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

JOINT LEGISLATIVE HEARING

In the Matter of the
2022-2023 EXECUTIVE BUDGET
ON HOUSING

Virtual Hearing
Conducted Online via Zoom

January 31, 2022
4:06 p.m.

PRESIDING:

Senator Liz Krueger
Chair, Senate Finance Committee

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

PRESENT:

Senator Thomas F. O'Mara
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

Assemblyman Harvey Epstein

Senator Pete Harckham

Assemblyman Michael J. Fitzpatrick

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PRESENT: (Continued)

Assemblyman Colin Schmitt

Senator Brad Hoylman

Senator Julia Salazar

Senator John Liu

Assemblywoman Yuh-Line Niou

Senator Robert Jackson

Senator Diane J. Savino

Assemblywoman Linda B. Rosenthal

Assemblywoman Alicia Hyndman

Senator Pamela Helming

Assemblywoman Chantel Jackson

Senator James Tedisco

Assemblyman Harry B. Bronson

Senator Zellnor Myrie

Assemblywoman Latoya Joyner

Assemblywoman Dr. Anna R. Kelles

Assemblyman Jonathan Rivera

Assemblywoman Latrice Walker

Assemblyman Mike Lawler

Senator Jabari Brisport

Assemblywoman Rodneyse Bichotte Hermelyn

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PRESENT: (Continued)

Assemblyman Demond Meeks

Assemblyman Chris Burdick

Senator John W. Mannion

Assemblywoman Rebecca A. Seawright

Senator Phil Boyle

Assemblywoman Maritza Davila

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CHAIRWOMAN WEINSTEIN: Good afternoon. I'm Helene Weinstein, chair of the Assembly Ways and Means Committee and cochair of today's hearing.

Today we begin the fourth in a series of hearings conducted by the joint fiscal committees of the Legislature regarding the Governor's proposed budget for fiscal year 2022-2023, and today is the hearing regarding Housing.

I'll introduce the members of the Assembly who are here. Then I'll turn it over to Senator Krueger, the cochair of today's hearing, the chair of the Finance Committee, to introduce her colleagues, and we will have our ranking members introduce their colleagues.

And just to remind witnesses -- actually, Commissioner, you'll have 10 minutes to make a presentation. We already have circulated your testimony, so feel free to not use all the 10 minutes. And then there will be -- we'll go to the chairs for 10 minutes, up to 10 minutes each, to

ask --

(Zoom interruption.)

CHAIRWOMAN WEINSTEIN: Make sure you're muted if you're not speaking. So Senator Krueger and I should be the only ones unmuted.

The other witnesses, once we leave the governmental witnesses, the witnesses will, as I mentioned to my colleagues, mostly be in panels, and each witness will have three minutes to make a presentation and then members will have three minutes to ask a question of the panel.

And just keep an eye on the clock. The time sometimes goes faster than you think it does.

So I think with that, as long as everybody adheres to our guidelines, I want to introduce the New York State Homes and Community Renewal Commissioner RuthAnne Visnauskas, who is the commissioner and CEO.

And RuthAnne, the floor is yours for 10 minutes.

COMMISSIONER VISNAUSKAS: Thank you.

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 Kathy Hochul's Executive Budget proposal for the 2022-2023 state fiscal year.

The Executive Budget lays out a comprehensive and thoughtful blueprint for addressing New York's housing and homelessness crisis. It recognizes housing access as critical to the state's economic recovery efforts and commitment to social justice, and it addresses longstanding systemic inequities and brings us closer to our goals of achieving a cleaner, greener climate and closing the gap in digital connectivity for lower-income families.

The centerpiece of the Governor's budget for housing is a new $25 billion five-year Housing Plan designed to build on

our current plan with the preservation or construction of another 100,000 affordable homes, including 10,000 supportive apartments. The new plan will serve low- and moderate-income renters and homeowners; preserve and protect the existing housing stock; support individuals, families, seniors, and people with special needs; invest in manufactured homes and parks across the state; and assist those experiencing homelessness and housing insecurity.

We are at the finish line of the state's first affordable Housing Plan and, as we close out this fiscal year in March, we are confident that we will meet that first goal. This is a shared success, and I could not be prouder of my team and all of our partners.

As we look ahead, the elements of the new Housing Plan will be shaped by our accomplishments as well as the many conversations we have had with our partners across the state this past summer and fall. To be sure, the path to another 100,000

affordable homes will be guided by the events and lessons of the last two years.

More specifically, our aim will be to address the community health disparities exposed during the pandemic, erase the redlines that still block people of color from homeownership and housing choice, expand housing access and supply in historically underinvested areas, support statewide goals for clean energy and green jobs, and bridge the digital divide.

The new Housing Plan expands resources for electrification and weatherization that benefit our health, safety and environment, helping us achieve the state's essential climate goals. We've also included a pilot program to spur innovation in affordable housing governance and construction methods.

To accomplish all of this, we will once again rely on your support and partnership to help us cement New York's reputation as an innovative leader in compassionate, thoughtful and purpose-driven affordable housing and community development.

However, these investments alone cannot address the root cause of our housing shortage. Governor Hochul's Executive Budget includes several proposals to help the state boost its overall housing supply and affordable housing supply by easing or removing restrictive land-use regulations that are barriers to housing production. To this end, we're proposing some strong, commonsense changes.

The Governor's budget will encourage increasing our housing supply by requiring localities to allow accessory dwelling units in single-family neighborhoods; requiring localities to allow multifamily development opportunities in transit-rich areas; removing the state's cap on residential density in high-density neighborhoods in New York City; and easing restrictions on the conversion of hotels and commercial buildings into housing.

But these actions are not enough. Providing equal and fair access to housing is just as important as building new homes and apartments. As part of our mission to reduce

housing insecurity, our social justice agenda will help improve access to housing for people who have been involved in the criminal justice system or have negative credit histories. We will combat housing discrimination statewide by expanding the state's fair housing testing program, particularly in counties not previously served by local fair housing organizations but where suspected systemic discrimination exists.

And we will seek to reduce unjust evictions by making free legal counsel available to low- and middle-income tenants in eviction proceedings. This proposal, the Eviction Prevention Legal Assistance Program, will provide renters a measure of protection from the economic, physical and emotional harm that comes from being displaced. With proper access to legal representation, we know that more than 80 percent of tenants are able to remain in their homes.

We believe that our plan and proposals offer rational alternatives to the status

quo. They're rooted in justice and fairness and, most important, compassion for all New Yorkers, whatever their ability, income or history. We're excited for the opportunity to continue to create high-quality affordable housing opportunities that build strong and healthy communities.

And on behalf of the New Yorkers we serve, I am truly grateful for the Legislature's support, and I ask for your continued commitment to securing the resources and advancing the legislation we need to make a real difference in peoples' lives and to meet the needs of our diverse communities.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you, Commissioner.

I was so -- we were so anxious to hear from you that I totally forgot to introduce my colleagues who are here with us today. So let me -- we kept you waiting so long, we just wanted to let you get started.

So I wanted to just take a moment to

introduce the Assemblymembers, and then Senator Krueger will introduce the Senators.

So we have with us our Assembly chair, Assemblyman Cymbrowitz; Assemblyman Bronson; Assemblyman Burdick; Assemblyman Epstein; Assemblywoman Hyndman; Assemblywoman Jackson; Assemblywoman Joyner; Assemblywoman Kelles; Assemblyman Meeks; Assemblywoman Niou; Assemblyman Rivera; Assemblywoman Rosenthal; and Assemblywoman Seawright.

Assemblyman Ra, do you want to introduce your colleagues who are here?

ASSEMBLYMAN RA: Sure. Hi. We are joined by Assemblyman Fitzpatrick, our ranker on Housing, and Assemblyman Lawler.

CHAIRWOMAN WEINSTEIN: Thank you.

Senator Krueger, would you please introduce your colleagues.

CHAIRWOMAN KRUEGER: Thank you.

I see Senator Robert Jackson, Senator Leroy Comrie, of course our Housing Chair Brian Kavanagh, Senator John Mannion, Senator Zellnor Myrie, Senator Pam Helming, Senator John Liu, Senator Pete Harckham. And

that's just the question askers so far.

We also have Senator Phil Boyle, Senator Julia Salazar, Senator Diane Savino, Senator Jim Tedisco, Senator Jabari Brisport, Senator Brad Hoylman.

I think I've got us all, both sides. Thank you.

CHAIRWOMAN WEINSTEIN: Okay. So then now we will go to our Assembly Housing chair, Assemblyman Steven Cymbrowitz, for 10 minutes, please, on the clock.

ASSEMBLYMAN CYMBROWITZ: Thank you very much. Thank you, Chairs Weinstein, Krueger. I want to shout out to my colleague Senator Kavanagh. We always say hello at these hearings.

SENATOR KAVANAGH: Hello, Assemblymember.

ASSEMBLYMAN CYMBROWITZ: Welcome, Commissioner Visnauskas. I want to personally thank you for being such a strong advocate for the five-year plan, and want to congratulate you for all you've accomplished in the previous five-year plan. I know that

we're heading toward the finish line of doing that, and look forward to the next five years.

I wanted to spend a little time talking about homeownership. That's a major issue that we have found, traveling around the state, that there are so many people who are renting and they could pay for a mortgage with those dollars that they're paying for rent, and we need to help them.

Can we talk a little bit about -- I know that in the 2021-'22 budget we included $539 million for the Homeowner Assistance Fund that just began taking applications January 3rd. You know, I was wondering if you have any updates on this process, and then talk about the allocation in this year's housing plan that includes $400 million for homeownership projects.

COMMISSIONER VISNAUSKAS: Sure, I would be happy to talk about both those things, thank you.

So for the Housing Assistance Fund we were -- we worked very hard to get our

application into Treasury, we were very excited to be first in the country to be approved. We started our marketing right around Thanksgiving so people would have a sort of nice long period of time to understand the program and their eligibility and get their documents in order. And as you said, we opened January 3rd.

We anticipated being open for at least 30 days, and we're just about at that 30-day mark. We have a little over 20,000 applications received and completed. And we are not quite at our, you know, full sort of spend, so we will stay open and keep evaluating.

You know, the process with the mortgages involves us reaching out to the banks and making sure that homeowners have been offered every program and opportunity that the banks can provide for homeowners for their mortgages, so it's going to take us a little longer to sort of do that back-and-forth.

But we feel very good about the

program. We have a very high percentage of socially disadvantaged applicants, which was one of our sort of key features of this, is making sure we are getting to people that don't traditionally get access to governmental programs.

So we will remain in communication with the Legislature and with the public about how we're doing on the applications, but so far so good on that front.

On the homeownership in the Housing Plan, we -- there are sort of two sides to the homeownership with sort of the supply side and the demand side.

So on the demand side we have our SONYMA platform that provides mortgages to first-time homebuyers, and we have made a lot of changes there on the demand side to make sure that we are increasing our down payment assistance. We rolled out -- and I talked about this last year -- a program called Give Us Credit to make sure that people weren't being denied who had historically been denied for credit reasons for mortgages. And we

have shifted very much to the supply side of that.

And as you can see in the Housing Plan, with the $400 million we want to both keep going on existing programs like Legacy Cities, which we launched last year, which utilizes vacant properties in upstate cities to rehabilitate them for homeownership, but also making sure that we're getting a production of new one-to-four-family homes, condos, co-ops, sort of whatever the right homeownership option may be across the state, to get at -- as you said, there may be people who have income to pay, but they can't find an affordable house to buy. So we are really hoping to make a dent in that as we look at this next five-year plan with the homeownership dollars.

ASSEMBLYMAN CYMBROWITZ: Can you talk about the strategies that you're going to be employing in order to reach the people who really need that assistance?

COMMISSIONER VISNAUSKAS: So we try to

be very data-driven in what we do. When we launched Give Us Credit last year, we looked around the state and looked at places where we saw homeowners of color getting denied at twice the rate as white homeowners, holding constant for income, and made sure that we from a marketing and outreach and grassroots perspective were very heavily in those areas.

And that will hold true going forward. We really try to make sure that we are utilizing our network of organizations around the state, whether that's legal service providers or nonprofit housing providers, to make sure that people are aware, especially those who are, you know, often least likely to have access to or sort of know about government programs, to make sure that they're the ones who can avail themselves of these opportunities.

ASSEMBLYMAN CYMBROWITZ: Moving on to public housing. Public housing authorities outside the city were identified in this proposed budget to receive additional funding. Can you discuss why NYCHA was

excluded and not provided any new funding?

And if you can talk about -- I know we've discussed in the past the Preservation Trust and the importance -- the fact that there will not be any Build It Back Better money coming and that the only way that NYCHA can be saved is through the Preservation Trust.

COMMISSIONER VISNAUSKAS: I would say I haven't given up completely on Build It Back Better. I am still advocating and hopeful that there will be not just funding for public housing authorities, of which a large share of that would go to NYCHA, but also many of the other things that were in Build Back Better for housing. So we're going to keep fighting on that front to try to get those things.

In terms of the budget for NYCHA, you know, at the time that the budget was getting pulled together, Build Back Better was really -- you know, still seemed somewhat -- very much alive, with the potential for $40 billion to come to NYCHA. So I think

that's one of the reasons why you don't see capital for NYCHA.

We do have capital in for rest-of-state. We were very thankful to get an additional slug of capital last year, and we haven't spent all of that, and now we've put a new ask in for another five years.

We are still working with many, many wonderful public housing authorities around the state. I was just up in Schenectady in December looking at what they have done to transform their public housing stock. And so there's a lot of great work still to be done. So we're really excited and looking forward to working with the rest-of-state housing authorities on their renovation plans.

I think as relates to the trust, you know, the trust is a complicated document. And NYCHA is complicated, given its sort of federal, city and state sort of multiparty interested parties there. I think that we have tried to advocate that NYCHA needs as many tools as it can get. There are, you know, hundreds and hundreds of thousands of

residents at NYCHA who are in much need of vital repairs. And as many people know, the proposal around the trust would allow NYCHA to access much, much more revenue from the federal government that would allow it to make capital repairs at scale.

So we have been working with the city administration and the new administration, and so I think those conversations around the trust will continue.

ASSEMBLYMAN CYMBROWITZ: Do you think there's any chance that the Governor might put the trust into her 30-day amendment?

COMMISSIONER VISNAUSKAS: I can't speak to that. But we are certainly working with the city and talking with them to better understand what they need in the trust legislation.

ASSEMBLYMAN CYMBROWITZ: In the remaining time, could you just talk about the change of use in New York City of certain buildings and talk about additional building density in New York City? How would that produce more affordable housing?

COMMISSIONER VISNAUSKAS: So New York City has not kept up with its housing supply relative to population growth and job growth. There are some estimates that say that the city needs to build another 500,000 units of housing by 2030. And at the scale at which housing is produced, market-rate and affordable housing is produced today, we would not get there. It's a two-or-three-times-fold production.

So we've tried to put forward in the budget this year a series of solutions for that, and that includes helping developers convert commercial or hotels into housing. That includes lifting the FAR cap to allow the city to have a little more discretion over where residential development is in the city; that includes a tax exemption. All of these tools will allow us to grow in a way that will alleviate housing affordability, alleviate overcrowding, and we think those are important policy issues as we go forward.

ASSEMBLYMAN CYMBROWITZ: Thank you very much.

CHAIRWOMAN WEINSTEIN: I'll move it over to the Senate, but first I see that Assemblywoman Maritza Davila has joined us, and Assemblywoman Latrice Walker.

So now we go to Senator Krueger for their Housing chair.

CHAIRWOMAN KRUEGER: Thank you. We're going to hand it over to Senator Brian Kavanagh for 10 minutes. Thank you.

SENATOR KAVANAGH: Thank you very much, Senator Krueger. And let me just begin by thanking both Senator Krueger and Assemblymember Weinstein for your marathon of chairing these hearings and leading in this process.

And also just to note, you know, our own Finance staff -- Dave Frazier and Chris Friend and Michael Sherman, as well as our counsel staff, Nic Rangel and Nayram Gasu, who have done a lot of work in preparation for this, as well as Hally Chu, who is the housing director on my staff.

And, you know, also just -- I'll return the shout-out for Assemblymember

Cymbrowitz. We've worked very closely on a lot of these issues for a very long time. He's a terrific partner and of course taught me everything I know about housing when I was a young Assemblymember on his Housing Committee.

And also my ranker in the Senate, Pam Helming, whom we'll hear from shortly, and the rankers on the other side, Mike Fitzpatrick and Ed Ra, who I also had a lot of opportunity to interact with over many years in the Assembly on all of these issues. So it's good to see everybody.

And thank you, Commissioner, for your testimony today and also for your leadership in the last few years. It's been really I think a very productive time in housing in New York, and we're looking forward to, you know, an even more productive time with a very substantial five-year plan.

Can you just begin with -- just give us -- you sort of highlighted a few aspects of the five-year plan. Can you just talk a little bit about how this plan differs from

the preceding five years?

COMMISSIONER VISNAUSKAS: Sure.

So, you know, in many ways our sort of production is limited by federal resources. Sort of the backbone of our work is the volume cap and the 9 percent tax credits that we get from the federal government, and we had been very hopeful for the second half of last year that there would be a Build Back Better bill that would allow for the expansion of both those things. You know, such as it is, we are where we are, and that's not exactly on the table, although we will keep, as I said, sort of advocating and working for that.

So what you see in our new plan is sort of maintaining a lot of the programs that, you know, as you all will recall, when we did this five years ago, we didn't really have a series of programs and a five-year plan. And so we have gotten the industry across the state I think somewhat acclimated to a series of programs around new construction, supportive housing, senior

housing, renovating our Mitchell-Lama housing and our public housing in a series of programs. So we really thought it was important to maintain those.

We have increased funding for many of those programs for a variety of reasons. In the original plan we did have some sort of additional dollars sort of from previous times. So we had sort of more than the 2.5 billion that we started with at the beginning of the last five years.

But we've made a couple of changes. One is that in order to align with the CLCPA, we have sort of embedded electrification into our new construction and will be rolling it into all of our preservation work too, which will come -- sort of follow a little bit after our new construction. But so our costs went up as a result of that, and you will see that in here.

We also added a sort of new focused line item specifically to electrify the existing housing stock to make sure that low-income tenants and buildings in

low-income communities don't get left behind as we go to a sort of carbon-neutral housing stock.

So I think those are two sort of fundamental things.

In addition to that, as the Assemblymember had mentioned, we have a much bigger investment into homeownership programs. I think that, you know, you don't have to look very far in the housing policy world to read about the racial wealth gap in homeownership. And so we are very much leaning into that with a series of -- with this funding that will allow us to really get at supply side housing production, affordable housing production.

So I think those are probably some of the highlights I would call out.

SENATOR KAVANAGH: I appreciate that. That's a helpful review.

I'm going to talk about a few of those issues, but I want to go back to something that Assemblymember Cymbrowitz talked about, that public housing, especially the NYCHA

commitment -- we have seen, I think, you know, some inadequate investments in capital from all sides in NYCHA. But this bill doesn't have any. And, you know, Steve asked you, like, you know, is there some assumption that we might get Build Back Better. You said you were still hopeful. I'm hopeful as well.

But is there -- assuming we get to March 31st and we don't have Build Back Better dollars for NYCHA, would it be appropriate for us to be rethinking what we're enacting this year to ensure that there is significant capital for NYCHA?

COMMISSIONER VISNAUSKAS: As you all probably know from asking me in years past, the money that's in the Housing Budget for NYCHA is subject to an agreement largely between NYCHA and DASNY as to how those funds get spent and the scope of work. And often you all ask me for sort of an update on that, which I usually provide sort of a light update but I'm often sort of -- I'm not really -- we are not really directive of

those funds or involved in those capital funds.

So I wouldn't sort of put my thumb on the scales to say whether it's appropriate or not. As you would say, it's been -- there has been funding for NYCHA in the past. I think the scale of obviously the $40 billion coming from the federal government is the scale on which NYCHA's needs are, which are, you know, much different than what we would be able to provide at the state level.

But -- and as I said, I think we remain open and optimistic to push the federal government to really provide NYCHA with the level of funding that it needs, rather than have it go another generation without that.

SENATOR KAVANAGH: Okay. I'm not going to belabor this now, but just to say, for the record, I mean the notion of DASNY being involved in that was I think a particular predisposition of the prior governor. So I think we should be revisiting this question of whether, you know, our

housing agency can consider the housing needs of New York City residents as well -- you know, public housing residents as well as those outside the city.

On the electrification, recognizing that most of the -- I guess most of the adjustments are about increases in costs for development, how much money is in this budget for retrofitting existing buildings for electrification?

COMMISSIONER VISNAUSKAS: So we tried to build into our programs -- you know, one of the I think challenges for owners trying to do this work is having to go in silos to multiple different agencies and get access to funding.

So we built into our -- on both our new construction and our multifamily preservation program, assumptions that came out of the CLCPA work which we've spent the better part of two years doing, to make sure that we can, you know, pay for those either electric-ready or actual electrification, depending on sort of the building stock and

the technology available, within these existing funds.

So I don't have an exact sort of number, but we worked on this -- built sort of the budget with those costs included.

SENATOR KAVANAGH: Could your staff try -- could somebody try to take a look at the budget and figure out how -- like presumably various things were increased by various percentages. It would be helpful, I think, given -- we know there's a massive scale, but I think it would be helpful to know how much we're investing in that work.

And as you know, I think there's also -- you know, there's a proposal for a requirement of electrified buildings in the future in the private sector as well. And I have the Electric Building Act I've been working on with Assemblymember Gallagher and others. But I'd like to focus on that as this process is unfolding.

The City of New York estimates that when tenants are represented and they have legal services during eviction proceedings,

they are very likely to remain in their home -- about 84 percent, I think, is the number there. Is that -- given that this budget is appropriating additional money for legal representation -- first of all, I guess it's $35 million in the budget. Is that -- how much legal representation might that provide? And is -- what is your assessment of how much -- could we replicate the success -- that rate in New York City in upstate communities if we were to provide adequate funding for legal representation?

COMMISSIONER VISNAUSKAS: So this is something that is very important to the Governor in the budget. And as many people saw, there was $25 million actually that came out of the ERAP funding sort of as a seed for this. And so we looked at some data for rest-of-state around evictions and around costs, and there's sort of a variety of estimates about what the demand and the costs might be.

So this is a sort of projection. I don't think we really, you know, know what

the full uptake will be. But we're very committed to getting this out the door, you know, as a test to then see sort of what the real demand in uptake will be.

But we -- you know, we agree with you that the percent success rate in New York City certainly merits us doing this in the rest of the state and giving people access.

SENATOR KAVANAGH: Just to be clear, you're not projecting that this meets the whole cost of legal representation statewide, is that fair?

COMMISSIONER VISNAUSKAS: I don't think we know -- when we looked, we found many estimates that were very wide in their numbers. So I think we don't really know. And this is an attempt to put a number in the budget and evaluate.

SENATOR KAVANAGH: Okay. Again, I think as we continue negotiations, I think we'd like to get a sense of how that -- you know, how widespread -- how available legal representation that would -- how available that would make legal representation in

various jurisdictions.

Just one quick question. There is funding for Neighborhood and Rural Preservation programs that I think are straight-lined against last year's adopted budget, which is an improvement, because it includes some legislative adds that I think we put in last year.

There is still no money for the coalitions, for the Neighborhood and Rural Preservation Coalitions respectively. I think in the past we've sought to make sure they had funding to administer their centralized services.

Is that -- I mean, does the Executive Budget reflect some skepticism of the value of that, or is it sort of an oversight or just --

COMMISSIONER VISNAUSKAS: I think that we had thought that the coalitions were included in that. So maybe we can just get back to you on that.

SENATOR KAVANAGH: Okay. Our staff analysis has said they're not, so we would

appreciate that question.

And I think I will come back for another round of questions if our chairs will permit me, but my time is up now. So thank you for --

CHAIRWOMAN KRUEGER: Your time is up now, so we'll talk about that later. Thank you, Brian.

Chair Weinstein.

CHAIRWOMAN WEINSTEIN: The Housing ranker, Assemblyman Fitzpatrick, for five minutes.

ASSEMBLYMAN FITZPATRICK: Yes, thank you, Madam Chair. Welcome, Commissioner. Great to see everybody.

Commissioner, just let me ask you, with regard to the regulated housing stock, do you have any concern about its future condition, you know, given that there was a rather drastic reduction in the number of MCIs?

COMMISSIONER VISNAUSKAS: We have not seen a large uptick in complaints. So, you know, I think it depends on what you use as

your metric for the housing stock. But at this time we aren't concerned that there's been an adverse impact on the housing stock. As we can see in, you know, data.

ASSEMBLYMAN FITZPATRICK: I see. All right. Do you have any statistics on the number of individual apartment improvements undertaken by owners in 2022 and 2021?

COMMISSIONER VISNAUSKAS: We have a couple of thousand IAIs that have been uploaded into the public database that was included as part of the HSTPA legislation. I don't know the exact number from this year, but I'd be happy to follow up and get that to you.

ASSEMBLYMAN FITZPATRICK: Okay, thank you.

And then what is the number of harassment complaints filed in '19, '20 and '21 and the number of owners who were found guilty?

COMMISSIONER VISNAUSKAS: I don't have those off the top of my head, but I'd be happy to follow up with those as well.

ASSEMBLYMAN FITZPATRICK: Okay --

CHAIRWOMAN KRUEGER: Just a clarification. You meant 2019 and 2020 --

ASSEMBLYMAN FITZPATRICK: Yeah, 2019, 2020.

CHAIRWOMAN KRUEGER: You said 1920, and I thought that was a bit of a stretch --

ASSEMBLYMAN FITZPATRICK: I meant 2019, sorry.

CHAIRWOMAN KRUEGER: Thank you.

ASSEMBLYMAN FITZPATRICK: Great.

And, Commissioner, with regard to the accessory dwelling units, what was the rationale in frankly removing local control and local zoning and interfering with local zoning here? What is the rationale of the Governor in doing this?

COMMISSIONER VISNAUSKAS: So as I mentioned a little bit earlier, there is -- we are not keeping pace with our housing production based on our population growth and our job growth. And so there's a real demand for housing, especially in downstate -- Long Island, New York City, Westchester,

Hudson Valley. You know, there's an affordability issue. Many people are doubled up. You could argue that many people in our homeless shelter system are there for purely economic reasons because they can't afford housing.

And so accessory dwelling units is a way for there to be the creation of additional housing supply. You know, it can be affordable, but it could just be additional housing supply. It allows seniors to either receive additional income in -- you know, perhaps if they're on a fixed income and in a place where taxes are going up, it would allow them to move into an accessory dwelling unit, allow their family to move into the larger home, especially at a time where I think there's a lot of intergenerational care, whether it's for a parent or for a child and the families have gotten -- sort of spreading among the generations for that type of support.

And so we see accessory dwelling units as giving homeowners the opportunity to have

more choice in where they live, to have more affordability options, potentially to have income options, at a time when we really are in need of more housing supply.

ASSEMBLYMAN FITZPATRICK: Well, let me ask you, you have situations where you have quarter-acre zoning -- I know in Suffolk County, for example, all development is guided by the health code. You know, we live above an aquifer, so overburdening that aquifer and, you know, increased density. We're already -- I mean, a number of communities on Long Island are doing pretty good work around the transit-oriented development model. And, you know, our limitations are sewers. We could use more sewer money to develop that. And that is becoming a more popular option. Downtown redevelopment, second- and third-floor apartments above stores along Main Streets.

But, you know, people -- regardless of where they come from, they move out to the suburbs to live in a single-family home. And, you know, in my years on the town

council in Smithtown we were always having problems with basement apartments, illegal apartments and absentee landlords that were becoming a huge problem in suburban areas.

And I think the way -- from what I've read so far, we may have those problems again, in spite of the fact that there's a one-year requirement to live there. If that's not monitored very closely, I think that will be gamed, and we're going to have some real problems in the suburbs. And I'm not crazy about this proposal, and I think it needs to be thought through.

Do you have any comment?

COMMISSIONER VISNAUSKAS: I think I would say two things. One is I don't think anybody wants illegal apartments, so I think providing sort of a framework for this allows those apartments to be legal where people are adding basement apartments or attic apartments or whatever that may be.

And we put in the bill, you know, to be somewhat responsive to that issue, that municipalities can obviously take into

consideration health and safety issues as they create their own sort of zoning to allow the accessory dwelling units.

So we understand that there are obviously health and safety issues, whether it's sewers or flood plain issues, and that those should be taken into account.

ASSEMBLYMAN FITZPATRICK: Okay. My time is up. Thank you, Commissioner.

Thank you, Madam Chair.

CHAIRWOMAN WEINSTEIN: We'll go to Senator Krueger.

CHAIRWOMAN KRUEGER: Thank you very much. Senator Pam Helming for five minutes, the ranker on Housing.

SENATOR HELMING: Thank you, Senator Krueger.

Commissioner, it's great to see you again. Happy New Year.

And as always, I want to take a moment and recognize both you and your incredible team. I mean, you're just doing tremendous things around the entire state and for that I'm truly appreciative. And while I know,

you know, we may not always agree on policy, I think there's a lot that we can join together on to do better for residents of New York State.

So I wanted to talk a little bit -- an example of that, I think, is the five-year Housing Plan. I think it's absolutely remarkable. But I'm curious, how are we going to ensure that that funding is shared with our suburban, rural and upstate -- how is it going to be used to address our upstate housing needs, that they're equally considered?

COMMISSIONER VISNAUSKAS: So we have a -- I would say two things.

One is we -- as Senator Kavanagh mentioned, I think funding of our rural preservation organizations is key to that, because they really are our eyes and ears on the ground that help make sure people are aware of our programs and can access them.

And whether that is, you know, preserving an existing rural multifamily building, of which there are many in the

state, whether it's a manufactured home park -- and we have, in the last five years, as you know, rolled out a series of programs to make sure that people can have access to mortgages, to make sure that people can get new homes and to make sure that there's funding for parks and for infrastructure and really trying to shore up that part of our housing stock which is often very rural.

So we've sort of tried, through a series of our programs, to make sure, whether it's, you know, public housing or preservation or multifamily or on the single-family side, that we will be getting to those rural housing needs as much as we'll be getting to the urban ones.

SENATOR HELMING: I appreciate that. And I'll be taking a closer look too to see how it breaks down, to make sure that it does feel that in upstate we're getting our fair share.

I will tell you I was happy last year that the HONDA language, we were able to get that changed, right, so that it excluded

areas outside of New York City -- but then extremely disappointed to hear that the only projects funded were within New York City, and that there's language that exists to direct the additional funding to New York City properties.

Just changing subjects for a minute, we've -- this has been mentioned. The Executive Budget includes a proposal for 35 million to be appropriated to support legal representation for eviction cases outside of New York City.

During your opening remarks, and I think during Senator Kavanagh's questioning, it was my understanding that this funding will be earmarked solely for tenants. Is that accurate?

COMMISSIONER VISNAUSKAS: The funding will go to legal service providers, to the organizations themselves, so that they will be able to provide legal representation for tenants.

SENATOR HELMING: Is there any financial assistance that's available to our

home providers, especially our small mom-and-pop property owners?

COMMISSIONER VISNAUSKAS: That's a fair -- that's a fair question, and I think we would be happy to work with you on that.

SENATOR HELMING: So at this point the answer is no, though, right?

COMMISSIONER VISNAUSKAS: I don't think as drafted. I think it's intended to provide legal representation for tenants who, you know, in most cases are often not even aware that they can have access to legal representation or that they should get it and that their outcomes might be better. Most of these cases are often found in the case of the landlord, so I think the need was seen as on the tenant side to make sure they could have fair standing in court.

But, you know, it's a fair comment, I think, about smaller landlords, and we could talk about that.

SENATOR HELMING: Thank you.

So we all know, we've all heard from them, that the housing providers throughout

the state, especially the mom-and-pops that I mentioned, they're really struggling to continue to operate because of the significant rental arrears. And I know there's an effort being made to try and secure additional federal dollars. But what's going to happen if we're unable to do that? Is the state prepared to step up and cover these rental arrears for the small mom-and-pop property owners?

COMMISSIONER VISNAUSKAS: So my understanding -- and this is more in the purview of OTDA than it is for HCR, is that there's some funding in the budget that I think can be potentially targeted towards the rental arrears programs should there not be enough funding that comes through at the federal level.

SENATOR HELMING: Okay. And just real quickly, the Executive Budget proposes $77 million for areas specifically impacted by Hurricanes Sandy, Irene and Lee. Is there any funding that you're aware of for the communities along Lake Ontario that have just

been devastated by flooding that could be attributed to not only rain events but the implementation of Plan 2014?

COMMISSIONER VISNAUSKAS: So the funding that's in the budget for the Governor's Office for Storm Recovery is, as you said, for Irene, Sandy and Lee, and is meant to complete a series of existing community reconstruction and small sort of infrastructure projects.

I think we are happy to, as we have in the past, sort of work with you on funding as other needs come up for the shoreline communities. You know, we have the large effort from a couple of years ago working on all those infrastructure projects. But happy, I think, to reconnect on those with you.

SENATOR HELMING: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assemblywoman.

CHAIRWOMAN WEINSTEIN: We go to Assemblywoman Joyner.

First I just want to acknowledge

Assemblywoman Rodneyse Bichotte Hermelyn joined us earlier.

Assemblywoman Joyner, for three minutes.

ASSEMBLYWOMAN JOYNER: Thank you.

Good afternoon, Commissioner. I have two issues. I'll just state them up front and then allow you time to address them.

A huge crisis is unfolding in my district, in the Highbridge section of my district, where an owner applied to HCR to deregulate six buildings that will impact over 500 tenants. The owner argues these buildings should no longer be rent-stabilized because the J-51 tax credits will expire.

What is DHCR committed to doing to prevent this owner from being released from his regulatory agreement? And just my position, on the record, is we have an affordable housing crisis and I urge the agency to take all necessary efforts to maintain these buildings within the rent-stabilized program. That's the first issue.

The second issue is with regards to Findlay Houses, a senior Mitchell-Lama building at 1175 Findlay Avenue. In 2018 the building received a Housing Finance Agency subsidy loan and was also awarded funds through the Preventive Troubled Asset Program to help with security upgrades and emergency electric repairs.

The building has not seen a dime of this money. What is the timeline for the release of this money, and what efforts can be made to expedite this process?

Thank you.

COMMISSIONER VISNAUSKAS: I'm happy to answer those.

On your first question, I am aware of that case. It is, I believe, subject to some litigation, and so I'm not sure that I can provide -- sort of comment specifically on it other than to share your concern that we are -- will certainly be very focused on making sure that there's not a negative impact to the tenants there. And happy to follow up with you directly on that one also.

On Findlay House -- Findlay House has been a challenging building for us for the whole time I've been at the state, partially because it had a somewhat absent owner. So we are in sort of the final part of a process to bring in a new owner for that building, and that owner will -- while we had allocated some sort of temporary funding for that, what we really want to do in that building is really a comprehensive renovation, like we would for any project we would touch, rather than sort of fixing only small, incremental things.

So we are very much looking forward to a new owner taking that on this year, very shortly, and working with them to do a large refinance of the whole building and give it all the investment that it really needs.

ASSEMBLYWOMAN JOYNER: Okay. Well, you know, time is of the essence, right? So we look forward to revisiting these issues and prioritizing the unfinished work that is desperately needed at buildings such as Findlay House. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Back to the Senate.

CHAIRWOMAN KRUEGER: Okay. Thank you very much.

Senator Robert Jackson for three minutes.

SENATOR JACKSON: Thank you, Madam Chair.

Commissioner, good afternoon. We've been in this since 11 o'clock, and continuous. But a couple of questions.

So can you tell me -- there's been -- a lot of criticism on the 421-a has been that the tax bracket -- the tax break provided to developers is worth far more than the affordable housing it produces, because the program subsidizes the entire building, not just affordable units.

What would Governor Hochul's proposed new program change this dynamic -- how is it going to change it? My understanding is that there is no tax incentive whatsoever. So shed some light on that, if you don't mind.

COMMISSIONER VISNAUSKAS: Happy to.

So we -- as I said before, New York City and the state as a whole needs more housing supply. And the lack of housing supply is what we experience when we see people doubled up, when we see people not able to find affordable housing. We need more housing.

So we believe that the tax incentive is -- we've moved it to a new section of law to sort of separate it from all the old parts of 421-a. It's now in 485-w. We feel like it's a critical tool to get housing produced in the City of New York, rental housing. I think in the absence of a tax incentive that requires affordable housing, we would have all market-rate housing. So we feel that the tax incentive does a couple of things better than the program did before.

Number one, we've lowered the affordability in the program. So previously many developers had taken the option where units were at 130 percent of AMI, so we have dropped that to 90 AMI and 80 AMI, which is a very significant reduction both in the

household incomes it serves but also in the rents that it creates.

And we have made that affordability for all buildings that are 30 units or greater permanent.

So this is affordable housing that can get built in neighborhoods that stays there forever. It doesn't expire when the tax exemption expires, it doesn't expire when the regulatory agreement expires. It gets built into the fabric. And we think it's important, as the city grows, to make sure we get real affordability in all those neighborhoods.

SENATOR JACKSON: Do you think that this change that she's proposing, is it going to cost the taxpayers more in tax credits or is it going to cost less? And is it going to build more affordable housing for the people that really need it?

COMMISSIONER VISNAUSKAS: We think that it will cost less. We have taken portions of the tax exemption from the prior program and reduced them, so now the benefit

is less than it was. For a subset of the buildings, it will cost less.

And we think that dropping the affordability, again, from sort of 120, 130 down to 80 or 90 is more meaningful affordability. You know, a 130 AMI apartment for a single person is someone who makes $107,000 a year. This would drop that -- this is at the upper end -- to someone who makes more like $65,000 a year and that's at 80 AMI. So at 40 AMI, it's half of that, and someone who makes $33,000 a year.

So we think those affordability levels in the city are affordable and are important.

SENATOR JACKSON: Thank you. My time is up.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblyman Lawler, three minutes.

ASSEMBLYMAN LAWLER: Thank you, Chairwoman.

And Commissioner, thanks for joining us. I want to thank you and your staff for working with me recently to address the dispute between the federal government and

the state over the Rockland County Homes for Heroes. I think that's an important project to move forward and build housing for our veterans.

I am, however, deeply concerned about the ADU legislation that is included in the Governor's budget. I have heard from all of my municipalities in opposition to this, bipartisan opposition. And it is something that I think will end single-family zoning throughout New York State and seriously impede upon local control, which is a constitutional right of local municipalities.

I represent Southern Rockland County. Rockland County is predominantly single-family residential neighborhoods. We do have multifamily housing, we do have accessory dwelling units. But it is based on the decisions of our local elected officials, our planning boards, our zoning boards. And local control is essential for our state. And I think anything that would impede upon that, in a one-size-fits-all approach to housing, is problematic.

Especially -- I understand the challenges New York City faces. But if New York City wants to implement ADUs, by right, they can do that. They can do that already. They can do that by their own City Council and they can do that through the Mayor.

But to force local municipalities in New York State to allow, by right, accessory dwelling units, will create a lot of problems in our municipalities. Rockland County, two-thirds of our land is developed, a third of our land is parkland. We have 340,000 residents and growing. Allowing ADUs will explode the population almost overnight.

We have serious concerns about the impact it will have on roads, bridges, gas pipelines, power lines, water mains, sewer lines, train tracks, which are already overburdened and in serious need of financial support.

We will have a dramatic increase in traffic and street parking, which is prohibited throughout most of Rockland

County, especially in the winter with the snow plows. And I have serious concerns about the impact for our first responders.

Proposals that are out there limit the ability of municipalities to require multiple exterior access doors, reduce the required ceiling height in basement units, and limit the side and rear setbacks. This will also have a significant impact on SEQRA at a time that we're trying to combat climate change.

I strongly encourage the Governor to remove this from her budget -- and, if not, to allow for a local opt-out. If you want to incentivize ADUs, by all means. But to promote a one-size-fits-all plan is irresponsible and will lead to the elimination of local control of zoning.

CHAIRWOMAN KRUEGER: I guess that hands it back over to the Senate. Thank you.

Senator Leroy Comrie. Are you there, Leroy?

(No response.)

CHAIRWOMAN KRUEGER: All right, in the absence of Leroy Comrie, I will go back to

him, but I'm jumping to Senator John Mannion.

SENATOR MANNION: Thank you, Senator Krueger.

A couple of quick questions here, Commissioner. And I know this might be a little bit out of your world, but I know that this is a major issue in my district and others.

So has there been any assistance or coordination with OTDA to move along ERAP applications? Because tenants and landlords in my district have indicated that they're waiting months for a decision when it comes to the applications.

COMMISSIONER VISNAUSKAS: I know that OTDA and their brand-new commissioner are very focused on getting those applications approved.

I don't have an update sort of on their numbers or anything; I'm sure they can supply that at their hearing. But I know that the commissioner is laser-focused on that.

SENATOR MANNION: I appreciate that

and understand, of course.

A different question is, do you know how much can you -- do you have any numbers or estimates on how much the state and the city spend on affordable housing each year, spending on affordable housing?

COMMISSIONER VISNAUSKAS: That's a great question. I think it probably depends on how you think about that. Obviously the projects that we finance are sort of highly structured and involve both, you know, federal funds, state funds, a lot of private-sector funds raised through tax credit equity, and private bank funds.

So I think it depends on the spend, depends sort of on spends, a little bit on whose dollars you mean. And as you know, the state has a large Housing Plan, as does the city, but many municipalities around the state also spend a significant amount of their resources.

So I don't have an exact number but would be happy to talk more about that.

SENATOR MANNION: And understanding

that and appreciate your answer, knowing that, you know, I was not going to get a number there, most likely.

If you talk about the public dollars versus private-sector development dollars, can you without those specific numbers just speak with your, you know, level of expertise and professionalism about how do they compare in the State of New York as far as public versus private for affordable housing?

COMMISSIONER VISNAUSKAS: I think this would hold true for the city as well, that we all leverage at least three times, if not more, public dollars to private dollars.

SENATOR MANNION: I appreciate that. Thank you for that information.

And appreciate your work today, Senator Krueger and Assemblymember Weinstein. Thank you.

Thank you, Commissioner.

CHAIRWOMAN KRUEGER: Thank you. Assemblywoman.

CHAIRWOMAN WEINSTEIN: Assemblyman Epstein, three minutes.

ASSEMBLYMAN EPSTEIN: Thank you, Chair.

And thank you, Commissioner, for all your work. And really I just want to applaud your efforts on the accessory dwelling unit language. I think it's an important step to deal with our affordable housing crisis.

And I know I only have three minutes, but if we could just quickly -- I'd love to talk maybe more offline about the 421-a substitute program you put in. I have some real reservations about it. I don't think it gets us along the affordability path, and it costs a lot of money. So I don't think it's -- while I understand this is a program that the Governor's proposed, I don't think it's actually a good substitute for 421-a.

I'm wondering if there's going to be an opportunity to have a back and forth, because I think we need a better plan, if we have any plan at all.

COMMISSIONER VISNAUSKAS: Sure, I'd be happy to continue talking about that.

ASSEMBLYMAN EPSTEIN: Great. And I

notice you didn't put Good Cause in the budget. And obviously Good Cause is an important policy position because it protects tenants. You know, obviously rent increases can continue to happen. I'm wondering is there any chance to talk more about Good Cause in the context of the budget, especially with a 30-day amendment?

COMMISSIONER VISNAUSKAS: I think we feel that we've put together a, you know, sort of robust series of tools to address evictions, to address increasing our preservation efforts to make sure we're investing in the housing stock, creating new housing stock. As I mentioned, the Eviction Prevention Legal assistance we think is a great tool for upstate. We still have the Tenants Safe Harbor in place for people who are impacted.

So I think we feel that we have a good set of policies here. But obviously we're always open to working with the Legislature.

ASSEMBLYMAN EPSTEIN: Well, great. I'm looking forward to those conversations as

well.

I appreciate you putting in electrification of the housing stock. I wondered, in that language, are you going to require mandatory charging infrastructure putting in place as well?

COMMISSIONER VISNAUSKAS: For cars?

ASSEMBLYMAN EPSTEIN: For cars. If -- yeah, where there's parking lots. We're going to need places for people to charge their vehicles, and I'm wondering if part of that requirement will be some mandatory electrification for charging stations.

COMMISSIONER VISNAUSKAS: Yeah, Assemblyman, we've started to see those in many of our upstate budgets where we have more parking. I don't think it's a requirement at the moment in our design guidelines, but we are working on a series of revisions based on the CLCPA recommendations, so happy to talk more about that.

ASSEMBLYMAN EPSTEIN: Good. I'd love to see you put those in if possible.

I know Assemblymember Cymbrowitz and

Senator Kavanagh talked about funding for NYCHA, and I know there's nothing in the budget. I would encourage you to go back to the Governor's office. We need money for NYCHA, whether we get money from Build Back Better -- which I hope we do, and I know we're all going to push for that.

We need to support our public housing, and as you know, this is something we're deeply committed to. I hope we can get a commitment at least from the Governor's office to do something for public housing this year that isn't just focusing on a Preservation Trust.

And then finally, in my last few minutes, you know, we have the condo/co-op tax abatement that's expiring this year. And so especially on the higher end, we're giving away a lot of money for higher-income people that we could use for other sources. And I'm wondering if there's been any conversations about kicking that back so at least the higher-end people who are getting $35,000, $40,000 a year in tax abatement, we can

recapture that money for public housing or other affordable housing programs.

COMMISSIONER VISNAUSKAS: I'm not sure that has come into our office as an ask, although it may be in a --

CHAIRWOMAN WEINSTEIN: We're going to --

COMMISSIONER VISNAUSKAS: But happy to talk about that.

ASSEMBLYMAN EPSTEIN: Okay, thank you. Thank you, Chair.

CHAIRWOMAN WEINSTEIN: We sent it back to the Senate.

CHAIRWOMAN KRUEGER: Thank you.

State Senator Leroy Comrie is next.

SENATOR COMRIE: Thank you, Madam Chair.

Good afternoon, Commissioner. I wanted to ask you about the DHR and whether or not their computer technology has been improved at all, because we are getting a lot of complaints about the inability of folks on all sides to get a real update on whether or not their complaints have been registered or

their complaints are being followed through on.

And could you give us a sense of where we are with upgrading the technology at DHR?

COMMISSIONER VISNAUSKAS: Yes. So we have this very large transformation project. We had previously been working with a vendor, that vendor is no longer working with us, and now we're working directly with ITS. ITS obviously has been -- during the course of the COVID pandemic had a lot of technology platforms that they've been rolling out for a variety of pandemic-related needs. But we continue to work with them.

I -- in the intervening year we have added parts of the system to come online around the Tenant Protection Unit and some legal tracking pieces of it, but we are not fully there yet on the whole. And we don't have an exact timeline today for you, but I'm happy to follow up on that.

SENATOR COMRIE: Thank you. Have you been able to fully expand the Tenant Protection Unit with the dollars that you

were given last year? Or are you still looking for --

CHAIRWOMAN WEINSTEIN: Senator Comrie, I think you're unmuted.

SENATOR COMRIE: I'm unmuted. Hello, can you hear me?

COMMISSIONER VISNAUSKAS: Yes.

CHAIRWOMAN WEINSTEIN: Oh, okay. No, sorry. Okay, it was hard to hear. Thank you.

SENATOR COMRIE: I'm sorry, I'll talk louder.

Have you been able to fully staff up the Tenant Protection Unit now with the dollars?

COMMISSIONER VISNAUSKAS: Yes, we have 25 staffers in that division. The head of the unit, Greg Fewer, actually just recently retired, and we are in the process of bringing on a new head for that. So -- but we are at full staff.

SENATOR COMRIE: Okay. Also I represent a lot of homeowners, and I'm going to actually follow Senator Helming in her

request that we do more for homeowners to make sure that they can get some relief, that we do some tax credits and some tax relief for homeowners.

And also that we consider doing a program for homeowners, small homeowners that can't get to court because they're trying to work four jobs to maintain their homes, especially since they haven't gotten any relief for arrears in two years.

And I would hope that the Governor's office seriously looks at some programs where we do more for homeowners in this budget, especially since we're doing so much more for non-homeowners in the budget, and so we need some equality. Thank you.

I'll end my time. Thank you, Madam Chair.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: We next go to Assemblywoman Hyndman, I believe.

ASSEMBLYWOMAN HYNDMAN: Thank you, Chair Weinstein.

I have a couple of questions regarding the amount of -- how long does it take to process the MCIs that your office receives? And the reason why I'm asking that is because there's a huge amount of tenants that live in the Zara buildings in Queens who have been complaining that every time they get an increase that it's because the owners are telling them it's an MCI. So that's my first question.

And is it self-reporting, and how do you investigate the validity of an MCI? And also when it comes to the accessory dwelling units, you know, in Southeast Queens we have a large homeownership of black homeowners. And this has been talk amongst the civic associations, is that while we want to make sure that everyone has housing, just like my colleagues maybe in Nassau and Suffolk and upstate, when you talk about in single-family neighborhoods, there is a lot of pushback on changing the quality of life and so forth. We have a lot of basement apartments, we want them to be legal apartments but what we don't

want to see is an influx of backyards becoming multifamily spaces.

And the same as it would be here, we'd be worried about people would move after a year once they realize they can get income for that.

So those are my two questions.

COMMISSIONER VISNAUSKAS: Okay. I think I'll take the MCI one first. We take the case processing of MCIs very seriously. It's not something we -- you know, we process it and review all the materials. Owners are required to submit receipts and documents, and so -- and there is a fair amount of back and forth. The tenants are noticed.

And so I would be happy to sort of follow up on the Zara buildings or any others on the MCIs there. But we certainly do, you know, process those and take that seriously.

On the accessory dwelling units, what we have aimed to do with the proposed legislation in New York City is to give New York City some tools to create a pathway of amnesty for owners so that they can bring

those illegal apartments into compliance and make sure that they are safe, without people being penalized for having them in the first place or for either owners or tenants being afraid to even acknowledge that they live there.

So what we tried to do there is really less about creating new accessory dwelling units and really trying to give the city some tools to take the ones that we know are there, but which are somewhat in the shadows by an actual sort of housing count for the city, and give them the ability to bring them into safety.

ASSEMBLYWOMAN HYNDMAN: So since I have 24 seconds left, with the amnesty for owners, is there any money provided with that?

COMMISSIONER VISNAUSKAS: So the city had had a program, I think maybe last year, that --

(Overtalk.)

ASSEMBLYWOMAN HYNDMAN: Yeah, mm-hmm.

COMMISSIONER VISNAUSKAS: -- and we

have put in the state budget, in HCR's capital budget, $85 million that could be for accessory dwelling units, you know, as we see sort of where the needs are for that. So we do have a funding source there.

ASSEMBLYWOMAN HYNDMAN: Okay. Thank you, Commissioner.

COMMISSIONER VISNAUSKAS: Yup.

CHAIRWOMAN KRUEGER: Thank you.

Senator Zellnor Myrie.

SENATOR MYRIE: Thank you, Chair Krueger.

And thank you, Commissioner. Thank you for working with our office on the Homeowner Assistance Fund. We've held a number of events, and the office has been very helpful to us, and we hope that we can continue that partnership.

I want to first associate myself with the comments made by my colleagues as relates to 421-a. You know, I am not fully convinced that the replacement proposed by the budget really extends true affordability, particularly for neighborhoods like the ones

that I represent. And so I would urge us to reconsider that.

And also urge our policymakers to consider that our property tax system in New York City is very jacked up -- I think that's the legal term -- and that makes it I think necessary for us to subsidize affordable housing the way that we do.

My one question is on the $50 million that is proposed by the Governor for affordable homeownership opportunities that prioritizes residential control. It doesn't specify what that looks like. A number of us have proposals -- I have a proposal, the Tenant Opportunity to Purchase Act, that is a specific type of residential control providing opportunities particularly for Black and brown folks in our communities that have not had a path to homeownership.

I'm wondering if this is what is envisioned in the budget. If not, is it CLTs, is it some mix of TOPA, CLTs? And if you could just talk to us more about that.

COMMISSIONER VISNAUSKAS: So what we

tried to do in the budget was sort of carve out a little bit of space and dollars to be able to fund sort of specifically kind of all the -- you know, whether it's a CLT model or a limited equity co-op model or something like that, to allow folks to bring us those projects and to sort of have a set-aside of dollars to look at governance, look at permanent affordability, be able to do some of those projects.

So I think it's, you know, a little bit of all of the above. We envision it as a new construction, as a new creation, a program. But I think we're going to be pretty open from a -- assuming it gets passed in the budget, be pretty open to what we get.

SENATOR MYRIE: Thank you very much. I cede the rest of my time.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: We go next to Assemblywoman Jackson.

ASSEMBLYWOMAN JACKSON: Thank you, Chair.

Thank you, Commissioner. I just have a few quick questions.

When it comes to Black homeownership and brown homeownership, we know that the numbers have been down historically and we would love to see -- I just wanted to know what support are we giving to people to own their home, finally.

When it comes to NYCHA, I have to listen to my residents. They do not trust the trust. So we need to know what kind of funding, if any, or what kind of help, assistance can we offer NYCHA at this point. Mitchell-Lama makes it easy for young people and people who are middle-to-lower income to own a home. And so I would love to know what if anything we are doing for our Mitchell-Lamas.

And if you have any idea on short-term rentals in the city so that people can find another way of creating income for themselves in the city.

So Black homeownership, NYCHA funding, Mitchell-Lamas, and short-term rentals.

COMMISSIONER VISNAUSKAS: Okay. I'll try my best here.

So on NYCHA, you know, I understood we -- there are -- you know, we believe that we want to give NYCHA as many tools as we can to be successful. And so we are just continuing to work with the city administration on the trust.

I think as it relates to short-term rentals and income for people -- and I don't know if this is what you mean, but I think we are hopeful that with the accessory dwelling legislation in the city that that will allow people to take units that are not legal and make them legal and make them safe for tenants who live there, because we do understand that obviously that provides income for the homeowners who have those accessory dwelling units, the basement apartments or the attic apartments.

And then I think on Black homeownership and Mitchell-Lama -- obviously we have a fixed amount of Mitchell-Lamas in the city right now, and we work very hard to

make sure that they can stay in the program, that they can stay in good repair.

I do think that what Senator Myrie was just asking, about this effort that we have around putting some funding aside for new models of homeownership like a Mitchell-Lama structure or a limited equity in a co-op structure, we're really excited to start doing more of those and really want to get at the supply side of this and make sure that there are houses for people to buy that are affordable.

And we have tried -- as I talked about a little bit before, we launched last year the Give Us Credit program, which looked at places where we saw Black homeowners getting rejected at double the rate of white homeowners, holding constant for income around the state. And we've gone into all those, about 33 places around the state, and we are making sure that people are aware of our SONYMA mortgage program, we are making sure that people understand what their opportunities are, they have financial

literacy, and really trying to -- you know, the Black homeownership rate in New York is no better than it is in the rest of the country, and it's not good.

And so we are hopeful that a series of tools both on the mortgage side as well as on the supply side will help make a dent in that.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to the Senate. Perfect timing.

CHAIRWOMAN KRUEGER: Thank you.

Senator Pete Harckham.

SENATOR HARCKHAM: Thank you very much, Madam Chair.

Commissioner, it is always great to see you. Thank you for your testimony. I want to thank you and the Governor for the $85 million in the capital plan to support accessory dwelling units. That's a big step forward for making them safe and bringing them out of the shadows.

I don't want to talk about ADUs, but I'm going to talk about ADUs for a second, in that there is a tremendous amount of

misinformation. Some of it's purposeful, and that's fine, it's an election year. But if people really want to know about the ADU bills, please, call my office, call me, call Assemblyman Epstein. We address many, many, many concerns of the municipalities in the A print. So please give us a call if you really want to have a fact-based conversation about ADUs.

What I want to talk to you about, Commissioner -- we had spoken about this briefly -- we need to find a way in our capital plan to do something around recovery housing. Part of our substance use disorder crisis is people come out of treatment and they have nowhere to go to in their early recovery. They're either going back to dangerous environments, they're going to shelters, or they're going to badly unregulated, unsafe environments.

So, you know, OASAS is not in the housing business, you're not in the recovery business, but we need to find a way to marry the two of you because we lose so many people

to relapse and overdose in those early phases of recovery because they don't have safe and stable housing.

So I just wanted to put that plug in your ear. I know we've briefly spoken about it. But if that's something you can put on your work list, I'd greatly appreciate it.

COMMISSIONER VISNAUSKAS: Yes, happy to. We understand it's a real issue around the state.

SENATOR HARCKHAM: All right, terrific. Thanks so much.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: We go to Assemblywoman Rosenthal.

Linda, are you here? She might have needed to step away.

So is Assemblywoman Seawright -- I see Rebecca. Why don't you go ahead, and we'll find Rosenthal.

ASSEMBLYWOMAN SEAWRIGHT: Okay, thank you, Chairwoman.

Thank you, Commissioner, for your

testimony.

I have Roosevelt Island in my district, and I'm starting to receive more and more letters from constituents in Westview. As you know, it went through a conversion from a modified Mitchell-Lama with an offering plan to purchase. And some of the tenants have expressed a desire to purchase and are being told due to succession rights they're not allowed to, even though their name is on the purchasing agreement.

So if we could have someone from your office work with the tenants to review these claims that I'm getting, that would be helpful.

COMMISSIONER VISNAUSKAS: Yes, happy to.

ASSEMBLYWOMAN SEAWRIGHT: And then also with -- it's been reported that landlords are asking for 50, 60, 70 percent increases post-pandemic and that people are moving out because they can't afford to rent.

How many New Yorkers are displaced each year due to rent hikes, would you say?

COMMISSIONER VISNAUSKAS: I don't know that there's a good data source for displacement, but certainly I'm happy to sort of talk more about that.

ASSEMBLYWOMAN SEAWRIGHT: Thank you.

COMMISSIONER VISNAUSKAS: And on Westview, happy to follow up. As you know, we spent many, many, many hours negotiating that to try to get a good outcome, so we're happy to follow up and make sure we get what we all fought for.

ASSEMBLYWOMAN SEAWRIGHT: Great. Appreciate your attention to it. Thank you.

COMMISSIONER VISNAUSKAS: Yeah, mm-hmm.

CHAIRWOMAN WEINSTEIN: Back to the Senate.

CHAIRWOMAN KRUEGER: Senator Hoylman.

SENATOR HOYLMAN: Hi. Thank you, Madam Chair. Good to see you, Commissioner.

Commissioner, just wanted to thank you for your -- thank you for the support of transit-oriented development and accessory dwelling units.

I note in the Governor's State of the State that there's a pilot program to create affordable homeownership projects that prioritize resident control and permanent affordability. She mentions it, you know, comparing it to Mitchell-Lama and limited equity co-ops, shared equity housing and community land trusts. It's all very exciting. Especially for my district, where we have development possibilities around Penn Station and the former Bayview Prison for Women.

Could you shed some more light on what that might look like in the final budget? I see it under the $5.2 billion proposal for creation of a five-year Housing Plan. Is that what the Governor referenced to -- in terms of a new Mitchell-Lama program?

COMMISSIONER VISNAUSKAS: So the -- we, as I said before, sort of tried to make some space and some -- both sort of in the verbiage, but also attaching money would be within our homeownership -- we have sort of a new funding line this year, or a funding line

that's much bigger than it had been previously, to provide for homeownership.

And so our thought is to keep it fairly flexible and to be able to go out with sort of a request for proposals that people could bring us, whether it's, you know, a CLT or a limited equity co-op or whatever the version of that that the affordable housing community brings sort of based on location.

So we're fairly flexible on that. I think we're looking for, you know, creative ideas and great projects that we can fund.

SENATOR HOYLMAN: And will that be through an RFP? And when is that likely to be issued?

COMMISSIONER VISNAUSKAS: Well, we need the budget to pass. So as soon as we do that, we would -- you know, as a series of -- I think as we roll out different programs after the budget passes, we would, you know, put this at the top of our list of things that we would try to get out in an RFP and give people a couple of months to pull some responses together, and then we would review

them and then award and sort of in a regular sort of RFP timing.

So we think it could happen fairly quickly.

SENATOR HOYLMAN: And is this a direct investment in housing or does it involve a tax credit model?

COMMISSIONER VISNAUSKAS: I mean I think we would be open to, you know, what people bring us. Most of our tax credit models are rooted in rentals, you know, whether it's 9 percent or 4 percent. So I think for our homeownership program we're probably going to be doing something that's not tax credits but that doesn't diminish its ability to get done in any way. I think we would look at the proposals that people bring us.

SENATOR HOYLMAN: Good. Thank you. I'm excited for the sites in my district. Thank you so much.

CHAIRWOMAN WEINSTEIN: Assemblywoman Rosenthal, we found you.

ASSEMBLYWOMAN ROSENTHAL: Yes. Thank

you. I was on two Zooms simultaneously. It's not a good strategy. Anyway, thank you.

Hello, Commissioner. How are you? I have some questions. The first question has to do with 421-a. What about if all the tax credit funding we will -- tax credit revenue we will lose over the years just be set aside, just let us give tax credits on the affordable. Or let us do the building, let us do the construction, and it will save billions of dollars that have been lost.

COMMISSIONER VISNAUSKAS: I would say a couple of things. Obviously market developers are going to build sites in the city.

We saw, in the last version of the program, that 60 to 70 percent of the buildings that were built through 421-a were less than 50 units and many of them were less than 30 units. So there's a lot of outer borough construction that happens by the market.

We think it's important that affordability get included in those

developments as they get built. In the absence of the tax exemption, those, you know, 8,000 or 10,000 units a year that get built would be 100 percent market rate and we wouldn't have any affordability. So the tax exemption --

ASSEMBLYWOMAN ROSENTHAL: Okay, but why -- why don't we directly finance construction of new affordable housing or HAVP or another Section 8-type voucher? And I also don't want to lose time, so that's one question.

My other important question is who oversees 421-a? There seems to be no enforcement. Landlords get away with not renting out units, still getting their tax credits. It's really -- HPD says HCR, HCR says HPD. There's no coordination, it seems, and we are losing out. Landlords harass people out, they don't rent out the units properly, and there's no supervision of 421-a as far as a lot of us can see.

My other question is, what happened to the TPU? Is that -- I haven't heard those

three letters in a long time. And are they -- how are they operating?

And I know someone asked you about Good Cause. It's been implemented in a handful of counties, and it does seem to be something that is protective of tenants while allowing landlords to increase the rent.

And I would love to see more advocacy coming out of your shop in terms of protecting tenants, because the Safe Harbor Act is not enough. And it won't be long-term.

So those are my three basic areas.

COMMISSIONER VISNAUSKAS: I would say, on Good Cause, we feel that we've put together a series of programs and policy tools in the budget to address evictions and to address affordable housing production.

I think on the -- having mentioned TPU, you probably were on your other Zoom. Senator Comrie asked me about the Tenant Protection Unit, which is fully staffed and has -- recently the head of the TPU retired, and we are just about to bring on a new

person. So they are alive and well.

ASSEMBLYWOMAN ROSENTHAL: Okay. Okay, good.

COMMISSIONER VISNAUSKAS: And I would say on 421-a, to your question about why can't we just subsidize all those units, I think the question is that -- or the issue would be that those buildings would get built, they would just get built as a 100 percent market-rate building and we would lose the opportunity to get affordability into neighborhoods around the city as it gets built.

ASSEMBLYWOMAN ROSENTHAL: No, no, not have them -- not have them build it.

CHAIRWOMAN WEINSTEIN: Thank you. Thank you --

ASSEMBLYWOMAN ROSENTHAL: Well, we can talk more offline. But also, who supervises 421-a?

CHAIRWOMAN WEINSTEIN: We're going to turn it back to the Senate now.

Senator Krueger.

CHAIRWOMAN KRUEGER: Yes, I'm afraid

Linda asked way too many questions to be fit into that.

Senator Boyle.

SENATOR BOYLE: Thank you, Madam Chair. Thank you, Commissioner.

Just two quick questions, one regarding the reduction in the registration of rental units, regulated rental units between 2020 and 2021. It basically went down from about 950,000 to 886,000. Do you know what accounted for that reduction?

COMMISSIONER VISNAUSKAS: I'm sorry, it's a little bit hard to hear you. Oh, there you go. Now I can see you too.

We -- no, I'm happy to sort of follow up with you. We can go through some of the data on the registrations. You know, we are very active with our registration initiative to make sure that we are looking at units that aren't getting registered year over year, and are pretty proactive there. So happy to follow up with you on that.

SENATOR BOYLE: Okay, wonderful.

And the only other thing is more of a

comment than a question. But accessory dwelling units, in my area, are going over like a lead balloon. I associate myself with Assemblyman Lawler's idea. If they're going to be a carrot program, fine. You know, but leave it up to the localities. My phone has literally been ringing off the hook. The localities are very concerned about losing their constitutionally guaranteed jurisdiction.

And not to say it's not a decent idea down the road, but we need to do it very carefully. And a one-size-fits-all statewide mandate would not be a good thing. But that's -- we can continue that discussion.

Thank you, Commissioner.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblyman Burdick.

ASSEMBLYMAN BURDICK: Thank you.

And first, Commissioner, thank you for the great work that you're doing and moving ahead with the five-year capital plan.

I'll get all of my questions out at once, and if you're unable to get to all of

the answers, perhaps if they could be provided later.

I commend you on pressing for the new five-year capital plan for 100,000 affordable housing units. Wondering whether higher goals and funding levels might be possible if Build Back Better comes through, perhaps the 30-day amendment.

Also delighted to see the 60 million for the small building program. Would like to get a sense of how many units that might create and how the funds would be distributed.

I also wanted to heartily agree with Senator Harckham regarding the need for housing for those recovering from addiction. And related to that, I'd like to ask about transitional housing, which we discussed at the committee's hearing last year on the five-year capital plan. And would you support a dedicated funding stream for transitional housing for those released from our correctional facilities, like the dedicated funding stream for supportive

housing?

Legal representation for eviction cases program, I'm cosponsor of the Assembly bill and delighted to see that being created. I understand from answers you gave before that the funds will be distributed to legal services providers. Wondering if we could get a listing.

And finally, you mentioned people with special needs. May I assume that this includes people with disabilities?

COMMISSIONER VISNAUSKAS: That was a lot.

(Laughter.)

COMMISSIONER VISNAUSKAS: Yes, we -- what I heard last, maybe going in reverse order, yes, we do a lot of work with OPWDD, who serves a highly special-needs population, as well as some of the other state agencies, and continue really great partnerships with those agencies to integrate those populations into the housing we do.

Yes, on legal representation, I think -- happy to follow up with you on the

organizations.

On transitional housing, since this had come up before I think I would say this is probably really something for HCR and OTDA and the Office of Criminal Justice Services to work on together.

We, you know, primarily are creators of permanent housing, not regulators of permanent housing, and I think much of the transitional housing may be a little bit more in the purview of OTDA. But we can work on breaking down some sort of silos and I think work between HCR and OTDA and OC -- I forget their acronym -- on that issue. It's an important one, and we understand the -- we have tried to incorporate a lot of policy changes for people who have been involved in the criminal justice system into our programs, so we're certainly sensitive to that issue.

Thank you on small buildings. Happy to circle back with you on our production there.

And I can't remember what your Housing

Plan question was, because --

ASSEMBLYMAN BURDICK: The last one was if there's money from Build Back Better, would you do a 30-day amendment?

COMMISSIONER VISNAUSKAS: Oh, yes, sorry. Yes, certainly. We were really hopeful for that for a while, and it didn't happen. But the two changes, both the expansion of the 9 percent credit and the -- what's called the reduction of the 50 percent test, would be very big policy changes or tools for us to expand our production.

ASSEMBLYMAN BURDICK: Thank you so much.

CHAIRWOMAN WEINSTEIN: Thank you.

Back to the Senate.

CHAIRWOMAN KRUEGER: Thank you. I think it's down to me in the Senate.

Hi, Commissioner. Thank you for all your work and the work of your agency.

So many questions. Let's see. And I actually get 10 minutes, but hopefully won't use them all.

Going to supportive housing, which

many people brought up, I think there's been a frustration during the Cuomo administration that there were promises for more supportive than we actually saw ever getting built. Are we going to speed up the process by which money can go out the door to help these buildings get either retrofitted or built and open?

COMMISSIONER VISNAUSKAS: So we committed during the first five years to 6,000 units. We've fully financed 6,000 units and a little more. Those were both ESSHI units as well as, you know, old, like, New York/New York III contracts and things rolling up.

So I think for us and OTDA, through their HHAP program, I think we would be happy to come back to you to say we feel like we've -- that the -- as part of the 20, we did the first six. We are now, in this Housing Plan, committed to 7,000 over the course of the five years and are adding to that, at the request of advocates, additionally 3,000 units of preservation,

because obviously we can't be losing existing supportive housing and just be building new. So we will be, at their request -- which we agree with the goal, obviously -- having a 10,000 unit total goal for this five-year Housing Plan of the combination of the new.

So we are, you know, sort of all-in on supportive housing and understand the great need there.

CHAIRWOMAN KRUEGER: Great. Because every community, you know, needs a special-needs -- mentally ill, substance abusing, people coming out of prison, everybody. So great.

I am not a fan of 421-a -- that's not news to you -- so I'm not a fan of this version either. But I just want to double-check. One of my concerns has -- you do address by bringing down the affordability definition of AMI to something closer to what people can actually pay.

My concern is that -- I think it was Linda Rosenthal's earlier point -- no one's really cross-checking, and everybody who's

like big in real estate is smart enough to game the system. So what I see in my district, and I think it's true on the West Side of Manhattan, you buy up a block but you don't buy it up as big developer ABC, you get front people to buy up each little building. Then suddenly one day it's a giant development announced for 421-a. And so then it's a 421-a building that has fewer, less-affordable units than the number of units that existed when you had half a dozen small buildings on that block.

And I talk about that as gaming the system because then they also claim that they're using mandatory affordable inclusionary zoning and they're double-gaming it that way.

So why should we keep spending taxpayer dollars and just keep getting gamed by people in real estate who are apparently smarter at this than we are? And can we protect ourselves? I don't see anything in the new program that would protect us from those two storylines.

COMMISSIONER VISNAUSKAS: I mean, I think in those cases you're getting overall more housing than you may have started with even if your affordability is going down, although I don't know the specifics of different -- of those different -- of sites.

I think we have tried here to -- and developers are going to build in the city, and we need more housing in the city, so we need people to be building. We are, you know, as I mentioned before, very behind on our production relative to our population growth and job growth.

So we think that the production of rental housing is important. As I said, we have reduced the AMIs, which we think is an improvement. We have made the affordability permanent so that it's not expiring at the end of 35 years or at the end of a regulatory agreement. We think that's important. We are -- we have added some additional reporting into the bill to get us some more transparency around the program.

So we think it's an important

production tool so that we don't have a city where only condos and market-rate rentals are built.

CHAIRWOMAN KRUEGER: So I like very much people using the term "Mitchell-Lama" as if it's a new program to be started again, because that would be nice.

But one of the things we learned about Mitchell-Lama, we can't let you out of it 25 years later. And we can't let the Mitchell-Lama cooperatives lose their affordability because people see it as voting themselves out and then getting a pile of gold at the end of the time frame that they've lived there.

So can you assure me that those two protections will be built into this program?

COMMISSIONER VISNAUSKAS: Into our pilot for -- yeah, I mean, we're -- for the pilot specifically, we're looking for, you know, innovative governance structure. So like, as we sort of said, around whether that's land trusts or around limited equity co-ops or things which would be sort of

aligned with the Mitchell-Lama.

And they are going to be permanently affordable, sort of is the way we've constructed that pilot. So I think that will solve some of those, you know, problems that are in all housing that has an exit time for its affordability.

CHAIRWOMAN KRUEGER: Okay. In the Governor's proposal for the transit-oriented building, how come she doesn't talk about any affordability requirements for that kind of housing?

COMMISSIONER VISNAUSKAS: So I think there we are trying to break down, you know, single-family zoning in areas that are transit-rich and where there's a lot of investment. So I don't think it precludes localities from including that themselves. It was really an effort to just get at the supply side of housing as a first step.

CHAIRWOMAN KRUEGER: Although if I listen to some of my suburban colleagues and their concerns about accessory housing, I think they would be better off supporting

transit-oriented development by their train stations where you're starting from scratch, so you're not violating anybody's believed control, and affordable housing near rail stations, so that you don't need cars to get into New York City for jobs, is a wonderful model.

So I would just encourage you to think about factoring in affordability there.

FAR 12. FAR 10 has created a monster in Manhattan -- East Side, West Side, bottom of Manhattan, everything south of 96th Street. We have super-talls that are 1100 feet competing with super-talls going up to them that are 1300 feet. The density situation is beyond comprehension. There is no place to walk on the sidewalks. There is no sun or light, there are no park spaces. Why the hell would we want to give anybody more FAR unless you say, You can't use it in the densely-overdeveloped areas of Manhattan?

COMMISSIONER VISNAUSKAS: So the proposal here is really to give the city control over that. As you know, the

restriction lives in the state MDL and the city can't change that. So -- and the -- you know, my understanding is the new administration is supportive of creative ways to get more housing built in the city to deal with the affordability crisis and the overcrowding crisis that we have.

So this doesn't change the zoning as much as it gives the city control over where it chooses to increase residential density across the city.

CHAIRWOMAN KRUEGER: So just for the record, I didn't trust the last administration on this issue, and I don't trust the new administration on this issue either. Everybody keeps seeming to say, Fine, we don't care if Manhattan Island becomes Dubai or Singapore. Those of us who live there do care whether it becomes Dubai or Singapore, and we don't want to be living in those cities.

So I'm going to continue to argue strenuously against just an open-ended FAR expansion.

Last point. So you answered a question before about the NYCHA Trust, about you're still looking at it. I understand that there are tenants who are worried. But I am far more worried that we're never going to see the money to rebuild NYCHA the way we need to. Build It Back Better is like all of our dream mantras -- but do we think there's going to be 40 billion for public housing for New York City? I'm too cynical and too old for that.

Can you help me understand what we have to make sure is in there for us to be comfortable as a state that we're not selling NYCHA down the river in some unexpected way if we support the trust? Because I actually think it is the right thing to do at this point in history.

COMMISSIONER VISNAUSKAS: I mean, it's complex to do in a minute and 21 seconds. But for sure, I think NYCHA has spent an enormous amount of time trying to build in protections for the underlying land, for control, for should anything go wrong and the

ability to cure. You know, in the case of RAD where the buildings were in fact transferred to a private entity, this gets rid of that. Right? The NYCHA trust is a public entity, and so it maintains public control.

So I think that NYCHA has tried to work very hard to get those assurances. Obviously they are complex and as you had -- in the legislative text, you know, you can see sort of the complexity there. But I do think it's something that needs to be on the table.

CHAIRWOMAN KRUEGER: Okay. Thank you very much.

Assemblywoman, thank you. And the Senate is done.

CHAIRWOMAN KRUEGER: We go to Assemblywoman Walker. Assemblywoman Walker, are you here?

ASSEMBLYWOMAN WALKER: Yup. Hi. Sorry about that. Okay. A lot happening at the same time, as we can all imagine.

So thank you so much for your

testimony. I just wanted to ask about -- with the supportive housing, we've been talking about transitional housing for reentry housing. I did see something in the budget, it was $2.5 million increase, but only for housing for 90 days.

We do have a pilot project that we're working on with -- in my district. Also in Syracuse there was a project. So I was just wondering what the budget's commitment was to reentry housing there.

With the Affordable Housing Corporation, we had an increase from $40,000 to $75,000, which was just signed into law by Governor Hochul, a subsidy for -- 40,000 to 75,000 that was subsidy for each unit.

I was wondering, did we put the money in the budget in order to support that increase from 40,000 to 75,000?

I do want to submit comments for -- that many of my colleagues have made about public housing. Of course I have 29 NYCHA developments in my district, so I would rather take the trust out of the budget,

because there are a lot of other issues that we should be dealing with in there that maybe we need to talk about on another level. So if we can pull that out and deal with that post-budget, I would appreciate it.

And -- I think that was it for me. So reentry housing, affordable housing program increase in the subsidy, public housing. And then also I will submit my comments to those who spoke about the problems with 421-a and if we can deal with those outside of the budget as well.

COMMISSIONER VISNAUSKAS: So on AHC, we do not do a budget increase to accommodate that, but can continue to work on that through the budget process.

I think on the NYCHA Trust, you know, I hear you, obviously it's a complicated proposal and not -- it doesn't have widespread support across the Legislature. It does obviously provide resources to NYCHA that they otherwise can't access, which we all know is important. But happy to continue talking about that.

On reentry, I'm not totally sure what the funding there was, although we do have funding -- we made two big policy changes which actually no one has asked so much about yet, so if I could take a second on that -- which was to require landlords that you can't just reject people for their criminal justice history or their credit history. Those are two things that largely impact people of color, they largely impact domestic violence survivors, and we want landlords to not be able to just bright-line reject people for those.

So we've put some funding in the budget to make sure that people are aware that landlords have to sort of consider them as a whole person and not just based on a student or medical debt or a criminal history that may have happened a very long time ago.

ASSEMBLYWOMAN WALKER: Awesome. I just would like for the state to be their landlord, and let's do some reentry housing.

And then of course we can discuss Ella McQueen, which was a former juvenile

detention facility, in terms of it being in your capital plan.

COMMISSIONER VISNAUSKAS: Okay. Yes, happy to work with that.

CHAIRWOMAN WEINSTEIN: To the Senate.

CHAIRWOMAN KRUEGER: We have Senator Kavanagh for his second round, three minutes.

SENATOR KAVANAGH: Okay. I would be willing to go after the remaining Assemblymembers.

CHAIRWOMAN KRUEGER: Oh, I did not see Senator Brisport. Pardon me, Senator Brisport. Excuse me.

SENATOR KAVANAGH: I'm happy to go after him too.

CHAIRWOMAN KRUEGER: Oh, thank you.

And Senator O'Mara. Everybody is jumping in. All right.

So let's call Senator Brisport, just because I saw him first, and then we'll go to Senator O'Mara next round. Thank you.

SENATOR BRISPORT: Thank you, Senator Krueger. And thank you, Commissioner, for taking part in this

marathon.

My first question is about NYCHA, just because I'm just noticing -- and it's been said before, there is a removal of $200 million in capital funding for NYCHA. There is also, in this proposal, $2.2 billion in tax credits for homeowners. And to me, this budget proposal reads as a shift in priorities and funding from public tenants to private homeowners.

So it's been said before, you know, many of my colleagues agree, we don't think Build Back Better is coming.

I'm curious, if the Senate Legislature includes state funding for NYCHA in our one-house budgets, will you or the Governor oppose that in three-way negotiations? Would you oppose state funding of NYCHA?

COMMISSIONER VISNAUSKAS: I can't speak for what the Governor will do. But as you all heard her say in her very first days in office, she is very focused on NYCHA.

I would just clarify that we didn't remove funding for NYCHA. That funding is

still there and available for them to use. This is funding for, you know, capital repairs that has been appropriated over different periods of time and is subject to NYCHA and DASNY sort of working out an MOU for how that money is spent, and largely it's on boilers and elevators and very much needed capital repair.

So that money is still there and available, it just wasn't -- wasn't -- there is not additional new funding this year. But certainly open to continuing that discussion.

SENATOR BRISPORT: Thank you.

And then my second question is about the new -- you know, the 421-a remix. Specifically, Option C, which is the homeownership option for the buyers who make up to 130 percent of AMI. I just want to note that the majority of people in New York City make less than 130 percent of AMI, and I was curious if there was thought given to what neighborhoods you think developers might target for this Option C.

And is there any fear that this

Option C would subsidize the construction and purchase of wealthy and expensive condos in poorer neighborhoods?

COMMISSIONER VISNAUSKAS: So I think the goal with this -- and it doesn't necessarily come through in the statute -- was really to drive at the production of affordable homeownership opportunities in the City of New York. There had been a homeownership program, but in the last edition of the program it was not means-tested. And this is really meant to get at 100 percent affordable buildings, regulated by regulatory agreements either with the State of New York or the City of New York, that are 100 percent affordable.

You know, a three-family household at 130 AMI makes maybe $140,000. Households at that income are largely, you know, shut out, for the most part, of market-rate homeownership. And I think the average sale of a Brooklyn home is $750,000; in Manhattan I think it was a million or maybe even more. And so housing opportunities at $400,000 or

$500,000 just really don't exist.

So this is really meant to be a city/state-financed, 100 percent affordable homeownership option, really to get at some of the racial wealth gap issues that we have in the city, and we have them in the state as well, and is driving at sort of a truly affordable housing option.

So it may not come across that way in the statute, but that is the intent. And the 130 is really sort of an up-to, and obviously it can provide housing for people less than that as well.

SENATOR BRISPORT: Thank you.

CHAIRWOMAN WEINSTEIN: We go to Assemblywoman Niou.

ASSEMBLYWOMAN NIOU: Hello, Commissioner. Thank you for joining us today. I just -- I had a couple of questions. I want to echo also my colleagues' sentiments on public housing. And, you know, we should be funding public housing more and not actually stopping the funding. And we should be actually adding

more to the pot, not taking the pot away. Right? So I think we have to make sure that we are continuing to fund public housing.

And I also agree with my other colleague, Latrice, who had talked about, you know, taking the trust out of the budget discussions, because I think it's really important that we actually do not end public housing as we know it.

So I also wanted to ask a question. You know, how many affordable housing units do you think we require to meet the needs of the state? And how close does the Governor's plan of creating only 100,000 units close that gap, I guess?

COMMISSIONER VISNAUSKAS: So there have been, you know, several studies that have been done that say that New York City and New York State need to -- have a housing gap of upwards of 500,000 units over the next five to 10 years. That is a doubling or tripling of the production of what New York State does in New York City, what New York City does in New York City, and what the

private market does in New York City.

So I think the need for housing generally is very great, and obviously the need for affordable housing goes hand in glove for that, and that's why we have a -- not only a $4 billion capital ask for the Housing Plan, but also a series of supply-side tools to get at -- we just need more housing in general.

ASSEMBLYWOMAN NIOU: Okay. So it's a pretty large difference: 500,000 and 100,000 are a really big difference.

But we also didn't see -- I wanted to ask about HONDA as a mechanism for that investment. There was no increase in funding about the initial $100 million invested in the last budget into the HONDA program, so I wanted to ask you about that.

And then I also wanted to see if you could answer whether -- so HSTPA actually passed in 2019, and DHCR has yet produce an audit report of 25 percent of MCI applications. When can we actually expect that report?

So those two questions.

COMMISSIONER VISNAUSKAS: I will check on the audit report. Governor Hochul is very committed to all of the agencies getting all of our reports out in a timely fashion, so I don't know about that one exactly, but I'm happy to circle back with you.

On HONDA, we -- until about a week ago, we hadn't gotten any applications for the funding program that we put to match with the HONDA legislation. Just about a week ago we had a nonprofit send us a proposal, which we're meeting with them on next week. But we didn't put any additional money in the program because we haven't gotten anyone asking for any money for it.

ASSEMBLYWOMAN NIOU: Okay. I will take that back to our {inaudible} -- people are saying that they are -- there's a huge need for it. And it's because there's no funding, so it's the cycle.

COMMISSIONER VISNAUSKAS: Yeah. We have a term sheet and a program that we put up. And people, you know, definitely can go

through you to get to me or they can call me directly. You know, we're happy to talk to people about projects that could use that funding.

ASSEMBLYWOMAN NIOU: Okay, thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate.

CHAIRWOMAN KRUEGER: Thank you.

Senator Tom O'Mara.

SENATOR O'MARA: Thank you, Senator Krueger.

Thank you, Commissioner, for the amount of time you're putting in with us here this evening.

A couple of quick questions, I hope. The Executive Budget has an appropriation for $77 million for the Office of Storm Recovery for areas of the state impacted by Hurricanes Irene, Lee and Sandy. Can you give a little detail on what that is for? And if you can then comment on why there isn't anything in there for the impacts to those upstate from Tropical Storm Fred this summer who FEMA has denied individual assistance to.

COMMISSIONER VISNAUSKAS: So as you may recall, the Governor's Office of Storm Recovery got about $4 billion for Irene, Sandy and Lee that was both for housing -- which was for the majority of the funding in the early part of the program; we don't see very much past those storms -- and then for a series of infrastructure and what are called community reconstruction projects.

Early on in the program there was more money shifted into housing that had been -- there had been commitments made around infrastructure and community reconstruction projects. So that $77 million is meant to fulfill the commitment from a couple of years ago, a sort of a fixed set of community reconstruction projects.

I would note also -- I'm sure your district may not have been impacted by Hurricane Ida, but we are expecting additional federal funds to come for that to the Governor's Office of Storm Recovery.

As it relates to Hurricane Fred, you know, the money that we usually get is

long-term reconstruction and recovery money, not sort of the FEMA dollars. So I'm not as familiar with that. But happy to follow up on it.

SENATOR O'MARA: Okay. Thanks.

In the time I have left, with New York's Green New Deal -- and we're in a year of review now on what actions the state is going to take through the Climate Action Council. What analysis has DHCR done in regards to converting its housing to electric? What's the feasibility of that, the cost of that, and who's going to pay it?

COMMISSIONER VISNAUSKAS: So there was a fair amount of work done in the CLCPA process. I chaired the Energy Efficiency and Housing Panel, and there was a series of consultants that looked at the housing stock, looked at costs for conversion, looked at technology available for conversion.

There's not necessarily in -- sort of the New York City-built environment for electrification of all big buildings; we're sort of not there yet. But what we have done

in the Housing Plan is include in our baseline programs funding so that our new construction can be electric so that our preservation projects can be, if not electric today, if they can be electric-ready so that as we transition off the grid, they are ready at that time, whether that's weatherization or whatever type of work that they need to do.

So we are very much trying to align our work with that, based on a lot of work that was done by a series of consultants that underpinned the CLCPA recommendations.

SENATOR O'MARA: What do you mean by "with regards to larger buildings, we're not really there yet"?

COMMISSIONER VISNAUSKAS: My understanding is that you can't electrify, for example, like a domestic hot water for a 40-story building yet, that the technology isn't there. So we are -- so I think the city itself also has put in Local Law 97 to get new construction to switch to electric, I think by 2027. So I think that's giving some

time for the technology to sort of catch up for some of the larger built environment.

But I think for the majority it's certainly the things that we finance at HCR that are commonly, you know, 15 stories or less, we feel confident that we can switch our new construction to electric in almost all of our projects across the state.

SENATOR O'MARA: For new, but not existing?

COMMISSIONER VISNAUSKAS: And for preservation I think it's a little more complicated, and not every building can sort of immediately get off of fossil fuel and electrify. Whether that means they have to do -- you know, they have to be well-sealed, so whether that's windows or weatherization, that we can't just sort of electrify without that work. So we're going to phase that in over the next couple of years.

But, you know, we're very focused on it.

CHAIRWOMAN KRUEGER: Thank you. I'm sorry, I have to cut you off, Tom. Thank

you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblyman Schmitt.

ASSEMBLYMAN SCHMITT: Thank you.

Commissioner, thanks for your time.

I was wondering, I was -- I saw that the Office of Rent Administration's overall budget has increased to I believe over 18 million this year. Is there a specific reason that's such a steep increase?

COMMISSIONER VISNAUSKAS: So the majority of that, about 15 million of it, is really a transfer from ITS into HCR's budget, for technology -- for our technology project.

ASSEMBLYMAN SCHMITT: Could you just explain that to me, what is the technology project specifically?

COMMISSIONER VISNAUSKAS: Oh, sure.

So our operating system is very old and we have been in a very protracted process where we are transitioning off of our old system into a new processing system, and so ITS is -- and we have previously been working

with a vendor who we're not anymore, we're now working directly with ITS.

So this is funding that would go towards the scoping and the build of that technology.

ASSEMBLYMAN SCHMITT: And so you expect it to be a one-off expense?

COMMISSIONER VISNAUSKAS: Yes. Yes. So this is meant to cover that expense. It's not a recurring expense.

ASSEMBLYMAN SCHMITT: And I hear from a lot of my small property owners, a lot of the folks in my district that might own a building, they might own a few units in the Hudson Valley and upstate. And most of what they're dealing with is, you know, nonpayment, nonpayment proceedings if it's reached that point.

And obviously we've seen some suggestions or some efforts have been made about how we can combat this additional request for federal funding, et cetera, et cetera. But what if that doesn't come through, what if some of the proposals just

don't work out? What is the last fallback for these taxpayers? Is there -- where can they look if everything else fails? They're very concerned. What is their final fallback?

COMMISSIONER VISNAUSKAS: I mean, as it relates to the rental assistance, you know, as you know, that's being run out of OTDA, so my information on that is a little bit limited.

I do understand, as you may have seen in the budget, that there is $2 billion that is being reserved to, you know, potentially go towards that rental assistance. And I think the Governor -- I've heard her say this, and I'm sure you have too, she is very sympathetic to small landlords and small business owners who are suffering a lot from this. I think there had been maybe some initial programs at ESD for landlords, and we had had some initially too, but I think at this time there is that.

The $2 billion is there sort of as a placeholder to address -- should their money

not come from the federal government for rental arrears.

ASSEMBLYMAN SCHMITT: Thank you.

Thank you, Chairs.

CHAIRWOMAN KRUEGER: Thank you. Let's see.

CHAIRWOMAN WEINSTEIN: To the Senate.

CHAIRWOMAN KRUEGER: Okay, we have Brian Kavanagh. But do you still want to wait for the last Assemblymember before you go, Brian?

SENATOR KAVANAGH: Yeah, I think people should have their first round first, so.

CHAIRWOMAN KRUEGER: Okay. Back to you, Assemblymember.

CHAIRWOMAN WEINSTEIN: Assemblywoman Bichotte Hermelyn, who will be followed by Assemblywoman Kelles, to be followed by Assemblyman Meeks.

ASSEMBLYWOMAN BICHOTTE HERMELYN: Thank you so much. Thank you, Commissioner, for being here and for your testimony.

I have a couple of -- well, three

questions. So I will state my questions first. My office has been working with a lot of constituents regarding the ERAP program, and some of the questions that arise was for the remaining funds, how are the remaining applications being selected? Is it on a first come, first served basis?

We have an issue with language access. We have a high need for Haitian Creole, Urdu and Spanish. And we also have a high need to get someone on the phone, who can be live, versus an automated customer service process. That's an issue, as well as the elders who are trying to apply, they don't have access to the online process. And so very similar to SCRIE, is there a way that there can be a paper process that we can help them?

So that's question number one around the ERAP, LRAP program.

Question number two is around the Tenant Protection Unit. I did see, under the state appropriations section, there was about 5.5 million allocated. Typically, over the course of the years, I think it was like

$10 million and up. I wanted to know why the decrease in the Tenant Protection Unit. And I agree with my colleagues, we're not talking much about it.

And the last question is around the 421-a replacement, which I still need to get my hands around. The Affordable Neighborhoods for New York tax incentive programs -- like my colleagues, I do have some concerns about how this program is being put together. But on top of everything that was said about it, there was still no talks about minority and women business enterprise participation and goals -- nothing. And again, that's a concern.

Thank you.

COMMISSIONER VISNAUSKAS: So I'll go in reverse order. Or, I'm sorry, I'll go in your order.

On ERAP, I don't have too much to offer on ERAP. The OTDA is taking the lead on that, which I'm sure you know, and they have a new commissioner who just started a couple of weeks ago. And I know he is very,

very focused on getting a lot of the issues and a lot of backlog addressed.

So, you know, I'm sure that's something that he can speak to more than I can.

On the Tenant Protection Unit, so we have been at 5.5 million for a couple of years. I think for maybe a while before that it had been coupled in with the overall ORA budget. But 5.5 for us is full funding for the 25 staff for TPU. So it isn't a reduction of where we've been since the unit really started.

And on 421-a, I think that's a fair question on MWBEs and something we'd be happy to talk more about with you.

ASSEMBLYWOMAN BICHOTTE HERMELYN: Thank you.

CHAIRWOMAN WEINSTEIN: We go to Assemblywoman Kelles.

ASSEMBLYWOMAN KELLES: Hi, and good afternoon, Commissioner.

I want to start by saying I deeply appreciate the strategies outlines and

appreciate the focus on building more affordable housing. That's so important. But I did want to add that I'm concerned by the lack of focus on keeping existing tenants in place and creating short-term stabilization so that as the programs you mentioned in the budget roll out, they reach the very people we're trying to reach. Sort of that triage.

And I think Good Cause really does create that. It still allows landlords to raise rents significantly and evict tenants if they break other stipulations of the lease. And I would also add that states like New Jersey have had this since 1974, and they've had a really positive experience. So it's not like there's not a precedent set.

I'd love to see it reconsidered for the 30 days. So I just wanted to make that note.

And I wanted to skip over and say thank you so much for including the ADUs. I think this is really important. And just to address some of the concerns that have been

raised by some of the questioners here, the language actually does include the precaution for safety issues, health/safety issues, that limitations can be created if septic capacity shows that, is one. And the other is that there are restrictions on requiring extra parking, so the consideration of like hugely increasing traffic.

So I wanted to thank you, and I really do think the details address that.

So I have just one question. The Governor mentioned 50 million for a Tenant Opportunity to Purchase Act sort of component. But from what I'm seeing, it looks more like a community land bank program that would still require financing through a private banking system and not necessarily enable existing tenants to purchase their homes through a government assistance program, which is more what we think of as TOPA.

So could you talk a little bit more about how you're hoping this will improve tenants' ability to stay in place and protect

them if they aren't able to access those private banking programs?

COMMISSIONER VISNAUSKAS: So the -- it's a little bit of a different strategy, I think. But happy to talk a little bit more about it with you.

But the $50 million that we are looking at within our homeownership program is really driving folks to bring us proposals for homeownership projects on community land trust-owned land and land bank-owned land, or -- and is structured as permanently affordable, more community control and sort of a change in governance, whether that's a limited equity co-op or some other type of structure that people want to propose to us.

So we're really trying to drive with that actually sort of new construction of sort of alternative models around permanent, you know, change in governance for homeownership. But I think happy to talk more about existing tenants and what opportunities there might be there.

ASSEMBLYWOMAN KELLES: Yeah, I think

these two pieces, I want to just, you know, really emphasize allowing for a more TOPA-focused, which would -- a grant program, a government program specifically, one. And then Good Cause. It would be great to see both of those. I really think it rounds out the package that you have.

So thank you so much.

COMMISSIONER VISNAUSKAS: Thanks.

CHAIRWOMAN WEINSTEIN: And Assemblyman Meeks. Desmond, you're on.

ASSEMBLYMAN MEEKS: You're going to have to stop giving me that S. It's Demond. Thank you, Chair. No S.

CHAIRWOMAN WEINSTEIN: I need new glasses.

(Laughter.)

CHAIRWOMAN WEINSTEIN: Start the time over again, please. I really do need new glasses.

ASSEMBLYMAN MEEKS: So thank you all. Thank you, Commissioner.

I have a question regarding HONDA. As it relates to the funding, it's my

understanding that it applies -- there's resources for New York City. Are there additional resources for upstate cities?

COMMISSIONER VISNAUSKAS: So the legislation that was -- the appropriation that was passed last year came with a series of sort of stipulations that was just for New York City, so we created a term sheet to be able to spend that money in New York City in accordance with the language in the appropriation, which was very specific about what it could be used for.

In terms of upstate and people being able to convert hotels or office buildings, you know, folks can come -- no one has come and asked us just generally for resources on that. I think if there are folks maybe in your district who have sites that they may be thinking of doing that with, I would just encourage them to come talk to us and let us figure out if we can find a way to do that.

ASSEMBLYMAN MEEKS: Okay. And also as it relates to some of the development that's taking place throughout the state, I know

we've had our share in Rochester from DASNY. Just wondering, are there things in place to assure -- or can we put something in place to assure that individuals from these zip codes in these particular communities have an opportunity to generate wealth from building the project, as opposed to, Hey, here's more low-income housing, you can live here, but you don't have an opportunity to generate wealth by building.

COMMISSIONER VISNAUSKAS: You mean by being part of the development team that does the projects?

ASSEMBLYMAN MEEKS: Absolutely, yes. Or -- or the opportunity to be a laborer, you know, for the development.

COMMISSIONER VISNAUSKAS: So we have a 30 percent requirement of our spend to go to MWBEs, and we take that very seriously. And we have year over year been very successful on the development side of getting that met.

We also work fairly closely, and will continue to, with our partners at ESD to make sure people can get access to the

certification program and so that people are aware of how to find MWBEs by trade.

So we're very focused on that and would be happy to talk more about ways to do it even more and be better about it.

ASSEMBLYMAN MEEKS: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

So I think we're -- the Assembly is finished, and we go back to the Senate for, I guess, Senator Kavanagh.

CHAIRWOMAN KRUEGER: Thank you. Thank you. For the closing round for Senator Brian Kavanagh.

SENATOR KAVANAGH: Thank you.

Just a couple of quick questions -- hopefully quick. You had this exchange with Assemblywoman Walker about the Affordable Housing Corporation. I think, you know, the Governor signed in December the bill that increased the per unit allocation for that. A lot of us expected that that would come with a comparable increase in the overall program.

Can you tell us -- you know, can you

get back to us about what it would take to have that increase not result in a diminishment of the units? How much money would we have to put in to keep that program at the same rate? That would be helpful.

COMMISSIONER VISNAUSKAS: Yup.

SENATOR KAVANAGH: Second, just -- you've had a couple of questions where you've had to say, Well, that's OTDA -- recognizing that a lot of the housing stock is across different agencies, and we will have a Social Services hearing on Wednesday.

But I think a lot of the concern stems from the fact that there are different agencies -- beyond ERAP there are different agencies involved in providing housing, both subsidies like the rental assistance subsidy, and then also permanent housing. There are actually some capital programs in OTDA's budget.

I think that -- just a general question. Is there any assessment that the state overall can offer as -- to the extent this budget overall is providing substantial

spending on housing, how big a dent does it make in our critical needs, given the fact that we have 90-some-odd-thousand homeless people at any given moment, and the fact that we have, you know, very serious underfunding and undermaintenance of the housing we have?

COMMISSIONER VISNAUSKAS: I mean, I think there's -- someone else said this, I don't know who it was, that you can't really like build your way out of, you know, a lot of these issues.

But I think what we're trying to do here is really create -- and I think that's true for the state housing agency and for the New York City housing agency, I think we feel like we keep building -- you know, we've had decades of Housing Plan investment and there's still an affordability crisis and we really need additional tools, which is sort of what we've tried to put together here, whether it's hotel and commercial conversions or -- I know these are not all popular, but either TOD or ADU or 12 FAR. And 421-a really is trying to put together a really big

strategy to say we really need production of housing at a really big scale, we need to be bigger than we are now. Doing, you know, 20,000 units or so a year in New York City is not going to cut it if we want to maintain population growth and job growth.

And frankly it limits our economics and our ability to grow regionally. It creates, you know, a shortage, it creates overcrowding, it creates racial segregation. Like there's just a lot embedded in our lack of sort of supply in housing. So --

SENATOR KAVANAGH: As our housing commissioner -- I'm sorry to interrupt -- I mean, the rental subsidies and eviction prevention subsidies are -- should be a significant tool, right, even though they're not necessarily in your bailiwick.

COMMISSIONER VISNAUSKAS: We need those things too. You know, we were hoping, should Build Back better have been passed, that we were going to get upwards of 20,000 more vouchers in the State of New York, which would have been amazing.

So, you know, I think we feel like there is no one single solution to this problem.

SENATOR KAVANAGH: To be continued. I am going to ask that we -- you know, as this budget process unfolds, that we try to have a conversation across agencies and across silos. And, you know, we're also having a separate hearing in two days, so it's not just the Executive. But I think we all need to get together and figure out what the overall impact of these programs is.

But thank you so much for your testimony today. And thank you, Chairs, for indulging me.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: So you're finished, Senator Krueger?

CHAIRWOMAN KRUEGER: We're finished, yes.

CHAIRWOMAN WEINSTEIN: So are we.

So RuthAnne, thank you for being here with us and spending so much time.

We're now, colleagues, going to move

to the public portion of this hearing. You'll notice that we have the witness list grouped in panels with individuals who are going to basically address similar issues in each panel.

Just a reminder, the witnesses have three minutes to present their testimony. When all the witnesses in the panel have finished, any members who wish to ask a question of the panel would have three minutes to ask one question.

And I would just encourage people to be mindful of the fact that we do have a lot of public witnesses. We've tried to have as many as possible. We know it's going to be a late night. We appreciate people staying with us. But I will in advance thank all of the people who are about to come before us to speak for all of the good work they do in the community. So there's -- and I'll say that on behalf of all of the members, so there's not a need for everybody individually to thank the people for the work they do in the neighborhood.

And that being said, we'll call Panel A. If I skip a name off the witness list, that means they've -- since the time the witness list was prepared, they have determined that they would just submit their testimony and don't wish to testify in person.

So we have the association for -- I think we have to let them into the hearing. Ashley has to let them into the hearing.

THE MODERATOR: I believe that all of Panel A that we have is in.

CHAIRWOMAN WEINSTEIN: I see them, they're on page 2 of the Zoom. Hi. Hi, all.

So we have, from the Association for Neighborhood and Housing Development, Barika Williams, executive director; from the Community Preservation Corporation, Erin Burns-Maine, chief of staff; from the New York Housing Conference, Rachel Fee, executive director; and from Habitat for Humanity of New York State, Mary Robinson, chief executive officer.

If you can go in that order, and be

mindful of the three-minute time clock. We have distributed your testimony to all of the members of the committees who are participating today. So to the best you can, summarize your testimony, and I think we can have a meaningful dialogue going forward. So if we --

THE MODERATOR: We also -- I'm sorry to interrupt -- have Baaba Halm. I'm not sure -- she can tell us her organization that she's from. She was a last-minute addition to the witness list.

CHAIRWOMAN WEINSTEIN: Is that Enterprise?

MS. HALM: Yes.

CHAIRWOMAN WEINSTEIN: Okay, yes, there was a retyping of the -- you were left off initially when the witness list went out.

Okay. So if we can go in that order and start with Association for Neighborhood and Housing Development, please, three minutes.

MS. WILLIAMS: Hello, everybody, good evening. My name is Barika Williams. I'm

the executive director at the Association for Neighborhood and Housing Development, or ANHD.

I just want to do a quick thank you to all the chairs for the opportunity to testify and for everybody, all of you all, especially for sticking with all of us through this long evening to really testify on the housing-related proposals in the Governor's FY '22-'23 Executive Budget.

I'm not going to go through my full and very long testimony that covers a number of areas and different topics. I'm going to try to -- I couldn't catch all of the commissioner's testimony, but I'm going to try to hit certain parts that I think were either questioned or things that maybe you all raised that would I think need to be addressed.

So first off I want to thank the Senate and Assembly for your ongoing support of ANHD's Displacement Alert Project, DAP, which during COVID really helped communities and you all, elected officials and your

staff, monitor hotspots of where tenants were at the highest risk of eviction and really do outreach to New Yorkers to keep them in their homes.

Many community members and some of your staff really used this as walking sheets to try to address the threats that we were seeing on the ground. And because of your support and investment, we had the tools ready to go to do this analysis. And for the first time, advocates and government partners can now view eviction cases filed in their districts at an individual building level throughout New York City.

So this has become an incredibly powerful tool, and we hope that you will continue to support us with a budget allocation of $150,000 so that we can continue operating this, as we know we are going into a critical time when it comes to the threats of eviction and displacement.

I'm going to touch on TOPA and CLT, because that has come up a few times, and just to ask for clarification, maybe for you

all to try to get a little bit more clarity for us as well. ANHD supports the passage of the TOPA bill and for the community land trust acquisition fund legislation.

And it seems like from the commissioner's response, the proposed budget includes a $50 million pilot program that could be used across both of those, potentially. I think that sounds incredibly disappointing from our point of view. These are two different programs, both of which deserve funding and dedicated funding and support in order for them to move forward and actually have a real chance.

And then lastly I will quickly hit 421-a, which many folks highlighted. And we obviously want to see the end of 421-a, are not in support of the revised 421-a, the remake to 485-w in the Governor's proposal. There's a number of significant concerns and questions here, one of which fundamentally is, you know, how many affordable housing units, homelessness vouchers, et cetera, could we be using and creating with

$1.5 billion a year, which is what 421-a costs us.

We fundamentally feel like the current proposal keeps in place many of the flaws of the original 421-a program and that we should be using this for affordable housing dollars, not to subsidize market-rate rents.

CHAIRWOMAN WEINSTEIN: Thank you. We move on to Community Preservation Corporation.

MS. BURNS-MAINE: Hi, good evening. Thank you, Senator Krueger, Assemblymember Weinstein, Housing Chairs Cymbrowitz and Kavanagh, and other distinguished members of the New York State Legislature for the opportunity to speak today.

My name is Erin Burns-Maine. I'm chief of staff and vice president of policy for the Community Preservation Corporation.

There is a housing crisis. Our testimony submitted includes some of the data, and we heard much of it already today. The core of the solution to this housing crisis is simple: Build and preserve as much

quality affordable housing as possible. The Governor's budget takes important steps towards this goal, and CPC looks forward to continuing to work with the state to build and preserve New York's housing stock.

Small buildings -- and I'm going to talk a bit about small buildings today -- those with less than 50 units account for 70 percent of the affordable housing in New York State. They are a critical source of quality affordable housing stock and are a great resource for our neighborhoods. To date, CPC has invested $47 million through HCR's Small Buildings Participation Loan Program, creating 172 new affordable units. And we applaud the continued investment into this important program in the Executive Budget.

Small rental building owners have been disproportionately impacted by the pandemic. A recent survey of our building owners that we compared against a larger data set of larger buildings across the city showed that small buildings had higher rates of tenants

in significant arrears. And those tenants are actually less likely to have applied for rent relief through the ERAP program than those in large buildings.

The Landlord Rental Assistance Program, which was created by the state and funded for $100 million in FY '22, was much more accessible to small landlords and affordable housing providers, effectively preventing evictions and keeping landlords and tenants out of court. That initial pot of money was spent far too quickly. I think it was out for about six weeks, which is indicative of the need. We would really like to see another allocation of funding into this pool to again keep tenants and building owners out of court. Those who are facing pandemic-related hardships we would like to see preventing evictions, prioritizing a streamlined accessible program like LRAP.

With the Affordable Neighborhoods for All New Yorkers legislation, the administration does recognize the critical role that small affordable rental buildings

play as a backbone in our communities, and the unique challenges that are faced in funding those developments. We're glad to see affordability requirements for buildings with 30 or fewer units that really balances the financing needs of small buildings with the goal of requiring deeper affordability to our households.

More broadly, we cannot address the affordable housing crisis without land use. The new Transit-Oriented Development Act is a step in the right direction.

And lastly, as we wrap up, any budget passed by the state cannot overlook the urgent needs of the New York City Housing Authority residents. We would urge the state both to consider a significant allocation of capital, $1.5 billion, as well as legislative solutions and fixes like the public trust or any other legislative solutions that NYCHA can meet. We believe NYCHA needs all the tools in the toolbox.

Thank you for your time.

CHAIRWOMAN WEINSTEIN: Thank you.

Now we move on to the New York Housing Conference.

MS. FEE: Good evening. My name is Rachel Fee. I'm executive director of the New York Housing Conference, an affordable housing policy and advocacy organization. Thank you for the opportunity to comment today.

We are encouraged by Governor Hochul's $4.5 billion Housing Plan, which aligns with many of the recommendations we issued in a December report in coalition with 16 partner organizations. But it does fall short of the 6 billion in new funding we seek, plus an additional 1.5 billion annually for NYCHA.

The Housing Plan represents only 7.5 percent of the total $92 billion in the state's capital budget for housing. That means it's less than transportation, higher education, economic development, parks and environmental capital. We believe that affordable housing must be a priority.

We are generally supportive of the proposed programming, but the next five-year

Housing Plan must come with improved transparency and require public reporting posted on the New York State Homes and Community Renewal website. We hope the enacted budget requires this basic reporting requirement.

We also recommend the following to be included in the enacted budget. A portion of the 2 billion in pandemic relief reserves should be used to supplement ERAP, and the Housing Access Voucher Program should be taken up as a long-term solution. We support the Governor's proposal for legal assistance across the state.

For public housing, we believe the city and state must partner on a long-term funding strategy to pay for NYCHA's $40 billion capital repairs, and the state should allocate a million of 1.5 billion this year, as I previously mentioned. We also hope to see an increase in public housing developments outside of New York City in the enacted budget.

Regarding fair housing, we support the

Eliminating Barriers to Accessing Housing in New York program, and we believe an additional 1 million is needed to fund fair housing programs.

Regarding senior housing, we recommend the creation of an independent senior affordable housing assistance program to offer a service coordinator model in congregate senior housing.

We recognize that with this funding increase across programs, HCR must be adequately staffed and funded.

We commend the Governor on her land use proposals and enthusiastically support the Transit-Oriented Development Act of 2022, the Creating Housing Opportunities Through Building Conversion Act, accessory dwelling unit legislation, the repeal of the 12 FAR cap in New York City.

And we also support recent legislation by Senator May -- that's S7635 -- which would enhance the state's ability to encourage affordable housing production with the creation of a housing appeals board.

Throughout the state, exclusionary zoning is a common barrier to the supply shortage we face.

We'd also like to see the state take advantage of its own assets and utilize state-owned land to create housing opportunities, and we believe that should be part of this conversation to add to New York's housing stock.

I look forward to any questions. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you. We move on to Habitat for Humanity of New York State, three minutes.

MS. ROBINSON: Good evening. On behalf of Habitat for Humanity's 40 affiliates throughout New York, thank you for the opportunity to speak today and share the need for greater investment in homeownership opportunities for low-income New Yorkers.

Habitat for Humanity affiliates work in urban and rural areas, upstate and downstate, building and rehabilitating homes

for low-income residents, ensuring homebuyers pay no more than 30 percent of their income for their homes. We build homes in part using volunteer labor and public donations, but with rising costs, these funds are not enough to meet the need. Each home represents long-term housing stability for a hardworking family. Homeownership is often left out in discussions of affordable housing, and we are grateful that the proposed budget includes such a significant investment in it.

The primary state-financed source that our affiliates in New York utilize is the Affordable Housing Corporation. Since its establishment in 1985, AHC's budget has only increased from $25 million to $26 million per year -- but construction costs have skyrocketed.

Last month Governor Hochul signed a bill that will increase AHC's maximum per-unit allocation. We are thankful for all your support in updating these funding levels, but without a corresponding increase

in allocations to the program, this bill will produce fewer subsidized homes for those in need. We are requesting an overall budget increase for the Affordable Housing Corporation from 26 million to 50 million.

And while AHC is the primary state-funding program we have used, we support adding additional programs for acquisition and construction to promote our work in affordable housing throughout the state.

Also we would like to see funding devoted towards lead and asbestos abatement. Our aging housing stock has presented an opportunity for us to rehabilitate vacant, abandoned homes. Unfortunately the remediation costs make many of the projects impossible for us to take on. Additional funding will help put more New Yorkers into safe, stable, affordable homes, and aid in increasing the property tax revenue for municipalities.

Finally, we support efforts to keep homes affordable and promote sustainable,

permanent, affordable homeownership opportunities. These include a community land trust tax relief bill that will provide fair and stable tax treatment for homes on CLTs, and an accessory homes enabling act that will provide the right for homeowners to build accessory dwelling units on their properties, including an exemption of new ADUs from the Multiple Dwelling Law. And the 400 million in additional capital base sources for ownership, but we'd love to see more details on how that will be allocated.

Thank you again for the opportunity to testify and for your consideration of Habitat for Humanity's positions.

CHAIRWOMAN WEINSTEIN: Enterprise Community Partners next.

MS. HALM: Thank you.

Good evening. My name is Baaba Halm, and I am the vice president and market leader for the New York office of Enterprise Community Partners. Thank you for the opportunity to testify today.

We also thank the Governor for

prioritizing housing in her capital budget.

Today we join our partners to ask that the Governor and Legislature work together to fully address New York's housing needs. New York State is in the midst of the worst homelessness crisis since the Great Depression. When the state's eviction moratorium expired on January 15th, New Yorkers faced over 180,000 nonpayment eviction cases across the state.

The Housing Access Voucher Program would provide a long-term rental voucher to families that are homeless or at risk of homelessness, and would be available to undocumented New Yorkers. It is critical that the state direct 1 billion for this program.

We also ask that short-term emergency solutions, like ERAP and LRAP, be funded to support households still recovering from the economic effects of COVID.

We applaud the state for passing a package of fair housing bills into law last year. We are further encouraged by the fair

housing components of the Governor's Executive Budget, including funding for fair housing testing.

Enterprise administers the Eliminating Barriers to Housing in New York program, in partnership with the State Attorney General, which enhances the work of fair housing organizations across the state. This work is critically important, but it will disappear without more funding. We call for the state to allocate 15 million, 3 million annually for the next five years, to continue this program.

We appreciate the Governor's proposal to prohibit landlords from automatically rejecting applicants with justice involvement. We suggest strengthening this language, including more strong, detailed enforcement mechanisms.

We were excited to see the Governor's proposed mechanisms to fight exclusionary zoning in our Housing Plan, and to see the legislation introduced by Senator May to streamline the approval of affordable housing

in communities with a dearth of it. We look forward to working with the state to further refine these initiatives.

And on rural housing, our position is that the state must also create funding streams to meet the needs of small rental housing in rural areas, vital sources of affordable housing. We appreciate the Governor's Housing Plan, which makes reference to preserving rural rental properties and making them more accessible. We look forward to seeing details on how this will be achieved.

And on NYCHA, we agree with the other advocates that it's important to acknowledge the significant omission of NYCHA in the five-year Housing Plan. Recent developments in Washington make it clear that we cannot wait for the federal government to intervene and support this critical affordable housing stock. We call on the state and the city to establish a long-term capital plan for public housing, with each providing at least 1.5 billion annually.

And as a member of the Coalition for Affordable Homes, we join the coalition in calling for increased funding for the Homeowner Protection Program, community land trust acquisition funding, the Affordable Housing Corporation, and a CLT taxation exemption.

Thank you for the opportunity to testify today. We look forward to our continued work together.

CHAIRWOMAN WEINSTEIN: Thank you. And if the panel can just wait to be able to answer questions.

Senator Krueger, I believe you have a Senator with a question.

CHAIRWOMAN KRUEGER: I do. I have Senator Robert Jackson.

SENATOR JACKSON: Panel members -- panel members, let me thank you for coming in and giving testimony. It's clearly important.

I know, but I'm asking the question, how many of you do not favor the Governor's 421-a changes that she laid out in her

budget? Can you just raise your hand, if you don't mind? And if you have no position, don't raise your hand. But -- okay, so -- mm-hmm.

And as far as NYCHA, I've heard you, Baaba, I guess all of you agree the Governor should have addressed NYCHA in the five-year Housing Plan, is that correct? Please raise your hand if you agree with what I just said. Okay.

Well, I want to say to all of you that when I look at the 31st Senatorial District that I represent, from Marble Hill, Inwood, West Harlem, going all the way down to Chelsea at 26th Street, a very gerrymandered district 13 miles long, I'm told that I have the most rent-regulated units in the entire state.

What about Good Cause Eviction? If you favor that, please raise your hand -- when I say "you," you or your organization -- if you do. Okay. All right.

Well, let me thank all of you for coming in. I appreciate your testimony. It

helps me to focus on the organizations that you represent and what your issues and concerns are. But I would think that all of you -- and I'm going to ask you by raising your hand -- want to make sure that the State of New York increases the amount of building affordable housing so everyone will have a home. If you agree with that, please raise your hand. Okay, I would assume that's what we want.

So thank you, Madam Chair, that's enough that I have. And I know that we're trying to move along, so just trying to be very straight to the point. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you. We're going to go to Assemblyman Cymbrowitz for a question.

ASSEMBLYMAN CYMBROWITZ: Thank you, Chair.

Good evening, everybody. I want to throw out one question to everyone. Based on working with not-for-profits for the last five -- let's just say the last five years, because of the capital plan that we had, how

easy or difficult was it to work with HCR?

And based on the next five-year plan, what changes would you want to see so that the money can get out easier to not-for-profits?

MS. HALM: I can start first.

HCR has been a great partner among our partner networks, and they have reported that, you know, that HCR is a good partner to work with. So that that -- it doesn't seem to be the agency that is necessarily behind issues and problems.

One of the issues that the nonprofits have reported to us is about the increasing insurance premiums and that it is difficult to do business in this state and that there are escalating costs, operating costs and insurance costs, and that that is a challenge that they certainly want HCR and other agencies to help partner to solve around.

MS. BURNS-MAINE: I think I would echo that from Baaba. As folks know, CBC is a partner to HCR. We've made incredible process both through the Legacy Cities

Program, the Participation Loan Program. We've been able to deploy capital quite quickly. We're always standing at the ready if there are things that folks want to figure out and troubleshoot in order to make them more efficient. But we've been really happy with the partnership of HCR and the leadership there.

I would also echo what you heard from Baaba, that I think some of the concerns that we're hearing from not-for-profit developers are the increased costs for capital construction, supply chain issues, insurance premiums. The costs go up, things are taking longer. And those are things I think are even more universal than just even in New York that folks are dealing with.

MS. ROBINSON: I won't repeat what has just been said, but I agree with everything they said.

I want to share our primary interaction with HCR is through the AHC program, and HCR has been an incredible partner to Habitat for Humanity.

We also utilize the SONYMA loan program, and they have a Habitat product that we utilize which has also been fantastic.

You know, our only hope is that we can get our applications reviewed faster. And I think -- I think that's an issue across state agencies, not unique to HCR. So we're really grateful for their partnership.

MS. WILLIAMS: I would likewise echo what others have said.

I think the one clarification I would make, Chair Cymbrowitz, which speaks to also a question that I think Assemblymember Bichotte asked earlier, is that not all of the five-year Housing Plan utilizes non-for-profit developers specifically. It's not clear what percentage goes to for-profit versus nonprofit developers, and that may vary also in different parts of the state.

And likewise, you know, some questions and concerns that I know many in downstate but also in parts of upstate have raised is what share of the projects are going to MWBE developers. And we often see this

specifically because we often have nonprofits being led by a person of color partnering with an MWBE as a joint venture, but that's not necessarily projects that always get prioritized or moved through the pipeline.

CHAIRWOMAN WEINSTEIN: Thank you.

We move on to the Senate.

CHAIRWOMAN KRUEGER: Sorry, I lost my mute button for a second.

Senator Brian Kavanagh, Housing chair.

SENATOR KAVANAGH: Thanks very much.

And I want to thank everyone on this panel for your testimony today, but also each of you have been very important resources as we've tried to grapple with the housing crisis in the last couple of years and, more broadly, housing policy over many years -- you know, from the fair housing stuff we did to all of our attempts to fund these programs adequately. So I appreciate everybody here.

Just -- several of you testified that we should do $1.5 billion additional, and I think that's an annual figure for public housing in New York for NYCHA. So just is

there -- the administration has said, well, you know, we're still hopeful we're going to see something from the federal government. Is it -- it's just effectively none of you are buying the notion that the state should wait and see, and that we should in this capital plan address that need in a serious way. Is that a fair summary?

MS. BURNS-MAINE: I can only speak for my position, but on behalf of CPC I think that is a concern, that if we were to have seen a significant infusion of capital, it would have happened under, you know, a Democratic White House with control of the House and Senate wanting to invest a significant amount of money into public infrastructure. And for a glimmering moment $80 billion for public housing capital nationally was included.

Unfortunately, it does not seem like -- I mean, the bill is stalled indefinitely. I have not heard much hopeful things about it.

I think my concern and our concern for

NYCHA residents is that they have been waiting already too long. We are all familiar with the conditions that are impacting NYCHA residents' health and safety on a day-to-day basis. And the fear is we cannot continue to wait. These programs take a long time even just to deploy the money to get things moving.

So it's our position that NYCHA should be given all the tools possible from the city and state. At this point it feels like as New Yorkers we need to start talking about how, not if, just given the way conditions have deteriorated. And I don't think that it is responsible for us to keep holding out hope for the money at the federal level.

MS. FEE: And to build on Erin's comments, so New York Housing Conference put out recommendations for the next five-year Housing Plan, and in coalition with 16 organizations we all agreed that absent federal funding, the city and state should work together, and we would like to see each level of government allocate $1.5 billion

annually.

And I would just say that that long-term strategy and agreement between city and state is equally as important as the funding this year. NYCHA shouldn't just be getting one-off funding, not knowing what to expect year after year. There is urgency and we know what their needs are and we really call on the Governor and the Legislature to work together with Mayor Adams to establish a long-term funding plan.

SENATOR KAVANAGH: I think as you know, I agree. We can talk about what the number is, but it is very important.

One quick question. Mary Robinson, you mentioned lead and asbestos abatement funding. Do you have a number on that? I think I didn't see one in the testimony. Is there a proposed amount for --

MS. ROBINSON: So we've looked into what costs we would have, and we have come up with 12 to 15 million.

I know there's been previous funds through the Attorney General's office and --

CHAIRWOMAN WEINSTEIN: We will have some people later on testifying about the lead issues who may have some more information for the members.

SENATOR KAVANAGH: Okay, good. So just, Mary, if you do have any follow-up, if you could let us know. But thank you.

MS. ROBINSON: Yeah, absolutely.

CHAIRWOMAN KRUEGER: Thank you. Assembly.

CHAIRWOMAN WEINSTEIN: We go to Assemblyman Epstein.

ASSEMBLYMAN EPSTEIN: Thank you, Chair. Thank you, panelists, for being here.

Just on -- since we were talking about NYCHA, just to stay on that topic for a second. So are you all supporting not just capital money but operating money for NYCHA from the state coffers? I know, Rachel, you just mentioned capital, right?

MS. FEE: So I -- I mean, I would really like to see what the city is asking for in terms of -- you know, I know that NYCHA is suffering a shortfall, and we'd like

to see some funds out of ERAP or whatever funding is available to make up their operating deficit due to tenant loss of income this year.

But, you know, I think it would be good for -- before, you know, we put together a position around operating funds to fully understand what they're looking for and also how that fits in with a long-term strategy to finance capital repairs. It should really go hand in hand.

ASSEMBLYMAN EPSTEIN: Thank you.

And then, Barika, can you mention Good Cause as a tool in the tool belt? You know, I just want to underscore how important it is. I think we're talking about, what, 4 million households across the state that this Good Cause would impact, is that right?

MS. WILLIAMS: I believe that's right. And I know a group of -- a panel will come later. But I also think it's important and somebody highlighted earlier this is something that has been in place since the '70s just across the river in New Jersey, is

in place in multiple other states and counties, and is an opportunity for us to stabilize and also to really address a key piece in what is a complicated and complex housing tool belt. But this piece is clearly needed in order to secure some necessary housing protections across the state.

ASSEMBLYMAN EPSTEIN: Finally, I only have a minute left, but there's two more topics I want to raise and people can answer them, just really on ADUs. You know, we saw a good plan from the Governor. You know, we have legislation in the Assembly and the Senate driven by the leadership of Senator Harckham. I'm wondering where -- I know I've seen most of you plan to support ADU. I'm wondering how you respond to some of the criticism we've heard tonight. And if people can be quick, because I do want to talk about 421-a too, if possible.

MS. FEE: I understand that localities want to maintain local control of zoning. But local control of zoning has also led to our current crisis in exclusionary zoning

across the state.

So, you know, I do think input from localities across the state is really important in crafting legislation, and their concerns are really important. But I do think we are falling behind other states in really unlocking housing opportunities by using state authority.

ASSEMBLYMAN EPSTEIN: I know I'm out of time so I can't really talk about 421-a, but I just really want to reemphasize the need for ending the -- not going forward with the Preservation Trust as well.

Thank you all, and thank you, Chairs. I'm sorry I couldn't get all the responses from everyone here.

CHAIRWOMAN WEINSTEIN: To the Senate.

Oh, you do not have anyone, right? So I think we will go to Assemblyman Burdick.

ASSEMBLYMAN BURDICK: Thank you, Chairs. And thank you, panelists, for your advocacy and your testimony.

Barika Williams, I want to thank you for pressing for passage of the Housing

Access Voucher Program, the codification of the five-year capital plans, and other of those proposals in there.

Erin Burns-Maine, we've worked together before, and I want to commend you for the work you do.

I'm wondering whether you have any programs for housing for returning citizens from our correctional facilities, and how can we partner with HCR on that, given that the commissioner has stated that permanent housing is really their mission, rather than transitional? However she did say, in response to my questions, that she would and was willing to circle back with me on that. And perhaps CPC and others can be involved.

MS. BURNS-MAINE: So I'd be happy to start. So thank you so much for that question.

We agree that housing is kind of the platform, the jumping-off place for everything else, especially for folks returning home from incarceration settings. While we would need to look specifically at

the program of what we have financed in our portfolio, which we would be happy to do, we stand at the ready to partner with the state, with others, on any sort of program that would help create housing opportunities for folks who need to get back on their feet.

ASSEMBLYMAN BURDICK: That's super. Thank you. Perhaps offline we can have further conversation.

A question for Rachel Fee. What did you have in mind when you stated that the state use of state-owned land should be considered to create housing opportunities? Do you have any specific agencies or properties? And how might we pursue that?

MS. FEE: So I think it would be great if we had a survey of state-owned land, you know, and maybe a review process where the state housing agency has some sort of role in identifying state-owned land that is suitable for housing, before any disposition happens.

And also an evaluation of those opportunities across the state. I think we saw with the Brooklyn initiative under the

last Housing Plan a really great use of underutilized state-owned land on a hospital site, and I think there are more opportunities like that across the state. And it would reduce costs for producing affordable housing if we can use public land.

ASSEMBLYMAN BURDICK: This too I'd be delighted to pursue this offline with you and to see whether there's something that can be developed with HCR.

MS. FEE: Great. Thank you.

ASSEMBLYMAN BURDICK: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

So this -- we thank all the panelists for being with us today, and thank you for your input and the work you do in the communities.

So next we're going to have Panel B: Neighbors Together, Fannie Lou Diane, leader; Red Hook West Tenant Association, Karen Blondel, president; VOCAL-NY, Kassi Keith, VOCAL-NY homeless union leader; CASA-Community Action for Safe Apartments,

Pablo Estupiñan, director.

You can go in that order.

MS. DIANE: Good evening. My name is Fannie Lou Diane, and I'm a member leader here at Neighbors Together in Brooklyn, and also a member of Housing Justice for All. I want to thank the Legislature for the opportunity to testify today.

I am testifying today to highlight the dire need for the New York State Assembly to address the housing and homelessness crisis by passing critical legislation that will move us out of the cycle of short-term responses and into long-term investments and safe, stable affordable housing for all New Yorkers.

It is interesting that many of the members who have spoken today have intersected my organization, have intersected at some point. But I would be remiss if I didn't mention the human aspect, which is why I'm here today.

I myself understand all too well the struggle that many low-income and homeless

New Yorkers are facing. In 2019, I was illegally evicted by my landlord who refused to remediate toxic black mold, several mice infestations, and three bedbug infestations. The constant exposure to toxins and rodents made me severely ill, and after fighting and beating cancer, my health remains severely impacted to this day.

There is a human element to these policies. People's lives hang in the balance. As you look at the real checks and balances, I urge you not to just think about the budget cost but the human cost. How will the policies that you vote on today impact the lives of people that you are called to serve? Will we end up as collateral damage in a flawed system?

The eviction moratorium ended on January 15 of this month, and now over 200,000 households face eviction. The state's failure to act represents a total abdication of responsibility to protect tenants and address the homelessness crisis. It is unacceptable, and COVID showed us how

many households were on the brink of homelessness.

And even with ERAP funding, many households will still be remaining in debt. So without better policies in place, severely rent-burdened households will continue to struggle and can easily end up cycling in and out of homelessness.

In this year's budget the state must move from emergency responses to COVID to investing in permanent, forward-looking protection for low-income households and homeless New Yorkers -- such as Good Cause Eviction and the Housing Access Voucher program.

If Good Cause Eviction were law when I was living in my old apartment, I would be able to fight against the dangerous living conditions in my building and have them remediated instead of being illegally evicted and homeless for the past two and a half years. I would have probably been on my path to pursue a Ph.D., I would have probably been on my path on my career, but here we are now.

I'm struggling to find a place to live and spend all my energy fighting to keep my head above water.

In order to rehouse people who are already homeless, and to address the problem from the other end, the state must pass the Housing Access Voucher Program. If the Housing Access Voucher Program were law when I was illegally evicted, I would have been given a voucher and I would have been able to find an apartment with fair market rent.

In order to address current housing disparities and create an equitable and just housing system statewide, any budget put forward in New York State must include the Good Cause Eviction, the Housing Access Voucher program, and additional money for the Housing Our Neighbors with Dignity Act, HONDA. That has to be statewide.

We are asking, for each program, for at least a billion dollars in funding to make sure that this runs smoothly and adequately for all New Yorkers. Governor Hochul's budget unfortunately rebrands an already

broken system. I and millions of other low-income New Yorkers need New York State to finally start investing in long-term solutions that provide equitable and just housing for all.

Housing should be a human right. Good, clean, safe, and affordable housing should just be the standard, and not the option.

Thank you again. My name is Fannie Lou Diane. And I've got more of these things I've talked about referenced in my testimony that was submitted. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you for being with us today.

Next, Karen Blondel, Red Hook West Tenant Association.

MS. BLONDEL: Good evening, New York State Senate and Assembly members. Greetings to the chairs, Chair Cymbrowitz, my Assemblymember, Marcela Mitaynes, and my State Senator, Jabari Brisport. I also want to thank Rachel Fee and others for supporting public housing.

I am the only public housing resident making a statement on this call. I live in Red Hook Housing, but I'm also a Harvard LOEB Fellow with the GSD. So I am doing this from Massachusetts at this time.

I want to acknowledge that I speak for myself as a resident but also for many other residents, as well as the authentic community organizers and organizations who are our allies in Red Hook and beyond. As the newly elected president of Red Hook West Resident Association and the cofounder of the Public Housing Civic Association, I'm here to speak about the ERAP, the Emergency Rental Assistance Program, that was not shared equitably with NYCHA residents.

The federal government approved this national pandemic relief fund and tasked New York State with equitably disbursing it to all in need. I even recall our current Governor of New York State, Governor Hochul, promising to fix nearly two decades of ongoing crisis in New York City public housing while being interviewed by the

Gothamist on August 27, 2021.

How could the legislation regarding who gets ERAP leave residents from NYCHA completely out? The way the resources and information was trickled down in fragments to my community is unacceptable. That's why we have Resident Council, CCOP, and other organizations.

And with that being said, the additional cost on public housing residents has been residual cost-burdened -- not just the rate, but the things that you have to also pay for like transportation. We had to pivot to buying things online, service fees for deliveries, all kinds of things like that.

I'm keenly aware, as the only public housing resident and newly elected president of Red Hook West, that speaking today does not cover all of the issues that me and some of my allies have. And for that, I apologize, because I would love to talk about capital and operational costs and who this DASNY organization is that I'm just hearing

about.

The difference between low-income housing and affordable housing in New York City is the dense concentration we have of low-income public housing in New York City. It may be different upstate, but in New York we have over 600,000 people living in public housing.

The actual cost burden has not been just about rent, but about residual cost burdens of living through a global pandemic. And for New York State to make decisions that leave the most vulnerable population out of emergency rental resources, information, and amenities in a time of crisis is shameful. It's shameful. It is unacceptable for New York State to once again leave NYCHA out of a critical resource.

And I heard the commissioner, who is not on here anymore -- because I have been on this call since 2:00, before it even started -- but I heard her try to give hope about the Build It Back {sic} program, about the infrastructure bill. We've been going

through this since the Compromise of 1877.

Enough is enough. We need NYCHA funding, and at a minimum we need to make sure that the State Senate and our Assembly use zeal, zeal in trying to make sure that public housing residents are not evicted after this moratorium stops.

CHAIRWOMAN WEINSTEIN: Thank you.

MS. BLONDEL: I will close by saying it is because of state legislation that public housing residents are being excluded from ERAP. We demand our state government to be accountable and creative in regards to making sure all residents of public housing are served in any investments or prioritizing in the state budget in public housing to fill the ERAP gap and address operational and capital needs.

The rest of this I have submitted --

CHAIRWOMAN WEINSTEIN: Thanks. Right. I was about to say, Ms. Blondel, that all the testimony -- both your testimony as well as there have been a number of people who have submitted testimony who did not wish --

MS. BLONDEL: But I shouldn't be rushed when I'm the only public housing resident.

CHAIRWOMAN WEINSTEIN: You're not being rushed. Everybody has the same amount of time. And a lot of us, myself included, represent --

MS. BLONDEL: Why, when I'm the only representative from my community on this call --

CHAIRWOMAN WEINSTEIN: -- public housing developments, and we work closely with our residents associations.

So next we go to VOCAL-NY.

MS. KEITH: Thank you. My name is Kassi Keith. I'm the leader with VOCAL-NY. Thank you for taking my testimony today.

I have been living in the DHS shelter system since February of 2019. I have been placed in the Kings Hotel since September of 2021. In those 35 months the city and state of New York have paid nearly $140,000 to keep me in a shelter that offers no service, no real service.

As of right now, there is no program in place that can help me get out of the shelter system because, despite being a resident of this city for over 36 years and having over 30 years of work experience, I'm still not able to become a citizen of this country.

It is baffling to me that shelters cost almost $4,000 a month, even though basic services are not being provided to clients. We have been served frozen dinners and canned food every day. We end up getting sicker because of the food. Myself and others are constantly going to the emergency room due to chest pains, elevated blood pressure, low or high blood sugar, because the food is not healthy and we cannot cook healthy meals for ourselves.

My current hotel room gets flooded every time we have a heavy rain -- four times since I have moved in. They won't fix the window, which allows the rain to come into my room. They won't change the carpet or deep-clean either. Therefore I'm forced to

live in a room filled with mold.

When donations come in, residents are the last to see them. Staff take whatever they want and leave us the rest.

I joined VOCAL-NY to fight for the Housing Access Voucher Program, which would be the only rental subsidy program available to folks in my situation. If funded at $1 billion, it would allow everyone in the shelter system to access a market-rate voucher and ultimately save the state money as people left the shelter.

With the Housing Voucher Program, I could get an apartment of my own where I could cook my own food, come and go as I please, and have guests whenever I wanted to. This means I could focus on getting my mental and physical health in order and get back to work.

Not only would the state save money on the monthly cost of shelter, but I could also participate fully in my community without being forced to transfer from one shelter or hotel to another. I could put down real

roots and contribute to the economy and civic life of this state in even greater ways, all for less than the cost of keeping me in temporary shelters.

If the state cannot get the Housing Access Voucher Program passed this year, it will force me to spend another year in a costly shelter that provides food that is harmful to my health and offers me no way out. I can't get into permanent shelter, into permanent housing. Shelter residents have suffered greatly over this pandemic, and we are out of patience. We must prioritize passing and funding HAVP. We must prioritize and dignify -- the dignity and the safety of people like me.

It's inhumane to keep people in the shelter system indefinitely with no way out. Passing the housing budget program is a moral issue. Lawmakers have the power to give us back our dignity, our lives, and restore our American dream to contribute to the growth of this unique and great country.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you, Ms. Keith.

So now we go to CASA.

MR. ESTUPIÑAN: Good evening, Assemblymembers and Senators, as well as the chairs. Thank you for the opportunity to testify tonight.

My name is Pablo Estupiñan. I'm the director of CASA in the Southwest Bronx. We're a grassroots, member-led tenant organization representing over 2,000 members. Our work is really organizing buildings, and we also work with local, city, and state campaigns, with members of the Right to Counsel NYC Coalition as well as Housing Justice for All.

So while we're here in support of and in solidarity with what folks have mentioned around the Housing Access Voucher Program and Good Cause, there's two things I wanted to testify in favor of today.

The first is the passing of statewide Right to Counsel legislation. Thank you to all our sponsors who are here tonight. We

already know that in New York City that Right to Counsel has been a game changer. In the last three years, over 80 percent of tenants represented don't get evicted, which proves our point around evictions aren't always about money -- they're about power.

At CASA we do believe that no one should ever be evicted. So some of you will see us launch an Eviction-Free Bronx campaign tomorrow morning, along with an Eviction Defense Network. We knew the day would come where there would be no moratorium and that we needed to support our neighbors to stop evictions and, as it's been well documented, the cycle of displacement and what happens when people are evicted.

I know this is a budget hearing, so what I wanted to testify in favor of is that we are, at Right to Counsel, working on a cost-estimate analysis. It should be out soon, in a couple of weeks in the coming months, and so our initial research shows that it would cost at least 500 million to implement Right to Counsel in the state. So

that's already including New York City, which is almost 200 million a year already, and that's already funded through HRA. So it would be an additional support for upstate tenants.

And while we applaud -- we acknowledge the increased $35 million in funding for legal service providers -- but we know that that doesn't go far enough. And we estimate that 45,000 to 50,000 people would be served annually through Right to Counsel.

The second thing I wanted to really make sure I testify about is ERAP. We need additional funding, so we are advocating for 2 billion. So a lot of our CASA members -- we are in the poorest urban congressional district. If our members can't afford to live where we organize, there's nowhere for them to go in the city, right?

And so I wanted to share with you all, we did outreach to over 75 buildings over the summer. We have helped hundreds of people apply. And still the reality of our members is we're not in a different place from what

we started in. Even those that got help didn't get the full amount. Those that did get some amount, that got it covered, are now in months of arrears. And there are many people who didn't know about it, which is why we spent our resources to go out there and and get the word out.

So I just wanted to highlight those two really in particular, that as y'all might know, one in four eviction cases filed in the pandemic are in the Bronx. So we really hope that folks in power really think about the Bronx. We're often ignored and not talked about, or ever get the resources we need.

Thank you. And that concludes my testimony.

CHAIRWOMAN WEINSTEIN: Thank you for being with us tonight.

We will go first to Assemblyman Epstein and then to the Senate.

ASSEMBLYMAN EPSTEIN: Thank you, Chair.

And I really want to thank the panelists, Fannie Lou Diane, Karen Blondel,

and Kassi Keith. Thank you for all your really -- your stories that are really impactful. I'm glad we're here to listen to them and to stand with you, because we have a housing crisis that we need to manage. So thank you.

I just want -- a couple things. One is just there's a couple of pieces we're trying to push forward here, as you know: Not extending the 421-a program, because it's giving away billions of dollars; getting accessory dwelling unit legislation to allow more affordable housing; really talking about HONDA and turning -- converting old hotels into real housing, to the additional protections for unstabilized tenants and Good Cause. The last one is really having a real commitment to funding public housing.

I wanted to make sure that we're all on the same page. These are priorities for all your organizations and things that you're talking about. Oh also, I forgot Chair Kavanagh-Cymbrowitz's bill, about a real rental assistance program in our state.

I want to know if people who are feeling -- if this is what this panel is really pushing for. I want to know if there's anything we're missing.

MS. BLONDEL: I'm pushing for funding for public housing. I've been tracking the infrastructure bill, the Build It Back bill. I worked with my congresswoman and (inaudible) from Red Hook, when it went from one bill to the other.

I am a Black woman living in public housing, and I'm also in Harvard, and I'm here to really figure out why do we keep being treated like second-class citizens here? Especially because New York City is a sanctuary city, I would think that at least they would think about the bare minimum of stabilizing public housing.

And I just want to say for the record, I know the difference between the blueprint and privatization. I actually teach it. And I'm in favor of the blueprint. Since everybody else came with their comment, as a public housing resident, I am in favor of the

blueprint.

ASSEMBLYMAN EPSTEIN: And thank you. And so would you be in favor of the blueprint versus federal and state funding? Would you -- I just -- there's concern around, you know, moving away from Section 9 to Section 8, and the protections that Section 9 provides.

MS. BLONDEL: Right. So with the blueprint, we stay Section 9? I would be okay -- yeah. The blueprint keeps things Section 9. Privatization turns things into Section 8.

I even have students who have done eviction maps that show that the increase in evictions in public housing is in the RAD conversions. Okay?

Now, I want to say just one more thing about Red Hook. We received half a billion dollars in Sandy recovery on the outside. We are like a Hudson Yard with all kinds of things going on right outside my front door throughout the whole campus, including the cutting down of 500 trees. We can't go from

that to privatization that will next wrap the building and the actual tenant up in the building to get the job done.

With the blueprint we are guaranteed, going line by line, where we have a lot of residents who are over 65, and they would be still housed on that campus. It just makes better sense that we can control whether or not the work is being done properly.

And we also need to maintain a bigger workforce. Meaning the City Council just testified less than six months ago that New York City Housing Authority is only spending 6 percent of its budget, while the average other agencies in New York City spend 60 percent. That calls for an increase -- all hands on deck, almost like a World War II movement where we get everybody up and working.

CHAIRWOMAN WEINSTEIN: Thank you.

MS. DIANE: And just to echo what Sister Karen said, she mentioned about RAD and how evictions are happening. We have to think about also those folks who are already

homeless, who were already dealing with this way before COVID.

And so we're not talking -- we need to be talking solutions since yesterday, okay? Because it's an important -- I mean, since the state failed to enact more protection for folks for the eviction moratorium, we now leave open at least a space for 1.6 million people to be evicted. That's horrible.

You know, so I totally agree with what Sister Karen said, I totally agree with what Brother Pablo said. You know, we are reacting and trying to respond to a need that should have been addressed a long time ago, years ago, that is really deeply racist, systematically gendered as well, and all these other different issues that we all know about. We could sit here and talk about this stuff for hours. We all know what we need to do.

We need to have right to counsel, which I didn't have when I was being evicted, which would have definitely helped me. Good Cause Eviction, it's going to be a good thing

for everyone, even including folks in NYCHA -- as someone who grew up in NYCHA. So, you know -- and banning winter evictions. People are being evicted now. It's egregious. It is traumatic. I can't express how horrible an eviction is and how long it takes to recuperate. Mine was in 2019. I'm still dealing with the ramifications of that.

CHAIRWOMAN WEINSTEIN: Thank you for your responses.

We now move on to the Senate. I believe Senator Kavanagh was first.

SENATOR KAVANAGH: Okay. Thanks. I will be quick.

Just to say, first of all, thank you to this panel. I'm really glad that you're prioritizing these things. We have been pushing hard for several of them for several years now. We originally introduced the Housing Access Voucher bill in February of 2020, about three weeks before we ever heard of COVID -- or at least I didn't think it was something here -- and the Senate last year in our one-house budget put $200 million into

getting that program started. So we are very committed to it, and many of us -- and I'm glad there's such active support.

I do want to acknowledge something that Karen Blondel said, which is that there are about half a million public housing residents in the state. It is very difficult to get all the perspectives and all the representatives into these hearings, and I -- you know, the chairs and the staff do work hard at that, but I think it is an unfortunate thing today that we have just one public housing resident testifying in all of these panels.

And we will, and certainly in my district -- you know, Senator Krueger has had a community-oriented town hall on the budget that we all do in Manhattan every year, and I think that we will make sure that we have other opportunities for public housing residents and others to express their point of view. But it's -- you know, it is something that -- and thank you for carrying the perspective of half a million people

today, because that's not something anybody should expect of you.

CHAIRWOMAN WEINSTEIN: Excuse me, Senator. It's just -- I don't know if we want to stop the clock, we'll just give him some extra time.

I just wanted to point out that we did not have other public housing residents or officers of public housing request to testify at this hearing, so we're actually very grateful that Ms. Blondel is here with us today. We wanted to make sure she had an opportunity to be here, and I would agree with you that we will be having other meetings, it's not just -- the budget is not the only place where we get to interact with housing advocates.

Can we add a couple minutes back to Senator Kavanagh's time, please? You can go on, and we'll --

SENATOR KAVANAGH: Thank you for that clarification. And I was not suggesting that there was any active effort to exclude. I think there were some tenant leaders who kind

of found out -- maybe missed deadlines to submit requests to testify and then found out at the last minute.

But I know there are many people out there that are watching and are concerned that the perspective of public housing residents are fully addressed in our budget negotiations.

But again, as I said, I wasn't suggesting that anybody -- in either house, the Legislature or anybody on the staff, was trying to prevent that perspective from being presented here. So I think I actually will -- I think I will actually stop there. The clock is out, and I know it's late. But thank you.

And just one to Pablo: No one forgets the Bronx as long as CASA is in the house. So we appreciate all of your advocacy and effort to us as chairs and certainly to my Bronx colleagues as well. Thank you.

CHAIRWOMAN WEINSTEIN: We now go to Assemblywoman Niou.

ASSEMBLYWOMAN NIOU: Hello. Thank you

so much for being patient tonight. It's already 7:00, but I just wanted to say thank you for waiting and testifying. It's been a long night.

President Blondel, have officials running the ERAP program been able to give you any estimates of when they will process NYCHA applications?

MS. BLONDEL: So no, they haven't. I'm also talking from a leadership and a person who lives in public housing who, during the pandemic, I had to pivot -- yes, I still had work and worked through the pandemic. I actually worked harder, because I gave out a million pounds of produce -- not only in Red Hook, but beyond, into Sunset, into Gowanus, and at times even into the Bronx.

ASSEMBLYWOMAN NIOU: Thank you for doing that.

MS. BLONDEL: But I also found out about ERAP two days before the deadline for my own -- personal. And at that point, public housing still wasn't aware, in numbers, of it. So I put my own application

in because I said I don't know how long this pandemic is going to last, I don't know how long I'm going to have a job, and I need to safeguard myself.

I got a letter about a week ago -- well, about a month ago, that said, hey, we're running out of funds, so you might not get this money. But it leaves public housing in limbo. And at the same time while I'm able to recover, my residents and other people in public housing have already been turned down by HRA because the ERAP doesn't really say you're not going to get it. It's almost like --

ASSEMBLYWOMAN NIOU: Have you had any success in getting in contact with them, or have they been unresponsive?

MS. BLONDEL: I would have to get back to you on that when I speak to our residents this week.

ASSEMBLYWOMAN NIOU: Okay. And right now, I've heard from a lot of my own residents and my own -- residents in NYCHA and, you know, right now a lot of folks are

very worried about evictions when it comes to folks in NYCHA. And do you think that a large number of folks would end up homeless if they're not able to get into this program?

MS. BLONDEL: I sure hope not. First of all, let's not forget that 6 million people migrated to New York City, and that was before urban renewal. A lot of those families, including myself, have been veal-penned in public housing for 30, 40 years. It's not that we don't want to go anyplace else, but we've been veal-penned there.

And let me explain to you. I'm quite happy to stay in that little place, especially because I'm going to be a senior soon, but not if it can't be stabilized. It needs to be stabilized.

I see the same pipes from 1939, rises, chase walls, all kind of plumbing and electrical wires. I paid a 30-year mortgage in my apartment in regards to my rent, yet I have no equity, and nobody took care of the building. That's not right. I should be

able to age in place in Red Hook, even if it's in public housing. So something has to be done.

ASSEMBLYWOMAN NIOU: Thank you.

MS. BLONDEL: You're welcome. Thank you.

CHAIRWOMAN KRUEGER: Yes, we have Senator Brisport. Is that all right, Helene?

CHAIRWOMAN WEINSTEIN: Yes. Sure.

CHAIRWOMAN KRUEGER: Thank you.

SENATOR BRISPORT: Thank you, Madam Chair.

Ms. Blondel, I really loved your testimony, and it is truly an honor and a pleasure to represent you in the State Senate. So I have a simple question for you, and also Ms. Fannie Lou, because I think I heard you say you grew up in public housing.

So I'm going to run some numbers real quick and then ask you just simple questions. So my office got a response from OTDA a few days ago saying that they had -- as of November 14th, when the portal was closed, they had received about 27,000 applications

from NYCHA, with estimated payments totalling about $102 million.

And I want to remind everyone watching, listening, that in the original ERAP program when we first made it, the State Legislature allocated around $100 million for private landlords who might be excluded from the program. And when we extended it, we added an additional $150 million, for a total of $250 million for private landlords.

So my question for Ms. Karen and Ms. Fannie Lou: How does it make you feel knowing that we were able to find money at first, and then again, for private landlords to the tune of $250 million and are still not allocating anything for NYCHA, which is pushed to the end of line, and now the program is out of money? Do you think that's fair?

MS. BLONDEL: That is absolutely not fair. Even when you had quoted that number versus how much money was given out, 102 million to stabilize 27,000 units or families in public housing -- when we know we

have over 600,000 to a million people living in public housing -- it's a small drop in the bucket.

I'm sure, because it's agency to agency, you guys can negotiate some type of payment in lieu of taxes that covers the rent of those 27,000 people. You know, that's number one.

How does it makes me feel? It makes me feel like I'm being treated like a second-class or third-class citizen in my own country, in the country that I love. In a country -- in a city, one of the very few cities that I would feel comfortable migrating to in 2022 as a Black American woman. Do you understand that?

So this is where my fight comes from. From living in Red Hook, from holding that small space -- I don't care if we only have 500 square feet of space, but we want to maintain that area because of all of the things that are going on, from global pandemics to all kinds of antiquated rules around zoning. Like we have to have a safe

place for our people, too.

So I will stop right there. Thank you.

MS. DIANE: I will get back on what Karen said. It makes me really angry, but it also makes me angry that there are 200,000 people who are experiencing homelessness right now. The fact that 90,000 single people are experiencing homelessness right now, right, and we're not even talking about that.

Yes, NYCHA needs to be funded. They need to fund NYCHA. But we also need to fund those people who are currently living in shelters right now or are too afraid to go to shelters because the shelter system is horrible. We haven't even talked about that.

And the fact that why can't people move into their homes in a timely manner? Like for myself, I've been waiting for months -- thank you to Assemblywoman Rosenthal for helping. But I'm still waiting to get into an apartment that I was accepted into since last November, which makes no

sense.

So this is an issue -- you know, we need to fund NYCHA, we need to fund programs to help those who are homeless -- houseless, I'd rather called them houseless -- and not look at it as a handout but a hand up. That's what we need.

CHAIRWOMAN WEINSTEIN: Thank you.

Senator Krueger?

CHAIRWOMAN KRUEGER: No, I think we're done in the Senate, thank you.

CHAIRWOMAN WEINSTEIN: So I want to thank this panel for being here and sharing your experiences with us and staying with us. We still have a number of people. Feel free to continue to send comments and further remarks on issues that may have come up during some of this discussion that you would like us to consider.

Now we're going to move on to Panel C: Center for New York City Neighborhoods, Christie Peale, CEO/executive director; the Legal Aid Society of Mid-New York, Jay Flemma; CAMBA Legal Services, Jeremy

Bunyaner, staff attorney; Right to Counsel Coalition, Malika Conner, director of organizing.

They can go in that order, starting with Center for New York City Neighborhoods.

MS. PEALE: Good evening. My name is Christie Peale, and I would like to thank Chair Krueger, Chair Weinstein, and the members and committee staff for holding today's hearing on the fiscal year '23 Executive Budget proposals regarding housing.

And I just want to start by acknowledging that the Governor's proposed budget really does commit a historic --

(Noises in background.)

MS. PEALE: I'm sorry for the honking.

-- amount of state funding to support home ownership opportunities for low- and moderate-income families statewide.

The center's mission is to promote and protect affordable home ownership in New York so that all families are able to live in strong and thriving communities. We meet the diverse needs of homeowners across the state

by offering free, high-quality housing services and direct financial assistance to families in need.

As I mentioned, this budget proposal is notable in its increased and dedicated support for home ownership. I'm really excited that there are initiatives in here that are going to help families stay in their homes, and also there are opportunities to create new home ownership units across the state. We need both, and in particular to address the racial home ownership and the racial wealth gap that exists in New York and across the country between Black and Latinx New Yorkers and the state's white residents.

Obviously this results from decades of, you know, racist and discriminatory practices in home lending, zoning, urban renewal, as mentioned by Ms. Blondel, home selling -- and we really need to both help folks keep their homes and also make sure they're actively creating more units. We're not just helping people compete for those units, but we need a much greater supply of

home ownership opportunities that are specifically targeted at low- and moderate-income families.

So I'm real excited to explore how the 400 million in capital can do that. There is -- as we've heard tonight, the demand for affordable homes exists in every city and town nnd municipality across the state. So we need both tailored solutions that meet the individual needs of each community and scalable solutions that allow us to really achieve solutions at scale.

So in addition to supporting the capital request in the budget, we think -- oh, my gosh, I'm almost out of time -- AHC money should be in there. I really also need to talk about the Homeowner Protection Program. We are hoping that the Senate and the Assembly will accept the Governor's 20 million allocation as well as increase it to 35 million for this year.

With the foreclosure moratorium expiring, we expect to see a huge number of families at risk of foreclosure this year and

next. So we're also planning a $40 million ask for next year. So there's just a huge demand for that.

And then the other issue I wanted to mention was the state's 50 million CLT allocation, which we're a strong supporter of, and the Tenant Opportunity to Purchase Act, Senate 3157. We're hoping that some of the funding in the 400 million capital pot would be available for this pilot.

CHAIRWOMAN WEINSTEIN: Thank you.

Legal Aid Society?

MR. FLEMMA: Good evening, everyone. I'm Jay Flemma. I'm the senior foreclosure defense attorney for Legal Aid Society in Mid-New York. I cover 13 of our 15 counties.

This is actually my third time getting to give testimony to all you good folks. In 2017, I rang the original alarm for the need for the money for funding foreclosure attorneys, and you responded admirably. Thank you.

Last year, I not only asked for the contribution again, but I also brought you up

to speed on what I was seeing on the ground and in particular how the pandemic both accelerated and aggravated the factors for a crisis and a potential collapse of the real estate system. Senator Kavanagh was kind enough to call attention to my testimony and to ask others to look more deeply into it.

I'm now reporting back to you on what I have seen over the course of the last year. I will stand on my written testimony with regards to the financial ask. But I would like you all to know that despite the moratorium and the pause in cases handled in court, my caseload did not change. I had as many cases come in as I closed.

On top of that, from September of last year until today, my caseload has doubled, and we are only two weeks into the end of moratorium.

The causes I see for this are the confusion with regards to homeowners on what rules apply to them and what waterfalls apply for them when they're going to be able to try to modify their loans coming out of COVID.

Tax forclosures also -- while they stopped them, there were still many questions, there were a lot of issues to ascertain.

But there are three other forces that are gravely pressuring the system. One is scammers. Every day I do battle with We Buy Ugly Houses, and in particular people who abuse it by using predatory tactics on vulnerable people like the sick, the elderly, and those in financial crisis.

I have to deal with rogue foreclosure mills, first deliberately overcharging costs that they know they can't defend, while at the same time bringing a cottage industry of cases that bring back formerly dead cases that were dismissed by statutes of limitations.

You'll be receiving some bills on that that would be very important to pass, and in particular, I want to thank the Empire Justice Center and Attorney Jay Inwald. They are polestars by which I set my sails. I encourage you also to be very careful in analyzing what they have to say, because it's

important.

Finally, Senator (sic) Lawler had brought up the important point that private ownership of residential property is the lifeblood of the American dream. Be aware that the globalist forces are trying to take that away from us. Pay very careful attention to what's coming out of Davos and the World Economic Forum. They want to see a massive transfer of residential personal property in America to corporations and the government.

Thank you for your time.

CHAIRWOMAN WEINSTEIN: Thank you.

Now for CAMBA.

MR. BUNYANER: Thank you, Chairs.

My name is Jeremy Bunyaner. I'm a staff attorney at CAMBA Legal Services. At CAMBA we serve tenants in Brooklyn and Staten Island who are behind on their rent or otherwise facing eviction.

As a member of the Right to Counsel Coalition, we are here to testify to the fact that Right to Counsel -- RTC -- works. Prior

to the adoption of the RTC program by New York City in 2017, our housing unit met with many more tenants then we had funding to serve. And even after triaging and using our limited financial resources efficiently, we would regularly have to turn people away.

With Right to Counsel, our housing unit has expanded dramatically. Our capacity to serve our communities is much closer to being commensurate with need.

Based on our experience with New York City's RTC program, it is our view that the proposed $35 million in increased funding for legal services providers throughout upstate New York does not go far enough to address the housing and eviction crisis facing tenants across New York State. Further, we strongly recommend that the statewide Right to Council bill, sponsored by Rachel May and Latoya Joyner, be passed so that these essential tenant rights are enshrined in law rather than implemented piecemeal through the graces of the Governor.

Our communities deserve more than just

funding, and that funding needs to be adequate. The Legislature has passed many laws over the years to help tenants, but without a true right to counsel, tenants often are not able to use those laws as they were intended. Every tenant facing eviction across New York State needs a lawyer -- and, in many cases, the support of a community organizer to fight their case. The current proposal will not come close to doing that.

Something that is little understood is that in nonpayment proceedings in New York, the primary remedy a landlord seeks is not evicting the tenant but rather being made financially whole. Eviction defense attorneys help ensure this happens when possible. That means that landlords benefit from Right to Counsel programs. An RTC program ensures that the legal process moves more smoothly to address the actual issues and provide remedies that are fair to all.

This is part of why the seven cities that now have a right to counsel have seen up to a 77 percent reduction in evictions.

Everyone has benefited. Even tenants with the most hopeless cases benefit from the assistance of counsel. Last summer I met with Ms. Walker. That's not her real name. She was facing a no-grounds holdover action seeking to evict her from an illegal unit. Her legal rights are limited. Prior to New York City's RTC program, we would have never taken her case. But I'm really glad we did.

What having the program meant to Ms. Walker was having someone able to explain the legal system to her, someone to help her understand which issues mattered in terms of her housing stability and which issues did not, and, most importantly, having someone knowledgeable who could negotiate with her landlord's attorney so that we could come to a settlement.

Having the program spared judicial resources. It gave Ms. Walker some control over her fate despite her terrible situation. This is the least that people deserve. Currently New York is failing to meet that

standard. Thirty-five million dollars is not enough to meet the needs of New Yorkers facing eviction. New York needs a Right to Counsel statewide law and funding of at least $500 million.

Thank you for the opportunity to testify.

CHAIRWOMAN WEINSTEIN: Thank you.

And following now, the Right to Counsel Coalition, Malika Conner, director of organizing.

MS. CONNER: Yes, thank you, and good evening. And thank you to the chairs for the opportunity to testify today.

My name is Malika Conner. I'm the director of organizing for the Right to Counsel Coalition, which won the campaign to establish a right to counsel for tenants facing eviction in New York City. And we're currently working in coalition to build a statewide movement for the right to counsel and transform the courts from the eviction machine that they have come to be to a place that holds landlords accountable, upholds

tenants' rights, and enables tenants to remain in their homes.

We and members of the Our Housing Courts Must Change campaign collectively represent tens of thousands of tenants across New York State. And we're honored to be working on permanent and transformative solutions to New York's eviction crisis. Our statewide Right to Counsel legislation, as my colleague Jeremy mentioned, that was introduced by Senator Rachel May and Assemblymember Latoya Joyner last year, would really ensure that every tenant in New York State has the right to a lawyer when facing eviction.

It would cover every tenant across the state regardless of income. It would cover any legal proceeding that could result in a tenant losing their home. It requires that tenants be represented throughout their entire case, not just when they show up in court, so they would get quality legal counsel, legal advice, and assistance.

And then it also requires the state to

work with nonprofit legal services organizations to provide the right to counsel and with community-based groups to provide tenants' rights education and tenant organizing.

While we are encouraged by Governor Hochul's recognition of the success of New York City's right to counsel law in the 2022 State of the State, and her proposed Eviction Prevention Legal Assistance Program to provide funding for free legal assistance to upstate renters facing eviction with incomes at or below 200 percent of the federal poverty line, it does not go far enough to protect tenants.

As Jeremy mentioned, it does not establish the right to counsel that tenants across the state need. Nor does it help downstate tenants in New York City and the surrounding areas of Long Island and Westchester that need it.

And the $35 million included in the Governor's Executive Budget simply doesn't meet the needs of tenants throughout upstate

New York as well, or the rest of the state that is still reeling from the economic and public health crises caused by the pandemic, let alone does it address the housing and eviction crisis that has devastated New York communities for decades.

So to be clear, right, every tenant facing eviction across New York State needs a lawyer and the support of a community organizer to fight their case. And the current proposal unfortunately does not come close to doing that.

So what we really need is a true right to counsel for tenants facing eviction. And what that means is the right to a lawyer and the amount of money to realistically pay for it. Right? So we're proposing that it would cost at least $500 million -- that's a conservative estimate. We're working on more official cost study. And, you know, it would also not necessarily need to be put toward the program right away, it could potentially be phased in over a series of years.

I think it's also important to note,

too, that between 70,000 and 85,000 tenants outside of New York City are expected to face eviction each year. And we estimate that between 45,000 and 50,000 will be served annually through an eviction right to counsel. So there is a tremendous opportunity to support and help tenants and fight evictions through a true right to counsel that is funded appropriately.

I know I'm out of time, so thank you for the opportunity to speak, and --

CHAIRWOMAN WEINSTEIN: Thank you.

We're going to go to questions. Before we go to the Senate, I know that the -- those in the legal service community know that beyond a specific right to counsel funding, that we do -- we do fund over -- through the court system, over $100 million from the Legislature to the court system for legal services. Many of those organizations serve -- do help with eviction services, as well as through the IOLA program. There's many legal service providers throughout the state that provide eviction services.

So the number may even be -- what's needed may even be lower than, you know, that sort of big number that may scare some people. So, you know, I appreciate your work to try and get a true number that will also take into account services that are already being provided so we can see what we would need to really expand and fully cover everybody.

Because we all agree, who have been fighting for civil legal service funding, that a lawyer makes a difference when you're in court. You get a much better result, and you get to stay in your house and your home.

So now we will go to Senator Krueger for the Senate.

CHAIRWOMAN KRUEGER: Thank you very much, Helene.

And thank you for raising that point. I was also going to raise that point and also highlight one of the things we learned from New York City: Right to Counsel is -- sometimes you actually don't have enough counsel. And so you have to go out and make

sure that you actually do have counsel who actually know about housing law. Because being a terrific lawyer does not mean you are terrific lawyer in every field of law, and housing law is particularly quirky, if that's the word to use, in New York.

But with that, I want to hand it to Senator Jackson, who did have his hand up.

SENATOR JACKSON: Thank you, Madam Chair.

And good afternoon, Panel C members. Thank you for staying in. Obviously, people that are representing tenants and homeowners in court will appreciate that.

I have a question put forward by one of our colleagues, Cordelle Cleare, who was just recently elected as a Senator to replace Brian Benjamin, the Lieutenant Governor. And she's not on the Housing Committee, so she can't ask the question. But she wanted to know, have you experienced during the pandemic where tenants who were living with, let's say, their parents and their parents died, as a result of COVID or whatever, and

landlords are fighting them for succession rights and they may not have all of the appropriate documentation, things like that?

So have you experienced an increase in trying to evict people that may be the sons or relatives of someone that passed away within the past two years? Somebody help me out and answer.

MR. BUNYANER: Well, I have not personally received any cases dealing with that exact situation. That is something that I have heard about, and it is something that I think we are going to see more and more because of the moratorium and the ways specifically to work cases through the legal system quicker.

Some cases that might plainly be a succession matter, really, where instead it's framed as nuisance holdovers or such other cases -- and I think in the months to come we are going to see a lot more of just more cases being brought of, you know, that are a little more truthful than what's actually the facts at hand.

SENATOR JACKSON: Anybody else can respond to that? If you don't mind. If you can.

MR. FLEMMA: In the foreclosure setting, Senator, I do see a lot of pushback from servicers where there is a question of Surrogate's Court involvement or administrators for executors. It gets very complicated, and there is lot more hoops to jump through.

And I am just as concerned also with the trend that I am seeing of foreclosure mills resurrecting long-dead, dismissed, statute of limitations cases frivolously. It is a cottage industry, and it is a serious pandemic right now. They are trying to confuse judges, and they are trying to steal back houses they lost long ago and oppose these homeowners three, four, five years along, suddenly. They thought they were done, they thought it was over, they thought they had a house free and clear, and now they have got to fend off this litigation.

SENATOR JACKSON: Okay. But for

renters in New York City, if you had two years you lived with your parents and you have the documentation, your driver's license and everything like that, and your name, and you can prove that you lived here -- neighbors know that you lived there, so forth and so on, that would seem like a cut-and-dried case. Why would they even try to do that? But you're right, they will try everything they can to knock you out of the box.

So I want to thank you. My time is up, and this is long hearing. I appreciate you being here, let me say that. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We will go to Assemblyman Epstein.

ASSEMBLYMAN EPSTEIN: Thank you, Chair. And I want to thank the panelists.

As a former civil legal services lawyer who practiced housing law for way longer than I want to say publically, I really appreciate you all being here. And I just wanted to kind of just for a moment just talk about the right to counsel for a second.

And what do you think that the investment would do to the housing stock and the eviction numbers? How would the right to counsel change the existing structure that we have? And that's really to any panelist. But you know, we only have three minutes, so we don't get a lot of responses.

MS. CONNER: Sure. I think first and foremost, you know, right to counsel -- at least in New York City and other places across the country -- has been proven to be one of the most effective ways to stop displacement. Right?

So in New York City in particular, 84 percent of tenants who have a Right to Counsel lawyer win their case and are able to stay in their homes. So I think that in and of itself, preventing displacement, preventing unreasonable or illegal rent hikes, things of that nature, would definitely contribute to, you know, helping to keep folks in their homes and preserve the existing stock.

ASSEMBLYMAN EPSTEIN: So, I mean, I

just want to build on that. It is not just that, right, because the cost of shelters are -- you know, we heard from the last panel -- $4,000 a month. And you know, $100,000 for her to live in a shelter and the right to counsel, like you are saying -- if we were successful eight out of 10 cases, we are just saving the government money on -- well, do we have good data that shows that investment in this will save us money in the long term?

MS. CONNER: Yes. So I have to say two things. One, we are working on a cost study to -- you know, as I mentioned, we have a preliminary number that I mentioned today. We will have a cost study that we can share publicly with folks in coming weeks. And, you know, we do know from the New York City study and from studies of Right to Counsel across the country that Right to Counsel does save significant public dollars in terms of emergency shelter costs, transitional housing, and rehousing.

ASSEMBLYMAN EPSTEIN: Malika, I know I

only have 30 seconds left, so I want to -- if you can just talk to the homeowner side. I know we need more money for ERAP as well, that's really clear. Just on the homeowner -- so we heard earlier from the commissioner, she talked about not all the money being spent for the homeowner assistance funds we've put together.

What else do we need to be doing for homeowners to ensure that there are enough resources to keep people in their homes as well as providing legal counsel to them?

Christie or Jay, maybe.

MS. PEALE: Yes. I was a little rushed, so I didn't mention that half of the groups in the Homeowner Protection Program across the state are housing counselors and they provide a lot of really essential, you know, budget advice, help with the Homeowner Assistance Fund application, modification help, and they work very closely with the legal services groups like CAMBA and Legal Aid Society of Mid-Hudson.

So I think that combination of housing

counseling and legal services is really -- it is pretty unique across the country. Actually, New York State's a model. And it has been really effective at not just helping with issues like scams but, as Jay mentioned, working on a lot of these really complex and persistent issues.

Especially, you know, we are really, as I mentioned, incredibly concerned about the number of homeowners who are going to start to get 90-day notices starting on April 15th. Right on Tax Day, the first 90-day notices will start to come out indicating that the foreclosure moratorium is over. So, you know, we are really worried about the stress and the trauma that's going to create for a huge number of families across the state. And the HOPP program is the first line of defense for homeowners across the income spectrum, right?

So a lot of our resources in New York City and across the state are income-restricted. HOPP will serve anybody who comes in the door. And we know that

COVID has rendered a lot of, you know, previously more moderate- or middle-income families in a much more precarious financial state.

So thanks for the question, Assemblymember. We really appreciate your support. We are very, very grateful for everything that the Assembly and the Senate have done in the past, and it is just incredible to be in the Executive Budget for the first time ever.

(Laughter.)

MS. PEALE: Thank you for all of the excitement.

CHAIRWOMAN WEINSTEIN: Thank you.

MS. PEALE: But I really am anxious to find ways to increase that support, because we think next year is going to be a bear of a year.

MR. FLEMMA: If I may quickly add, Assemblywoman Weinstein, we are grateful for the money. The other things that we need are please keep your eyes open for the consumer protection bills that are coming

down the line, the bills that are coming down regarding the statute of limitations, and especially keep your eyes peeled on what the World Economic Forum and Davos have planned for American residential private home ownership. It is chilling.

CHAIRWOMAN WEINSTEIN: Thank you, and I know post-budget we'll be -- we will continue to be in touch with many of the people in this panel to make sure that we properly fund legal services and protect homeowners and tenants alike.

I want to say thank you to this panel. We are going to move on to Panel D.

Senator Krueger, did you want to --

CHAIRWOMAN KRUEGER: I was thanking everyone. Thank you.

MS. PEALE: Thank you.

CHAIRWOMAN WEINSTEIN: So we are going to move on to Panel D: Rural Housing Coalition of New York, Michael Borges, executive director; New York State Rural Advocates, Blair Sebastian, director; East Harlem/El Barrio Community Land Trust, Athena

Bernkopf, project director; New Economy Project/New York City Community Land Initiative, Elise Goldin, campaign organizer; Neighborhood Preservation Coalition, Mark Streb, executive director; and Community Housing Improvement Program, Joseph Condon, general counsel.

Hopefully all of those people are here, and if we could just start going in the order that I introduced you.

Rural Housing Coalition of New York.

MR. BORGES: Thank you, Chairwoman Weinstein, and thank you for allowing me to speak to you tonight. I appreciate all of the committee members for sticking around this late.

Again, I am Mike Borges, executive director of the Rural Housing Coalition of New York. The coalition represents affordable housing and community development organizations that serve rural communities throughout the state.

The Rural Housing Coalition was pleased that the Executive Budget included

funding for a new five-year capital housing plan. The plan lacks certain details on how these funds could be utilized in rural communities, and we are disappointed that the current housing programs, particularly those that serve rural communities, were either flat-funded or omitted from the Executive Budget.

Many of the housing programs heavily utilized by the rural preservation companies, the local nonprofit entities that are the boots on the ground in rural communities which enable the state to deliver and implement its housing initiatives, are flat-funded again in the Executive Budget, programs like New York Main Street, Housing Trust Fund, HOPE/RESTORE, et cetera, et cetera. Without the rural preservation companies, there would be no one helping seniors with fixing leaking roofs, or installing a ramp for disabled veterans, or rehabbing and constructing new affordable housing in rural communities.

In addition, funding for the Rural

Housing and Neighborhood Coalitions were left out of the Executive Budget. I was encouraged by Senator Kavanagh's earlier questions to the commissioner and her response that this funding would be under review, and we are hopeful that the Legislature will increase funding for the preservation programs, since we are only asking for a modest $840,000 increase in the Rural Preservation Program in a year with the state anticipating at least a $6 billion surplus.

Funding for preservation programs has not increased in over a decade. Meanwhile, our labor and material costs have increased by 24 percent since 2011. We are also asking for a modest increase in the RESTORE/Access to Home program, which provides emergency home repairs to low-income seniors and accessibility modifications to the homes of disabled individuals. This program is currently funded at $1 million, and we are seeking again a very small $2 million increase to offset rising costs and materials

and labor, which I have just outlined.

To put this in perspective, according to the latest U.S. Census, there are approximately 1.2 million New Yorkers with an ambulatory disability, which is meaning they have a problem walking. In addition, current law limits administrative set-aside to 7.5 percent of the grant. We are seeking a modest increase to 10 percent to administer this very labor-intensive and time-consuming service.

The coalition also requests that small rental development initiatives, SRDIs, originally established and funded in 2017 with excess federal funds, be restarted again with state support to fill the need for affordable rental housing in rural communities. We are seeking $20 million for this program in order to encourage private-sector investment in the development of rural affordable rental housing that is sorely needed by the residents as well by economic development agencies seeking to attract new employers and their workers to

these communities.

Thank you very much for your time.

CHAIR WEINSTEIN: Next, New York State Rural Advocates.

MR. SEBASTIAN: Good evening, everyone, and thank you for the opportunity to present a brief overview of our housing budget here today.

New York State Rural Advocates has submitted detailed written testimony, so I would like to take the occasion just to touch on a couple of issues.

Recent U.S. Census data makes it clear that rural New York had a pretty tough decade between 2010 and 2020. The region lost population, we lost employers, and we lost housing stock. Our analysis of census data finds that 20 of our state's most rural communities -- counties -- lost a net total of 15,600 housing units during the period.

We think this all suggests a couple of fairly straightforward housing policy responses. First, we need to protect and preserve rural New York's most viable

remaining housing stock. Remembering that three-quarters of the housing units in rural New York are in the hands of owner-occupants, our preservation strategies must respond to the homeowner sector.

Our full testimony discusses two underfunded programs that address exactly this problem. The Affordable Housing Corporation, AHC, is one of New York's big three housing programs, along with the Housing Trust Fund and the Homeless Housing Assistance Program.

Rural preservation companies and other rural not-for-profits use AHC to undertake owner-occupied programs that provide both financial and technical assistance to remedy structural problems, to correct health and safety issues, and to enhance energy efficiency, thereby extending the useful life of these homes.

The emergency repair program for seniors known as HOPE/RESTORE also preserves the existing housing stock while protecting the health and well-being of low-income

seniors. A second policy response would have us undertake a new construction program to replace deteriorated housing units and to begin expanding the inventory of modest single homes available in rural markets.

Again, AHC program is the tool. Rural preservation companies, Habitat for Humanity chapters, and a host of other not-for-profits can use AHC to write down the costs of newly constructed single-family homes and to fund the acquisition and rehabilitation of existing homes to make them affordable to first-time homebuyers.

With the changes to AHC recently signed into law by the Governor, we expect the new construction side of the AHC program will have great potential for growth, but that won't happen without additional resources.

Governor Hochul has proposed a flat fund at near 1985 levels, AHC at near 1985 levels, and she has not included the program or anything similar in the proposed five-year capital plan. We urge you to

provide the AHC program with $50 million in the 2023 budget.

HOPE/RESTORE is also flat-funded at 1.4 million, and in order so that emergency senior repairs service can be made available statewide, we suggest that HOPE/RESTORE be funded at $3 million.

Affordable rural housing is complicated stuff. We urge you to read balance of our testimony, and thank you for the time tonight.

CHAIRWOMAN WEINSTEIN: We can go on next to East Harlem, Athena Bernkopf.

MS. BERNKOPF: Yes. Good evening, Senators and Assemblymembers and committee chairs. Thank you for opportunity to speak today.

I am Athena Bernkopf. I'm the project director of the East Harlem/El Barrio Community Land Trust. And I also represent East Harlem/El Barrio CLT on the coordinating committee of the New York City Community Land Initiative, which my colleague Elise will be speaking on more later today, or this

evening.

I am here to urge you all to prioritize Community Land Trust and other shared-equity models in the state's capital budget. The East Harlem/El Barrio CLT works to develop and preserve community-controlled, truly and permanently affordable housing and commercial green and cultural spaces in Harlem and El Barrio that provide -- that prioritize households with extremely low to low incomes.

And as a strategy to ensure permanent affordability, East Harlem/El Barrio CLT will own land and lease it to buildings on that land as well as develop a resident-controlled mutual housing association.

I went into this a little bit in the testimony, the written testimony that I provided, but I do want to reiterate that in November of 2020, East Harlem/El Barrio CLT closed on our first parcels of land. And with that came four formerly city-owned residential properties that -- many of which were in terrible condition, which we are

currently rehabilitating and, after rehab will be done, will create 38 residential units, all of which will be set at rents that are below market rate and protected for the long term through a 99-year ground lease between the mutual housing association and the community land trust.

We also have three community and commercial facilities that will be rented also at below market rate, and we are also supporting the all Black and brown working-class community members that are residents of the buildings now with training to prepare them to step into the boards of the mutual housing association and the community land trust.

So I say all that to say that community land trusts and mutual housing associations have incredible potential for creating and sustaining the affordable housing that we all know is desperately needed, as everyone has been saying tonight. And so it is with this impact in mind that we urge you all to pass, first, Tenant

Opportunity to Purchase legislation, knowing that it would give residents across the state an opportunity for resident control of their housing.

We also find it really hopeful that our state officials are looking seriously at resident-controlled housing structures with a five-year capital plan and a proposed pilot program. But we must be clear that the $50 million that is set aside or proposed are nowhere near enough. The expenses related to East Harlem/El Barrios projects just this past year alone account for at least a third of that amount, with just a single project which only creates 38 units -- which are essential to housing and community, but doesn't address the crisis that everybody has been talking about.

So we are also -- we're echoing calls that the amounts that have been set aside for acquisition and development costs be increased significantly to actually cover the real costs of developing and acquiring housing that can be resident-controlled.

And we also want to reiterate that it can't just focus on homeownership. The majority of New York City residents are renters, and so are significant proportions of New Yorkers across the state. And so we need to uplift rental properties and rental structures that are community-controlled and to support specifically the low-income community members that are most vulnerable to the housing crisis across the state and beyond.

So that's my testimony for tonight. Thank you all, and I am looking forward to working with you all over the coming year.

CHAIRWOMAN WEINSTEIN: Thank you.

Next we go to New Economy Project.

MS. GOLDIN: Hi. Good evening. Thanks for the opportunity to testify. My testimony is going to be very parallel to Athena Bernkopf's testimony, so I'm excited to stress all of the points that they just made.

So yes, my name is Elise Goldin. I'm the Community Land Trust campaign organizer

at New Economy Project. And just to give you some background, New Economy Project works to build an economy that works for all, rooted in racial and social justice, cooperation, neighborhood equity and ecological sustainability.

And the New Economy Project is one of the cofounders of the New York City Community Land Initiative, which is a coalition advocating for community land trusts, or CLTs, to preserve and create deeply affordable housing, combat displacement, and stabilize neighborhoods.

And as Athena said, again, what CLTs are, for those of you who are not as familiar, CLTs are nonprofits that own and steward land in the community's interest, and they often -- it separates the land and what's on top of the land. And the CLTs are able to lease that land for affordable housing development or other community needs through 99-year ground leases. And that could include creating HDFC co-ops, it could include homeownership opportunities or

whatever the community puts forth.

So in terms of our budget requests, New Economy Project and NYCCLI were really excited about the $50 million pilot program that is supporting community-controlled, permanently affordable housing. And we want to stress that this pilot program should be used not only to support homeownership opportunities, but also rental opportunities and other community-controlled housing structures.

We also want to request the creation of a CLT acquisition fund, starting with $50 million to support CLTs being able to acquire land and take it off the speculative market.

And finally, we want to really urge the passage of TOPA, Tenant Opportunity to Purchase Act, which would again allow tenants the first right of refusal, when their building goes up for sale, to either become the owners or to have some sort of control in the ownership structure of their building or appoint that to a third-party entity like a

CLT to preserve it as permanently affordable and for the residents.

And finally -- and I am running out of time -- I wanted to just say that we also support Good Cause Eviction and a state Right to Counsel as well.

CHAIRWOMAN WEINSTEIN: Thank you. And now we will move on to Neighborhood Preservation Coalition.

MR. STREB: Good evening. My name is Mark Streb, executive director of the Neighborhood Preservation Coalition. Thank you for the opportunity to speak.

The Neighborhood Preservation Coalition consists of more than 130 local, boots-on-the-ground not-for-profits who work every day to help make consistent, safe, and affordable housing a reality for low-to-moderate-income residents across the state. These groups are called Neighborhood Preservation Companies, or NPCs.

The Neighborhood Preservation Program was created by the forward-thinking Legislature to provide resources to these

NPCs. NPCs around the state provide a variety of services, including eviction protection, homelessness prevention, workforce training, youth and senior citizen programs, and much, much more.

The COVID pandemic has only exacerbated the incredible need for these services. These groups have stepped up to the plate and have done more than ever before. The Neighborhood Preservation Coalition was formed to provide technical assistance, training in relevant subjects, and to give NPCs a unified voice.

They actually named my budget testimony this year "Disappointment and Optimism." We feel disappointment because the Executive Budget proposal maintains a flat funding amount of 12.8 million for the Neighborhood Preservation Program. Funding for this program has remained flat for many years with, inflation and everyday costs of doing business increasing at an annual basis. Flat funding equates to a cut in funding. We request funding of 14.5 million for the

Neighborhood Preservation Program.

We feel disappointments because the Executive Budget proposal failed to include funding for the Neighborhood Preservation Coalition. Again, thanks to the support of the forward-thinking Legislature, we have traditionally been funded in the final budget. Unfortunately, our level of funding has been stagnant at 150,000 for two decades -- 20 years -- even though the services provided seem to grow.

We therefore respectfully request an increase of 250,000. This desperately needed funding will allow us to maintain and increase the resources we provide our 130 members across New York State.

We feel optimism because Governor Hochul's housing plan will create and preserve 100,000 affordable homes, including 10,000 homes with support services for vulnerable populations. We feel optimism because the Executive Budget also funds crucial preservation efforts with 450 million for multifamily preservation; 20 million for

the Homeowner Protection Program; 26 million for the Affordable Housing Corporation; and 400 million for affordable home capital.

In closing, we request that the Neighborhood Preservation Program be funded at 14.5 million and the Neighborhood Preservation Coalition at 250,000.

Thank you very much.

CHAIRWOMAN WEINSTEIN: Thank you.

And now, Community Housing Improvement Program.

MR. CONDON: Thank you, and thank you for the opportunity to testify tonight.

My name is Joseph Condon. I'm providing this testimony on behalf of the Community Housing Improvement Program. CHIP is an advocacy organization. Our members are mostly owners and operators of small and mid-sized rental buildings throughout the five boroughs.

Despite being owners and operators of rental housing, we consider ourselves to be true housing advocates, because we want a housing policy that works for everyone. We

advocate for policies that lead to a better marketplace of housing options for all. And we want real solutions for the tenants who can't afford to pay their rent, and that's the most pressing issue facing renters and housing providers today: The large amount of rental debt that has been accrued over the last few years, and the significant need for rent assistance to cover that debt.

Although ERAP has helped many, there are still about 135,000 applications that cannot be paid out because of the lack of funding. And based on the current average payout, an additional $1.7 billion would be necessary just to handle the current application load.

But what is not well known is that there are many renters out there with arrears who did not apply for ERAP. Based upon a survey of our membership, it seems that about half of all tenants in arrears have not applied for ERAP. Statewide, that would translate to about 200,000 renter households, and in New York City alone that equates to

about 132,000 renter households. To cover them, an additional 2.5 billion would be required, and that would resolve rental debt for this category of renters.

In total, about $4.2 billion is necessary to address all pre-2022 pandemic-related arrears. We believe this renouncing of tenant debt should be a priority for this body and for the state budget negotiations.

But that number is really just a current snapshot, because there is no time limit on when arrears can be accrued for the ERAP program. A tenant could lose their job, stop paying rent next month, and still be covered by ERAP. Even further, a tenant who received ERAP may still be facing job loss or income loss and be unable to pay rent moving forward.

Based on our surveys, repeat tenants like that make up a significant portion of all rental arrears in housing. So a separate program is really needed to assist renters facing financial hardship or limited income

to pay future rents. And while the price tag of pandemic-related assistance appears significant, the long-term benefits of providing that relief are even greater.

The reason we are so focused on addressing rental arrears and future rent burdens is because research shows that rent subsidies and cash assistance are the most effective policy responses to ameliorate high housing costs, low incomes, and income inequality.

There is a compelling body of evidence that increasingly shows that structural interventions, like access to long-term housing subsidies, improve future housing stability. And income support policies designed to reduce poverty also reduce the risk of homelessness.

And for those renters who are experiencing significant rent increases in rents due to neighborhood changes, rent assistance can prevent displacement there as well. Research also shows that vouchers help low-income households remain in neighborhoods

as they gentrify.

Thank you for the opportunity to testify and to all of the Assemblymembers and Senators who stayed on this late.

CHAIRWOMAN WEINSTEIN: Thank you.

And we are going to go first to Assemblywoman Hyndman.

ASSEMBLYWOMAN HYNDMAN: Thank you. Thank you for all of your testimony.

My questions are going to be just directed at Joseph Condon.

So your owners, the small owners, would you say the majority of them are people that own less than four units?

MR. CONDON: No. They would be people who own typically list than 30 units, I would say. Less than 50 units, somewhere in that range.

ASSEMBLYWOMAN HYNDMAN: Oh, okay. So one of the things that I have gotten a lot of reports on is that for some of these properties where there is a large amount of arrears in rent, that investors are buying some these properties. Have any your smaller

owners experienced this?

MR. CONDON: We have -- we have owners who experienced this, yes, almost on a daily basis. There are investment companies, brokers reaching out to them asking them if they are ready to sell. And I think you will see it a lot in the smaller buildings.

ASSEMBLYWOMAN HYNDMAN: The smaller buildings. What kind of outreach -- how does one find your organization? Because up until recently I had never heard about it. Because we have some -- quite a few buildings that are owned or have been in the family, like your testimony says, and now that they haven't been able to receive any rent -- and not because their tenants haven't applied. They have applied, like you said, and they have not been processed for ERAP. And a lot of them are still waiting, or what they received is far less than what they had hoped to receive.

So what kind of outreach do you do to get people involved in your organization?

MR. CONDON: We sort of just do

educational events, mostly, teaching people how to manage property and run properties efficiently.

I would be happy to have a follow-up conversation with you, Assemblymember, and reach out -- find out who those property owners are and reach out and, you know, provide some assistance.

ASSEMBLYWOMAN HYNDMAN: Do you see a lot more women buying properties now?

MR. CONDON: I can't say that I see a lot more women buying properties. I can say that just as far as our organization is concerned, we do have a lot of females who are involved in the management or the principal ownership of the properties. But I can't speak to who is coming into the market.

ASSEMBLYWOMAN HYNDMAN: And my last question is, for those tenants who could have applied but did not apply for ERAP, why do you think that is?

MR. CONDON: Either a lack of knowledge of the program or a lack of -- I think that's probably it. Lack of knowledge.

And, you know, there probably were some tenants who couldn't apply because of technological issues as well. You know, that's probably a small portion of the people who didn't apply. I would say that most of the larger portion is people who just didn't know about the program.

ASSEMBLYWOMAN HYNDMAN: Okay. Thank you very much. That's my time.

Thank you, Chair Weinstein.

CHAIRWOMAN WEINSTEIN: Senator Krueger?

CHAIRWOMAN KRUEGER: Thank you. I see Brian Kavanagh, our Housing chair.

SENATOR KAVANAGH: Thank you very much.

I will be brief, other than just to note, in response to the Neighborhood Preservation Coalition testimony for, you know, a lot going on today, but just to note that I asked specifically about one of the issues that he raised. I asked the commissioner why was there no money for the coalitions themselves, and the commissioner

said she believed there was. So we -- our analysis suggested that that was excluded too.

But we will be following up. And, you know, we'll also be talking about the increase that you're proposing here today.

And just -- I'm just going to make an observation. Which is CHIP, as was noted, is an organization of landlords, property owners. But just to say it is -- first of all, I appreciate your coming here and testifying today.

And it is also refreshing that we are hearing, you know, strong support for rental subsidy programs. That's actually been true throughout our negotiations around the Emergency Rental Assistance Program. And just to say the advocacy that needs to happen now going forward, around making sure that we get adequate funding from the federal and the state budget to cover those arrears -- you know, we heard very strong testimony from tenant organizations earlier to that effect. And we have the Housing Access Voucher

Program, which is meant to be a permanent program for that purpose. And again, that is a top priority of many of the tenant organizations.

So although I don't want to gloss over often major policy differences -- and I know they exist -- but just to say it is a good moment that we have landlords and tenants pushing for solutions that really will help.

I'm sorry, I'm just going to make that observation, but let me yield the rest of my time at this late hour back to my colleagues.

MR. CONDON: Thank you, Senator.

CHAIRWOMAN WEINSTEIN: Thank you.

So we go to Assemblyman Epstein.

ASSEMBLYMAN EPSTEIN: Thank you, Chair. And I want thank all the panelists.

I really -- I think the conversations around community land trust are something that is really -- we are far behind the eight ball, so I really would appreciate you all advancing these conversations.

I am wondering, besides money, are there structural changes that we and the

state need to do to allow CLTs to function on a higher level? Or what are things we need to do, you know, to do some things better? I know it is a big bill we are trying to push, but are there other things that you're seeing, financial or not, that we're missing out on?

MS. BERNKOPF: I can start us off with that.

I think one of the reasons why we need so much funding is specifically the acquisition process. Right? A lot of folks -- East Harlem/El Barrio actually looked at publicly owned land with the expectation that that might be easier to access and easier to transfer into collective community ownership. That being said, what it did leave us with was incredible development and rehabilitation expenses. Right?

And so I wonder what would be possible if we -- if community groups were given access to properties that weren't deteriorated or neglected or in terrible

condition, and were in solid condition and given a smoother pathway to transition from private, speculative ownership to community control.

And so I think TOPA is one, like, really clear pathway for that to be possible, but I don't think it's the only one. And at the city level we've also been working on a Public Land for Public Good campaign that's looking at prioritizing community land trusts in disbursement of city-owned land. And it creates another pathway for the transfer of land into community stewardship and ownership.

And I think that's a really concrete way to make things easier for a community land trust to expand and reach the scale that we're going for, right? Because individual properties here and there are not going to radically change the housing landscape and address the housing crisis that we're all trying to really work at the root causes of. We need something that will bring us to scale.

ASSEMBLYMAN EPSTEIN: Thank you.

And so, Joseph, if I could just -- sorry, Elise, I was going to -- if I can, to Joseph, just -- I heard you about, great, that we're all on the same page about rent arrears for residential tenants. And I just wanted to make sure where you are on the rent arrears for commercial tenants as well.

What are we hearing from small property owners? Are they seeing some of their commercial tenants really in crisis as well, and do we need to be doing something specifically to support that?

MR. CONDON: There is still a significant lack of commercial properties being able to either reoccupy those storefronts or make good on those arrears.

So, you know, for those properties where they do have those storefronts or restaurants or whatever the ground floor commercial space is, those typically make up a significant portion of the -- of the budget for that building. And yeah, I'd say there still is probably a significant concern

there.

ASSEMBLYMAN EPSTEIN: Yeah, happy to talk offline more about that as well, to both the CLT folks and to the CHIP about kind of how we can help the small property owners and the commercial tenants.

And thank you, Chair.

CHAIRWOMAN WEINSTEIN: I don't believe there's other Senators, so we're going to --

CHAIRWOMAN KRUEGER: No. We want to thank this panel very much.

CHAIRWOMAN WEINSTEIN: Oh, no, we do have some other Assemblymembers.

CHAIRWOMAN KRUEGER: Oh, excuse me.

CHAIRWOMAN WEINSTEIN: So we're going to have to go first to Assemblyman Burdick and then Assemblywoman Niou.

ASSEMBLYMAN BURDICK: Thank you.

And I appreciate all of the testimony provided and certainly support the advocacy for increasing funding for Neighborhood Preservation Programs and other community-based efforts.

There was some mention, if I heard it

correctly, that there could be more access to state-owned land. And this came up earlier in the hearing, and I'm wondering if anyone can expand on that. When I asked that question earlier, the reply was that whenever there is a disposition of any state land, before that's done, there should first be an evaluation of whether or not there may be opportunities for affordable housing.

And I'm just wondering if you could comment on that and how you think the Legislature could go forward in this budget to try to promote that.

I invite any of you who may be familiar with it. Elise, you're unmuting, so I assume that you --

MS. GOLDIN: Yeah. You know, I'm not familiar with the state process of getting -- kind of disposing of state land. You know, like Athena said, we are working in the city, in New York City, to try to adjust the city charter to say that when the city gets rid of publicly owned land that there should be a first -- like a prioritization process of

CLTs and then --

ASSEMBLYMAN BURDICK: Right. And could I ask any of the non-city people whether they might have any thoughts on this as well?

MR. STREB: In general, any opportunity to have land that the state owns that we could use for housing just drives down the costs of the housing structure.

ASSEMBLYMAN BURDICK: Right.

MR. STREB: So from that aspect, yes.

ASSEMBLYMAN BURDICK: Well, that's good. I think that offline I would like to work with the advocates for this.

Thanks very much.

MS. GOLDIN: Yes. I also will just say I know that there is a fight right now at 5 World Trade Center, that I believe is a state-controlled site, where there is a proposal for housing to be built. You know, a very small portion might be, you know, affordable in some sense. But there is a fight to put that in a community trust and have it be in the hands of people who are

going to make sure that it is 100 percent affordable for community members.

ASSEMBLYMAN BURDICK: Great. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblywoman Niou.

ASSEMBLYWOMAN NIOU: I am just really glad that Elise brought that up, because I am a huge supporter of trying to make the 5 World Trade Center affordable housing.

And I also wanted to mention -- you were talking about community land trusts being established citywide. Are there any land trusts currently serving tenants, or are they all still under development?

MS. BERNKOPF: I just want to clarify the question. Do you mean if there any community land trusts that currently have established housing that are renting and operating with residents in them?

ASSEMBLYWOMAN NIOU: Yes.

MS. BERNKOPF: Yes, there are. Definitely at the city level there is Cooper Square, that has been in operation

since at least the '90s and has achieved truly deep, affordable levels of the -- of course, when it started out, it was --

ASSEMBLYWOMAN NIOU: I love Cooper Square.

MS. BERNKOPF: Right.

ASSEMBLYWOMAN NIOU: Give them props, of course.

MS. BERNKOPF: At the state level there are community land trusts, but I'm less familiar with where they're at in terms of residents. I don't know if Elise or others here have information on that.

ASSEMBLYWOMAN NIOU: On the state end.

MS. BERNKOPF: Right.

ASSEMBLYWOMAN NIOU: She's having a hard think.

MS. GOLDIN: I am having a hard think, yeah.

ASSEMBLYWOMAN NIOU: Yeah. So I just like kind of want to ask like what are some of the biggest obstacles for folks trying to establish these land trusts? And is it just a question of capital, or do we have other

difficulties like acquiring properties and getting them developed?

I know that like, for example, in Chinatown we're very interested in establishing a community land trust, but there is -- there is, you know, a property issue as in like certain, you know, things that are going on that are a little bit more difficult like for certain places. So would love to kind of just see if I could pick your brains on that.

MS. BERNKOPF: Unless, Elise, you're ready to go. I know we're running out of time.

I know there's always the "what do we do besides money" question, but honestly it usually comes back to the money.

ASSEMBLYWOMAN NIOU: So it is capital.

MS. BERNKOPF: Yeah, it's either are we able to access any property at all, right, either at low cost or -- and in our situation, the city did transfer us their properties for $1 apiece. But again, they were in really bad condition to the point

that we're investing at least, you know, $13 million just in the rehab of four buildings alone. And that's 38 residential units. The scale is not comparative to the need that we have across the city, much less the state.

Even beyond just the general capital needs, there's the training that really is crucial to be able to prepare residents themselves to do the meaningful management and collective ownership part of it. You don't just give someone a property and say, Here, now you've got your home, it's yours now, and flourish. It doesn't really work that way.

We need resources, we need training and ongoing support for the maintenance of the property so they don't just become another deteriorated property in another decade or so that needs the support that we invested in the first place.

ASSEMBLYWOMAN NIOU: Thank you for that.

MS. GOLDIN: Yeah, and I think -- I

think creating policies like TOPA, that creates really a right for tenants to be able to take over their property and have that be an established right, is really important.

And I just wanted to also add that the City Roots CLT is an upstate group that has tenants on their community land trust.

ASSEMBLYWOMAN NIOU: Great. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

This ends the questions for this panel.

CHAIRWOMAN KRUEGER: I think it does, yes.

CHAIRWOMAN WEINSTEIN: I want to thank you all for being here with us today.

And we're going to move on to Panel E: Children's Defense Fund-New York, Ben Anderson, director of economic mobility and health policy; Lead Free Kids New York, Sonal Jessel, director of policy; Clean and Healthy New York, Paul Webster, director of programs.

And if we can go in that order, starting with Children's Defense Fund.

MR. ANDERSON: Good evening. Thank you. My name is Ben Anderson. Again, I'm the director of economic mobility and health policy at the Children's Defense Fund-New York. I want to thank the chairs for the opportunity to speak this evening.

As most folks know, Children's Defense Fund grew out of the civil rights movement, and our work is at the intersection of racial justice and child advocacy. And I'm here today to talk to you about childhood lead exposure and the need for more funding in the state budget.

New York has more children with elevated blood lead levels than any other state in the U.S. There are some communities in New York where the rate of exposure is five to six times higher than Flint, Michigan, at the peak of its lead crisis. Some of these communities are in pockets of the Bronx, Brooklyn, and others are concentrated in Buffalo, Rochester, Syracuse, Utica, and Albany. The impacted communities and impacted children are disproportionately

Black and Latinx. And to give you a sense of the scale of the problem we're facing statewide, roughly 28,000 children are born every year who will suffer from childhood lead exposure. That's about 12 percent of all births in New York each year.

Now, I won't go into detail this evening about the health impacts but will briefly say that we're talking about completely preventable but irreversible harm to the brain. Year after year, children continue to suffer because the system we have now is primarily one that waits until children show up at the doctor with high lead levels before anyone will do anything to eliminate the hazard in the child's housing.

So in effect, we are treating these children like canaries in a coal mine instead of going out and proactively finding and fixing lead hazards.

In New York the total lifetime economic burden of this system is roughly $6.4 billion for children born in 2019 alone. For these reasons, Lead Free Kids New York

and the Children's Defense Fund are advocating for a $1 billion funding package that will set New York on a path to eliminate childhood lead exposure.

The funding package includes support for many different state agencies, and I will focus just a little bit on the funding for HCR. Specifically, the package includes $500 million for HCR to work with communities to find and fix lead hazards. This means providing grants to the lowest-income homeowners and landlords to do the work.

I'll go ahead and stop there and pass it on to my other panelists.

CHAIRWOMAN WEINSTEIN: Thank you.

We'll move on to Lead Free Kids New York.

MS. JESSEL: Thank you. Good evening. Thank you to the chairs for the opportunity to testify regarding the New York State budget on housing.

My name is Sonal Jessel. I'm the director of policy at WE ACT for Environmental Justice. I have my master's in

public health from Columbia University.

WE ACT was established in 1988 and has been involved in the fight against lead poisoning since then. Today I'm here as a leader of the Lead Free Kids New York Coalition, which is a coalition of experts and advocates committed to preventing and eradicating lead poisoning in New York State.

We are asking New York State to commit $1 billion to fund sweeping lead poison prevention efforts. Particularly, we're asking for a budget allocation of $500 million through HCR.

Lead poisoning leads to severe behavioral and developmental issues. There is no safe level of lead. The American Academy of Pediatrics even says that lead below the allowed concentrations we currently have in New York State is a causal risk factor for diminished intellectual and academic abilities and neurobehavioral disorders like ADHD, for example.

There are no truly effective treatments to reverse the damage of lead

poisoning. Lead-based paint in buildings is our most significant source of lead in the state. According to Columbia University, there are about 5.3 million housing units in New York State that contain possible lead-based paint hazards.

New York State has thousands of children with elevated blood lead levels, and this is because New York State has the oldest housing stock in the country. That's the primary driver. For decades, our state's decisionmakers have been sitting on a lead poisoning crisis without any major sweeping statewide action.

Childhood lead poisoning disproportionately impacts children of color across the state: Black/African-American, number one; Latinx and Asian children also have very high rates of lead poisoning. And this is due to the lack of adequate resources and support given to communities to upgrade or remediate old buildings and a lack of good enforcement for landlords to remediate lead hazards in their buildings.

So we're asking for 500 million from housing this year, through HCR. We're asking for 50 million of that to be put aside for HCR administrative needs, but the other 450 million going to programs to directly assist low-income property owners and landlords across the state to remediate lead hazards in their properties.

We have calculated -- with inflation, supply chain costs, labor costs -- that it's about $33,000 to remediate a home, on average. So with $450 million in funding, we can fund 15,000 lead-free units across the state, which would be sweeping.

And we know that lead exposure happens when a house is a repeat offender, so when a family moves out, being lead poisoned, another family moves in, gets lead poisoned, and it continues the cycle. So remediating a house completely would help multiple families that live in that home over a long period of time.

So thank you very much for your time.

CHAIRWOMAN WEINSTEIN: Thank you. I

do not believe that we have questions. I think the three of you have really presented the situation that we're facing in our housing regarding lead and the impact on children very well. And --

THE MODERATOR: Assemblywoman, there is one more panelist, Paul Webster.

CHAIRWOMAN KRUEGER: Yes. Paul Webster is here with us.

CHAIRWOMAN WEINSTEIN: Oh, I'm sorry. They did such a good job.

(Laughter.)

CHAIRWOMAN WEINSTEIN: I don't know what they left for you to talk about, Paul.

SENATOR KAVANAGH: For the record, that's also why I hadn't raised my hand yet.

(Laughter.)

CHAIRWOMAN WEINSTEIN: Go ahead. Give us some more information. Give us something new.

MR. WEBSTER: Yes, thank you so much to the chairs, Senator, Assemblywoman, and the Housing chairs as well.

I'm Paul Webster, policy director for

Clean and Healthy New York. And Clean and Healthy is one of the core organizations that's in the Lead Free Kids New York Coalition and the Just Green Partnership. You know, we have dozens of environmental health, environmental justice organizations that are part of our group and about 80 organizations representing more than a million New Yorkers.

And as you've heard from my other colleagues, the doctors and scientists tell us that there's no safe level of lead in our bodies, yet New York State has the unfortunate distinction of having the highest percentage of children in the nation with elevated blood lead levels driven by something we're a leader in, and that's our aging housing stock.

As Sonal mentioned earlier, there are more than 5.3 million homes in New York State that were built prior to lead being prohibited in 1978. And of these homes, roughly 630,000 of them have children present. As a result, New York faces

increased impairment to these children in their ability to think, learn, and concentrate. Lead poisoning can affect nearly every organ in our bodies, and recent research shows that adult exposure also can lead to heart disease.

Renovating and repairing poorly maintained housing is the best way to protect New York's children from the irreversible damage that is caused by the ingestion of lead. A half century after New York State banned the sale of lead paint in 1971, New York State still, again, leads the nation in the number of children with lead poisoning and, again, lead-impacted housing.

And that's why our coalition proposed a $1 billion investment in New York State's lead poisoning elimination project, and of which we noted $500 million for lead renovation and repair within the budget of DHCR and several other agencies. I mean, we're very happy that the Governor proposed record funding in the housing and the environmental and other budgets, but really

not enough was done to combat the scourge of primary lead poisoning, which is from poorly maintained housing.

If you live in 20 zip codes in New York State -- six in Erie County, five in Monroe County, three in Onondaga County and Syracuse, two in Utica and then in Albany, Middletown, Newburgh and White Plains -- those 20 zip codes account for 40 percent of New York State's childhood lead poisoning. And that comes from, again, housing that has not been maintained.

And this bold development of $500 million will really go a short way in addressing the problem. As Sonal noted, there are more than 15,000 houses that would be impacted by this $500 million investment, but we have 5.3 million houses with lead present. So this will be a start, but we still have a long way to go and there needs to be continued and consistent investment in eliminating lead-based hazards in New York State.

And with our surplus this year and

close to $28 billion in surpluses identified by Governor Kathy Hochul over the next five years, this is the time to start making that investment in eliminating the problem of lead poisoning.

And I'll stop there. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you. Thank you, Mr. Webster.

We'll go to the Assembly. Assemblywoman Niou.

ASSEMBLYWOMAN NIOU: First and foremost, thank you for staying so late. It's already almost 9:00, so I appreciate all of your time.

I especially appreciate your panel's testimony on this issue with lead blood levels in our children. As we know, economic and ecological segregation is very real, and I think that children of color are more impacted more often. And it only takes like less than a small fingernail of lead ingestion to be able to cause permanent, you know, brain damage and other kinds of growth issues in children.

You noted that average blood levels are higher in children of color, Director Anderson. And how much of that is attributable to our current public housing stock? And what can we -- you know, I guess, what can you tell us specifically about the lead situation in our public housing right now? And how far would funding go -- this funding go toward tackling lead in our homes? And how much more would be necessary in order to make sure that our public housing units are actually safe for our kids?

MR. ANDERSON: Yeah, really great questions.

You know, I think the issue of lead in public housing is really one of equity because of the disproportionate harms and hazards that exist there and how many of those tenants have been treated over time.

Just in terms of what we know about the children that we've been able to identify with elevated blood levels, of the children identified we see many more of them and a much higher percentage of them outside of the

public housing system.

But again, I think just speaking as to equity issues, I think it's important to focus in that space. And we know in New York City, for example, I think work that Sonal has been a part of -- that there's been efforts to improve conditions with respect to lead hazards there.

ASSEMBLYWOMAN NIOU: So what has the percentage been? If you're saying it's mostly outside of public housing.

MR. ANDERSON: Yeah, I --

ASSEMBLYWOMAN NIOU: What have the largest numbers been?

MR. ANDERSON: Yeah, I don't want to guess. But I can get that information for you after the hearing.

ASSEMBLYWOMAN NIOU: Okay. That would be very much appreciated. Thank you so much.

MR. ANDERSON: Yes. You're welcome.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to the Senate.

CHAIRWOMAN KRUEGER: Thank you.

I believe we have Senator Brian

Kavanagh.

SENATOR KAVANAGH: Yeah. I'll try to be -- first of all, thank you for being here and testifying. We actually had a bit of a beginning of a conversation about lead and asbestos earlier, and Chair Weinstein suggested we await this panel. So I appreciate -- this is great testimony we have tonight.

And I've had the opportunity to speak with each of you about these issues recently. And, you know, we're working on lead solutions as well as, you know, the funding needs tonight.

But just for clarity, you know, my Assembly colleague was talking about the distinction between public housing versus private housing. And, you know, because there was so much justified attention to what went on in New York City public housing, I think there is a perception out there that this is a public housing issue and that it's a New York City issue.

You know, you mentioned a moment ago

that there are zip codes where this is particularly concentrated. Can you just talk about the geographic distribution of this problem around the state? Like what -- which parts of the state are most affected and, you know, where are the highest levels?

MR. WEBSTER: Sure. Thank you, Senator.

We have to recall that 85 percent of New York State's total housing was built before 1978, so the sensitivity to lead poisoning and the lead threat that's present in our houses is every district. But when we talk about the zip codes where childhood lead poisoning is highest, it's in Erie County, Monroe County, Onondaga, Oneida, Albany, Orange, Westchester -- those are the counties where the top 20 zip codes that account for about 40 percent of the state's childhood lead poisoning come from, those 20 zip codes.

SENATOR KAVANAGH: And just for clarity, these are -- this is based on data where children, very young children's blood levels are tested at hospitals, and that data

is aggregated by the Department of Health. So these are cases -- and you're saying on a per capita basis, those places are experiencing very high levels of lead poisoning.

MR. WEBSTER: Yes.

SENATOR KAVANAGH: Okay. I think it's just important to note that we have a big problem in New York City as well, but I think it's important for people to recognize this is not just a New York City issue but, in fact, very much a New York State -- it's a statewide issue that affects all of us.

Because I think that it's going to be important that we get, you know, as broad a consensus as possible to put the kind of resources we're talking about. And, as you know, we had a hearing of the Housing and Health Committees in the Senate on this issue as well. So, you know, we had a lot of great testimony from your organizations and others, and we'll continue to do so. But again, just to say I join you in, you know, fighting to get some real funding in this budget.

So thank you for your testimony and for all of your advocacy in dealing with this really heart-wrenching issue. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblyman Burdick.

ASSEMBLYMAN BURDICK: Thank you, Chair Weinstein.

And just a quick question for Mr. Webster. You just mentioned that there are 20 zip codes, which include Westchester County. Can you tell me which zip codes in Westchester?

MR. WEBSTER: It was the 10701. It was in White Plains, was the --

ASSEMBLYMAN BURDICK: White Plains.

MR. WEBSTER: Yup.

ASSEMBLYMAN BURDICK: Okay. And just that one zip code in Westchester?

MR. WEBSTER: It was just that one that made the list of the top 20.

ASSEMBLYMAN BURDICK: The top 20.

MR. WEBSTER: But again, the sensitivity to lead poisoning is prevalent in every district because of the age of our

housing stock across the state.

ASSEMBLYMAN BURDICK: Thank you so much.

CHAIRWOMAN WEINSTEIN: Thank you.

Now I'm going to thank the panel, all three of you, for being here with us. I'm sure there will be some follow-up communications with you as we move forward.

So next I'm going to call Panel F: ERASE Racism, Elaine Gross, president; Citizens Housing and Planning Council, Katherine Leitch, senior policy analyst; Community Service Society, Samuel Stein, housing policy analyst.

And we can go in that order. Thank you so much.

MS. GROSS: Good evening, Assemblymembers and Senators. My name is Elaine Gross, and I'm the president of ERASE Racism, a Long Island-based civil rights organization. And part of our work includes working for housing and education.

So my testimony is related to the creation of accessory dwelling units. Our

organization supports the creation of ADUs because we see it as having the potential for some public good because of their potential to increase affordable housing stock.

However, there are some issues with the legislation as it appears in the Governor's budget. There are three concerns which I will speak about, and basically I fear that these concerns mean that the ADUs are not going to be accessible to all New Yorkers.

So first, the bill must clearly state that ADUs shall abide by fair housing and tenant protection laws. There's abundant evidence, including from the ERASE Racism housing discrimination lawsuits, that individuals are still denied rental housing because they are Black, with our lawsuits, but also because of protected characteristics, other protected characteristics -- race, source of income, et cetera.

In addition, the ADU bill must require that the ADUs are held to standards related

to habitability and all tenant protections.

The second issue I raise is that the ADU units shall not be exempt from the -- what's called the Mrs. Murphy exemption, and members of the public should be made aware of these units.

Units that are not being used by family members shall be made known to the general public. This can be accomplished via a state-maintained online registry that is free to the listing owner or at low cost, and/or the owners could be required to publicly advertise vacancies on, again, regional online rental sites. Unless availability is made publicly known immediately to the region, access will be severely limited and it will fall along the same lines as housing discrimination.

The third and final area that I'll mention tonight is that the ADU units that are built with monetary help from the state, whether it's a loan or a grant, shall be required to maintain below-market rates to preserve affordability. There is a Senate

bill which states that, states this. In fact, it talks about keeping the rents below market rate for at least 15 to 30 years.

The Governor's version does not have the same provision, and it should.

So with these additional protections, ERASE Racism can support this bill. Thank you for allowing me to provide this testimony.

CHAIRWOMAN WEINSTEIN: Thank you for being here with us today.

Citizens Housing and Planning Council.

MS. LEITCH: Thank you for the opportunity to testify. My name is Kate Leitch, and I am a senior policy analyst at the Citizens Housing and Planning Council. CHPC is a nonprofit think tank that has been dedicated to addressing the city's housing and planning needs for over 80 years.

CHPC has spent well over a decade researching ADUs and basement conversions, which play an essential but overlooked role in New York City's housing stock. In all facets of our ADU work, we have seen time and

again that ceiling height, parking minimums, and other unnecessarily stringent and outdated municipal and state regulations often make it impossible for homeowners to create a legal accessory unit.

This is a problem for both occupant safety and housing supply. The proposed ADU act makes important strides towards reducing these barriers. Creating a practical path for homeowners to add a legal second unit will make certain that apartments have appropriate egress, bedrooms have emergency escape and rescue windows, and occupants have adequate lights and ventilation.

As an issue of supply, ADUs allow localities to increase housing without significant changes to neighborhood height and bulk. ADUs expand housing choice, they're inherently more affordable, and they improve access to neighborhoods for communities who have historically been excluded.

For two-family homeowners, the state's Multiple Dwelling Law can impose almost

impossible hurdles. As written, the ADU act grants New York City the authority to relieve parts of the MDL, but only in circumstances where an owner is trying to legalize an existing unit. This is an extremely important tool to protect the tens of thousands of New Yorkers currently living without leasehold rights. But we strongly encourage the Legislature to expand that authority to cover the creation of all accessory units.

As for the concerns about the impact of ADU legislation on density, there are some people who believe that there isn't enough interest. There are some people who worry about a population explosion. And yet others somehow believe it could be both.

Thoughtful and considerate implementation will ensure that it's none of these. The state has established a very thoughtful framework and asks localities to incorporate the ADU program in ways that are appropriate to the locality. ADUs present the Legislature with a rare opportunity where

it can help both homeowners and renters, seniors aging in place, and first-time homebuyers, recent immigrants, and multigenerational families.

ADU policy promotes private property rights and fights segregation. It solves barriers in the MDL and local zoning. We emphatically urge the Legislature to adopt this bill. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you. And now, Community Service Society, please.

MR. STEIN: Thanks so much for the opportunity to testify, and thanks for sticking it out the entire session. I know it's been a long day.

My name is Sam Stein, and I'm senior policy analyst at the Community Service Society, a leading nonprofit organization that promotes economic opportunity for New Yorkers. In our written testimony we elaborate on the following key priorities for the upcoming budget, which I will summarize here.

First, end and prevent homelessness

through the following means: Prevent eviction and displacement by creating a statewide Right to Counsel to guard against illegal evictions; pass Good Cause Eviction protections to stop no-fault evictions, and ban winter evictions, as cities like Seattle have done already; pass the Housing Access Voucher Program, a state-funded voucher that would operate much like Section 8.

The commitment of $1 billion towards this program would aid almost 85,000 families or individuals in either exiting or preventing homelessness. The Housing Our Neighbors With Dignity Act passed last year, and it should be expanded to make sure it's available across the state. And we should revisit language included in earlier versions of the bill regarding land use and certificates of occupancy that would make it more useful.

The Governor's Executive Budget included a bill that would bar housing discrimination based on conviction history, which is extremely important, but it included

two large carveouts that would decisively undermine the bill's intent and impact.

Second, we call on the state to fund social housing conversions and development. Governor Hochul's Executive Budget proposes a $50 million social housing pilot program as part of her larger home ownership initiative, as well as $120 million to reinvest in Mitchell-Lama housing. These are important steps.

Another would be the Tenant Opportunity to Purchase Act. Under TOPA, when rental buildings go up for sale, tenants would have a right of first refusal to either buy the building and turn it into a limited equity cooperative, or designate a preferred buyer to steward the building.

Third, preserve and protect NYCHA. We are deeply disappointed that no commitment was made to the New York City Housing Authority in the Governor's budget. The authority faces a $40 billion capital backlog as well as operating shortfalls that force it to use a portion of its inadequate federal

capital funds to fill the gap. The state should make a long-term capital commitment of $1.5 billion annually to restore NYCHA'S infrastructure, a commitment that we will also press the city to match.

Finally, recouping lost tax revenue by ending the 421-a tax exemption by either allowing it to expire in June or abolishing it sooner.

Thank you again for the opportunity to offer comments and for doing this all day long.

CHAIRWOMAN WEINSTEIN: Thank you for being here with us today.

So we had some questions for this panel. We'll start first with Assemblyman Epstein.

ASSEMBLYMAN EPSTEIN: Thank you, Chair.

To Ms. Gross, I really appreciate your comments on accessory dwelling units. Can you comment about how not having an ADU law impacts communities on Long Island that you work in?

MS. GROSS: Of not having the law?

ASSEMBLYMAN EPSTEIN: Yeah, how not having the law in place.

MS. GROSS: Yeah. Right.

So, you know, we -- first of all, we have a lot of ADUs. They're just illegal. And, you know, there's -- you know, people kind of close their eyes and whatever. So that's one thing.

The other thing is there are some 300,000 Long Islanders who are housing-cost-burdened. That means they pay over 30 percent of their income on housing. And the highest percentage of those households fall in the lowest income category.

So I didn't speak to this point, but I think it's important that there is a low income and a -- what do they call it -- a low income and moderate income program that would help homeowners because it could help them to make units legal, or build new units, et cetera. I think that would be very important because there are certainly

homeowners of color kind of holding on, trying to hold on, and this would be very helpful.

So I think that we have such an affordable housing problem here, and it is a -- it's a statewide problem. That's why we're having this discussion at the state level. But sometimes people on Long Island, again, with blinders, think that we don't have a problem out here. But we do.

Thank you for your time.

ASSEMBLYMAN EPSTEIN: Thank you.

And to Ms. Leitch and Mr. Stein, I just wanted to hear your sense -- I know you mentioned ADUs. I just want to make sure that -- where you both are. And if we have time, Mr. Stein, can you tell me what the state should be doing for public housing?

MR. STEIN: I can start, or you can? Okay.

Well, we support the ADU legislation. It's an extremely important element of housing policy. We want to, you know, fight to ensure that it has the strongest possible

protections for tenants and low-income folks, whether they're the homeowner or the tenant. But we absolutely support it.

In terms of public housing, we're calling for a $1.5 billion annual commitment, and we'll be doing the same from the --

ASSEMBLYMAN EPSTEIN: Capital or operating or both?

MR. STEIN: Certainly capital is a priority, but the operating is essential because we're just pulling out of the capital budget to fund the operating deficit.

Kate, do you want a chance?

MS. LEITCH: Sure. CHPC is an ardent supporter of the ADU legislation for both housing supply and for occupant safety. It is an essential source of income for modest-, low-, and moderate-income homeowners. It allows people aging in place to remain there with a home health aide, with the help of extended family, with the extra income.

So from a housing supply side, it is essential. But with the housing crisis, unless we can provide a safe and affordable

alternative, we're going to have people turning to these informal units unless we can make them accessible and legal. And if we can provide a streamlined pathway to legalization that prioritizes essential safety requirements, we will go far in improving the safety of thousands, tens of thousands of New Yorkers living in these units right now.

ASSEMBLYMAN EPSTEIN: Thank you very much.

I think my time expired. So Chair Krueger, I turn it back to you.

CHAIRWOMAN KRUEGER: Thank you. Thank you very much.

And I'm going to turn it over to Pete Harckham.

SENATOR HARCKHAM: Thank you very much, Madam Chair.

Good evening, everybody. Thank you to our panelists for sticking it out. I greatly appreciate it.

And I really want to thank you for your unvarnished testimony on ADUs. There's

so much disinformation, and the other side is just, you know, a lot of dog whistles. I've been around affordable housing for 20 years, and everyone becomes a traffic expert and everyone becomes a wetlands and a steep slope expert. And so I want to thank you for that.

And Elaine, I want to thank you about talking about this as an equity issue, because we know the greatest barrier to equality is zip code. It determines everything. And the fact that we have an opportunity to allow folks to have housing options in zip codes of opportunity is not being discussed enough about this bill or about the opposition to this bill.

So I want to thank you for bringing that up. I think it's central to the conversation, and it hasn't been to this point. So I want to thank you all.

MS. GROSS: Absolutely. Thank you.

CHAIRWOMAN KRUEGER: Thank you, Senator Harckham.

I think it's back to you, Assemblywoman.

CHAIRWOMAN WEINSTEIN: And we have no further questions, so I want to thank all the members of this panel for your participation.

And we are going to move on to Panel G: ADU New York, Casey Berkovitz, coalition coordinator; CNY Fair Housing, Inc., Sally Santangelo, executive director; Westchester Residential Opportunities, Inc., Marlene Zarfes, executive director; Cypress Hills Local Development Corporation, Ryan Chavez, program director; Building and Realty Institute of Westchester, Timothy Foley, CEO.

So if we can go in that order, starting with Casey Berkovitz.

MR. BERKOVITZ: Hi, there. Good evening. Thank you for the opportunity to testify and for your patience today. I know it's been a long day, and it's still going.

I'd like to focus on the opportunity that this year's budget presents to legalize ADUs across New York. For the past year-plus, I've been working with a coalition of advocates from across the state, some of

whom you've already heard from, some of whom you're about to hear from, as well as Senator Harckham and Assemblymember Epstein and a number of other cosponsors in the Legislature on Assembly Bill 4854 and Senate Bill 4547 that would also legalize ADUs.

I especially want to thank Senator Harckham and Assemblymember Epstein and others for their engagement with stakeholders, both to help craft the bill and then to make amendments that resulted in the A print that's in the Legislature and that some of the language of the Governor's Executive Budget matches as well. They've been very responsive to feedback, both friendly and unfriendly, on the proposal, and I really appreciate it.

So by legalizing ADUs like backyard cottages, garage conversions, in-law units, basement apartments, we can create extra income for homeowners, we can create safe and affordable housing for tenants, we can give seniors the ability to age in place, and we can foster healthy and more diverse

communities. It's such a win/win policy that our coalition of folks who are supporting this legislation is really everybody you can think of from tenants' rights activists to community development organizations to homebuilders, industry groups, fair housing groups, other folks you've heard from, senior advocates, all sorts of folks -- and I'm sure I'm forgetting some.

ADUs are an important resource for both homeowners and tenants. On the homeowner side, over one in four homeowners in the State of New York are cost-burdened, and an ADU can be an important source of income for these folks. On the tenant side, ADUs are an affordable rental unit, but it's also key to ensuring that rental housing is safe. Legalization is truly the only path to ensure that the possibly hundreds of thousands of folks in informal ADUs have a path to legalization and safety.

I want to clarify that even with legalized ADUs there's still plenty of local control. Local governments write their own

zoning codes, they can maintain their local character. What legalization would do is it would set a quote, unquote, floor to ensure that people have housing choices in their communities.

All of that said, there are a couple of improvements that I believe you are in a position to make to the Governor's Executive Budget proposal.

First and foremost, there will need to be a more wide-ranging exemption from the Multiple Dwelling Law. This was mentioned previously, and I think will be elaborated on. But as written, it essentially makes it impossible for duplexes to add an ADU, and that's a critical exclusion that we hope you'll fix.

Secondly, as Elaine said, ADU legalization is a critical step forward for affirmatively further fair housing, but we need to be sure that ADUs are covered under the Human Rights Law. And I've included language to that end in my written testimony, and I'm happy to work with all of you to

address those changes.

Thank you very much.

CHAIRWOMAN WEINSTEIN: Thank you. CNY Fair Housing.

MS. SANTANGELO: Good evening, everyone, and thank you for the opportunity to testify today.

My name is Sally Santangelo, and I'm the executive director of CNY Fair Housing. We are a nonprofit fair housing organization located in Syracuse and serving 17 counties of central and upstate New York.

And we work to eliminate housing discrimination by investigating complaints of discrimination, conducting undercover testing, providing counseling, advocacy and legal representation to victims of discrimination, educating the community on fair housing rights, and lastly by providing technical assistance to municipalities to improve housing access.

And I want to focus my comments on a couple of issues. First, you know, we want to express our support for the legalization

of ADUs. And to address the affordable housing crisis that is facing New Yorkers, we need to increase the supply of housing. And this is a great first step in expanding the types of housing that can be built in communities that have historically limited housing opportunity.

I think this will help in particular in providing housing across the state, including in smaller upstate communities where we have slower housing markets and don't often have the demand for larger-scale housing developments, yet still face affordable housing needs.

Also upstate has a high proportion of retired homeowners on fixed incomes, and ADUs can be an important lifeline that will allow them to stay in their homes.

However, we do think that it is essential that all housing in New York is open to all New Yorkers, and currently under the Governor's budget proposal ADUs would be exempt, as has been mentioned, from state anti-discrimination protections through the

owner-occupied Mrs. Murphy exemption. Meaning people could still be denied due to disability, religion and other protected bases.

We ask that ADU legalization include fair housing protections so that New Yorkers who are already facing limited opportunity and housing options are not shut out of these new opportunities.

And then second I'd like to comment on the proposed expansion of the state's fair housing testing program. We were thrilled to see dedicated funding in the budget for a fair housing testing program. Over the past two years the six private fair housing organizations in New York, of which we are one of, have been working on a pilot program, the EBHNY program, that's been funded through the Attorney General's office. And it's allowed us to expand our service area and increase staff, and gave us the capacity to investigate state-protected classes like source of income that our HUD funding hadn't previously allowed.

And so we do -- are excited to see continued funding for fair housing testing. We do ask that the amount of funding be increased from $2 million to $3 million to help us maintain capacity that we've built under the EBHNY program. And we'd also like to see sustained funding for fair housing testing so we can maintain the capacity we've built to do this work.

Lastly, just briefly, I'd like to mention our support for both Good Cause Eviction and the state right to counsel bill as well.

Thank you for your time today.

CHAIRWOMAN WEINSTEIN: Thank you.

Next, Westchester Residential Opportunities, Inc.

MS. ZARFES: Good evening. I'm Marlene Zarfes. I'm the executive director of Westchester Residential Opportunities, also known as WRO.

WRO is a HUD-certified housing counseling agency, and we're also one of only six qualified fair housing organizations

throughout New York State. We were founded over 50 years ago, and our mission is to promote equal, affordable and accessible housing for all residents of our region. Our region includes Westchester, but has now expanded to the Lower Hudson Valley.

Given our mission, we're strong supporters of legalizing accessory dwelling units, or ADUs, throughout the state. We've been working as part of a coalition in support of the Harckham-Epstein bill legalizing ADUs with some of the people who you've already heard from this evening.

We appreciate the Governor's proposed Accessory Dwelling Unit Act to promote the creation of ADUs. In fact, the Governor's proposal is quite similar to the bill that we've been supporting.

However, there's a defect in the act as proposed that would allow perpetuation of discrimination. This defect can be easily remedied. As written, the owner of an ADU created under this legislation would be allowed to refuse to rent or sell or offer

different terms and conditions in renting the ADU based on any New York State protected class.

So if I own an ADU, I can refuse to sell, rent or lease or I can offer different terms or conditions to someone because maybe they have children or because they're disabled, or based on their national origin or their race. This is known as the Mrs. Murphy exemption to the Human Rights Law, and essentially this is legalized discrimination.

It's WRO's position that ADUs must be explicitly excluded from such legalized discrimination. The defect can be remedied simply by amending the act to provide that ADUs created under the act will not be subject to the Mrs. Murphy exemption.

So we strongly urge the change in the legislative text so the benefit to be realized by promoting ADUs and the anticipated increase in affordable housing will not be limited by discrimination.

Thank you all for your attention and

the opportunity to show our support for the Governor's proposal to promote ADUs with the slight change in text that will prevent discrimination under the act.

CHAIRWOMAN WEINSTEIN: Thank you.

And now we go to Cypress Hills Local Development Corporation, Ryan Chavez.

MR. CHAVEZ: Well, good evening, committee chairs and members. Thank you so much for the opportunity to speak today.

My name is Ryan Chavez, director of the basement apartment conversion pilot program at Cypress Hills Local Development Corporation. Founded in 1983, CHLDC is a nonprofit community development organization and settlement house based in East New York, Brooklyn.

I am here to speak in support of the 2022 Executive Budget as it relates to accessory dwelling units. Three years ago New York City, in partnership with CHLDC, launched the East New York Basement Conversion Pilot Program, which aimed to provide small homeowners in East New York

with financial and technical assistance to convert their basements into safe and affordable rental units.

We'd like to take a moment just to thank Assemblymember Epstein in his former role at the Urban Justice Center, for his efforts in supporting and convincing the city that a pilot program was in fact feasible.

Basement legalization has been embraced overwhelmingly by the East New York community as a strategy to both preserve homeownership and create much-needed affordable housing. And the hope was that this pilot could help identify challenges and workarounds when it came to accessory dwelling unit creations, and lay the foundation for a citywide basement conversion program.

Through our ongoing work in East New York we've identified three key challenges in implementation that this state policy would directly alleviate. First, parking requirements. Roughly a quarter of properties assessed in the pilot were deemed

ineligible, due to their inability to accommodate additional off-street parking. As such, we fully support this policy's prohibition of parking requirements for certain ADUs.

Second, ceiling height. Most properties assessed in East New York did not meet the 7-foot-6 ceiling height requirement. To achieve this minimum height would require excavation, which is both expensive and risky. For that reason, we fully support the establishment of a 7-foot ceiling height minimum.

Third, the Multiple Dwelling Law. The MDL is a state-level law imposing rigorous housing standards on New York City residential properties with three or more units. So for a two-family home looking to add a basement unit, for instance, this would reclassify them as a multiple dwelling, forcing them to comply with the new regulations, often so onerous as to render the conversion impossible.

As such, we support the requirement

that properties participating in a New York City ADU amnesty program be exempt from the MDL.

That said, it is concerning that this MDL exemption is limited only to such an amnesty program. In practice, this opens the door to formalizing existing ADUs but keeps the door closed on new ADU creation. We strongly believe this MDL exemption must be extended to include all two-family properties in New York City, whether they have an ADU now or hope to develop one in the future.

For these reasons I reiterate our organization's support for including ADU policy in the Executive Budget, and thank you once again for the opportunity.

CHAIRWOMAN WEINSTEIN: Next we hear from the Building and Realty Institute of Westchester.

MR. FOLEY: Thank you, and good evening. My name is Tim Foley, and I'm the CEO of the Building and Realty Institute of Westchester.

I want to express my appreciation to

the chairs and to the hearty souls within the Legislature for continuing to remain engaged at this late hour on these important issues.

We submitted much longer written testimony on the provisions in the Executive Budget dealing with transit-oriented development and accessory dwelling units, so I'll just quickly summarize.

Some members of the Legislature may mistakenly assume that these proposals would be deeply unpopular and rejected by the suburban communities that would be most affected, but I'm here to tell you it's not true. Many of us in fact want them within our hometowns. Why? Well, study after study shows that allowing for walkable, mixed-use and multifamily housing close to public transit greatly assists us in reducing our carbon footprint and revitalizing our local downtown areas. It boosts our local economy and is a potential game-changer for young people and families who now work in Westchester but have trouble finding housing in their price range.

It leads to less dependence on cars, more use of public transit, more walkable and revitalized downtown centers, more educational opportunities for children, and provides a reliable source of funding and ridership to the Metro-North Railroad that so many Westchester residents rely on.

Let me take a moment to say what these policies would not do. They would not end single-family zoning. The house next to Grandma's won't be replaced by a 10-story apartment building. They would neither dramatically alter the demand nor the supply of single detached homes, bulky McMansions, or mid-to-high-rise multistory apartment buildings.

These proposals to allow for ADUs and the building of 25 units per acre within a 10-minute walk of transit stations would be most likely to yield a mixture of duplexes, triplexes, townhouses, bungalow courtyards and other in-context homes of all shapes and sizes that would be the same approximate height and scale as existing housing within

these neighborhoods.

These are also not foreign to suburban New York communities today. I personally live within half a mile of the Scarsdale Metro-North Station. When my wife or I used to commute to New York City, on our 10-minute walk home we would pass by a small downtown area with shops, some of which have small apartments above them, we would pass by senior-restricted housing, we'd pass by some townhouse-style condominiums and a four-story apartment building. And about two blocks away from us is a single detached house with an in-law suite -- in other words, an accessory dwelling unit.

So let me say this again: I live in Scarsdale. My property values have not at all declined by the close proximity of these homes with different shapes and sizes to mine. Nor is the school district any less desirable. And communities within Westchester that have passed ADU ordinances have not seen their populations explode overnight.

In conclusion, we believe that not only is state action warranted on these proposals, it's long past overdue.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We do have a number of questions for this panel, and we'll start with Assemblyman Ra, ranker on Ways and Means.

ASSEMBLYMAN RA: Thank you, Chair.

Just with regard to the accessory dwelling units, we've heard a lot about this today and, look, I -- you know, I get the advocacy behind it. But, you know, I do take exception to some of what was said with regard to -- that it does preserve plenty of local zoning. I mean, basically what it says is you can make certain requirements, and then goes through all the restrictions that are on the local government with regard to all of those different requirements.

You know, and particularly when you get into lot coverage, you know, where I am in Western Nassau County, these are very small lots.

So I do have a lot of concerns with this proposal, and frankly I've heard a lot from my local governments, already very concerned with these proposals. So I'm just wondering, you know, if somebody wants to enlighten me as to what you really think that we're still allowing local governments to do with regard to this. I mean, we've seen a lot with the transit development -- transit-oriented development on Long Island, our villages have put up, you know, a lot of little zones around train stations, it's worked out well.

But, you know, I have a problem with the state coming in and completely, you know, putting handcuffs on the local government when it comes to local zoning.

I guess that wasn't really a question but, you know, I think --

(Laughter.)

ASSEMBLYMAN RA: I have great, great concerns with this proposal. And I think if we think it's going to be so popular with the local governments, then, you know, put some

type of opt-out or something. And if it's so popular with the local governments, their residents will be clamoring for them to opt in to the proposal.

So I guess I don't really have a question, but I do appreciate everybody's, you know, insights from their experiences in different parts of the state.

CHAIRWOMAN WEINSTEIN: Thank you, Assemblyman. We'll send it to the Senate.

CHAIRWOMAN KRUEGER: Thank you.

Senator Pete Harckham.

SENATOR HARCKHAM: Thank you, Madam Chair. And thank you to everybody who testified, and thank you all for your collaboration on the bill.

I just want to comment on the prior speaker. The build-out that someone is allowed in this bill is only to the allowable building envelope. So it's no additional build-out. So if you're allowed to build out 3,000 feet and you're at 3,000 feet, you can't build out anymore. It has to be within that footprint.

So the notion that this is going to expand footprints is from the prior version. And that's what I was referring to on the last panel; there's a lot of misinformation about this bill from the last bill.

So I turn to Casey. And Casey, I thank you for, you know, keeping all the balls in the air on this. Maybe you could take us through what some of those changes we made at the request of local governments from suburban and rural areas.

MR. BERKOVITZ: Sure, I would be happy to. And thank you again for all of your work with us as advocates and stakeholders to make these changes. And I know you've certainly heard from plenty of local governments in your district along the way.

The biggest change you mentioned, which is that localities are allowed to limit accessory homes to the allowable envelope, in addition to some of the kind of more number-based dimensional stuff.

There's also homeowner occupancy, that there was a change made so that local

governments can craft their own homeowner occupancy rules, whether that's requiring that a homeowner lives in the primary or the accessory unit, whether they choose not to require that, whether they put a length of time requirement on it, that sort of thing.

And then, similarly, this is not quite flexibility on the local side, but some of the changes regarding kind of how this all is enforced, changed both between the Legislature's versions and then the Executive Budget as well, that the kind of enforcement and legal mechanism for noncompliance changed, and I think is probably slightly more amenable to local governments.

I would be happy to share a full rundown of all of these changes with any of your offices if you're interested. I don't want to take up too much time here.

SENATOR HARCKHAM: Thank you, Casey.

In my last 40 seconds I would also point out one of the other limitations, the natural limitation, has to do with county health departments and septics, which many of

the suburban and rural are. It's based on bedroom count. So if you're already at your maximum bedroom count, this bill will not overrule the county health department as far as what you can do with that septic system.

So we've added a lot of protections for local governments based on what they requested. And again, I would just urge colleagues from both sides of the aisle to please read the A print that was submitted by Assemblyman Epstein and myself in December. It's much, much different than the version from a year ago.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you, Senator.

We go to Assemblyman Epstein.

ASSEMBLYMAN EPSTEIN: Thank you, Chair. And I want to thank the panelists for all your work to get us here.

And Tim, it's good to see you back. I'm sure you missed being on this side of the Assembly.

So tell me why a suburban builders

association would be supporting this. What's the logic to it, and how did you get there?

MR. FOLEY: Well, so in 2019 Westchester County released a housing needs assessment which was very much, in our minds, a call to arms, because it really painted in stark relief exactly how bad the housing shortage is here in Westchester County. It's similar in many other counties within the greater New York City area.

But it found that we needed at least 11,703 new units of housing just to meet present-day demand in 2019. And one of the areas that the housing needs assessment specifically pointed to as being an easy step to start to fill some of the gap was accessory dwelling units.

We represent homebuilders, we represent remodelers. There was a natural link-up and a natural interest because many of them have expressed some frustration with where a homeowner, for the sake of their property and their own financial situation, would like to see an ADU built within their

property -- maybe it's a retired couple, maybe it's someone who's looking for some extra income -- but found that the process of dealing with their local municipality was very, very cumbersome for something that would not dramatically affect their neighbors.

And so it was a natural fit for us to engage in advocacy on this issue.

ASSEMBLYMAN EPSTEIN: And so -- and Marlene, just to talk more about where the Westchester Residential Opportunities association comes from, so why Westchester? Why is this something you're putting your time and energy on at 9:30 on a Monday night, and why does it matter?

MS. ZARFES: Basically what Tim just said. I mean, that housing needs assessment really woke everybody up. To need more than 11,000 units back in '19 -- we needed to do something. And that was one of the recommendations in that report.

So, I mean, we see all the time that there's not enough inventory, and we just

strongly believe that ADUs are going to help a great deal. And as long as we have that Mrs. Murphy exemption in there, we think it will be really helpful to Westchester and the rest of our community.

ASSEMBLYMAN EPSTEIN: Thanks. I know I'm almost out of time.

Casey, what can you do to help just give information to people who have questions or a way for them to outreach to you, to follow up? Just because, you know, obviously as Senator Harckham just said, there's an A version, there's a lot of changes. And I know we don't have a lot of time to talk through this.

MR. BERKOVITZ: Absolutely. Well, the easiest is email, casey.berkowitz@gmail.com. Happy to -- I have a written document that has a comparison of all these versions I'd be happy to share. Same, feel free to reach out to Senator Harckham or Assemblymember Epstein's offices, and they're happy to put me in touch as well. And similarly happy to answer any questions about any of the kind of

minutiae of the details of the bill.

ASSEMBLYMAN EPSTEIN: Thank you, Chair. I see my time has elapsed.

CHAIRWOMAN WEINSTEIN: Thank you.

CHAIRWOMAN KRUEGER: Can I pass it to the Senate?

CHAIRWOMAN WEINSTEIN: The Senate, yes.

CHAIRWOMAN KRUEGER: Great. Julia Salazar has been waiting patiently.

SENATOR SALAZAR: Thank you, Chair.

I actually just have a question for Ryan. So I am not a property owner, but I am currently sitting above an ADU in East New York. So your testimony and your work hit close to home for me.

I wanted to ask you, are there specific lessons that -- maybe observations about barriers that you have seen in the success of -- or limited success of the pilot program in East New York that you've taken away from the work that you've done that you should share with us that hopefully could inform a state ADU proposal?

MR. CHAVEZ: Absolutely. Thank you, Senator, for the question.

I mean, I'll first begin by saying that the interest in this program was absolutely overwhelming in East New York. We had people lining up around the block when this program was first launched.

I will say that the most -- you know, the most significant barriers that we came up against are really these technical sort of physical barriers that are sort of built into the minutiae of codes and regulations. Just things that make it much tougher for homeowners to actually get the approvals or to get a plan for conversion that is cost-feasible. Right?

So I mean on one hand we certainly need financial assistance to help low- and moderate-income homeowners to cover the cost of conversion, but we also need the flexibility in the codes and regulations to keep costs down. So things like parking requirements, things like the Multiple Dwelling Law, things like ceiling heights --

these are things that either get in the way of homeowners actually participating or just drive the cost beyond anything that an everyday homeowner in a place like East New York can afford.

So the demand is there, the interest is there beyond any doubt. It's really the devil is in the details in terms of designing a program in such a way that it makes it accessible to homeowners, both in terms of the financial resources but also cost-effective in terms of driving down that cost of conversion.

SENATOR SALAZAR: Thank you, Ryan.

CHAIRWOMAN KRUEGER: Thank you.

Assembly?

CHAIRWOMAN WEINSTEIN: Yes, we still have two Assemblymembers. So we'll start first with Anna Kelles and then Chris Burdick.

ASSEMBLYWOMAN KELLES: Thank you all so much for these testimonials. Some really important things have been brought up. I just wanted to add a couple of things and

thoughts I have, and then some questions.

I wanted to elevate one thing that has been brought up consistently about it being extremely important for people on a fixed income. In fact, the AARP has some amazing reports out on the benefit of ADUs, and there have been some really interesting reports also about the reduction in sprawl because of allowing for ADUs.

But I think, you know, the most important thing that I've seen in the research is that the ADUs allow for the small-scale infill so that affordable housing isn't happening exclusively by the large-scale developers with high amounts of cement and steel, which have huge GHG emissions. And these are built more out of wood products, for example, which is actually a carbon sink. So the environmental impact is significantly different.

So I just wanted to add those pieces to what I'm hearing here today.

And the one question that I did have actually was for Sally. I think you also

represent my district area. And what has been -- what have been the main barriers that you've seen in our area, which is Central New York, to allowing for and supporting and promoting ADUs.

MS. SANTANGELO: I think it's important to note first that opposition by local governments does not mean opposition by residents. I think, you know, most people -- this isn't really something that they've really thought through that much, but I think there's -- I think a lot of fear, unfounded fear that it's -- you know, that it's going to mean a complete loss of local control.

And, you know, we do see -- you know, we still see a lot of housing opposed for a lot of the same kind of historic reasons that we have, the idea of a threat to neighborhood character. And I think ADUs are no different than that same idea. But most of the housing opposition, the opposition we see to the construction of affordable housing in neighborhoods or the loosening of zoning still often is about the type of people that

will move into the area. That's the reality. That's what most of the comments end up coming down to being about.

ASSEMBLYWOMAN KELLES: I find it really interesting because the opposition, the people who oppose this bill are often talking about a decline in the New York State population, and yet the people who are leaving are, you know, younger professionals who cannot afford the property taxes. And this allows for infill and it allows for a form of income that would allow them to be homeowners, really countering the very issue.

So it's kind of counterintuitive to oppose -- both want, you know, to counter the decline in population and then oppose this legislation at the same time.

So thank you so much. That was very helpful.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblyman Burdick.

ASSEMBLYMAN BURDICK: Thank you.

And thank you, panelists, for your perseverance. And I have a question that I

think would be posed to both Casey Berkowitz as well as Timothy Foley.

And -- well, first to Casey Berkowitz, I would be very interested in seeing the comparison that you've done on the various versions. I am in a district -- actually, part of Westchester County -- in which quite a few of the municipalities in Westchester County in fact have adopted quite some time ago, including my hometown of Bedford, accessory use laws that have been successful and been in place. And I think that one of the concerns is that this would preempt those and could invalidate them.

And I would like to see whether you and other advocates may be amenable to grandfathering those existing ADU laws, which at least in Westchester County have passed muster with a federal monitor to a housing settlement agreement which I'm sure that you are familiar with.

And I have heard from many of my municipal governments that said, you know, we have these laws and, you know, we don't see

the purpose in upending them. And I'd like you to speak to that, if you would.

And I don't know, Timothy, whether you're familiar with that too, but I think that it could go a long way, at least in Westchester County, if those were to be grandfathered. Because they work.

MR. BERKOVITZ: Sure. Well, first of all, thank you for your patience as well. You've been here quite a long time as well, I'm sure.

I will say if they are working -- and I'm not intimately familiar with the details of all of them -- they wouldn't be turned over, you know, if they fit the broad parameters laid out in --

ASSEMBLYMAN BURDICK: Yeah, I'm sorry to interrupt you. I don't have much time.

The problem is that you have no way of vetting that. There's no mechanism by which it states that this passes muster. Instead, there could be litigation, there could be -- having come out of local government, that they have to turn this over to their

attorneys: Does this work, does this not? You know, resulting in public hearings and expense.

I just think that you really ought to give some consideration on how it could be streamlined and how there could be a way in which they could say: Yours works, and that's set. Rather than having them go through that expense and what could be, you know, difficult mechanics of it in their municipalities.

MR. BERKOVITZ: So the bill in the Legislature includes a process like that through DHCR for approval of local ordinances. I can't speak for the Executive Chamber, but that language is available if that's what you'd like to use.

MR. FOLEY: And if I could chime in as well, the Epstein-Harckham bill -- I mean, that's exactly why that provision is there, so that existing ordinances can be reviewed and told whether they pass muster or not.

Casey is right, that provision is not currently in the Executive Budget. But

obviously, you know, most of the folks who have spoken in support of ADUs have spoken in support of that bill within the Legislature, and we would certainly be in favor of it being added back in.

CHAIRWOMAN WEINSTEIN: Thank you. I want to thank -- we have no more --

CHAIRWOMAN KRUEGER: Actually, I'm sorry, I do have two questions, Helene.

CHAIRWOMAN WEINSTEIN: Oh, I'm sorry, go ahead, Senator.

CHAIRWOMAN KRUEGER: That's okay. Hi. I've been trying to just quietly listen to everyone. And my friends Harvey and Pete will tell me later: Just ask us, don't interrupt the flow.

But for I think both Casey and Ryan, my concern is around the language or what it needs to be to protect people in multifamily dwellings. Because the stories I hear are the concerns about basement units with one egress, carbon monoxide from the boilers, concerns about in some of the, again, wood -- what we call non-fire-proof houses that are

designed to be two-family but sometimes can already be six-family, with faulty wiring because it was never wired for six units.

Just assure me that we're going to make sure we've got the correct health and safety standards in place that, even in amnesty, you don't get a walk from those issues.

MR. CHAVEZ: Well, thank you, Senator. I can address maybe one or two of those points.

I think from our point of view, you know, we sort of see ourselves as at the vanguard of safety advocacy. I mean, we're as much concerned around the safety of basement apartments as anybody else. I think what such a policy, a statewide program like this would do would be to allow us to actually be able to sort of identify -- to those basement apartments that may not be habitable, right, and to identify those that are maybe just shy of habitable that just need a little bit of upgrade and retrofits to meet basic health and safety codes.

So, you know, we are pro-safety. We want to identify those that are safe and those that are not.

And to the question around, you know, wood-frame properties, my understanding is that a wood-frame property could never be a legal multiple dwelling. And I don't think there's anything in the legislation either put forward by the Legislature or the Governor's office that would change that.

CHAIRWOMAN KRUEGER: So you were saying anything that's over two units is defined as multi-dwelling, and you want to allow them to at least go to three. But there certainly are homes, one- and two-family homes in the five boroughs that are wood, not brick, that are already more units than that.

So I'm just a little confused how those would be defined.

MR. CHAVEZ: Yeah. My understanding is that wood-frame properties just by statute are -- you know, they're as of right not allowed to be multiple dwellings.

Now, if there are existing properties, right, that were built before the Multiple Dwelling Law was established, you know, that's one story. But I don't think anything that's being proposed in this policy under discussion now would facilitate the creation of wood-framed multiple dwellings.

CHAIRWOMAN KRUEGER: So thank you for that.

So does that mean they would potentially be ADU-eligible but not a multifamily dwelling under the law? Just clarify for me.

MR. CHAVEZ: Sure.

So, I mean, when I advocate for exemptions from the Multiple Dwelling Law for two-family properties, that is separate and aside from the question of wood frame.

I mean, under existing law wood frames, you know, would not be -- would not be exempt under that law. That same regulation would still apply.

But there are plenty of, you know, brick -- you know, masonry two-family homes

that as of now cannot add a third unit without having to comply with the rest of the Multiple Dwelling Law, which is very, very onerous.

CHAIRWOMAN KRUEGER: Got it. Thank you very much.

Thank you, Helene Weinstein.

CHAIRWOMAN WEINSTEIN: Okay. So we are going to move on to our last panel for today. This is Panel H, if you're keeping score. New York State Public Housing Authorities Directors Association, Bill Simmons, president; Cooper Square Committee, Elda Luisi, tenant; Housing Conservation Coordinators, Elise Levy, tenant organizer and advocate; Affordable Housing Leaders Group/Housing Conservation Coordinators, Christine Hughes, tenant leader.

So if we can have those panelists here and go on and speak in that order, starting with Bill Simmons.

MR. SIMMONS: Good evening, everyone, and thank you for the opportunity to present. My name is Bill Simmons, president of the

New York State Public Housing Authorities Executive Directors Association, and the executive director for the Syracuse Housing Authority.

It's a pleasure for NYSPHADA to be back before you, before the committee, and thank you, the Legislature, for all of your support.

As you know, for the past several years NYSPHADA has been advocating for more funding for New York State public housing authorities throughout the Division of Housing and Community Renewal. And we are very grateful to the state for all the assistance that the state has provided over the last two years.

Last year the Legislature set aside $125 million for public housing authorities in upstate New York, and this afforded many housing authorities the opportunity to modernize their facilities.

Over the last two years NYSPHADA members have accessed roughly $200 million to help close deals for our members, including

several rental assistance demonstration programs and others.

Governor Kathy Hochul has set aside approximately $150 million for public housing authorities outside of New York City, and we respectfully ask the Legislature and the Executive for $200,000 {sic}.

We are also here today to ask for help for our state public housing authorities. Mr. Chairman, as you know, we requested in last year's budget that the state set aside $554,000 for state-run public housing authorities that never received COVID relief funding. Mr. Chairman, we appreciate your and Senator Kavanagh's support for this effort, and we again ask that you include this in the upcoming budget.

Finally, we ask the Legislature to prioritize public housing authorities in the Emergency Rental Assistance funding. As you know, state law -- Senate Bill 2506 and Assembly Bill 3006 currently single out public housing authorities as last in line for eligible funding. We ask that the

Legislature amend this bill to remove such language and provide public housing authorities with the ability to apply for this much needed funding in a timely and efficient manner.

I am honored to represent NYSPHADA today and look forward to answering any questions that the committees may have.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Next, Cooper Square Committee.

THE MODERATOR: They will be submitting written testimony.

CHAIRWOMAN WEINSTEIN: Okay. Thank you.

So now we go to -- actually, I believe we probably have -- the Cooper Square Committee's testimony was circulated earlier to members.

Housing Conservation Coordinators, Elise Levy.

MS. LEVY: Hi, good evening, and thank you for having me. My name is Elise Levy, and I'm a tenant organizer and advocate with

Housing Conservation Coordinators.

In our catchment area, which is Manhattan's West Side, we have a really high concentration of 421-a units, so our neighborhood is essentially a case study in the remarkable failure of this program.

In our work with residents of the affordable housing units in these buildings, we see the same issues repeated over and over. Tenants are experiencing unequal treatment, receiving misinformation, and being harassed.

An extremely common issue that we see is tenants receiving misleading lease riders that lead them to believe that their protections are expiring, which causes people to self-evict. So we're urging the Legislature to pass legislation that will fine landlords for providing such misinformation.

And we also ask that all existing affordable 421-a units remain rent-stabilized in perpetuity. If the Legislature does not take action, we expect to see thousands of

tenants self-evicting or being forced to move out just over the next few years as these programs continue to expire, particularly in our neighborhood. So we need real, permanent, affordable housing where people do not have to worry if their affordability of their unit is going to expire.

Further, we ask for an end to this program as a whole. There's no reason to renew 421-a or to replace it with a program that is 421-a by another name. It's simply a handout to developers. So we really need to be investing in real, permanent, affordable housing instead of wasting billions of dollars on a program that primarily benefits landlords.

So we demand that this legislative reform to the program -- we demand legislative reforms to the program to protect existing tenants and to not renew the program moving forward. And further, we ask that the Legislature pass Good Cause Eviction to keep the housing we have affordable and allow people to remain in their homes.

Thank you.

(Pause.)

SENATOR JACKSON: Chair Weinstein?

CHAIRWOMAN WEINSTEIN: Is she not here? Is Christine here? Oh, okay, yes.

MS. HUGHES: I think you were muted. Okay. Hi, thank you so much. Last but not least.

Hi, I'm Christine Hughes, and I'm a tenant. I'm a 421-a tenant at West 54th Street and 8th Avenue. I also have a progressive illness. I'm disabled and housebound, and I'm in my hospital bed at home right now.

And certainly a home is everything to me, and I feel for every person I've heard testify all day here. I'm so grateful for your time and to be heard.

Let's see. I just want to talk about a few experiences I've had as a 421-a tenant, such as eviction threats for years. And then I decided I'll pay six-month rent chunks at a time. It still takes me 30 to 40 days to get my landlord to even deposit my rent check. I

often have to get legal help to do that.

There's a constant turnover of staff, so no one is accountable. When the 421-a tenants first moved into this building, we were treated wonderfully. And as time goes on, not so.

Also -- I have notes here -- losing our private documents. At one point the landlord lost all of our 421-a private documents and then suddenly hired an outside agency to do the annual recertification and actually had the nerve to ask us to resubmit all the documents he had lost.

So finally receiving -- as Elise just said from HCC, receiving misleading, false renewal leases stating that at my expiration date I would be charged full market value. The panic you can imagine, my being seriously ill.

And I guess what I'm here for is I'm hoping to get your support for a bill that we tried to pass like a year or two ago, Bill A641/S76, and it's to make passing off illegal, misleading -- well, misleading lease

riders illegal.

And there's another bill that I'm just as interested in, that's A8899, and what that does is it protects all 421-a tenants. Because this is the time for 421-a and 421-a tenants. And if we must renew this program that feels grossly unfair as far as housing justice for all, could we at least protect its tenants?

And I am humbly grateful to be heard today and to hear all of the stories. I've been listening all day. I feel really grateful to have such wonderful New York reps. And thank you for your time.

CHAIRWOMAN WEINSTEIN: Thank you for being our last witness.

We do have some questions of the panel, so we'll start with Assemblyman Harvey Epstein.

ASSEMBLYMAN EPSTEIN: Thank you, Chair.

And to you, Elise Levy, I just wanted to hear the volume of expiring leases for 421-a you're seeing. And, you know, what's

happening for those tenants who are in those expiring buildings?

And then, you know, thinking through what the solutions might be, I do think what Ms. Hughes was talking about, we need to figure out a way to protect those tenants who are in their home.

MS. LEVY: Yeah. I don't know an exact number off the top of my head, and I don't want to say one that's not accurate, but I do believe it to be in the thousands.

And what we are seeing is, you know, folks leaving when they get notices saying that their affordability is going to expire. Which, you know, for some folks they may be losing stabilization. For others, they actually may not. And there's just a real -- real lack of clarity. You know, if you go for a different agency, you might hear a different thing than another agency.

So it's very confusing for tenants. It's very confusing for everyone, frankly. And so we see, you know, a lot of folks who say they were going to self-evict before they

came to us. If they're not coming to us or another neighborhood organization, I assume that they are self-evicting.

And, you know, unless we have some sweeping legislation -- or not even sweeping, just legislation that would stop misinformation, it's hard to reach everyone. Unless we kind of make sure that that information is being disseminated in some kind of mass way.

I think the other thing that would be really crucial is to actually ensure that all units that are affordable, that are in the affordable allotment, are stabilized in perpetuity. That just kind of clarifies the issue. If none of them are losing stabilization, then there's no question.

And frankly, you know, we've put billions of dollars into this program, so we should be able to have permanent affordable housing from it.

ASSEMBLYMAN EPSTEIN: Thank you very much.

And Mr. Simmons, how much money,

capital, operating money do you need from the state for the public housing authorities across the state?

MR. SIMMONS: Yeah, Assemblyman Epstein, I'm glad you asked that question because I needed to clarify. I think I said 200,000, and it's 200 million. We pretty much used that much last time.

ASSEMBLYMAN EPSTEIN: And that's capital or that's operating?

MR. SIMMONS: For capital.

ASSEMBLYMAN EPSTEIN: And how about operating funds? Do you guys run an operating deficit? I know in the city NYCHA has operating deficits, and I just wanted to make sure where we are statewide as well.

MR. SIMMONS: Well, yeah, we're running operating deficits especially since the eviction moratorium. And that's why we often talk about making sure that public housing authorities are not at the bottom of the trough.

Many of us have run up a number of arrears. And so if there's going to be

another allotment of ERAP dollars, we want to make sure that we will be able to access those dollars in a fair and equitable way.

ASSEMBLYMAN EPSTEIN: Thank you. Thank you, Chair.

CHAIRWOMAN WEINSTEIN: Thank you. We're going to send it to the Senate.

It actually looks like there's several Senators, so why don't you --

CHAIRWOMAN KRUEGER: Yes. I see Senator Julia Salazar.

SENATOR SALAZAR: Thank you. I actually -- I just have a question for Mr. Simmons, but I did want to say, you know, and I really appreciate your testimony, Elise and Christine as well. Thank you for sharing your experiences with the failures and the abuses of the 421-a program. It's really harrowing.

But my question for Mr. Simmons. My understanding is that HUD currently doesn't require and certainly the state doesn't require that housing authorities submit a physical needs assessment, even though, you

know, I personally think a physical needs assessment at least periodically would really help us in evaluating the scope of capital repairs and the needs of public housing across the state.

I just wanted to ask you, you know, what do you think about the idea of having housing authorities submit a physical needs assessment in a reasonable -- you know, let's say every five years to the state, so that we could really understand and there would be some transparency in understanding what the financial needs are?

MR. SIMMONS: So just one information correction, Senator. And that is HUD does require housing authorities to go through a physical inspection every year or every two years depending upon what your score was the previous year.

So if you scored 80 or above, you may not be inspected for another two years. But if anywhere in the 70s and 60s were your standard, it would be every year. And if you were below that, in failure, they would be on

your door with a corrective action plan.

So the federal government does require -- does conduct independent physical inspections on all the properties. We haven't had any in the last two years because there were a number of COVID waivers. But the federal government does inspect.

As we move towards the rental assistance demonstration program, which uses quite a bit of the state and tax credit dollars, then HCR and the tax credit equity providers come in every year and do their physical audit to protect their interest.

But the -- just for correction, HUD does require a physical inspection of every property at least once a year by independent inspectors.

SENATOR SALAZAR: I certainly understand that. My question is actually more about a physical needs assessment. So really just understanding the scope of capital repairs and improvements that the housing authorities feel that you need. Basically to -- so that we can understand

exactly what the needs are for the respective housing authorities across the state.

MR. SIMMONS: Yeah, so I think that that's something that we could undertake for all of our housing authorities.

What tends to happen is that when a housing authority -- one of the requirements, when we started to approach the state for dollars to preserve public housing, aides to the Department of Housing and Urban Renewal -- Urban Development -- HCR decided that -- they said, "Look, Bill, the housing authorities have to approach their properties in a holistic way, and you have to really get into this RAD program where you're maximizing your leverage to state dollars to address all your physical needs."

So what tends to happen, once -- based on that leveraging and that approach taken by HCR, when a housing authority decides that they're going to go into RAD and leverage the federal, state and private dollars, a physical inspection -- a physical needs is required at that time.

And so you have that physical needs as a requirement before you can apply for the dollars. And ideally, once you bring all of -- once you address all of your physical needs on your property in a holistic way, theoretically those improvements, like your roof, your furnace, your windows, should last you the life of the warranty, which is 20, 30 years out before the housing authority should be coming back to the state or the federal governmental for additional dollars.

CHAIRWOMAN KRUEGER: Thank you. I'm sorry, I have to cut you off, Senator Salazar. Thank you.

Assemblywoman.

CHAIRWOMAN WEINSTEIN: We do not have any other Assemblymembers.

CHAIRWOMAN KRUEGER: Okay. Then I'm going to turn it over to Senator Jackson.

SENATOR JACKSON: Hi. Last but not least. Let me just say I thank you, Bill, for -- Christine, you were a breath of fresh air coming down the home stretch. So I thank you for listening to you.

And I looked at the address, Christine, where you live at, and I said, whose district is that? Because my district is 13 miles of Manhattan on the west side, basically from up in Inwood all the way down to Chelsea. And I said no, that's my colleague's district. But basically it's all of our district to try to make sure that we protect the people.

And so I'm just happy that I stayed to the end to hear this. I'm looking at the bill right now that Linda Rosenthal had introduced, and I will be talking to her tomorrow morning about this and being supportive.

I do want to hear a little bit more about, you know, if in fact 421-a is totally out, and I do not believe that the developers will build affordable housing, that means the government is going to have to build affordable housing. But as someone said to me, the billions of dollars in tax incentives, we should use that in building affordable -- good affordable housing for the

people of our city that need it.

So I just called in to say thank you and continue advocating for the people that rightfully deserve the services that were provided.

Thank you, Madam Chair.

CHAIRWOMAN KRUEGER: Thank you, Robert Jackson.

And I also, I just want to say for the three New York City people on this panel, and for everyone listening, never self-evict in New York City. We have right to counsel. You have no idea whether you have legal protections under something that you've never even heard of before.

So please, please, please don't let anyone you know self-evict. First go find yourself a legal services attorney or another community group who's doing housing law, and really, really, really have them check for you.

And now I think Senator Brian Kavanagh also has his hand up, Madam Chair.

CHAIRWOMAN WEINSTEIN: Yes. Brian, we

need you to unmute.

SENATOR KAVANAGH: I thought I was silent eloquence there.

(Laughter.)

CHAIRWOMAN WEINSTEIN: It was, but we still like to hear from you.

(Laughter.)

SENATOR KAVANAGH: So I'm going to keep this brief because it's after 10 p.m.

But Elise Levy, I would like to follow up on this issue of misinformation being provided to 421-a tenants. But rather than kind of do a series of questions with my three minutes now, I'll just -- I think, if I may, just may have our Housing Committee director reach out to you.

But -- and otherwise, just thank you to the panel for all of your testimony and for your stamina to be with us still at 10 p.m. Thanks.

CHAIRWOMAN WEINSTEIN: Thank you.

CHAIRWOMAN KRUEGER: I think the Senate is closed. Thank you.

CHAIRWOMAN WEINSTEIN: Okay. So I too

want to, on behalf of Senator Krueger and myself, thank all of our colleagues who have been with us, many from early today.

I want to thank all of the witnesses, those from this last panel as well as everybody who's testified before us, and the many people who submitted testimony and chose -- submitted written testimony and chose not to testify virtually. But that testimony will be available to everybody.

Right before I close this hearing, I want to remind people listening and our colleagues, tomorrow at 9:30 a.m., we will see you -- just under 12 hours -- we will be seeing you for the Environmental Conservation & Energy Hearing. We'll be starting with the energy portion first tomorrow.

And all the members and Senators should be getting -- or should have gotten already the texts -- those who are eligible and come from the relevant committees should have already gotten and been sent the witness list as well as all the testimony, so you can read up to help form your questions for

tomorrow. And with that --

CHAIRWOMAN KRUEGER: Spend the night reading up for tomorrow. Good idea, Helene.

CHAIRWOMAN WEINSTEIN: Definitely. Definitely.

CHAIRWOMAN KRUEGER: Or try a little sleep and then come back at 9:30 in the morning.

CHAIRWOMAN WEINSTEIN: It will help you. It may help you sleep.

So with that, I want to officially close today's meeting. Again, thank you all for participating.

(Overtalk.)

ASSEMBLYMAN EPSTEIN: Thank you. Thank you, Chairs Krueger and Weinstein.

CHAIRWOMAN KRUEGER: Thank you.

(Whereupon, at 10:08 p.m., the budget hearing concluded.)