to explain to you how to do your work."

(Laughter.)

MR. ESTUPINAN: And so I'll tell them that we didn't take the summer off.

Immediately we regrouped, we met with tenant leaders, and we developed a comprehensive policy platform targeting the HCR. We read Part A through Part M, even when we didn't understand it.

But we are here today to -- first I just wanted to say, to wrap up -- to thank you all for standing strong and voting for the Housing Stability Tenant Protection Act. But that going forward, as Anita said, the victories are meaningless unless there isn't strong and robust enforcement.

CHAIRWOMAN WEINSTEIN: Thank you. Thank you for being here.

Senator Jackson, you're looking like you want to ask a question, so we'll call on you.

SENATOR JACKSON: I have to first thank him, because these are advocates that have sat and waited and listened to the testimony. So I thank you for the long haul.

I know what it is to wait. Believe me, I do. I'm still waiting for $4 billion that's owed to the children of New York State, where our attorney had to file another lawsuit. But times have changed. And so as I said -- you heard what I said to the previous panel, okay? We're all in this together.

And understanding the process, both houses -- meaning the Assembly and the Senate -- are led by Democrats. What we don't want is for our house, meaning the Senate, to change hands back again, else nothing's going to happen. So you have to help us. Continue to advocate. All of the

people that you represent, the over 3,000 tenants, have them write and email all of their legislators and write and email the Governor and put pressure on them and us.

And we're going to put pressure on you, too, to understand what the situation that we're in -- no one didn't say that to you, and I'll tell you later. We're not in an easy spot. I don't want this Senate to turn back to Republican-led, okay? So we'll talk later.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

SENATOR JACKSON: Thank you.

MR. ESTUPINAN: Thank you.

MS. LONG: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblyman Blake.

ASSEMBLYMAN BLAKE: Thank you. It's always good to see Bronx allies in the room and at the table.

Can you just kind of personalize and crystallize the impact, particularly for our immigrant communities? You know, good and

bad. I think a lot of times, again, these conversations are very theoretical. Why do we have to go further in providing housing protections, in particular especially for our immigrant communities in areas like the Bronx and other places?

MR. ESTUPINAN: Definitely. Just to clarify, you said immigrant communities? You said immigrant communities?

ASSEMBLYMAN BLAKE: Yes.

MR. ESTUPINAN: Yes. So in the neighborhood that we organize, many of our members are also monolingual Spanish speakers. And so just speaking about HCR, we believe that they're not currently in compliance with the executive order with language access.

We've had members that received, like, landlord applications around MCI rent increases who don't understand the notice. It only comes out -- it's only mailed to them in English. And the way it's phrased, it doesn't actually explain to tenants that if you don't respond that you will lose your

opportunity to challenge the MCI.

And we've also seen cases in which landlords have submitted work orders from tenants who speak other languages as proof that they're satisfied with the work, which HCR has received as proof that everything's okay in the building and that the tenants no longer have any complaints.

And just in general, right, there isn't enough interpreters for members to call. And just navigating the system is hard, even for English speakers, right? We had one of our members that came to Albany today, he took his neighbor who's homebound in a wheelchair, rent-controlled, over to the office in Fordham, and they sent him -- they said to him: "This is the wrong office, you have to go to Jamaica for rent-controlled tenants." In my seven years, I did not even know that.

And then when they did -- when he called me to ask "What should I do next?" I said, "Call them to get your rent history." They called, and no one was available to

speak -- like, there wasn't a live person to even speak to them about their rent history.

So let's say there are really large gaps for people who speak different languages. And that actually really impacts their ability to want to fight back, claim their rights, file rent reductions, file overcharge complaints, keep accurate record releases. It just makes it really impossible for them to even want to navigate the system.

ASSEMBLYMAN BLAKE: Thank you.

CHAIRWOMAN WEINSTEIN: Assemblyman Ortiz.

ASSEMBLYMAN ORTIZ: Thank you, Madam Chairwoman.

And also I would like to echo the Senator for his comment. I would add my comment to his comment as well.

I just have two quick questions. How many attorneys do you have in CASA?

MR. ESTUPINAN: Zero. We only have organizing staff. But we partner with Bronx Legal Services on a weekly basis.

ASSEMBLYMAN ORTIZ: Okay.

MR. ESTUPINAN: And they have two attorneys who staff Thursday legal clinic. So anyone who comes to our office from 11 to 6 will be seen by an attorney, but they are only able to provide counsel and not take on any litigation.

ASSEMBLYMAN ORTIZ: The second question that I have is where your funding stream comes from.

MR. ESTUPINAN: Our funding? A quick breakdown is like 70 percent from city contracts around doing education around tenants' rights, foundations, and private donations from our supporters.

ASSEMBLYMAN ORTIZ: And the last question I have is, how many people work in CASA? How many?

MR. ESTUPINAN: We have 10 total full-time staff, ranging from supervisors to campaign organizers to organizers whose sole focus is working with organizing tenant associations in the building.

But I will say, around our structure in CASA, is we do spend a lot of our

resources and time and are not compensated for our work. So a great example is today. Right? As part of being part of Housing Justice for All, it's really important for us to be able to bring our members, because we could not kind of afford to do that work on our own.

ASSEMBLYMAN ORTIZ: So the -- and how many bilingual people do you have?

MR. ESTUPINAN: In CASA? All of our staff speak Spanish and other languages.

ASSEMBLYMAN ORTIZ: Other languages. And you don't get no contract from the state at all for your services?

MR. ESTUPINAN: Uh, no. We inquired into receiving funding from DHCR. We understand that they allocate funding for some affordable housing preservation every two years. But they haven't -- when we asked Senator Rivera's office to support into the inquiry, we did not receive -- the window had opened -- the application window is really small, as we understand, and they haven't really made an attempt to expand who they

give funding to.

ASSEMBLYMAN ORTIZ: And my last question is do you offer services just in the Bronx, or you do services throughout the city, Yonkers, Westchester? What is your catchment area?

MR. ESTUPINAN: Highbridge, Cardi B {ph}, Strato {ph}. Also Concourse Village, Mount Eden. So we're really local. But I know that -- I like to think of us as really local, but our reach is far.

ASSEMBLYMAN ORTIZ: Well, thank you for your service. And I used to work in the Bronx many, many years ago, and one of my jobs was to deal with neighborhood preservation for the borough president. In those days, it was Fernando Ferrer.

And I think that the work that you guys do and continue to perform deserves some more funding, and you should reach out to the legislators as well.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you. Thank you both for being here today.

Next we have -- thank you, that's -- oh, I'm sorry. Wait, wait, sit down.

SENATOR KAVANAGH: Sorry, just --

CHAIRWOMAN WEINSTEIN: Pablo? Pablo, sit down.

SENATOR KAVANAGH: Just briefly.

CHAIRWOMAN WEINSTEIN: Anita? Pablo, sit, sit. We have one more question, sorry.

SENATOR KAVANAGH: Yeah. Sorry, we weren't -- we had some miscommunication up here.

I didn't -- I shouldn't -- I don't want to hold you, but I do want to say that, you know, we've had opportunity to speak separately about your work and your platform on making sure that these laws, that the Home Stability and Tenant Protection Act, are going to be implemented properly.

And, you know, we did question, in our limited time here today, question the commissioner about the resources necessary to do that and the manner in which they're interpreting that, and we will -- we'll continue to do that work.

But I just wanted to take the time to publicly thank you and your organization for your advocacy last year and for your very thoughtful approach to ensuring that that law has the effect that we all hope it will.

So I just want to thank you very much.

MR. ESTUPINAN: Great, thank you. We look to partnering in the future.

CHAIRWOMAN WEINSTEIN: Thank you for being here. That was our exercise program, having to get up and down in the chairs.

(Laughter.)

CHAIRWOMAN WEINSTEIN: Next we have a panel: SAGE, Melissa Sklarz, and Albany Damien Center, Perry -- Perry, please, rather than my mess up your last name, just say it when you sit down.

MR. JUNJULAS: Junjulas. Thanks.

MS. SKLARZ: Hey, you all. I guess good evening, then.

CHAIRWOMAN KRUEGER: Good evening.

MS. SKLARZ: So let's see. So thank you for having us tonight. So on behalf of SAGE and our lesbian, gay, bisexual and

transgender elders we serve, thank you to the members of this committee for holding the hearing today and allowing me to present testimony. My name is Melissa Sklarz. I'm the senior government relations strategist at SAGE.

Founded in 1978 in New York City, SAGE is the country's first and largest organization dedicated to improving the lives of LGBT elders. Service-enriched LGBT-friendly housing is crucial for our state's LGBT elders. Aging alone is difficult. We've heard for hours today and all of you deal with it in your work here in Albany, knowing that aging is difficult. And then when you add LGBT people into it -- with thin support networks, no guarantee of family support, struggling to keep their houses once people age, they're out of work.

So what we've been doing at SAGE is we've made sure that people that age, LGBT-identified people, have a place to go.

We have a 10-state study from 2014 conducted by the Equal Rights Center and SAGE

that found that 48 percent of same-sex older couple testers seeking housing have experienced discrimination. Data from these studies shows the pervasive challenges that LGBT elders face when seeking housing in New York. Again, we've been hearing it today about older people pricing out of neighborhoods, neighborhoods they've lived in for decades.

Our LGBT older New Yorkers need and deserve affordable, welcoming housing. That's why, 42 years after our founding, SAGE is realizing a dream. We are opening LGBT-friendly affordable housing in New York City. Our first housing project is Stonewall House down in Fort Greene, Brooklyn, in Assemblymember Mosley's neighborhood. This year we'll be opening up our second house in Crotona Park North, in East Tremont, in Assemblymember's Blake's neighborhood.

The Brooklyn house will have 145 100 percent-affordable apartments for low-income elders, 25 percent for formerly homeless elders. Of course all of our --

both of these buildings will have SAGE Centers that will provide full services, full options from case management to healthcare, of -- for feeding.

And the Crotona residence in the Bronx will have 83 residences, it will have a 10,000 square foot SAGE Center -- it will be the largest SAGE Center in the city. The development will house a diverse elder population. Thirty percent of these will be chronically homeless elders.

Each of these SAGE Centers will be open not only to the residents but also elders throughout the neighborhood. And this will be great. It will add a component to both of these neighborhoods that is well-needed. There is a senior center in Fort Greene, but we're going to increase that, and with state-of-the-art services. And we're very excited about that.

The Fort Greene is located on the Ingersoll House campus. The average level of household income: $23,889. So we're really excited about the options and opportunities

that will be available to low-income residents in the neighborhood and for people at NYCHA.

At SAGE we're very grateful for the support we've gotten from New York State to provide for care management and support services. In fiscal year 2021 we're asking for a restoration of the $100,000 in support to provide comprehensive care management, care center programming and support services to low-income predominantly LGBT elder residents in and around New York State's first LGBT-welcoming elder housing development.

SAGE also requests a restoration of $200,000 in support of our general services and expenses in support of our state's elders. In total, SAGE is requesting a restoration of $300,000 in fiscal year 2021.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

MR. JUNJULAS: Thank you for the opportunity to present testimony today. My name is Perry Junjulas, and I'm the executive

director at the Albany Damien Center. And I also represent the Ending the Epidemic Coalition, which is comprised of over 90 organizations across New York State dedicated to ending the AIDS pandemic.

But most importantly, I'm a person who was diagnosed with AIDS 25 years ago, who was told at the time that he had three months to live. I am fortunate enough to be here today to testify in front of you because of the investments New York State has made to help persons like myself who were dying at the time of AIDS.

Today I'm here to testify on behalf of 4300 very-low-income persons struggling with HIV who are unstably housed or homeless outside of New York City -- persons who may not survive AIDS unless we intervene and help. These are also people who will continue to spread the HIV virus because their viral load is not suppressed. For them, it is 1980.

At the end of 2018, we have data that shows we have 108,000 persons in New York

State who are living with HIV and AIDS. In 2018 we had over 2400 new HIV infections in New York State. We have the tools to end this.

Since 2016, in New York City, every single low-income person with HIV has had access to a rental subsidy that provides a 30 percent rent cap. In short, every person diagnosed with HIV in New York City has access to safe, affordable housing and thus is having better health outcomes than those outside of New York City. So we are starting to see great disparities in the health of people with HIV and AIDS in New York City compared to the rest of the state.

So we were very pleased that the New York State 2020 budget included our proposal to make $5 million in New York State funding available to enable departments of social services outside of New York City to voluntarily partner with local health payers, such as MCOs and PPSs, and community-based organizations such as ours, to provide meaningful rent assistance for homeless and

unstably housed low-income New Yorkers with HIV outside of New York City.

This New York State funding would have leveraged matching dollars of at least 5 million from local partners, for a total of 10 million annual HIV housing investment. Ample evidence shows that dollars spent on HIV rental assistance generates Medicaid savings from avoided emergency and inpatient care that offset the cost of housing supports.

However, the funding year 2020 budget language included language that undermined the ability of the local districts to secure local partners and propose successful plans. The Aid to Localities language required -- said that any savings realized through the improved housing stability be recaptured to reduce the state investment, while requiring the local partners to continue providing the funds and pay 100 percent of the cost for housed participants in perpetuity.

As we predicted, unfortunately no local district proposed to opt into the

program as written. And the result was that the $5 million allocated last year was not spent and not one single person with HIV was housed.

We're very happy again to see in the 2021 Executive Budget again that there is the $5 million, and actually a appropriation also of last year's $5 million. However, we were very dismayed to see that the proposed language continues to include the same language.

So it's critical to the success of the program that the language be changed to allow the local partners to propose the best use of the healthcare savings realized through improved housing status, including sharing savings among the local social services district and the health payer, to support program and administrative costs and to provide ongoing HIV housing subsidies. Attached to my written testimony are the proposed changes to the budget language that are necessary to be able to move this program forward.

The Albany Damien Center and the Ending the Epidemic Community Coalition strongly urge the Governor and the Legislature and this committee to please fully support this $5 million rest-of-state HIV housing program by including the revised language in the enacted FY 2021 budget and passing the ELFA Article VII language to authorize the use of these funds. We believe that this $10 million investment will support sufficient housing subsidies to finally afford equal access to safe and supportive housing for persons with HIV in every part of New York State.

Certainly at the Albany Damien Center, right up the street, I'm continuing to see a large number of persons who are homeless who have HIV who I do not have spots for. This money will help.

So thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblyman Blake.

ASSEMBLYMAN BLAKE: Thank you very much.

And I just wanted to go on record and say to Melissa and everyone at SAGE that we are incredibly excited within our district -- and definitely of course follow the lead of Assemblymember Mosley, what they're doing in Brooklyn -- but I think this could be a prototype that can be done across the city and across the country. You know, people may not think about the urgency, especially for LGBT seniors, to have spaces and opportunities. So I just want to say aloud how excited we are, and we're grateful for everything you all are doing.

CHAIRWOMAN WEINSTEIN: Assemblymember Ortiz.

ASSEMBLYMAN ORTIZ: Thank you, Madam Chair.

I just have a quick question. I was reading your statement in the back -- and thank you for the work that you do. Thank you very much. But I have a quick question. Many years ago, 1988, 1989, I used to work for Selfhelp Community Services. And those days, when the AIDS epidemic took place,

there was a program that was developed as a result of a young kid in Florida called Ryan White.

And for those of us who remember the Ryan White contract, one of the additions to the new Ryan White contract was to have a program established for new guardians. The new guardians, you probably remember -- if you do -- was to ensure that any individual suffering from HIV or AIDS that are on their terminal life, at the end of their life, that there will be a mechanism in process to make sure that if they have children, they will be transitioned into a new guardian.

I used to run that program. My organization at that point was the one who got the first contract in the City of New York, called Selfhelp Community Services.

My question to you is that -- I don't know if the new guardian program or the Ryan White program is still around anymore, but is there something in place within your sector about those who are terminally ill and what kind of transition they go through

today?

MR. JUNJULAS: So certainly, if I understand your question, it -- Ryan White funds have been invaluable to helping persons living with HIV throughout the state.

The hard part is not having enough dollars for the housing to be able to -- you know, without housing a person cannot get to the medications that they deserve. That often, you know, is the thing that is going to be able to save their lives. They're not able to get to the doctor, they're not able to get to so many other things. And for people living with AIDS, taking their medication and getting to the doctor is critical, absolutely critical.

Also, in 2016 there's new information that showed that if we get a person's viral load, like mine, down to an undetectable level, which means it's really small, we cannot infect other people. So part of this -- these dollars is also really working to eliminate the pandemic, to reduce the 2500 new infections we're seeing every year in

New York State so we can get that down to a very, very low level so our grandkids can say, you know, What was that thing called AIDS, Grandpa, when you were living and growing up?

ASSEMBLYMAN ORTIZ: Yeah. Well, I did a lot of work on that, and I want to make sure that I put on the record that I'm willing to help and to do whatever I can to make sure that we can bring this kind of justice to this kind of program. Because what you do is very critical, and we should support it.

Thank you very much.

MR. JUNJULAS: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you. Thank you for being here today.

Next we have a panel of the Community Service Society of New York, the New York Land Bank Association, and Empire Justice Center.

So you can begin. You can do it in the order -- yeah, well, you can just do it in the order that I called you.

MS. MIRONOVA: Sure. Can you hear me? Yeah, okay.

Thank you so much for the opportunity to offer comments on the budget and for sticking around until the bitter end. My name is Oksana Mironova, and I'm a housing policy analyst with the Community Service Society. CSS is an independent nonprofit organization that addresses some of the most urgent problems facing low-income New Yorkers, including the effects of the city's affordable housing crisis.

I'm going to talk about three main topics -- the relationship between rent regulation and enforcement, rental assistance, and public housing. And you've already heard a lot about the need to fund ORA specifically for increased enforcement.

We know that the historic Housing Stability and Tenant Protection Act of 2019 only increases the need for strong enforcement. The new rent laws will depend on ORA's ability to monitor and regulate vacancy rents, which will no longer be

subject to vacancy bonuses. ORA will also have an increased responsibility over monitoring and auditing individual apartment improvements and major capital improvement increases over very long timelines, so 15 to 30 years.

Further, with the removal of geographic restrictions, the rent laws may eventually cover an increased number of units dispersed all across New York State.

It is apparent that the agency's workload has increased exponentially since the passage of the new rent laws. That is why it is absolutely vital for HCR's budget to increase accordingly.

Now I'm going to move on to rental assistance.

The major programs for creating new affordable housing today are capital subsidy programs that provide resources for constructing apartment buildings but not for heating, maintaining and otherwise operating them. Capital subsidies can reduce the rents only so much, and rent payments are still

needed to cover the costs of operating the building. That is why existing programs are failing homeless people and those at the risk of homelessness.

Subsidies to lower rents below operating costs are the missing ingredient in today's housing programs, and rental assistance programs, much like the federal Section 8 program, fill that gap. There are two bills in the Legislature that would establish a state rental assistance program, both of which CSS supports -- the Housing Access Voucher program and the Home Stability Support program.

Both of those programs direct rental assistance to the people who need it most and provide mandated relief to local governments that are struggling with limited resources. Both address homelessness by doing what most present-day housing programs don't do: Enable people with incomes near or below the poverty line to afford their rent.

In addition to that, we also support the End Income Bias NY Coalition's budget

request for a minimum of $5 million towards the enforcement of the new source-of-income discrimination law. Similarly to rent regulation, rental assistance programs depend on strong enforcement.

And now I'm going to move on to public housing.

We all know that public housing is in dire crisis in New York State. NYCHA has a 40 billion capital dollar backlog. Smaller public housing authorities across the state are subject to less media coverage and also don't make their capital needs public. However, authorities in cities like Rochester, Buffalo, Syracuse and Albany likely have capital needs that are parallel to NYCHA's, given a similar history of federal, state and local disinvestment.

State funding is critically needed to improve living conditions, and CSS recommends the state allocate $3 billion for public housing across New York State.

Solutions to the state's housing and homelessness crises will require substantial

investment and a significant reorientation of the state's budget and tax policy. One potential place to start is to eliminate 421-a, which cost the city $1.6 billion in forgone tax revenue in 2019, and has shown time and time again to be extremely inefficient in supporting the state's housing affordability goals.

Thank you.

MR. ZARANKO: Hello. Good evening, and thank you to the honorable members of this joint committee for the opportunity to testify about New York State's land bank program.

My name is Adam Zaranko, and I have the honor of being both the executive director of the Albany County Land Bank and the president of the New York State Land Bank Association, which is a statewide association that supports New York's land bank program, which is among the most active and effective networks of land banks in the nation.

Land banks are not-for-profit local public authorities equipped through New York

State law with the authority and flexibility needed to reclaim the tremendous number of vacant and abandoned properties devastating our communities in New York State. There are currently 25 land banks in the state. We expect up to 10 more to be formed with respect to the recent increase on the legislative cap adopted by this body two years ago.

Land banks are necessary because history has not been kind to most of New York State's communities. It's been 12 years since the 2008 financial crisis devastated neighborhoods across the state and many of our communities are still reeling from the effects. It's been 70 years since the post-World War 2 suburbanization of America hollowed out our urban cores, creating an imbalance in the housing supply and leaving behind entire populations that lacked the economic opportunity and mobility to participate in the new American dream. It's been 90 years since the introduction of the federal redlining maps that encouraged the

intentional disinvestment of communities of color and ethnic groups that created a legacy of economic and racial segregation in cities like Albany, Buffalo, Rochester, and Syracuse that still persists today.

Today, the inequality plaguing New York's communities caused by this history is staggering. The disparity between white and black homeownership rates in cities like Albany and Buffalo are among the widest in the nation. And left unaddressed, the economic disparity and pervasive inequality gap will continue for generations.

We don't have to look far to see the impacts of this history. Consider Arbor Hill, which is about a five-minute walk from where we're sitting today. Arbor Hill is one of the lowest-opportunity neighborhoods for U.S. children in the country, scoring a 1 out of 100 on the Child Opportunity Index. The neighborhood lacks quality affordable housing, and its renters are rent-burdened or severely rent-burdened. More than 25 percent of buildings in Arbor Hill are abandoned.

That's over 100 vacant buildings, one for every 38 people that live in that community.

Unfortunately, there are too many neighborhoods throughout New York State like Arbor Hill struggling to recover from a hundred years of disinvestment. For every urban community in the state struggling, there are also multiple rural communities grappling with their own affordable housing crisis.

Land banks eliminate blight and transform vacant and abandoned properties into affordable homes that serve as a foundation upon which our communities can rebuild. Along with proactive code enforcement and foreclosure prevention, we can eliminate disparities and change the trajectory of even our most distressed neighborhoods.

To date, New York's land banks have been funded primarily through the New York State Attorney General's Community Revitalization Initiative, using funding obtained from settlements from the 2008

financial crisis. While this money has been incredibly helpful to land banks and the communities that they serve, there's currently no additional funding identified for land banks beyond December 31st of this year.

In order to continue our collective work and foster the growth of new land banks, the New York State Land Bank Association respectfully requests $40 million in funding be added to the FY 2020 state budget to fund land banks for the next several years.

The New York Land Bank Association has developed a model that would provide reoccurring, adequate and predictable public funding to New York's land banks -- something that most successful land banks in the nation have secured. More information is in your packets, and the Land Bank Association is always prepared to roll up our sleeves and get to work.

We can and do have many discussions about the historic origins of vacant properties, who's to blame or who should be

responsible for dealing with them, the astronomical costs associated, including insurance premiums and other things. But what we really need to do is weigh the costs of not continuing to invest in our communities and reclaiming vacant properties. The New York Land Bank Association believes the cost is way too high, and I hope that you would all agree.

We can't go back and change the past, but we can certainly continue to work together to make a better future for our state.

Thank you.

CHAIRWOMAN WEINSTEIN: Kirsten?

MS. KEEFE: Hi. Hi. Is that on?

My name is Kirsten Keefe, and I am a senior attorney with the Empire Justice Center. I too want to thank you for the opportunity to testify, and really thank you all for still being here. I have testified at hearings at this hour to one or two people, so it's really appreciated.

So I'm here to mostly talk about the

Homeowner Protection Program, which I know there's been a lot of conversation on.

Before I do that, though, I just want to mention one thing in the budget, and I don't think anyone has mentioned it yet today. But in the Governor's Executive Budget, Part O, he includes a proposal that would eliminate the STAR credit and any additional exemptions if a homeowner missed -- fell behind just one year in their property taxes. So we are opposing that, and we are really encouraging the Assembly and the Senate not to include it in your one-houses and to reject it.

You know, it really is, in our view -- I understand how theoretically it might seem like an incentive to get people to pay their taxes. I'd say it's my experience and the experience of my fellow advocates that people know to pay their property taxes. If they don't, it's more often than not because they can't afford to. And taking away those exemptions is really kicking folks, especially seniors, when they're already

down.

Okay, so regarding the Homeowner Protection Program, one, thank you for the attention that it's gotten in today's hearing and for all the questions. I'm certainly here to testify in support of continued funding of $20 million.

HOPP is really New York State's main program, along with the NPCs and RPCs, to preserve homeownership in New York State. HCR doesn't have any similar dedicated program because back in 2008 it originally started a foreclosure prevention services program made up of now, today, 87 housing counseling and legal services programs that provide services and make services available in every county of New York State. So it is a very fair program across the state. Homeowners have equal opportunity to housing counseling and legal services throughout the state.

I think we'd be hearing a lot more about problems that homeowners are experiencing with lenders -- we really

haven't, I don't think, through the years because this system has been set up and we are at this point in time a very well oiled machine and really providing assistance to I think over half of the homeowners who are in default and distress in New York State.

In my testimony there's a very detailed history of the program and where the funding has come to. I will also say that in my testimony, in Footnote 5, I actually reprinted the budget language from last year. There have been some questions, so I just want to clarify. In last year's budget HOPP was funded through a reappropriation of a $25 million pot of funding from the 2015 MOU over the Chase money. So that original pot of money was not 30 million. I believe the commissioner thought that it was 30 million. It's actually a 25 million pot.

Up to 20 million was allocated last year to the Office of the Attorney General, and then there was language that the remaining could be appropriated April 1, 2020.

So we believe that there is 5 million in the pot currently left over from the 20 to 25 million. I do not know whether or not there's an additional 5 million that has not been spent in the 20 million that was allocated last year to the Office of the Attorney General.

So I certainly hope the commissioner is right that there is 10 million already there to be allocated, and that would be great. But, you know, I just wanted to clarify that because we might need actually 15 million from the State Legislature. Beyond my pay grade to figure out whether that money is there, but I just really wanted to clarify that.

Also in my testimony we outline 10 programs and laws that will be deeply impacted if these services are not funded. And let me be very clear, there is no other dedicated source for foreclosure prevention services throughout New York State. The vast majority of these services will go away starting April 1, and the rest will probably

decline, or almost all the rest will decline over the rest of the year.

There are 10 programs, most notably the mandatory settlement conferences, that are required in every residential foreclosure case in New York State. These programs are now embedded with the courts, working with homeowners in the settlement conferences. They depend on these services.

There is a notice that New York State mandates be sent by lenders to homeowners at least 90 days before they can file a foreclosure, and that notice must include a list of five housing counseling agencies in the geographic region. The HOPP agencies are the agencies listed on that notice. If HOPP is not continued, they will not be able to comply with the law.

CHAIRWOMAN WEINSTEIN: Thank you all for being here.

And Kirsten, thank you for helping -- I know we had some conversations after the commissioner's testimony, and obviously a lot of us are very concerned about that funding

and have been for a number of years and would like to have something more stable than the response of: We'll negotiate during the budget negotiations, we'll talk about that extra 10.

But we're going to try and get to the bottom of whether in fact it's 10 million or 5 million that is available. And rest assured that there are strong advocates here for funding to be in place. We know the good work that all of you do in this area.

So thank you all for being here.

ASSEMBLYMAN CYMBROWITZ: Thank you.

CHAIRWOMAN WEINSTEIN: Now we have a number of individuals -- well, first let me -- is Betsy Kraat from Kingston Tenants Union here? I don't believe so.

So now we have several different individuals. I'll call them one at a time. First, Richard Flores, are you here? Oh, come on down. Are you going to -- it's not a game show, but we're waiting for you. There may be a better prize at the end.

CHAIRWOMAN KRUEGER: And then if you

know you're planning on testifying tonight, if you wouldn't mind moving towards the front so when we call you don't have to come from all the way in the back. Thank you.

CHAIRWOMAN WEINSTEIN: So just as Mr. Flores is settling in, the next person is -- and I'm sorry if I don't get your name pronounced correctly -- Zohran Kwame Mamdani, and then Boris Santos.

And is -- has -- is Karim Walker here? If you are, you are the final individual.

So begin when -- Mr. Flores.

MR. FLORES: Good afternoon. My name is Richard William Flores. I'm 54 years of age. I'll make this very brief. I'm originally a resident of Queens Village, New York. I've been homeless twice in 13 years -- first in 2009, then from 2015 till now.

I've sought assistance from several agencies in New York that are supposed to help individuals who are looking for or assistance for a place to live, including at DHS, Coalition for the Homeless. And I was

denied because I receive Social Security Disability insurance. And before that, I was denied assistance because I received unemployment insurance.

I was simply told that I received too much money from the state. And to my understanding, they were supposed to provide some sort of assistance other than sending me to a city shelter.

I'd like to stray away from this for a moment and just pose a question to you, and -- which you've probably dealt with before. I think there are probably many individuals like me who unfortunately didn't know how the law works in reference to how one can become evicted and what you can do to stop from being evicted.

In the times that I was evicted, I didn't have legal counsel. So when I went to court, I naively did whatever the judge told me to do, which was if you can't pay, you have to vacate the premises. Not we'll give you a length of stay or we'll look at your situation or what they do with people who

sign a lease. And I apologize if I sound naive, but I actually was that naive.

So what I'm asking here is I would implore you to build more affordable housing units in New York City and more affordable housing units are needed to help the state's most vulnerable populations and requires a continued investment in services to function as needed.

I think there's a real problem with agency in our country. Throwing people out into the street is not a solution in New York or anywhere in our country. And affordable housing is but one of the necessities of life that's needed to be addressed in America. I think the other thing that needs to be addressed is equality, whether it's education or whether it's your place of employment, and those two factors often lead to individuals becoming homeless.

I don't have the knowledge to speak to you in terms of dollars and cents. I can only really speak to you from my own personal position. And I would imagine that everyone

here would translate that into what that means in terms of dollars and cents and how that money is allocated to help individuals.

That's all I'd like to say.

CHAIRWOMAN WEINSTEIN: So on behalf of all the members, we thank you for being here. It's helpful for people to see the face behind some of the work that we're trying to accomplish for our homeless population and others who need affordable housing. Thank you for being here.

CHAIRWOMAN KRUEGER: Thank you. Thank you very much.

CHAIRWOMAN WEINSTEIN: So next we have Zohran Kwame Mamdani.

MR. MAMDANI: Hello. Good evening.

CHAIRWOMAN KRUEGER: Good evening.

MR. MAMDANI: Thank you so much for having me.

My name is Zohran Kwame Mamdani, and I'm here to talk today about the housing crisis across our state. I'm a foreclosure prevention housing counselor, and I'm going to be speaking from my experience in that

profession.

One of the most troubling issues we face in housing today is the rise of speculative investors treating our neighborhoods like investment portfolios instead of communities. Last year housing advocates across the state descended on Albany to let our elected officials know that we would no longer accept the loopholes in the rent laws that allowed too many families to be displaced, too many units to be deregulated, and too many predatory landlords to make unprecedented profits at our expense.

After decades of struggle, the voices of the tenant movement won, and the state passed, with the help of so many of you in this room, a landmark package of rent laws that are already making a significant difference in our communities.

However, unscrupulous landlords have been allowed to continue to use exploitative methods and predatory equity tactics to extract wealth from our communities by focusing on unregulated buildings. This has

included making large portfolios out of one- and two-family homes that until now have served as the building blocks of housing stability and intergenerational wealth building for our communities.

This is why I urge lawmakers here in Albany and here today in this committee to pass a good-cause eviction law and to also push for good-cause eviction legislation in the budget and pass a budget with it included.

Good-cause eviction will put in place basic tenant protections for most tenants who currently live precariously in their homes by the good graces of their landlord. Tenants in unregulated housing units will have the right to a lease renewal unless the landlord can present a legitimate reason not to, such as persistent failure to pay rent or causing serious damage to a property.

As a housing counselor, the agency I work for regularly meets with tenants who are too scared to ask their landlord to turn the heat on during winter or remove mold from the

bathroom because they knew that once their lease expired, the landlord could refuse to give them a new one and kick them out of their home. This protection allows tenants to speak out when their rights are being violated without the fear that their landlord will see them as a troublemaker and simply refuse to renew their lease.

This is critical for New Yorkers across the city and the state, and especially for the district I live in, which is in Astoria. Many of the tenants who live in Astoria live in unregulated apartments. Our district has a diverse housing topography, including many one-to-four-family homes and multifamily buildings. In order to guarantee housing stability in the midst of gentrification, we need a good-cause eviction law.

The real estate industry has made a bogeyman of good-cause eviction. They say that if we pass this bill, it will hurt small homeowners, especially property owners of color. This is a flat-out lie. And I say

this not only from analysis of the legislation, but also from my personal experience. The vast majority of clients that I work with are immigrants of color who are new to this country and who have one-to-three-family homes.

Now, the good-cause eviction law already has exemptions for owner-occupied one-to-three-family homes, and I'm astutely aware of the challenges that working-class homeowners face to maintain their homes. What this eviction law will do is to extend basic tenant rights to millions of New Yorkers while being sensitive to the needs of struggling homeowners. Good cause will be a win for all community members.

Good-cause eviction will help stem the tide of the rise of small-home investors. More and more of our housing stock, including one-, two-, and three-family homes, are being bought by corporate investors and private-equity firms, crowding out homeownership opportunities for our community members. This trend has taken off in the

last decade. Many investors see housing as an arena where they can make a killing, and with hardly any constraints on evicting tenants, small homes are a great way to maximize returns.

Astoria has been swarmed by these predatory investors. In 2005, about 5 percent of Astoria's one- and two-family homes on the market were bought by investors. And we're defining "investors" as non-owner-occupants owning properties through limited liability corporations.

And yet in the time since, the number has skyrocketed. So in 2015, the investor frenzy hit its peak, with 41 percent of homes on the market being bought by those investors. Today, investors are still muscling out prospective buyers with nearly one in three homes -- the exact percentage being 26 percent of purchases on the market being by investors. This trend mirrors what we've seen across Queens and in New York City in recent years.

This data is from something called

GeoData, which is a private realtor database.

Now, one thing I had -- you know, this is all in my testimony, and I just want to expand on one thing beyond what's written -- is that too often I've found that when we talk about legislation, it's either discussed as being pro-tenant or being pro-homeowner. And as a counselor of low-income homeowners and also as a tenant myself, I think that it's very important to talk about how that kind of analysis leaves out the role of speculative interests and leaves out the role of investors who are seeking to make a profit.

I guess that's my time.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you. And we do have your testimony. Thank you for --

CHAIRWOMAN KRUEGER: Thank you for being here with us today.

MR. MAMDANI: You're very welcome. Thank you for having me.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Next, Boris

Santos, to be followed by Karim Walker.

MR. SANTOS: Good evening, everyone.

CHAIRWOMAN KRUEGER: Good evening.

MR. SANTOS: I want to start off by saying -- I'm sorry, I'm naturally a loud speaker -- there's 28 Assemblymembers in the Housing Committee, 11 Senators in the Housing committee, a total of about 40 legislators. There's about half at the moment. What I want to say is thank you for sticking it through this grueling hearing. Thank you, thank you, thank you.

I also want to say there's a qualifier to testifying that might bar you from testifying, which is you have to bring 50 copies, printed copies. For folks that take time out of their day to come and give testimony -- like me -- who are working class, please don't make that qualifier. And please ensure that the burden is on the state for those 50 copies. Just a quick reformist, internal reformist mindset right there.

But good evening otherwise. My name is Boris Santos. I am a proud member of the

Democratic Socialists of America, which is an affiliate or partner of the Housing Justice for All Coalition.

I want to preface my testimony by disclosing that the policy conclusions and recommendations that I will advocate for here are grounded on the context of the 54th Assembly District, which is the current Assembly district I live in. I am a Bushwick resident. It is also important to note that that district overlaps considerably with Senate District 18. All but nine election districts that fall within Assembly District 54 do not fall within Senate District 18.

Recently an electoral campaign -- I won't say which one it is, but you can probably guess -- conducted a report on the state of the rent-stabilized housing stock in Assembly District 54. The report is attached to this testimony, so you all should have a copy. The report made it known that since 2007, approximately 1800 units of rent-stabilized units have been deregulated in Assembly District 54. In other words,

almost 30 percent of the rent-stabilized units that once existed in this Assembly district have been deregulated. That's 1800 less families that no longer have the right to renewal, limited rent increase, and succession rights.

At a time when it's becoming harder and harder to live in our city and in this state and to put food on the table, these families could benefit with additional rent protections. And it is my belief that the good-cause eviction bill is the only legislative proposal on the table that can give back those rights to those tenants.

The state of renters and the dimming of their rights that has occurred in Assembly District 54 is emblematic of the housing situation across the state, and it therefore should not be viewed in a silo. In other words, it is a microcosm of what is happening in the entire state. For this reason, I demand that good-cause eviction be placed in both houses' legislative budget proposals. I know there is an issue or a controversy or a

need of fixing of the requirement of 1.5 times CPI. That can be worked out, and I am sure the sponsor wants to do that as well.

On to the next, public housing. You all have all heard it today. I don't want to elaborate as much, and I want to make sure my time is -- I make use of my time. In Assembly District 54 we have Roosevelt Houses, we have 303 Vernon, we have Bed-Stuy Rehab, and we have the already privatized-managed Hope Gardens -- $255 million of capital deficit out of that conservative $32 billion, conservative $32 billion capital deficit within NYCHA.

It is unacceptable that this Governor didn't give not one second of his time to public housing residents. Let's be honest. He doesn't care about poor people, low-income people, people of color. How can you not mention for one second public housing? Since elected in 2010, the Governor, in tandem with the State Legislature, have only allocated a total of $550 million to public housing residents. That amounts to $50 million a

year. And that is unacceptable to tenants that I share a neighborhood with.

And public housing is a size, in the City of New York, bigger than that of countries. We need to make sure that we're making the best effort to not only preserve, protect, but expand our resources and fund it in our public housing resources.

So please fund it to the fullest degree possible today. Y'all know of the progressive budget revenues that y'all can pass -- ultra-millionaire's tax, stock transfer tax, stock buyback transfer tax, et cetera. I could go down the list. Pied-a-terre, et cetera. Y'all worked on many.

Can I just finish my testimony? I'm very passionate right now and I want to feel myself a bit. Sorry. Thank you.

CHAIRWOMAN WEINSTEIN: You just have a few minutes -- a few seconds to.

MR. SANTOS: All right, got it.

CHAIRWOMAN WEINSTEIN: -- since we've been not allowing --

MR. SANTOS: So I know there's a $3 billion figure in the Housing Justice for All Coalition. I'm not even tied to that. Fund it more than that if you can, because we haven't done much in the past decade.

Homelessness, we all know there is a 80,000 number as pertains to HUD, 80,000 homeless living in the State of New York, please support the brilliant Liz Krueger's bill, Housing Stability Support. Put it in the budget.

And lastly, Small Home Anti-Speculation Act. Eighteen hundred to 2,000 homes in the last five years from 2013 to 2017 have been flipped in the City of New York. If you don't know what flipping is, that means a big real estate developer corporation takes -- purchases a home, gut renovates it, makes it look very nice and gentrified, and then sells it for substantial profits.

CHAIRWOMAN WEINSTEIN: Thank you --

MR. SANTOS: Everyone should be signed on to this.

And I will conclude by saying this Governor --

CHAIRWOMAN WEINSTEIN: No, you're --

MR. SANTOS: Thank you so much, Madam Chair. Thank you --

CHAIRWOMAN WEINSTEIN: We gave you --

MR. SANTOS: -- other Madam Chair. Thank you, everyone.

CHAIRWOMAN WEINSTEIN: -- more than a minute extra and --

MR. SANTOS: -- I really, really appreciate it.

CHAIRWOMAN WEINSTEIN: You should appreciate that. You know, thank you. We do have all of the materials that were submitted, so not to --

CHAIRWOMAN KRUEGER: We appreciate your pointing out that some people might have trouble making 50 copies. So we were just saying that if you come to either of our offices to testify for another hearing, we can help make the copies.

And if you're testifying -- if you're submitting without testifying, you just need

the one copy to go online.

MR. SANTOS: Thank you so much, Madam Chair. God bless you. Y'all have a great evening.

CHAIRWOMAN WEINSTEIN: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Is Karim Walker here? I don't believe he checked in. Okay.

So this then concludes the Housing hearing. We will be reconvening the joint budget hearings on Monday at 11 a.m., for the Local Governments hearing. We have four hearings scheduled next week -- four days of hearings scheduled next week. Actually, five hearings, four days.

Thank you all. Thank you, members, for staying here.

(Whereupon, the budget hearing concluded at 6:23 p.m.)