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

JOINT LEGISLATIVE HEARING

In the Matter of the
2023-2024 EXECUTIVE BUDGET
ON HOUSING

Hearing Room B
Legislative Office Building
Albany, NY

March 1, 2023
9:37 a.m.

PRESIDING:

Senator Liz Krueger
Chair, Senate Finance Committee

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

PRESENT:

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

Assemblywoman Linda B. Rosenthal
Chair, Assembly Housing Committee

Senator Brian Kavanagh
Chair, Senate Housing Committee

Senator Pamela Helming

Assemblyman Michael J. Fitzpatrick

Senator Rachel May

Assemblywoman Rebecca A. Seawright

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PRESENT: (Continued)

Senator Julia Salazar

Senator John Liu

Senator Robert Jackson

Assemblywoman Alicia Hyndman

Assemblyman Harvey Epstein

Assemblywoman Chantel Jackson

Senator Zellnor Myrie

Assemblywoman Dr. Anna R. Kelles

Assemblyman Jonathan Rivera

Assemblyman Demond Meeks

Assemblyman Chris Burdick

Assemblywoman Maritza Davila

Senator Cordell Cleare

Assemblyman Ari Brown

Assemblywoman Grace Lee

Assemblyman Keith P. Brown

Assemblywoman Jo Anne Simon

Assemblyman Al Taylor

Senator Jack M. Martins

Assemblywoman Dana Levenberg

Assemblyman Jeffrey Dinowitz

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PRESENT: (Continued)

Assemblywoman Marcela Mitaynes

Assemblywoman Alicia Hyndman

Senator George M. Borrello

Assemblyman Khaleel M. Anderson

Assemblywoman Nikki Lucas

Assemblyman Brian Manktelow

Assemblyman Jeff Gallahan

Assemblyman Ron Kim

Assemblywoman Monique Chandler-Waterman

Senator Michelle Hinchey

Assemblyman Lester Chang

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CHAIRWOMAN WEINSTEIN: Good morning.

Welcome to the 12th and 13th in a series of hearings conducted by the joint fiscal committees of the Legislature regarding the Governor's proposed budget for fiscal year 2023-2024. We'll be having two hearings today, first on housing and then later this afternoon on workforce issues.

I am Helene Weinstein, chair of the Assembly Ways and Means Committee and cochair of this series of hearings, along with my colleague Senator Krueger, chair of the Senate Finance Committee.

The hearings are conducted pursuant to the New York State Constitution and the Legislative Law.

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

I will introduce our Assemblymembers who are here, then Senator Krueger will introduce the Senators.

So we have with us the chair of the

Assembly Housing Committee, Assemblywoman Rosenthal. We have Assemblyman Burdick, Assemblyman Epstein, and Assemblywoman Jackson.

Senator Krueger.

CHAIRWOMAN KRUEGER: Thank you very much.

Good morning, everyone. So we have Housing Chair Brian Kavanagh, Robert Jackson, Rachel May, John Liu, Cordell Cleare.

And to my right, serving double duty today as ranker for Finance and ranker for Housing, Pam Helming, who will introduce other members of her conference.

SENATOR HELMING: Thank you, Senator Krueger.

With me today is Senator Jack Martins, a member of our Housing Committee.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: And Assemblyman Ra, ranker on the Assembly Ways and Means Committee.

ASSEMBLYMAN RA: Thank you. Good morning. We're joined this morning by

Assemblyman Fitzpatrick, our ranking member on the Housing Committee, and Assemblyman Ari Brown and Assemblyman Keith Brown.

CHAIRWOMAN WEINSTEIN: So let me just do the short version of the rules of the road.

The governmental witness, our commissioner, will have 10 minutes to present her testimony. Then there will be an opportunity for questions. The nongovernmental witnesses who are here and will be coming here this morning will have three minutes to present their testimony. The nongovernmental witnesses are in panels, so each of those members of the panel will have three minutes. When the panel is completed, legislators will have three minutes, if they desire, to ask a question.

And remember, colleagues, that it is both -- the three minutes is both to ask a question and for the answer. So we warn everybody, when the clock says 20 seconds, don't say "I have one more question for you" and not leave time for the individuals to

respond.

For the governmental witness, for the commissioner, the chairs of the Housing Committees of both houses will have 10 minutes to ask questions and get answers. The rankers of those respective committees will have five minutes, as will -- and Senator Krueger and I, if we desire, will have 10 minutes as chairs of our finance committees.

And just a reminder, no PowerPoint presentations, placards or signs are permitted in the hearing room, either by witnesses or legislators.

So with that being said, we have a long day. Today we have a second hearing later on. So with that, let us -- oh, and just also a reminder to colleagues that the testimony has been -- of all of our witnesses today has been distributed, is posted -- has been posted actually for several days on the Senate website. So please refer to your emails to see those testimonies.

CHAIRWOMAN KRUEGER: So we've been

joined by one more Senator, Julia Salazar.

Sorry.

CHAIRWOMAN WEINSTEIN: No, not a problem.

So we're very pleased to have the New York State Homes and Community Renewal Commissioner and CEO RuthAnne Visnauskas with us today. And, Commissioner, the floor is yours.

COMMISSIONER VISNAUSKAS: Thank you. Good morning, everyone. I'm RuthAnne Visnauskas, commissioner of New York State Homes and Community Renewal, and it's my pleasure to testify before you today on what I think is your last day of hearings for Governor Hochul's 2024 Executive Budget.

When I appeared before you last year, HCR was nearing the finish line of the state's first five-year Housing Plan to create and preserve 100,000 affordable homes and 6,000 apartments with supportive services. I'm pleased to say we completed that plan, and thanks to Governor Hochul's leadership and your support, we immediately

embarked on our next Housing Plan, a new $25 billion investment over the next five years to create an additional 100,000 affordable homes across New York, including 10,000 units with supportive services. This represents the largest investment in housing in state history, and as of today we financed nearly 15,000 homes toward this new goal.

Since last year, HCR has also introduced several initiatives that will complement the Housing Plan and tackle New York's housing shortage while also placing an emphasis on our broader goals of removing barriers to housing, building up communities, and improving our environment.

Some brief highlights of those efforts: HCR recently launched a new $250 million Climate Friendly Homes Fund. This will electrify 10,000 homes across the state and, importantly, help us meet the climate goals set up by the Climate Leadership and Community Protection Act.

The Climate Friendly Homes Fund will provide an average of $25,000 per unit to

owners of small multifamily rental buildings for investments like electrifying heating systems, electrifying domestic hot water, making upgrades to existing building envelope and ventilation systems. The funds are available to regulated affordable housing and also to unregulated affordable housing that's located in low-income neighborhoods.

We've also made progress on our commitment to address historic inequities and eliminate the racial wealth gap that has impacted minority communities for far too long. For example, in the wake of the tragic mass shooting last year in East Buffalo, Governor Hochul announced a series of initiatives that address the historic disinvestment in this community by providing funding to keep current homeowners safely housed as well as funding to expand homeownership opportunities for minority residents in the city.

And as the nexus of health and housing was becoming increasingly evident, we've recently celebrated the completion of a

project called Vital Brookdale. This is the first development completed under the Vital Brooklyn Initiative, which is a strategy to address chronic disparities in access to health and housing in Central Brooklyn.

We also continue to make it a priority to preserve the housing that we have. In our first Housing Plan we invested over $1.4 billion to preserve 57,000 apartments across the state, and this included almost 18,000 of our Mitchell-Lama apartments.

Along these same lines, we began construction this year in the City of Kingston on our first project funded through our $25 million Legacy City Access program. Under this program, local land banks partner with minority- and women-owned businesses to transform vacant buildings into move-in-ready homes for first-time homebuyers and households of color.

But as we look ahead to the future, we know our work is far from over. In the past year I've traveled to every corner of the state and stood alongside many members of the

Legislature to celebrate our developments -- tossing dirt, cutting ribbons, and witnessing firsthand how our work strengthens communities and how it transforms lives. But the joy of these celebrations is tempered by the knowledge that we need to do more.

In every town, village, and city that I visit, I hear similar challenges on housing -- rents are rising, existing residents are being priced out, and across the spectrum it's becoming more and more difficult to find places to live. We are in the midst of a housing crisis, and the crisis has been years in the making.

In the decade before the pandemic, we created jobs at three times the rate of housing, leaving us with 1.2 million new jobs but only 400,000 units of new housing over the 10-year period. We now see this lack of supply impacting nearly everyone: middle-income renters, young people looking to buy a first home, families that need room to grow, and older New Yorkers who want to remain in the communities they've lived in

for their entire lives.

This crisis of supply and affordability does not stem from inaction on the state's part to fund new affordable housing. In fact, New York invests more per capita on affordable housing than any other state in the country.

To be clear, the crisis stems from unnecessary and sometimes purposeful obstacles. And as a result, we're losing New Yorkers to states like New Jersey and Connecticut that are addressing their housing shortages with statewide policies that drive production and better address keeping their housing stock affordable.

This is why the time is now to come together as a state and take bold action to increase our housing supply. And that is what Governor Hochul's Executive Budget does. Within the budget is the creation of the New York Housing Compact, a proposal that engages every community in the state to work together towards the creation of 800,000 new homes over the next decade.

Importantly, the compact's goals will expand access to housing for all New Yorkers, benefit our climate, and accommodate our growing workforce. The Executive Budget seeks to restore the cycle of housing in this state -- building starter homes, creating larger houses or apartments for growing families, developing modern places for our parents and grandparents to live safely and independently.

The main pillars of the housing compact include setting statewide growth targets, focusing on transit-oriented development, and removing barriers and creating incentives to spur housing investment. And we'll do this while supporting local governments with funding that they can use to address their infrastructure and carefully plan for future growth.

The housing compact sets new statewide housing targets for all municipalities to achieve on a three-year cycle. This means a 3 percent growth for downstate communities

served by the MTA, and 1 percent growth for upstate communities.

Municipalities will decide how to best meet their new home construction targets. This means rezoning underutilized office parks or malls, creating density in targeted areas, or allowing homeowners more flexibility with their land. We have seen incredible success stories of these already in places like Patchogue and Riverhead and Kingston and Amherst and Rochester and so many other places across the state.

We want local governments to be empowered to choose solutions that are best for their communities. And we want to provide both funding and guidance from the state.

The housing compact also puts a laser focus on transit-oriented development. We know this type of development strengthens local economies by creating vibrant communities that attract both residents and businesses. It reduces commute times, improves public health by encouraging walking

and biking, and it cuts greenhouse gas emissions.

To expand housing potential in transit-oriented communities, localities with train stations run by the MTA will undertake a local rezoning within a half-mile of the station -- unless, of course, they already meet the density level. And this will enable more families to enjoy improved access to jobs and thriving, sustainable communities.

Lastly, the compact proposes new regulatory changes and property tax exemptions to encourage mixed-income development, including allowing more commercial buildings in New York City to be converted to residential use.

To support these efforts, the state will provide an initial 250 million to help localities meet the demands of new housing construction on local water supplies, on sewers and roads, as well as a separate $20 million planning fund to help local governments map out their plans to help increase housing capacity.

All told, we believe the creation of this statewide housing strategy complements our current 25 billion five-year affordable housing plan, and it forges a new path to unlocking our development potential and increasing housing supply.

The message that I want to leave you with today is that New York State cannot afford to continue with the status quo. For the sake of our future, we must take this opportunity to build the housing New Yorkers need, regardless of age, income or phase of life. We look forward to working with the Legislature on this proposal to make it a success for all of New York's communities.

I'm so proud of all that we've accomplished together, and I'm excited to see the positive impact that our continued partnership will have on New Yorkers now and in the future. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you, Commissioner.

We go to Assemblywoman Rosenthal, Housing chair, for 10 minutes.

ASSEMBLYWOMAN ROSENTHAL: Thank you very much. Thank you, Chair Weinstein -- excuse me. Clearing my throat.

Good to see you, Commissioner, and I'm very pleased to be here as chair of the Housing Committee. So I have 10 minutes and many questions, so I hope we can go through this rapidly.

First, regarding HOPP, Homeowner Protection Program, I have a letter from 89 nonprofits to the Governor regarding the lack of funding in the budget for the HOPP program. Last year she put in 20 million, the Legislature added 15 million. Projections estimate a need for 40 million, yet there's no funding in the budget for the only homeowner retention program, can you explain why that's not there?

COMMISSIONER VISNAUSKAS: So as you said, last year the program had been initially run I think with the $20 million and was added last year 15 million, almost doubling the size of the program. Our understanding is that there's still funding

left in that. But as you probably know, the program itself is administered by the Attorney General's office, it's not by HCR. So we can definitely work with them to see if they feel that they need additional funds.

ASSEMBLYWOMAN ROSENTHAL: So it was an intentional omission. Because the rumor floating around was that it was just an error.

COMMISSIONER VISNAUSKAS: I believe last year the funding was almost doubled for the program, so I think we have not heard that that funding is fully expended. But happy to work with you on that.

ASSEMBLYWOMAN ROSENTHAL: Okay. It's -- I've heard from so many people. And of course the nonprofits are very, very concerned about this.

Okay, there's a provision in the budget to extend the 421-a deadline for projects that got in the ground by June 2022, by four years, so that completion could -- instead of being expected in '26, would be expected in 2030.

So how many projects are there, where are they, and how many units are expected to be built?

COMMISSIONER VISNAUSKAS: So as you know, the 421-a benefit program is administered by the City of New York. The program was changed in the 2017 version --

ASSEMBLYWOMAN ROSENTHAL: I know, I know. But please just answer: How many are there, and where are they, and how many units are expected?

COMMISSIONER VISNAUSKAS: So as you know, this program is run by the city, and so we defer to them for information on the program.

They don't get preliminary application data from applicants, so the most available information that we have on projects that are gotten in the ground is really what has been reported by the industry, which I'm sure you've seen. They have reported that there's upwards of 30,000 units of projects that are in the ground. But there is no data source for that other than the developers themselves

reporting that.

ASSEMBLYWOMAN ROSENTHAL: So I met with some lobbyists who have a handle on some of their projects. I met with REBNY, who have a handle on some of the projects. But I've heard that there are more than 70. And it's very concerning that there would be this provision to extend the deadline for four years when no one can actually tell us where all those projects are.

COMMISSIONER VISNAUSKAS: Well, I think when the program was changed in 2017 by the state, that the application to apply for the benefits prior to construction of the project was eliminated, so there is no data source certainly at the state level, since we don't administer it. But there is not one at the city level either that tracks projects before they start construction.

As you know, they apply at the end of construction. So I think that is why we have also heard from those lobbyists and others folks about the unit count, because they are the ones who are familiar with all the

projects that are in the ground.

ASSEMBLYWOMAN ROSENTHAL: Well, I think it's troubling that there's this provision without actually telling the legislators who have to extend it, if we agree or not, where every single project is. It's disturbing.

Okay, thank you for that answer.

On the front page of the Daily News on February 27th, it features a photo of a beleaguered Bronx family that is threatened with eviction. Now, we know there's an eviction crisis in this state, thousands of evictions occurring on the uptick since our eviction moratorium ended.

In the Governor's State of the State she referenced the fact that more than half of New York renters pay more than 30 percent of their income toward rent. She said that is the second-highest rate in the nation. In the New York City metro area, rents have risen 30 percent since 2015; home prices have risen 50 percent over the same period. And outside of New York City, rents have risen

40 to 60 percent since 2015.

What in the Governor's budget proposal addresses this serious problem?

COMMISSIONER VISNAUSKAS: Well, I think it's a complex problem certainly on eviction. And I saw that same article, which I think discussed that eviction levels are sort of back to pre-pandemic levels. Obviously we had, during that moratorium, a complete cessation of those.

I think we feel very strongly that a lot of the pressures on the housing market, whether it's for evictions or rents or some of the other issues you mentioned, are really driven by the fact that there is not enough housing for people in the City of New York and in the State of New York.

And that's why we've proposed the housing compact this year, which is to say that we have to have a long-term strategy because short-term strategies are not going to get us out of the eviction predicament that we're in. And that's why we have put that sort of at the front and center of our

housing proposal this year.

ASSEMBLYWOMAN ROSENTHAL: Well, you know, I'm pleased that the Governor put in a provision to build 800,000 units across the state in 10 years. But I am troubled that the word "affordable" is not connected with that 800,000. And I'm also concerned that what is there in the budget that addresses today's problem -- evictions, rents are just so high. There was an article in the New York Times that Black New Yorkers are leaving the state because of rising rents.

So rents are just skyrocketing. Evictions are continuing apace. And there is nothing in the budget that addresses what happens today, next year, the year after, the year after, until some of those 800,000 units can be built.

COMMISSIONER VISNAUSKAS: So obviously the housing compact is a long-term plan, but it isn't meant to, you know, compete with or replace any of our short-term efforts we do. As I mentioned, you know, and as you know, we have our $25 billion Housing Plan. We are

continuing to build affordable housing in New York City, across New York State.

We've put a bigger investment than any other peer state does into that, so I think we are addressing the issue of providing affordability across the state with that plan.

I would also add that we do have funding for eviction prevention in the rest -- as you know, New York City has right to counsel. But in the rest of the state there is funding for eviction prevention to make sure that tenants have access to those resources.

ASSEMBLYWOMAN ROSENTHAL: Which is great. The city right to counsel, there are not enough attorneys, so tenants in Housing Court have found that they are facing eviction without the help of an attorney, something that is guaranteed by law. So that is a concerning thing. But that's on the city level.

But I'm just so alarmed, as are many of my colleagues, you know, about this

crisis. And I'd like to see more coming from the Governor. There are many programs that we have offered -- the Housing Access Voucher Program, there's TOPA, there's more homeownership programs, there's good-cause eviction -- just to help tenants across the state stay in their homes, and to help new people find a place that they can afford to buy and stay in New York State.

So I think that's -- those are areas that we need a lot more resources, maybe staff for HCR, and dedication from the Executive.

I also note that in 2021 the Office of Rent Administration at HCR showed 976,478 units that were stabilized as of March 31, 2019. In 2022, the annual report shows 889,507 as of March 2022. So what happens when -- first of all, what accounts for this dramatic drop in rent-stabilized units? Secondly what happens when a unit is rent-regulated and the landlord does not file the annual registration? Does HCR have a system of tracking units that have fallen off

either -- well, units should not be leaving rent stabilization since we passed the -- eliminated vacancy decontrol in 2019.

So what accounts for the drop in numbers, and what is HCR's process for ensuring that either by negligence, mistake, that those are not registered by landlords?

COMMISSIONER VISNAUSKAS: So a lot of that reporting is the result of a sort of lag in data. As you know, landlords register between April and July each year, but in fact many more units get registered after the decline, and so there's often a lag in the data that gets reported that doesn't reflect the full unit count.

We -- when we get -- when you see sort of next year's report that reflects back sort of the updated numbers, you will see that we are back up to the same about 959, 960 -- I think you said 967,859; I didn't write down the full number -- units in the stock. So we don't see a drop in actual units in the system; we just have a lag in registration.

ASSEMBLYWOMAN ROSENTHAL: So you're

saying there -- I mean, I know there's a problem just based on who walks into my office and says, Here's my lease, all of a sudden it's a lot more money. We're like, No, you are not market-rate, you're actually stabilized, but your landlord hasn't registered your unit.

COMMISSIONER VISNAUSKAS: Can I answer that? Can I answer that?

CHAIRWOMAN WEINSTEIN: I assume during the day there'll be a number of questions that there won't be time to answer. So for both yourself, Commissioner, and for others, if there isn't time, please send us the -- send to Senator Krueger and myself, our offices, the responses and we will make sure to circulate to all members.

Before we go to the Senate, we've been joined by Assemblywoman Kelles, Assemblywoman Lee, Assemblyman Rivera, and Assemblywoman Simon.

And now to the Senate.

CHAIRWOMAN KRUEGER: Thank you.

And our first questioner will be our

chair of Housing, Brian Kavanagh.

And we've also been joined by Senator Borrello.

SENATOR KAVANAGH: Great. Thank you very much.

Just let me begin by thanking our stalwart chairs of our respective Finance and Ways and Means committees, Liz Krueger and Helene Weinstein, who are getting down to the --

CHAIRWOMAN WEINSTEIN: (Inaudible.)

CHAIRWOMAN KRUEGER: Give him 10 minutes --

(Laughter; overtalk.)

SENATOR KAVANAGH: I'd like to especially thank the timekeepers today, who are really doing an excellent job.

(Laughter.)

SENATOR KAVANAGH: So, you know, just -- but we have a great -- you know, a great collection of legislators in both houses. I served in the Assembly for 11 years, and it's really wonderful to work jointly with them today, and of course

Pam Helming, our dual ranker both in Housing and Finance, and the great new chair of the Assembly Housing Committee, Linda Rosenthal.

So just -- I'm going to -- there's a lot here, and I know you're going to get a lot of questions from colleagues about the compact and some of the more complicated aspects of that. I just want to sort of set the table by talking -- just getting a sense of how a few of the newer funding items fit in with the larger plan here.

So first of all, just -- there are three new funds: The infrastructure support fund, the planning assistance fund, and the statewide data collection system. And each of those is proposed basically to support the new initiatives around land use and the housing compact. Okay, so they're not -- you know, each of them -- if we're doing those things, we need those funds to be critical. And presumably if we weren't doing them, we probably wouldn't be collecting data on all those permits. So I'll just leave those aside for a second.

The Housing Stabilization Fund, it's a very substantial item. Can you just talk a little -- is that directly connected with the housing compact goals? Is it -- does it have -- can you just talk a little bit about the purpose of that and how it would work?

COMMISSIONER VISNAUSKAS: And -- I'm sorry, the Housing Stabilization Fund as funded within the compact or outside of it?

SENATOR KAVANAGH: Yeah, I mean, there's a -- I think the way we've received the budget, there are Article VII about compact goals and then there are separate funding items. So I think we're trying to figure out just the -- the Housing Stabilization Fund you're saying is a distinct -- it's distinct from those other three funds I mentioned. And just trying to get a sense of how it would -- how it would work.

COMMISSIONER VISNAUSKAS: Can I come back to you on that? I'm not sure I know which budget line item you mean on the Housing Stabilization Fund.

SENATOR KAVANAGH: Okay. I'm happy to have you get back to me.

Can you talk a little bit about the -- first of all, I'd just say I'm very excited that the Governor and -- and the Executive has proposed a lead abatement program. We did a hearing in December of 2021 jointly with the Health Committee and, you know, it's a real scourge across the state.

So there's, you know, in a separate place there's the health -- the Health Department is proposing a registry of apartments in various impacted zip codes, and you have the capital fund that's intended to address that.

Can you just talk about, a little bit, how the agencies work together, how that would work, and it's a $20 million fund, how that relates to the overall need?

COMMISSIONER VISNAUSKAS: Yes, we're very excited about this new initiative in the budget this year. We worked really closely with the Department of Health to craft it. As you said, we sort of share

responsibilities with them, and they will be working with -- to make sure the inspection piece of it is done.

We are modeling this on some work that was done in Rochester where they created a really successful program to drive down the incidence of childhood lead poisoning.

For our part, we'll be working with landlords. You know, the costs of doing some of the remediation can be sometimes $10,000 or $20,000 a unit, and it's sort of uneconomic and a real sort of hardship for a landlord, especially of a small building or in a low-income neighborhood.

So we want to make sure that resources are available, because the issue is so important. So we're excited to be partnering with them to make sure that we can get funds to landlords to pay for the remediation so it gets done quickly.

SENATOR KAVANAGH: Great. And you mentioned the climate friendly homes fund in your written testimony and in your oral testimony. Can you talk a little bit more

about how that -- and I understand it's about twenty -- a maximum of $25,000 per unit and might be intended to cover as many as 10,000 homes.

COMMISSIONER VISNAUSKAS: Yup.

SENATOR KAVANAGH: Sort of how people access that?

COMMISSIONER VISNAUSKAS: Yup. So we actually already opened the application process about a month ago.

And so landlords -- we have a series of organizations that are on the ground in localities across the state who are doing outreach to landlords. But it's really for landlords to apply, to make sure that sort of outside of the work we're doing in our regular portfolio we are working to electrify, that we're touching other either sort of naturally occurring affordable housing out in the state.

Again, sort of a cost that is expensive for landlords to bear, where they don't necessarily get a return from doing electrification of their heating and hot

water system. But it's an important goal for us as a state. So landlords will be able to work with a CDFI that we've selected called Community Preservation Corporation, and we have a series of nonprofit partners out working with landlords to make sure they're aware of the program.

And we'll be happy to work with anyone's offices to get more awareness out of that program.

SENATOR KAVANAGH: I think my own landlord might be interested --

(Laughter.)

SENATOR KAVANAGH: -- but I probably should stay out of that application process.

Fair housing is something that, you know, we've -- with the investigations in the Gov Ops Committee and the Consumer Affairs Committee and the Housing Committee, the Senate did some pretty extensive investigations that resulted in the creation of a fund that is in the AG's hands to do more fair housing education and testing.

You also have a program that's been --

I think it's been 2 million in the current year and there's a proposal to continue that 2 million. Can you talk a little bit about how that's working and, again, how $2 million -- there are some people that talk about what someone's called fair housing deserts. There are parts of the state I think that don't have any kind of dedicated organization that works on it.

Can you just talk about how that program is working and whether it might be possible and the additional resources to meet the statewide need?

COMMISSIONER VISNAUSKAS: Absolutely. So we work on fair housing kind of across the spectrum of the agency. But as it relates to the testing, we awarded contracts -- we went through a procurement process and awarded testing to six organizations around the state to do fair housing testing with the 2 million last year, and that will continue.

We ensured, relative to the program before, that there weren't really testing deserts, so the purpose of sort of the new

procurement and the new organizations was to make sure we are covering that statewide.

So those -- that work has begun, those contracts have been awarded, and we would, you know, I think be able to assess better probably next year whether that is or is not enough sort of funding. But we felt comfortable putting that out as contracts right now.

SENATOR KAVANAGH: Thank you.

And just back to the -- my colleague Assemblymember Rosenthal talked a little bit about this. But the HOPP program, as we understand it, the current contracts go through July 15th. And is there -- I mean, the Executive proposes no money this -- you know, it frankly has been a bit of a budget dance between the Legislature and the Governor. For a long time it was less. So last year, because there was $20 million in the Executive.

But just for the record, we would need to put additional money into this budget if we were going to provide those services

throughout the coming fiscal year, right?

COMMISSIONER VISNAUSKAS: Yes. And I think we would want to reach out to the Attorney General's office to confirm with them as the contract administrators, because we don't operate the program. But we would be happy to do that.

SENATOR KAVANAGH: Okay. Because I think we -- yeah, as in past years, I assume we will be pushing -- my colleagues and I, a lot of us will be pushing to add that money back.

And the -- I have a few things on the list here. Public housing; this is again something that typically has not been included initially in the Executive Budget and has been added, but -- by the Legislature. And last year we did manage to get I think $350 million in for New York City and $50 million for other housing authorities.

Could you just talk to the -- I mean, you know, to what extent is there an ongoing need for capital investments in public

housing?

COMMISSIONER VISNAUSKAS: So because we are just in the first year of our Housing Plan, we feel fully funded on the public housing front. We have a couple of projects that will close this year, but we've budgeted ourselves as sort of a five-year ask when we did it last year.

So I think we feel, sort of in the rest-of-state public housing, we have enough capital. Certainly to the extent we spend that down -- we don't, you know, say no to our public housing authorities, so to the extent we run through that, I'm sure we'd be happy to come back to you and work with you on additional funding for that. But right now we have enough capital to fund everything that's in our pipeline.

SENATOR KAVANAGH: Okay. And the pipeline -- I mean, your process for New York City Housing Authority and other public housing authorities is pretty different, right? You're directly getting applicants submitted by non-New York City housing

authorities, right, and assessing those and delivering -- that's the 50 million. In terms of NYCHA, I mean, it's a much more complicated process involving DASNY and other agencies.

But just you are not suggesting that the overall capital needs of NYCHA are in good -- are well covered?

COMMISSIONER VISNAUSKAS: Yeah, we have not historically used our capital to fund NYCHA. That's either come from the city or come from the sort of overall appropriation that gets managed by DASNY.

SENATOR KAVANAGH: Gotcha. Okay.

So just -- my colleague Linda was more efficient with her time. She's been a legislator for 10 months longer than I have. But just to say, you know, I and many of my colleagues share concerns about ensuring that some of our programs that are intended to address immediate needs -- you know, good-cause eviction, Housing Access Vouchers and others -- you know, are included in the final budget.

But, you know, thank you for your testimony and for all your work to get people housed throughout the year. Thank you.

COMMISSIONER VISNAUSKAS: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: We go to the ranker on housing, Assemblyman Fitzpatrick, five minutes.

ASSEMBLYMAN FITZPATRICK: Thank you, Madam Chair. Thank you, Commissioner.

A quick question. Back in 2018 we had 1342 applications in the air preceding passage of the HSTPA, for MCIs. And then 285 were filed, like 2021. What is -- what is your department doing to kind of address this issue? Because we have a severe lack of investment in this housing stock, which we know is very old, 75-plus years or older.

So these rules that were enacted have really disincentivized investment in this housing stock. That is a real problem. What are your thoughts on that, and what are you going to do to address that?

COMMISSIONER VISNAUSKAS: We did see that same drop in the data of applications for MCIs across our portfolio.

You know, we work really closely with that stock. I mean, as it relates to people submitting applications, obviously we just sort of accept and process the applications. But I think in the overall we have tried to make resources available to rent-stabilized-building owners who want to make investments through our lending programs, to make sure that they are making those capital investments.

We also run a pretty robust weatherization program where we grant weatherization dollars for roofs and windows and boilers, and we do that in the rent-stabilized stock.

So we offer a lot of programs to provide assistance to landlords, especially landlords of small buildings and landlords in low-income areas to make sure that they can make critical investments.

ASSEMBLYMAN FITZPATRICK: This housing

review board that's part of this compact, what are the qualifications going to be for service on that board? And --

COMMISSIONER VISNAUSKAS: So the Legislature and the Governor will make appointments, and so we would presume that they would make appointments consistent with the mission of the overall growth of housing in the state as they think about appointees there. But it would be up to the Legislature to select for their appointees.

ASSEMBLYMAN FITZPATRICK: So there are no specific qualifications for service on that board.

COMMISSIONER VISNAUSKAS: Not in the statute as written, right.

ASSEMBLYMAN FITZPATRICK: I'm sorry?

COMMISSIONER VISNAUSKAS: Not in the statute as currently written, correct.

ASSEMBLYMAN FITZPATRICK: Okay.

You mentioned in your testimony -- you made reference to unnecessary and sometimes purposeful obstacles that created this crisis. Can you give me some specific

example of purposeful obstacles? What are those?

COMMISSIONER VISNAUSKAS: Well -- sure. I'm sure you're familiar with the term "exclusionary zoning." So there's a lot of zoning that exists in places across New York State and across the country -- New York State is not alone in this -- that prevent people from being able to move into communities. So if a community has something like a five-acre minimum lot size for a house, right, those are going to really limit the number of housing units that are available in a locality and limit the number of people that can live there.

ASSEMBLYMAN FITZPATRICK: So that's places like, say, East Hampton or Southampton would be examples of that.

COMMISSIONER VISNAUSKAS: I wouldn't pick out any place in particular. But there certainly are a lot of places where we see large lot sizes equated to very high housing prices, and so there's a direct connection between zoning and house prices and, by

extension, I think affordability and access.

ASSEMBLYMAN FITZPATRICK: Okay. All right, thank you.

The individual apartment improvements, how many have been reported or registered in the past four years? Do we have any idea how many --

COMMISSIONER VISNAUSKAS: I don't have those exact statistics, but I'd be happy to get back to you on how many IAIs have been submitted.

ASSEMBLYMAN FITZPATRICK: Okay. All right, very good.

So with regard -- back to the housing compact. You take a county like mine, Suffolk County -- Suffolk and Nassau, for that matter. We -- the townships, my township in particular, Smithtown, is doing some very innovative things trying to get transit-oriented development established. We have a local town, Smithtown, my town, that is creating an overlay district in the industrial park to meet the needs of our industrial park for their future growth.

But we have limitations, two in particular. One, we live over our potable water supply, the aquifer. And also we have a lack of funds for infrastructure, for sewer in particular.

So what will happen if a township doesn't meet the stated goals of the Governor, and yet we don't have enough infrastructure money and we have limitations set by the health code? Does that -- how do you resolve that conflict? What's going to happen in a situation like that?

COMMISSIONER VISNAUSKAS: Yeah, so we certainly understand the issues around both water and sewer as it relates to housing development, and so we have put in several places in the legislation considerations for health and for safety. And certainly that would dovetail on issues around the aquifer in Long Island.

We want to make sure that there's investment and places that can be sewered do get sewered. And so the $250 million in the budget is not meant to attempt to pay for all

the sewers that might be needed in a county and locality like yours. But it is meant to be a down payment on that effort to make sure that where we can sewer in places and get housing built, that we're putting money forward to help support localities to do that.

CHAIRWOMAN WEINSTEIN: Thank you.

ASSEMBLYMAN FITZPATRICK: Thank you.

CHAIRWOMAN WEINSTEIN: To the Senate.

CHAIRWOMAN KRUEGER: Thank you.

We're going to go next to Senator Jack Martins for three minutes.

SENATOR MARTINS: Thank you.

Commissioner, good to see you again.

COMMISSIONER VISNAUSKAS: Hi, thanks.

SENATOR MARTINS: Commissioner, I represent Nassau County, a portion of Nassau County. We've had an opportunity to speak briefly at one of our Housing Committee meetings regarding my concerns for the housing compact. And so I have some very specific questions on the housing compact and its impact on communities like ours in

Nassau County.

I'm a village guy, a former mayor of the Village of Mineola, where we built over a thousand units of transit-oriented development, including affordable housing, over the last 10 years on our own. We didn't need state mandates, we didn't need someone telling us that we're required to build a certain amount of density. And so I would encourage a different path when it comes to the housing compact, one that works with our local communities and does not impose a one-size-fits-all approach.

But with regard to your housing compact and the proposal specifically for transit-oriented development, there's a requirement that there may be a minimum or an average of 50 units per acre over a half-mile radius around a train station. So I'm going to ask you, do you know how many acres there are in a circular mile centered on a train station?

COMMISSIONER VISNAUSKAS: A half-mile around a train station is approximately

500 acres.

SENATOR MARTINS: About 502 acres.

COMMISSIONER VISNAUSKAS: Five hundred acres, yeah.

SENATOR MARTINS: Yeah, 502.4.

And so if we multiply 500 acres times 50 units per acre, on average across that space, we're talking about 25,000 housing units as of right, aren't we?

COMMISSIONER VISNAUSKAS: Well, for each locality it's a little different because a lot of land is exempted. So if there are waterways and roadways or cemeteries or other non-buildable land --

SENATOR MARTINS: If we assume that there's no exempted land as an abstract, 50 units per acre times 500 is 25,000.

COMMISSIONER VISNAUSKAS: Yes, that math is correct.

But we found when we looked at a lot of localities that in fact there are exemptions almost everywhere, so no one is really going to be held to that full acreage and unit --

SENATOR MARTINS: But there's a 50-mile distance from New York City for this 50 unit per acre, including all of the subway stations within New York City.

So my point is 25,000 units around train stations -- in Nassau County we have over 50 train stations, which would amount to over a million housing units as of right as a result of this proposal.

My concern is, Commissioner, there are 476,000 housing units in Nassau County right now. It is the most densely populated county outside of the five boroughs, at approximately 4750 units per mile. So if you consider the sheer scope and impact on our communities in Nassau County by a proposal that in a single step has the potential of tripling the number of housing units in our county, changing the very fabric of our communities -- I hope you understand why people in our communities are that upset.

And so we see it as an attack on our suburban communities, and I urge you and the Governor to reconsider this as we go forward.

Thank you.

COMMISSIONER VISNAUSKAS: Thanks.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We have been joined a little while ago by Assemblywoman Levenberg and Assemblyman Taylor.

And we go to Assemblyman Epstein for three minutes.

ASSEMBLYMAN EPSTEIN: Commissioner, always good seeing you. Thank you. I'm over here; I start from the left.

(Laughter.)

ASSEMBLYMAN EPSTEIN: So do you believe the most important piece of a family's stability is housing stability?

COMMISSIONER VISNAUSKAS: I'm sorry, I didn't hear the first part of your sentence.

ASSEMBLYMAN EPSTEIN: Do you think housing stability is a critical piece for family stability?

COMMISSIONER VISNAUSKAS: Stability is important, yes.

ASSEMBLYMAN EPSTEIN: And so keeping

families in their homes is a critical part of that, do you agree with that?

COMMISSIONER VISNAUSKAS: Yes.

ASSEMBLYMAN EPSTEIN: Great.

So I'm wondering, in the proposed plan, we don't see a lot on preservation, nothing on good-cause eviction, you know, HAVP, lots of preservation tools. Do you believe preservation is an important part of the tool belt for HCR?

COMMISSIONER VISNAUSKAS: Absolutely. And I think we have a lot of programs that address preservation outside of the things you mentioned, including, as I had said to your colleague, the Housing Plan in and of itself. We spend an enormous amount of money preserving existing rental housing in New York City and across the state, and we think that's an important part that sort of gets lost a little bit in that conversation. You know, as does New York City.

But there is a lot of resources that go into protecting our existing rental stock.

ASSEMBLYMAN EPSTEIN: So part of our

concern is our public housing residents. We have the risk of tens of thousands of evictions for public housing residents because we created a lower priority for ERAP for them. I'm wondering why the Governor didn't do anything around trying to put money into ERAP for public housing residents and really trying to keep those units. In my district alone, it's $10 million in arrears; hundreds of families are going to get evicted unless we do something.

COMMISSIONER VISNAUSKAS: Yes, I also understand that they were sort of statutorily at the lower end of the priority as it was passed last year.

My understanding from OTDA and from the Governor's office is certainly that they continue to advocate at the federal level for additional funds to pay for ERAP. There have been several installments, I'm sure you know, and they continue to advocate to get additional funds as best they can to keep serving all of the priorities in the prioritization.

ASSEMBLYMAN EPSTEIN: Right. I want to turn your attention to basement and cellar apartments. As you know, a year and a half ago we lost 11 New Yorkers after Hurricane Ida. I know the Governor's proposed a plan that might include legalization of basement and cellar apartments in New York City, as well as part of the Housing Plan, ADUs is one of the options.

And I'm wondering, in the proposal you listed basements but didn't include cellars, even though they can be identical to the eye, cellars and basements. I'm wondering why it was -- was it intentional to exclude the cellars? Even though it could be, you know, the difference of 2 inches between a basement and a cellar in a unit.

COMMISSIONER VISNAUSKAS: Yeah, I think we are initially coming out and trying to address the basement issue. And for folks that don't know, the basements are just the ones that are 50 percent above grade versus 50 percent below grade for the cellars.

And so I think we felt like as a first

effort to address this, that basements was the right place to start. But happy to keep working with the Legislature on that.

ASSEMBLYMAN EPSTEIN: Yeah, I appreciate that. I think we need to address the basements and cellars too.

And I know we have only seconds left, but the 12 FAR cap, I think that's a problem for Manhattan just lifting it, you know, without any commitment to affordability. I think a longer conversation needs to be had.

Thank you.

CHAIRWOMAN WEINSTEIN: To the Senate.

CHAIRWOMAN KRUEGER: Thank you.

To Senator Robert Jackson.

SENATOR JACKSON: Good morning, everyone. Good morning, Commissioner.

COMMISSIONER VISNAUSKAS: Good morning.

SENATOR JACKSON: So I have only three minutes, so let me be very quick.

My concern is I've heard that there's approximately 60,000 units of housing that is not being rented in the New York City area.

And I'm concerned about that because affordability is extremely important for the people that I represent. Are you aware of that, and can you comment on that?

COMMISSIONER VISNAUSKAS: Did you say 16,000 or 60,000?

SENATOR JACKSON: Six, zero, thousand.

COMMISSIONER VISNAUSKAS: And so you're referring to the vacant, the sort of reported vacancies in the rent stabilization system? Is that what you're referring to?

SENATOR JACKSON: Yes.

COMMISSIONER VISNAUSKAS: So there was some reporting a couple of months ago about units registered as vacant. And the way our data works is that sort of point-in-time data for April 1st of each year. And that was data that was reported at the height of the pandemic in 2021. Since that time, we have seen that vacancy number come way down as additional apartments have been registered. And so that condition is really back to historic norms.

We agree there should be -- we agree,

sorry, that there's a tight housing market in New York City and that there's a lot of demand. But we don't see, in the rent-stabilized stock, sort of an abnormal number of vacant units in the system.

SENATOR JACKSON: And what are you hearing why there's so many units not being rented?

COMMISSIONER VISNAUSKAS: I mean, again, we see the sort of number of units vacant in the system, so the system is about 960 -- 950,000 units -- that the number of those that are vacant is sort of consistent, reported, again, sort of as April 1 of each year, is consistent year over year and that those aren't necessarily long-term vacant apartments, that's just about the number of apartments that are vacant on that date in any given year.

And they are different apartments each year. So it isn't that there's sort of a consistent 30,000 or, you know, whatever the number that gets reported, it's not the same units year over year that are sort of vacant

long-term. It's just different units, for the most part, in any given year.

SENATOR JACKSON: Let me switch to the enforcement unit. There's additional money in the proposed budget for the enforcement unit. And I'm curious to -- in my opinion, that's not enough in order to really look at the enforcement of compliance with our laws and regulations. And especially when people are charging electric bikes in units and there's fire taking place and people are being killed and property being destroyed.

So do you suggest that we should increase the amount of money for the enforcement unit? Is that enough in order to do that statewide? Obviously I'm from New York City, I'm concerned about New York City, but I'm concerned about the rest of the people in New York State as far as having an enforcement unit that is going to enforce compliance with the laws that we pass.

COMMISSIONER VISNAUSKAS: Yeah, so we really felt that the -- we sort of sized it to increase the footprint of the Tenant

Protection Unit upstate, since those protections were expanded statewide through HSTPA, and also expanded to manufactured and mobile home park residents. So that staffing is really meant to serve that need.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Before we go to the Assembly, we've been joined -- we were joined a little while ago by Assemblyman Dinowitz, Assemblywoman Mitaynes, and Assemblywoman Hyndman.

And we go to Assemblyman Ari Brown for three minutes.

ASSEMBLYMAN ARI BROWN: Thank you, Madam Chairperson. And thank you to you and Assemblyman Ed Ra for your tireless efforts.

Good morning, Commissioner.

COMMISSIONER VISNAUSKAS: Good morning.

ASSEMBLYMAN ARI BROWN: I've read your resume. You're a person of experience in this field. Do you honestly believe that the $250 million designated for planning and infrastructure will cover even a small

fraction of the monies needed to create new water, sewer, pumping stations, power plants and roads for the Governor's housing compact? Aren't we really talking about billions of dollars?

COMMISSIONER VISNAUSKAS: So I would say a couple of things.

I think the state, as you know, funds infrastructure through a variety of ways, EFC obviously being one of the main -- the Environmental Facilities Corporation being one of the main ones, as well as the bond act that was passed last year, which is also going to provide a significant amount of infrastructure dollars for the state.

So the $250 million isn't really meant to reflect the infrastructure needs across the state. What it is meant to be is sort of a down payment on the housing growth that we want to see through the housing compact, and the Governor has sort of said as much. So I think we're happy to continue to work with the Legislature on infrastructure needs for communities across the state that want to

grow their housing stock.

ASSEMBLYMAN ARI BROWN: Thank you, Commissioner.

You proclaimed this morning, you stated that you traveled to every corner of the state. Have you been to the South Shore of Long Island, specifically the southwestern portion of Long Island? I mention that because where are the 3 percent and 1 percent growth target numbers coming from for downstate specifically? How confident is HCR that the municipalities will be able to reach those targets, considering that many of the downtown communities, especially southwestern Nassau, are built to capacity? There's no open land for any development at all.

COMMISSIONER VISNAUSKAS: So we -- I'm not sure if I've been exactly to the town you're speaking of, but I've certainly been to quite a few places in Long Island in my tenure here at the state. And there's so many wonderful examples, actually, of the type of growth that we are looking for, both in the general housing growth and also in the

transit-oriented development.

So we understand that there are density challenges in some places. And for areas that are actually already zoned to the density, there is not a requirement to rezone or zone above that in any way.

But we really look forward to working with municipalities to work with them on achieving these goals. We think that doing nothing is not an option and we have to find a way to make sure that we can continue to house all the New Yorkers that want to be here and continue to attract jobs and companies who need places for their workforce to live.

ASSEMBLYMAN ARI BROWN: Thank you, Commissioner.

To your point, though, you mentioned before about five-acre zoning and the price reflects as such. I'm in a community, specifically South Shore of Long Island, where there are 60x100 lots that are going for $2.5 million. So the lots are tiny, no place to build at all. The only time a new

structure is going to go up is when something goes down.

We're involved with transit-oriented development. There isn't an inch of space. What do you do in communities like that?

COMMISSIONER VISNAUSKAS: Look, I think we're happy to work with you on a more granular level for localities in your area that want to work with us on what we can do together.

ASSEMBLYMAN ARI BROWN: Thank you, Commissioner.

COMMISSIONER VISNAUSKAS: Yup.

CHAIRWOMAN WEINSTEIN: Senate?

CHAIRWOMAN KRUEGER: Thank you.

Housing Ranker Pam Helming. Five minutes, thank you.

SENATOR HELMING: Thank you, Senator Krueger.

Thank you, Commissioner, for your testimony today. And I appreciate the few moments we had prior to the hearing to chat.

As I stated to you, in reading through Part F, the growth targets, I have a number

of questions. I'm very concerned that as a state we have spent years investing in plans to help preserve and protect our natural resources, to do things like to preserve and protect open spaces, viable farmland, et cetera.

And I see potential unintended consequences in Part F, with the housing compact and also with the ADU language. So I look forward to talking with you and your staff in more detail about where I have questions and where I see some of those challenges.

But I wanted to start out by going back to -- you kind of concluded your presentation by saying that New York State cannot afford to continue with the status quo. I couldn't agree more. We lost, based on one report I read, 500,000 people over the past two years. But I would argue, and I think many others would agree, that the primary reason we're losing people to so many states is our high property taxes. It's not for solely a lack of housing.

And I'm concerned about some of the policy that's built into this budget that actually has the potential, I believe, to increase property taxes, not reduce it, at a time when people can't afford it. They can't afford any more.

I wanted to talk about one of the important strategies for helping more people to achieve the American dream of homeownership and helping us to retain the unique character of our communities that we've worked so hard to do -- that's what attracts economic development, tourists to our communities, et cetera. And that's to support local efforts to preserve existing housing stock and redevelop vacant, abandoned and underutilized properties.

In your opening presentation you mentioned success working with a land bank in the City of Kingston. I'm very familiar with Wayne County, their regional land bank -- they've done a phenomenal job redeveloping distressed properties into quality housing, and creating job opportunities for local

people.

So I'm going to assume -- and I know that can get me in trouble -- but that HCR supports the land bank model, just based on you using the City of Kingston and the land bank work there as a positive. Can you tell me how much funding is allocated in the 2024 proposed budget for land banks?

COMMISSIONER VISNAUSKAS: So last year we received $50 million in the budget for land banks, and we worked really closely with all the land banks and the association to craft what they really wanted to see from that. We put out the first round of funding in coordination with them, which was really for operational support, which is what they felt was the first need. And then we're just about to release the next tranche of that money, again, based on consultation with them with what they --

SENATOR HELMING: So how much is in 2024?

COMMISSIONER VISNAUSKAS: Well, we still have the money from last year that

we're spending down. So I believe of the 50 we've only committed about 20. So we're going to -- and again, this is in consultation with the land banks themselves. So we're about to release the next tranche of which will probably be 20 --

SENATOR HELMING: I understand that --

COMMISSIONER VISNAUSKAS: -- or the full 30 this year will go out. So we would --

SENATOR HELMING: All right, so we -- and I'm sorry, I don't mean to cut you off, but my time is so limited.

So we've allocated zero in the 2024 budget for land banks, based on the --

COMMISSIONER VISNAUSKAS: Because we still have $30 million left, right, from last year.

SENATOR HELMING: And we should be moving that out, since these programs are very successful and help us meet our housing goals.

I wanted to talk about, too -- I mentioned that I think there's some policies

that could actually potentially increase property taxes -- things like property tax exemptions for developers, some as long as 25 years. In my work I'm familiar with PILOTs that go as long as 10 years, 15 years, maybe some as long as 25 years.

There's also language in the Executive proposal to create a private cause of action, which I think could lead to more costs for local governments and ultimately higher property taxes.

So I guess my question to you is, who was consulted on this proposal? Have you had input from the Association of Counties, Towns, Conference of Mayors, school associations, all these folks who are going to be impacted by this policy?

COMMISSIONER VISNAUSKAS: Yes, we certainly have done a lot of stakeholder outreach. We've met with organizations like the Conference of Mayors and others.

I would say a couple of things. One is the intent of the plan is certainly not to raise people's property taxes. The intent is

to create more housing.

And we see that actual housing costs is sort of the number-one stressor above property taxes statewide, and why people sort of choose to relocate. And so we are really focused on making sure that the increase in housing supply goes to drive down housing costs. Which, again, we see as one of the number-one stressors for people.

SENATOR HELMING: I have so many more questions, and I only have about 10 seconds left. I'm going to make a comment.

Earlier there was a comment made about large lot sizes and how that limits housing in our rural communities. Those large lot sizes are important to accommodate the keeping of farm animals, to preserve the rural character of our communities. And also, we don't want housing tracts built next to farms. It just doesn't work.

Like I said, I appreciate that you're willing to talk with me following this. I have so many questions. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblywoman Jackson, for three minutes.

ASSEMBLYWOMAN JACKSON: Thank you, Chair.

So I see that we are allocating a hundred million from Mitchell-Lama homeownership program, very near and dear to me. But how many state-run Mitchell-Lamas do we currently have, and what is the hundred million actually going to look like?

COMMISSIONER VISNAUSKAS: So we supervise Mitchell-Lamas. We just have a regulatory purview there; they're privately owned and privately managed. And we have about 133 of them in our portfolio. And as you know, the city also has -- we have about a little over a hundred.

ASSEMBLYWOMAN JACKSON: A little over a hundred.

And then what are we doing to grow this state Mitchell-Lama program?

COMMISSIONER VISNAUSKAS: So in many ways, you know, the Mitchell-Lama program is quite old and sort of historic, and so our

role both on the regulatory front is to make sure they're financially and physically and regulatory sort of healthy.

But we also lend, as you mentioned, through the funding in our budget, we do a lot of loans and grants to the Mitchell-Lama housing companies to make sure that they can make investments.

I think in many ways sort of the Mitchell-Lama format has been replaced by the tax credit program. And so now when you see new construction of 100 percent affordable housing like what was Mitchell-Lama, it's largely been done through that program.

SENATOR JACKSON: Right. So I was able to own my home through Mitchell-Lama at 23 years old, and I would love to see more young people be able to do the same thing.

With the loan process, the issue I'm having is that, you know, with Concourse Village, one that I represent, they were being told to like hire out a professional to help them with the process of the application. Can you speak to like why is

this such a vigorous process, like why is it so complicated? And can we make this easier for people to apply for?

COMMISSIONER VISNAUSKAS: So the Mitchell-Lama -- again, since they are privately owned and operated, we do want them to go get a needs assessment so they can go do a scope of work. And so they would hire a consultant who would prepare that for them, and that is part of the process. We don't do that, as the state, since they're sort of privately owned buildings.

So we don't intend it to be sort of onerous for them. There's certainly lots of great consultants that work with our Mitchell-Lamas in our portfolio to do those types of needs assessments. And then from there, they can have a real scope of work about what the capital needs are, and then we work with them on financing those.

ASSEMBLYWOMAN JACKSON: Got it.

And then on the conversion of commercial properties, do we have a timeline for that? Like if we approve it, like what

does it look like?

COMMISSIONER VISNAUSKAS: So if the provision as proposed in the budget is passed as it's written, which would allow buildings built before -- up till 1990, where it's now 1969, so it opens up a whole series of buildings that are not eligible to convert, to be able to convert. So statutorily we're just sort of allowing that to happen, and then it would be on the building owners to decide to convert if they want to, and then to do the plans to do that.

SENATOR JACKSON: Is there a timeline?

COMMISSIONER VISNAUSKAS: It's really up to the -- it's a private market decision, so it would be up to the owners to convert their buildings. We're just giving them the ability to do it, because right now they cannot.

ASSEMBLYWOMAN JACKSON: And then -- well, that's it. Thank you, Chair.

CHAIRWOMAN WEINSTEIN: To the Senate.

CHAIRWOMAN KRUEGER: Sorry, excuse me. Senator Rachel May.

SENATOR MAY: Hi, Commissioner.

COMMISSIONER VISNAUSKAS: Hi.

SENATOR MAY: I wanted to start by thanking you for putting the language and funding in the budget ask for data collection on housing, because we know that's really important. And as an illustration of that, I'm wondering if you have any data already that would show how many upstate communities are already on track to fulfill what I consider to be pretty low targets for increasing housing, and especially increasing affordable housing.

COMMISSIONER VISNAUSKAS: So there are -- thank you for the question. And thank you for all the work that you have done on this to sort of pave the way for these conversations to be happening.

On the data, there are a couple of organizations around the state who are really great who we have worked with that are private entities that just sort of do this type of research, and they have assembled databases. But it really just reveals the

need to have kind of a statewide, centralized, transparent database for that information.

So we do have some groundwork from those organizations, but of course we're looking forward to some of the municipalities being able to validate and then continue to provide that.

We do think that there are a lot of municipalities that are close to the goals. But there are, you know, a lot of localities that will have to do rezonings in order to meet them. We'd be happy to sort of follow up on specifics for localities in your district on that.

SENATOR MAY: Thank you.

I mean, my big concern is -- as a resident of Syracuse but also as chair of the Cities 2 Committee -- that we've got some of the worst concentrated poverty, the worst racial segregation in the nation in many of our upstate cities. And I'm struggling to see how this system will -- this, you know, proposal will change that.

And also, as I've mentioned to you before, if you're asking every municipality to increase by a certain amount, that could increase sprawl as well.

So are you open to something more like a regional development plan that would take into account both concentrated poverty and sprawl issues?

COMMISSIONER VISNAUSKAS: Yeah, I mean, I would say that we are certainly aware that a lot of the affordable housing development has been in the cities upstate, and so are looking to make sure that in the everyone-does-their-part sort of theme of this, that a lot of those suburban areas -- that are wonderful places to live -- do in fact also provide housing and people have the opportunity to live there.

So I think that's sort of embedded in the targets being statewide and at the village, town and city level. We really want to spur them. And as you know, we've embedded, we think, incentives for affordable housing to make sure when they are building

they feel incentivized to make sure that housing is affordable and workforce housing that is much needed.

But we're happy to continue to work with you on ways to make it better.

SENATOR MAY: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblyman Keith Brown.

ASSEMBLYMAN KEITH BROWN: Thank you, Madam Chair.

COMMISSIONER VISNAUSKAS: Hi.

ASSEMBLYMAN KEITH BROWN: Hi. Good morning. How are you?

COMMISSIONER VISNAUSKAS: Good, how are you?

ASSEMBLYMAN KEITH BROWN: So I think we could all agree diversifying the housing stock, particularly on Long Island, is a laudable goal that we should be working towards. I echo the comments of Ranker Mike Fitzpatrick and Senator Jack Martins today. But I think there might be a better way, less

of a top-down approach, more of a bottom-up approach.

I had a couple of questions I was going to ask, but in hearing your testimony I just wanted to kind of go through some of it. You say you'll do this by supporting -- and all my questions are related to the housing compact. That is my chief concern.

While supporting local governments with funding, the estimates for Suffolk County are it would cost anywhere from about $5 billion to sewer all of Suffolk County. And the 250 million is a drop in the bucket towards that.

The second thing you mentioned was in terms of the 250 million to help funds, last year Long Island asked for 110 million to build affordable homes, of which the state funded 3 million, which is approximately less than 3 percent. And last year also there was 85 million allocated for the ADUs that never came into fruition.

So I just wanted to ask, relative to that, how in the world could we possibly even

scratch the surface of this problem with the funding levels that are appropriated for next year's -- for this year's budget?

COMMISSIONER VISNAUSKAS: I mean, I would sort of echo some of my previous comments, that this 250 million is not meant to pay for or reflect the need for all the water and sewer needs across the state and that there are a lot of other sources that pay for that.

That said, we do want to work with communities that are interested in putting forward plans that allow them to build more housing related to connections for water and sewer. And so we are eager to get that money out as quickly as we can. The Governor has sort of called it a down payment. And so to the extent that we need additional funds to keep going, I think we are committed to make sure we can support that kind of housing growth.

We are sensitive and aware of the issues. We are not --

ASSEMBLYMAN KEITH BROWN: All right.

I only have three minutes, so I've got to ask my next question.

COMMISSIONER VISNAUSKAS: Yup.

ASSEMBLYMAN KEITH BROWN: To what extent did the executive chamber consult with members of the Association of Towns, members of the Association of Counties, NYCOM, village associations, before coming up with the housing compact?

COMMISSIONER VISNAUSKAS: So we -- I also didn't answer your accessory dwelling unit question from the last round, but we did put $20 million out and awarded to several places in Long Island, New York City, and Westchester localities. Be happy to follow up and give you that information.

We did some consultation over the summer with folks, but we have also been actively engaged since we announced this in January. We have been talking probably to 10 or 15 groups a week to get feedback, because we want to make this something, through this process, that is better. So we are happily and have been engaging with organizations

like the Conference of Mayors and others.

ASSEMBLYMAN KEITH BROWN: Great.

Last question. Would you be open to more of an incentivized program similar to something that I've been advocating for like the Brookhaven CRD, which provided a base density and then incentives after that?

COMMISSIONER VISNAUSKAS: Be happy to talk with you about that more.

ASSEMBLYMAN KEITH BROWN: Great, thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate.

CHAIRWOMAN KRUEGER: Thank you very much.

To Senator John Liu.

SENATOR LIU: Madam Chair, thank you very much. I didn't even request to ask questions. But this is great.

(Laughter.)

CHAIRWOMAN KRUEGER: Wait, wait, wait.

SENATOR LIU: This is fabulous. Thank you very much.

CHAIRWOMAN KRUEGER: I'm sorry, should

I take it back --

SENATOR LIU: I do have questions, but --

(Laughter; overtalk.)

SENATOR LIU: Commissioner, well -- commissioner and CEO, I've been wondering about that all morning. But congratulations on both titles.

The housing compact, you know, I understand that we probably need some kind of statewide policy to create more affordable housing. But it seems like almost all of the housing compact is just about allowing for more density overlaying a rather broad-brushed statewide policy on every community in the state. And yeah, creating, more housing but not necessarily affordable. In fact, a lot of that housing could be rather expensive, and it will be driven by market rates.

So the only thing I can think of is that your philosophy might be that increasing supply somehow reduces prices a little bit. But there doesn't seem to be a whole lot of

inducement for affordable housing. So how do you -- do you just envision more market-rate housing, potentially luxury housing?

COMMISSIONER VISNAUSKAS: I would say a couple of things.

We definitely want housing of all types, but also embedded in the plan is that localities can choose the type of housing they want. We have seen really successful inclusionary housing rezonings in places like New Rochelle and others, where they require a 10 percent affordable on every project that gets developed.

So we would be delighted to see localities as they look to rezone their areas to meet these goals, to embed affordability targets within that.

We've also built into the plan affordability -- as you know, it's sort of two-for-one counting; every affordable unit counts for twice of what a market-rate unit does.

SENATOR LIU: Towards what -- towards which measure?

COMMISSIONER VISNAUSKAS: Towards the count. So if you have a growth target of 100 units, you could build 100 market-rate units or 50 --

SENATOR LIU: Is that the 3 percent target? Or which --

COMMISSIONER VISNAUSKAS: It's 1 percent upstate and 3 percent downstate.

SENATOR LIU: Okay.

COMMISSIONER VISNAUSKAS: So if you were a locality and you had a 100-unit target, you could build a 50-unit regulated affordable, and that would count as 100 units.

So we think those types of incentives will incentivize localities to make choices around affordable and workforce housing that makes --

SENATOR LIU: And what do you think is affordable housing?

COMMISSIONER VISNAUSKAS: We count affordable housing as -- we count affordability as when tenants don't pay more than 30 percent of their income towards rent.

We use 80 percent AMI as sort of the federal standard as sort of affordability. It's where most of our programs serve. But certainly localities --

SENATOR LIU: So 80 percent AMI is the denominator of that 30 percent that you talked about?

COMMISSIONER VISNAUSKAS: Eighty percent AMI is the denominator --

SENATOR LIU: You said 80 percent of AMI is the standard --

COMMISSIONER VISNAUSKAS: Oh, so 80 percent is what the federal government sort of uses as their kind of like affordability target.

Different localities obviously aim to reach different AMIs, but that's -- you could -- the tax credit runs at 60, so there's sort of different affordability targets depending on the programs people are using. But, you know, they're generally serving less than 100 AMI in terms of a household income.

SENATOR LIU: Okay, thank you.

Madam Chair, feel free to call upon me again, please.

(Laughter.)

CHAIRWOMAN KRUEGER: Thank you, Senator Liu.

CHAIRWOMAN WEINSTEIN: We go to Assemblyman Burdick.

ASSEMBLYMAN BURDICK: Thank you.

And -- I'm over here. Good to see you.

COMMISSIONER VISNAUSKAS: I'm sorry, I didn't hear what you said.

ASSEMBLYMAN BURDICK: And my congratulations on completion of the five-year plan and the new plan and your continuing good work.

I first wanted to voice my agreement with Chair Rosenthal on the need for HOPP funding and the crisis in evictions, as well as agreeing with Assemblymember Epstein on the need for good-cause eviction.

On the housing compact, appreciate your willingness to consider comments from organizations and so forth, and for meeting

with Westchester municipal officials on that.

I'd like to turn to the housing compact and its targets, and perhaps we can discuss offline that some system actually might be set up -- I realize the logistical issues have each municipality setting a target which HCR would vet, but some might be 1 percent, others 10 percent.

To Senator Liu's point, I really do feel and I think a lot of my colleagues feel that the emphasis really needs to be shifted to affordable housing. And to that point, I think that the ratio in terms of the targets should be considerably higher than 2:1. I'd suggest maybe 5:1.

And I'd like to ask you, of the 800,000 units, how many do you envision should be affordable? And do you think that within the goal there could be a subset for affordable housing?

COMMISSIONER VISNAUSKAS: So happy to answer that. It's a little bit of a complicated answer, but I'm going to -- so give me 30 of your seconds, if you will.

When we looked at the -- the plan is sort of a two-part. There's sort of the 400,000 that have happened over the last decade, and we presume that those 400,000 will happen over the next decade sort of naturally, what we call kind of the organic production in the state. And then the additional 400,000, to get to the 800, is sort of what these series of policy tools, we think, will permit and create.

When we looked back at the historic production, that's -- the affordability there is made up primarily of work that the state HCR and I would say the city HP and HDC finance. That's probably 25 percent or more of those units. And then on top of that are some units that come from 421-a, they come from other tax exemptions in the city and the state. So we would assume that sort of --

ASSEMBLYMAN BURDICK: Let me interrupt you. I think that outside of the city may be the greater need there in terms of the affordable housing and setting the goals there and trying to promote that and advance

that.

And, you know, perhaps it could be bifurcated between the city and outside the city in terms of separate goals for affordable housing within the 800,000. You know, obviously you have the five-year plan and there would be another five-year plan that would follow that. But I think that we really need to ramp up affordable housing, and the concern about it not being all luxury condos around train stations.

COMMISSIONER VISNAUSKAS: Yeah, I mean, I think we put a series of tax exemptions out also, because we really want to make sure that the private market is driving affordability. As you know, we sort of are limited in our resources as it relates to housing production, and so we really are looking for other tools to be able to generate affordable housing as housing gets organically built across the state.

CHAIRWOMAN WEINSTEIN: Thank you.

ASSEMBLYMAN BURDICK: Thanks so much.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate.

CHAIRWOMAN KRUEGER: Senator Cordell Cleare.

SENATOR CLEARE: Thank you.

Thank you, Commissioner, for your testimony.

I know it was mentioned earlier, and I want to drill down a little bit. There was a recent report in the New York Times that described an exodus of Black people out of New York. And this is especially troubling to me, representing Harlem and a historically Black community where the average median income of Blacks in New York is $53,000 a year, compared to whites, which is $98,000 a year.

And I just want to know what in the agency are we doing to address this? Because it is very troubling, especially considering the historic discrimination and redlining, economic and other barriers that have been put in front of Black people in New York City. I think that we should be doing something. This is related to affordability,

deeper affordability. And I do think the program should focus on affordability more so than quantity, because we have built so much housing that Blacks and other New Yorkers cannot afford to live in.

COMMISSIONER VISNAUSKAS: Yes, I saw that same article, as I'm sure many people in this room did, and it was very upsetting.

And I would say a couple of things. One, we certainly see that as an issue of supply, that there is not enough housing, people don't have enough options, there are not enough affordable places to live. But I think, second to that, the compact really seeks to make sure that housing is getting built everywhere. And as you know, there are many places that have excluded -- historically excluded minority communities from owning, renting.

And so that has just caused a sort of a lack of access to housing in lots of communities, and I think we want to make sure that communities, all communities are building and all communities are following

Fair Housing Laws and all communities are accepting.

And so I think at the base of that we really are trying to get a lot of those housing policies that have been in the housing system for a long time that need to be changed.

SENATOR CLEARE: That exclusion also occurred in Harlem and in Manhattan, and I'd like to see that addressed as well, because there are many people who don't want to leave New York. They don't want to leave Harlem.

I'll also ask, seniors being our fastest-growing population, how much of that 800,000 units is being dedicated for senior housing?

COMMISSIONER VISNAUSKAS: So that would really be up to communities to decide in terms of how they want to do their zoning and projects they want to permit. So we are not dictating any particular type of housing to localities, but giving them sort of the tools to create the type of housing that fits their locality.

SENATOR CLEARE: Is HCR participating in the SOFA-led State Master Plan on Aging?

COMMISSIONER VISNAUSKAS: Yes, we are.

SENATOR CLEARE: Okay. All right. Thank you.

CHAIRWOMAN WEINSTEIN: So we go to Assemblyman Dinowitz.

ASSEMBLYMAN DINOWITZ: Good morning, Commissioner. Over here, look to your right.

COMMISSIONER VISNAUSKAS: Oh, hi, there you are. Sorry, it's so -- there's so many of you today that I can't hear the voices, they all come from God behind you.

(Laughter.)

ASSEMBLYMAN DINOWITZ: Yes, they do.

(Laughter.)

ASSEMBLYMAN DINOWITZ: So I thank you for much of the work that you do. I just want to put on the record at the outset that I strongly support good-cause eviction, and I hope we do it this year, but that is not what I'm asking you about.

So I represent the Amalgamated Houses -- the Amalgamated Houses, as you

know, was built by the Amalgamated Clothing Workers of America starting in 1927, so 95 years ago -- 1500 affordable units which we hope will remain. There's going to be a witness later on who's going to get into a lot of specifics regarding it. But it was built under Article 4 of the Private Housing Finance Law, unlike Mitchell-Lamas, which are Article 2.

And this is a limited equity housing co-op. It's the oldest one in the entire United States. My mother lived there for many years, my brother and his family lived there for many years. And they're in big trouble now, and I believe part of the reason they're in big trouble is because of I'll say inaction by the agency. For example, they've tried in the past to secure loans, which I think they had lined up, and there were delays, people in the bureaucracy were dawdling. And as a result, interest rates have skyrocketed. The cost of loans have therefore gone up, and it's going to cost them millions of dollars. They're facing a

situation where 800 of their apartments are going to be -- the gas is going to be turned off soon. They've faced financial problems because of delays in approving changes in carrying charges.

And so I think despite the hard work of the people there -- and this is one of the most important housing developments. I mean, it's 1500 affordable units. I could just hear some people saying, Well, why are we under their supervision when we can go private? We don't want them to go private. We want them to continue to be affordable housing.

And I think that the agency has to really step up to change how they do things with them so that they can get things done at a reasonable time. And I'll go further and say that I believe the agency, because of slowness on the part of some people, and because it's cost them so much money, I think you should come up with money to make up for it by helping them out.

And in your 34 seconds, please

respond.

COMMISSIONER VISNAUSKAS: Yeah, we would be happy to talk more in-depth about all of the challenges at Amalgamated. I'm very familiar with them, and we've been working with them very closely. We did give them about a $7 million loan about five years ago for what was then a scope of work of capital work that had to get done. And we are working with them now on a new scope of work.

They do have some of the highest -- I think they may have the highest carrying charges of any co-op in our portfolio, so we're very sensitive to them taking on additional debt and raising their carrying charges even more.

But that said, first and foremost is really making sure that the capital investments are made. And so we have been working with them very closely. And we'd be happy to talk more in-depth with you about that.

ASSEMBLYMAN DINOWITZ: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to the Senate.

CHAIRWOMAN KRUEGER: Thank you.

Next up is Senator Borrello.

SENATOR BORRELLO: (Mic not working; pause.) How's that, better?

COMMISSIONER VISNAUSKAS: Perfect.

SENATOR BORRELLO: Thank you.

You know, I was looking through -- I spent 10 years in local government, and I was looking through the housing compact legislation. And Part F, basically discussing the fast tracks, if you look at Article 20 and you look at the language, it essentially is blaming local government for the lack of housing or lack of affordable housing. And I'd just like you to speak to that.

Do you believe that local government is to blame for the current housing situation?

COMMISSIONER VISNAUSKAS: The purpose of the fast track is really to be an enforcement mechanism. But what we really

want to see is actually localities doing rezonings and doing plannings and planning processes and meeting their growth targets. It's really just there for localities that don't do any permitting and don't do any planning.

As you know, there are some localities that have actually issued moratoriums for development, and that is not how we are going to be able to ease the housing crisis in this state is with localities.

So I think it's a mix. I think there's lots of localities that do great work, and I think there are some that don't allow any permitting. And that's really there just to create the incentive for places to be doing rezonings and doing planning so in fact they can meet their growth targets.

SENATOR BORRELLO: So you're basically saying that the state knows better than localities if they have, you know, enough space or the infrastructure to support more housing. Right? I mean, because you have the -- as the commissioner, you have the

right to actually delegate that power to override local zoning to this new review board. Is that correct?

COMMISSIONER VISNAUSKAS: We would assert that the housing crisis in this state is so bad and that the need for more housing is so great that it is a matter of state concern that we do propose a statewide policy for housing.

But we absolutely are leaving how that housing gets built, where it gets built, to localities to decide. We simply want them to do a process and a planning and a rezoning to get there.

SENATOR BORRELLO: But if you're letting them decide, why would you need to override their local zoning?

COMMISSIONER VISNAUSKAS: Well, because some localities have not permitted any housing or in fact they're introduced moratoriums on building housing. And that's not going to help us address the housing crisis.

SENATOR BORRELLO: So if you start

talking about creating new housing in areas that already are densely populated, what about infrastructure needs -- water, sewer, roads? More importantly, police, fire. Is the state going to support that also?

COMMISSIONER VISNAUSKAS: So we think that the growth targets that we've put in are not -- allow localities to plan for those types of changes, and we stand ready, willing and able to work with localities on infrastructure needs they may have to support the growth.

SENATOR BORRELLO: Well, we're going to electrify everything, right? So what about ensuring that they actually have grid capacity to build these new houses that the state essentially is going to force upon them, and also have to electrify? How's that going to work?

COMMISSIONER VISNAUSKAS: So we are working really closely with NYSERDA. We have this with our affordable portfolio as well, to make sure that there is capacity in places where the growth is happening, to meet that

demand.

SENATOR BORRELLO: Do you have budget money in order to ensure that electrical infrastructure will be able to meet that capacity for these millions of new units you're going to create?

COMMISSIONER VISNAUSKAS: That lies more with energy agencies than it does with the housing agency. But we do coordinate with them.

SENATOR BORRELLO: I think it's rather troubling that we think local government hasn't done a good job and the state has somehow done a better job. I think a lot of local government officials would disagree.

But thank you.

CHAIRWOMAN KRUEGER: Assembly.

CHAIRWOMAN WEINSTEIN: Assemblyman Rivera.

ASSEMBLYMAN RIVERA: Hi, there.

COMMISSIONER VISNAUSKAS: Hi.

ASSEMBLYMAN RIVERA: How are you?

Two questions, one a bit local and then the other about the compact.

So the compact idea is ambitious and has a potential to it. A big potential I see is not just the housing that it could produce but the economic impact in the construction industry. That being said, what's your take on the absence of labor standards in the plan, in the face of the opportunity that we have ahead of us?

COMMISSIONER VISNAUSKAS: So there are a series of labor standards embedded in the tax exemptions, which is somewhat I think common and precedential for the tax exemptions.

I think on the other growth it is largely just privately financed growth. So I think that the market will sort of dictate how that gets built and where that gets built.

ASSEMBLYMAN RIVERA: I guess I'd say that if we're at the forefront of doing this big move, that, you know, potentially looking at constructing so much housing that the staff or I should say the workforce that's going to be constructing it might not be able

to afford it themselves, is sort of the dilemma. You know, we can build a lot but at the end of the day if we're not paying people wages that they themselves can afford to live in the housing that they themselves are building, then we're just sort of going to be revisiting an entirely different problem.

Second question, a bit local. There is a public housing development on the waterfront of my city, Buffalo, called Marine Drive Apartments, and they've been sort of sitting in the same way for about 60, 70 years. And I know that there's a huge plan to redevelop them entirely, tear them down, you know, build something new. It's a pretty tight space there. They're sort of landlocked and it's kind of tough to do much.

I guess, one, what's the overall community engagement plan around it? And then, two, how are we going to ensure that people that are, you know, living there with a very affordable rent can continue to do so in the face of building something brand-new and far more expensive?

COMMISSIONER VISNAUSKAS: So I'm familiar with the project, and we have been working closely with the Buffalo Housing Authority as well as their selected developer on this. They are just beginning the community engagement process to talk through a lot of the issues you mentioned.

We would anticipate financing that project as they work their way through the community process. And as part of that, we would ensure that all tenants have the right to return to the housing. And also we anticipate that there will be as many affordable units, if not more, in that for those returning residents, to make sure that they come back to affordable rents.

ASSEMBLYMAN RIVERA: Thank you.

COMMISSIONER VISNAUSKAS: Yup.

CHAIRWOMAN WEINSTEIN: Senate.

CHAIRWOMAN KRUEGER: Thank you.

Senator Julia Salazar.

SENATOR SALAZAR: Thank you.

Good to see you, Commissioner.

I want to ask about the Governor's

budget proposal --

CHAIRWOMAN KRUEGER: Get close to your mic and make sure it's on, Julia.

SENATOR SALAZAR: Yes, sorry. You can hear me.

So the Governor's budget would grant New York City authority to establish a tax abatement program for the purpose of making capital improvements in housing units. How would these tax abatements benefit low-income and working-class renters?

COMMISSIONER VISNAUSKAS: This is the J51 proposal, colloquially called?

So the J51 program has been around for a very long time. It is intended to help promote capital investments in the existing rate-stabilized stock. So the revised program mirrors much of what has historically been in that program, except it adds some additional qualifiers to limit the buildings that can apply to buildings that have affordable rents in them. So I think it's really trying to be more specifically targeted towards buildings with low-income

renters.

SENATOR SALAZAR: Got it. So only eligible if they already provide -- the housing that they already provide is considered affordable rents.

COMMISSIONER VISNAUSKAS: If -- yeah, half of the building has to be at 80 AMI rents or below in order to get into the program. Which is new.

SENATOR SALAZAR: And how does -- in other ways, how does this proposal differ from the previous J51 tax exemption, apart from the shorter maximum length of the tax abatement in this proposal?

COMMISSIONER VISNAUSKAS: Yeah, there's a couple of pieces. So there's the qualification that 50 percent at 80. There's a change in the way the exemption and the abatement are treated. And -- but I think in general the program is really meant -- and there's a proposal for the cost schedule I think is the other one that's in there.

But I think we would be open to working with the Legislature to the extent

there's other things in the program that we want to talk about.

SENATOR SALAZAR: Great.

How much tax revenue, approximately, would New York City forgo if this were implemented as it's proposed?

COMMISSIONER VISNAUSKAS: I believe they have proposed it so that it would be sort of neutral to what it was in the past. But we'd be happy to get back to you with those numbers.

SENATOR SALAZAR: Got it.

So I just want to say, in the Governor's commitments and goals that are set out in this housing compact are laudable. But I'm deeply concerned about the loss of affordable housing that's ongoing in our state, even as we're seeking to create much more, hundreds of thousands more units of housing, and really want to emphasize the importance of codifying rights for unregulated renters and protecting families from evictions without good cause. I think that's something that has really been missing

from the Executive Budget proposal, and I really hope that that can be part of the conversation as we move forward talking about the Governor's housing compact in the budget.

Thanks.

COMMISSIONER VISNAUSKAS: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: We go to Assemblywoman Simon.

ASSEMBLYWOMAN SIMON: Thank you very much. That works, thank you.

I have several questions, and I appreciate your responding as quickly as you can. You know, in the budget there are plans for six new Tenant Protection Units across the state. Where would they be? How many currently work at the current TPU? And what are the goals for these new TPUs?

COMMISSIONER VISNAUSKAS: So we put in the budget an expansion of staff to address the expansion of HSTPA, especially in the Hudson Valley, which is where we see a lot of need and demand, both just for education

around HSTPA's rights, but also it expanded to manufactured and mobile home park tenants also. So we wanted to make sure that we had a presence up there, since there's a sort of high presence of those folks.

So we plan to have those staff really be out sort of in a field office outside New York City.

ASSEMBLYWOMAN SIMON: Okay. And with regard to the housing compact, there are a number of things that I think are very laudable about it, a number I think are problems.

The FAR of 12 cap in the city -- there's no need to raise that 12 cap. First of all, they do it all the time in other ways. Coming from a district that is very transit-oriented and very developed, they've gone up a thousand feet in some places. So I think the real issue is engagement locally so that the plans actually make sense.

And the other problem that I would like to see the state work on is expanding access to capital of not-for-profit housing

developers who do not have the same profit margins they need to meet, and they can build more affordably. Because so much of what is called affordable isn't, and affordability is the crisis in New York. It's not high taxes per se, it's the affordability of housing.

And we literally have displaced, at Atlantic Yards, 25 percent of the African-American population in four community boards, under the guise of affordability that isn't really there and isn't even developed.

And the other thing I would like you to address is Mitchell-Lama and the amount of money that we need from the feds to recreate a new Mitchell-Lama.

COMMISSIONER VISNAUSKAS: So I would say, on Mitchell-Lamas, so we certainly work really closely with our entire portfolio to make sure that we're investing there. And I'd be happy to work with you on any particular Mitchell-Lamas that you would like us to be working with.

I think on the -- I'll sort of go out of order -- on the FAR 12, you know, we are

really just giving the city the permission to then rezone for residential throughout the city, as opposed to changing their zoning, right? It's really up to them.

ASSEMBLYWOMAN SIMON: It's not working, and it's never going to work.

COMMISSIONER VISNAUSKAS: But just to say we are --

ASSEMBLYWOMAN SIMON: Just telling you, it's not going to work.

COMMISSIONER VISNAUSKAS: -- it's the removal of the cap. And we also would like to see the commercial buildings be able to convert to residential as well as sort of a key part of this.

And then, sorry, remind me, I missed what your middle question was in between FAR and --

ASSEMBLYWOMAN SIMON: That was the main question, was the FAR, the affordability and lack thereof. Thank you.

COMMISSIONER VISNAUSKAS: Okay.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate.

CHAIRWOMAN KRUEGER: Thank you. I believe I'm the last Senator, and I'm just trying to bat clean-up a little bit, Commissioner.

On the five-year housing plan. So in '22-'23 we enacted a 4.5 billion new five-year housing plan to provide 100,000 affordable units, 10,000 supportive housing units. Of course we haven't done much on that yet, I'm assuming, or spent that money.

But we also had reappropriated last year 1.1 billion for the previous five-year plan. Tell me what's happened to the now done original five-year plan. Is that -- has that 1.1 billion now been spent?

COMMISSIONER VISNAUSKAS: It's in the process of just being drawn down. So some of those projects have not fully pulled down all their capital. But we started financing on the full 100,000 on -- for basically every category in there. But I think for one or two that we may have rolled some funds.

But we can get you a more accurate accounting of that.

CHAIRWOMAN KRUEGER: So approximately how many years will it be for us to complete that now-ended five-year plan? Your estimate of how many years it takes.

COMMISSIONER VISNAUSKAS: So on that longest end, I think for our new construction projects it takes them about 24 months to construct and then maybe another six months or so to occupy.

So, first of all, the last project that we would have started last year in March, which would have been the end of the first Housing Plan, we would have -- it would take us about 30 to 40 months to see a tenant in that unit. So we're happy to continue sort of reporting on occupancy of that.

But we would have started all the units by last year March. And the new construction, sort of the longest timeline, so we would expect to see, you know, two and a half years from then.

CHAIRWOMAN KRUEGER: So the five-year plan that technically started one year ago -- the one we're in now that we have four years

left, with a commitment of 100,000 units, 10,000 supportive housing units -- give me an end date for when we actually ought to see all of those online.

COMMISSIONER VISNAUSKAS: Well, it's a mix, right. So for our preservation deals, they happen a little faster than new construction, happen a little longer. But it would be the same math. So as we get to the last sort of day of the Year 5 budget and we're closing those last March deals, they take about two years to finish construction and occupy. So we would be in -- if we closed the first deal -- or the last deal, '22, '23, '24, '25, '26 -- so in '27, if we started our last deal in March of '27, it would be two years from then for the last unit to be, you know, occupied.

CHAIRWOMAN KRUEGER: So when the Governor talks about an 800,000 unit goal for 10 years, do I add another two or three years on top of that, even if we're staying on schedule?

COMMISSIONER VISNAUSKAS: Yeah. I

mean, we're really talking about shovels in the ground for the new construction. Which is our sort of goal, is to get them approved and permitted and shovels in the ground. So everything tends to have sort of a 24-month lag behind that for the buildings to get built.

CHAIRWOMAN KRUEGER: And I know there was a question earlier about 421-a and the Governor's proposal to extend it four more years. And your clarification that you don't even know who, what, where about those projects until they've actually applied for the credit once they've completed the building or --

COMMISSIONER VISNAUSKAS: We have seen, as many of you probably have too, sort of the lists of all the deals that are in. But I think that in terms of a true data source, that data doesn't come in till the end of construction, and it's held by the city.

CHAIRWOMAN KRUEGER: So as one Senator who's pretty much always been opposed -- I

had 10 minutes, so I know I'm not done yet. I don't know where we are, but I know I'm not done.

So I've always been an opponent of 421-a in all the variations since I've been here. But I think the fact that you've got -- we don't even know how many people are rushing to -- rushed to get their applications in before June, now are rushing to call for us to give them another four years. Some of those might not even be anything but a glint in someone's eye. I just think it's a tragic mistake for New York State to allow an additional four years on a program we ended for very specific reasons.

But I do think that there are a few storylines that are coming forward about applications that were in much earlier than June '22 and are -- negotiated serious affordable housing projects with communities and with even the City Council on a number of the issues that have been brought to me, that there's a reasonable proposal to allow exceptions based on certain criteria and

viewed one by one.

Do you think your agency can handle that if that's how we change the deal?

COMMISSIONER VISNAUSKAS: I suspect those maybe would get administered by the city, since they administer the tax exemption.

But I think what I would -- I would say a couple of things. You know, the permit data spiked a lot in 2021. I think we -- you know, a couple of things could happen. We would like those projects to continue because we would like housing to continue to be built. So we don't want them to get stalled by virtue of the program not being available.

We also don't want them to convert to either all-market rate or to condos and would prefer, if the rentals are going to get built, that they do have the affordable component.

I'm not as familiar with the sort of city-negotiated projects and how one would negotiate those one by one. But, you know, I think we do think that the construction of

the rental housing and the affordable component is important, and we want to see that continue and not stop.

CHAIRWOMAN KRUEGER: Well, I would also like to see affordable units being built, but I don't think they get built under that program. So I'd rather the City of New York had four more years of property tax money to invest in something that actually might get us real affordable housing. So I think that will just continue to be a disagreement perhaps with the administration and some of us.

So I want to go to your additional funding for the Tenant Protection Unit, which I see supposedly is $579,000 more than the previous year. Now, the wait time now for people with complaints relating to TPU issues is how long with your agency?

COMMISSIONER VISNAUSKAS: We don't really have a wait time for TPU, right? That office is focused primarily on bringing units that have been dropped from the registration system back in, investigating harassment

complaints and those types of activities. So we don't per se have a wait time.

This staff is really to expand our footprint --

CHAIRWOMAN KRUEGER: So it's really the Rental Assistance Unit that has the very long wait time --

COMMISSIONER VISNAUSKAS: The Office of Rent Administration.

CHAIRWOMAN KRUEGER: -- that coordinates with TPU in looking into bigger-picture questions, right.

How many staff do you have in that unit now?

COMMISSIONER VISNAUSKAS: In the Office of Rent Administration?

CHAIRWOMAN KRUEGER: TPU. TPU.

COMMISSIONER VISNAUSKAS: Oh, TPU has -- we are 28, I believe is our full-time equivalence.

CHAIRWOMAN KRUEGER: And how many additional staff would you get with the $579,000?

COMMISSIONER VISNAUSKAS: I think

we're looking to add three to five staff specifically to be upstate on the ground.

CHAIRWOMAN KRUEGER: So over half a million dollars for three to five staff?

COMMISSIONER VISNAUSKAS: I think that's our math, yeah.

CHAIRWOMAN KRUEGER: But you also -- it references there will be 402,000 intended to open six new TPU offices. So that's really most of that money is not going to new staff, it's going to opening new offices.

COMMISSIONER VISNAUSKAS: I think it's -- that may be sort of an error in -- the funding that we have would be primarily -- there is something I think office expenses that go with that, but it's -- the thrust is to get some staff on the ground upstate. They will need a place to work, so they may need some office space. But the key to it is getting the people up there who can work with communities and work with tenants.

CHAIRWOMAN KRUEGER: So I don't know in the 21st century the concept that you need

regional offices for everything actually is a good use of money because people are dealing with these issues through computerized tracking and Zoom meetings and documents through email.

So I was just very concerned that we would raise your budget 579,000, but if the numbers I saw were right, 402,000 would go into setting up and renting and creating office equipment for six more sites that, based on what you told me, would have less than one person in them each.

COMMISSIONER VISNAUSKAS: Yes, I think maybe that would be an error in the six new sites. I think it's really about getting the people up there who will maybe need a place to be housed, so they will need some sort of OTPS for that.

But really -- and we actually see that the benefit of being out in the community, even though we are in sort of a virtual world, for places like mobile and manufactured home parks is actually important. So we do want to have people in

place who can be making people aware of what their rights are as relates to HSTPA and also, again, sort of working in the parks.

So we're more focused on getting sort of the people up there, making sure they're in communities. But happy to circle back with you on that office space part.

CHAIRWOMAN KRUEGER: Thank you.

The Senate I believe is closed.

CHAIRWOMAN WEINSTEIN: We still have a number of Assemblymembers, so we'll go first to Assemblyman Manktelow.

ASSEMBLYMAN MANKTELOW: Thank you, Madam Chair.

Thank you, Commissioner. Good morning.

COMMISSIONER VISNAUSKAS: Hi.

ASSEMBLYMAN MANKTELOW: Reaching out to many of our veterans throughout New York State, especially in the upstate area -- Rochester, Finger Lakes area -- I know there's a growing concern for female veterans' housing. Is that on your radar by any chance?

COMMISSIONER VISNAUSKAS: So we do a lot in the veterans housing space and are eager to do more. We have many projects that either access ESSHI, the Empire State Supportive Housing, which has funding for vets, or some of our other programs.

I would say, you know, we're happy to do more outreach as it relates to women vets for sure.

ASSEMBLYMAN MANKTELOW: So with the outreach, is that including funding at some point to help --

COMMISSIONER VISNAUSKAS: I mean, we like to work with organizations that are serving that population and figure out what their needs ares. So I think -- we don't generally fund organizations; we're more funding housing for vets. But I think those two can certainly be linked.

ASSEMBLYMAN MANKTELOW: Okay, so I may have a few veterans organizations reach out to you.

COMMISSIONER VISNAUSKAS: Great.

ASSEMBLYMAN MANKTELOW: Thank you for

that answer.

My second question, with the HCR are we taking into consideration the supply chain, not only for supplies but through our contractors? I know that our contractors back in our area, they're two, three, four years out for work already. And not only the time schedule for them to do the job, but also the ability to get the material. If we move this forward and looking at the time frame, how are we going to accomplish that, especially coming out of COVID?

COMMISSIONER VISNAUSKAS: I mean, I think we think of the jobs as an opportunity, right. And we have this both in the -- when we think about the greening and sort of electrifying of our portfolio as well as just an overall growth, we need more jobs in the construction sector, we need more jobs in the electrification sector.

And so I think -- we have worked closely with the Department of Labor and with NYSERDA in the past on those issues, and we will continue to do that. We certainly don't

want our housing to be constrained by a lack of a workforce to construct housing.

ASSEMBLYMAN MANKTELOW: That's one part of it, absolutely. But you didn't address the supply chains and material, getting the material.

COMMISSIONER VISNAUSKAS: Yeah, you know, it's interesting, from our perspective, and certainly the things that we financed, we saw probably 12 and 24 months ago an issue on supply chain. But we've seen that let up quite significantly in the last 12 months, and we have not had our developments being as constrained by supply chains.

But we're happy to sort of continue that conversation to the extent there's things we can do to help on the supply chain front.

ASSEMBLYMAN MANKTELOW: And you look at the supply chain across the State of New York?

COMMISSIONER VISNAUSKAS: I mean, we work across the state, so we have a very parochial sort of version of it in the -- we

do probably about a hundred real estate transactions across the state a year, so that's kind of our litmus test for that.

But happy to work on it with you more extensively.

ASSEMBLYMAN MANKTELOW: And my last question, in the last few minutes -- or seconds -- I was a member of our local land bank back home when I was at the county level, and they play such a huge part. And I know some of the members have already addressed this. How much dialogue do you have with our land banks?

COMMISSIONER VISNAUSKAS: So we work really closely with the land bank association, and we recently put out funding and awarded all 26 land banks in the state. So we are in I think fairly regular contact with them about what their needs are so we can continue to give them resources that they need.

ASSEMBLYMAN MANKTELOW: Okay, I appreciate your time. Thank you so much.

CHAIRWOMAN WEINSTEIN: Thank you.

Before we go on to other members, there have been a number of Assemblymembers that have joined us as we've been having this hearing: Assemblyman Meeks, Assemblyman Anderson, Assemblyman Kim, Assemblywoman Lucas, and Assemblywoman Chandler-Waterman.

And we go to Assemblywoman Levenberg for three minutes.

ASSEMBLYWOMAN LEVENBERG: Thank you so much, Commissioner. And as a former town supervisor, I'm so happy to hear that you are going to continue to work with local communities on the housing compact and making sure that it's rightsized across the state. I think that that's something that I've certainly been hearing from my former colleagues.

I also agree that focus on multiple levels of affordability is critical to be part of the housing compact in some way, shape or form.

But that said, I want to make sure that we don't reproduce the sprawl and the mistakes, in my opinion, of the way that

suburbs and housing in general across the state has developed. So I'm happy to see that there's focus on transit-oriented development, but I also think that we need to focus on walkability, bikeability, and making sure that transportation in general isn't just sort of a one stop on a train, but that there's other ways to access within communities housing that is going to really meet the needs of New Yorkers.

And I do think, for that reason, that we are going to need to see more money for planning, because our little municipalities are -- really do need help. And I do think also that we're obviously going to need more money for infrastructure, as we've heard from many. But I know that there is money, certainly, that's coming from the Environmental Bond Act.

And I just heard this morning from labor at the Alliance for Clean Energy breakfast that as we're building out renewables and, you know, building that infrastructure that we really need to look at

infrastructure for getting workers to sites where we're building. So I'm hoping that as we look at the housing compact that we're also thinking critically about that renewable infrastructure and how we can meet -- address both needs at the same time sort of simultaneously, because I think it's critical.

I mentioned that I had an opportunity to look at fracking in Pennsylvania, and I'd love to make sure that we do not reproduce the mistakes that happened there as communities were built up only to fail miserably as they left from the work that had put in that infrastructure.

I also would -- I do believe that in fact home rule and local zoning absolutely was responsible for our current housing situation. So again, I hope that we don't reproduce those mistakes as we look at this housing compact.

But I am very excited about it, and I hope that we can work together with local municipalities to actually make it work and

not sort of have that one-size-fits-all, but make sure that we work with targets and incentives to really make it work.

And also for our school districts, that those PILOT payments have sometimes hamstrung school districts with the local tax cap, so please make sure that works for them as well. Thank you.

COMMISSIONER VISNAUSKAS: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblyman Gallahan.

ASSEMBLYMAN GALLAHAN: Thank you, Madam Chair.

Good morning, Commissioner.

COMMISSIONER VISNAUSKAS: Good morning.

ASSEMBLYMAN GALLAHAN: A couple of quick questions.

The seven counties that I represent certainly don't have an overabundance of employees and resources. So I'm looking at the reporting requirements that are going to be required, both written and digital. Are these requirements going to be -- is the

state going to be reimbursing for this, or is this going to be another unfunded mandate?

COMMISSIONER VISNAUSKAS: So we're going to create a centralized sort of database at the state for localities to be able to just submit information to. So we're going to try to make that part of it as easy as possible.

And then second to that, we have planning dollars available that if localities need to build up systems or they need a consultant to be able to assist with doing this -- we understand a lot of towns may only have a half-time planner who may have other municipal roles also. And so we understand that the needs -- there may be financial needs to pay for consultants to help with things like that.

So we don't want it to be a burden, we want to be able to facilitate and assist both sort of from a technology standpoint at the state and also with resources.

ASSEMBLYMAN GALLAHAN: So has that been budgeted, those --

COMMISSIONER VISNAUSKAS: Yes. There's $20 million that can be for planning and technical assistance to localities to help with that.

ASSEMBLYMAN GALLAHAN: Okay, thank you.

There's an update to the law that it enables localities to reclaim certain vacant land and abandoned homes. And this proposal expands the ability of the municipalities to claim vacant property to include that that has zoning, building, property maintenance code violations, potential to injure, endanger or unreasonably annoy the health and safety of others that has not been remedied for at least one year.

We have several of those properties in my district. My question is, several of those properties also have environmental issues tied to them. Who is going to be responsible for those environmental issues if the county claims that property?

COMMISSIONER VISNAUSKAS: I mean, the purpose of the legislation is really to give

more sort of tools in the tool box to localities to be able to address vacant and abandoned homes that are creating issues for the surrounding properties. So it doesn't sort of do more than that other than to allow them more flexibility and more ability -- lots of times those abandoned homes are really distressing for neighboring properties and are unsafe and unhealthy and cause a hazard.

So it's really meant to give them more flexibility in dealing with those properties.

ASSEMBLYMAN GALLAHAN: Yeah, many of those properties are old gas stations and things like that where you could build a 20- or 30- or 40-unit complex and there's environmental issues there that hold things back.

So I didn't know if there was some carveout in the law that would exempt the current owner from any liability on those certain issues.

And my last question is, you know, the Governor, she's proposing 800,000 housing

units in the state over the next decade, and this is a far-reaching and expansive program and it's proposing several massive changes that would override the ability for municipalities to enact their own zoning requirements.

And the question I have is, what authority does the Governor have to mandate certain zoning requirements upon municipalities? And where is this authority given in statute or law?

CHAIRWOMAN WEINSTEIN: We'll have to wait on that answer. When we get that, we'll circulate it to our colleagues.

Assemblywoman Seawright.

ASSEMBLYWOMAN SEAWRIGHT: Thank you, Chair Weinstein.

I wanted to address a few issues or ask some questions about RIOC on Roosevelt Island, which is in my district. We sent a letter recently with some questions about the newly implemented garage fee at Motorgate Garage, and we got a very, very disappointing and unacceptable letter. It was cosigned by

several elected officials.

And what I would like to do is call on a workgroup to be set up to examine this. For the first time, people with disabilities are now being charged a user tax on the island. And in addition, the Sportspark Gym has now gone up from a few hundred dollars to over a thousand, which is not in line with rates at other public facilities.

So I would just ask that you comment on the garage and the Sportspark, which was unilaterally put in place without any community input, and what your position is.

COMMISSIONER VISNAUSKAS: So Senator Krueger and I were speaking before the hearing this morning about those same two topics. And we would be happy to work with you on a task force and to have a larger conversation in the community about both the parking and the sports center. We understand that it's a challenge and the rates seem a little inconsistent. So happy to work with you on that.

ASSEMBLYWOMAN SEAWRIGHT: As well as

having community input and, you know, setting up regular meetings between RIOC and the community so that RIOC is responsive to the community concerns that are raised.

COMMISSIONER VISNAUSKAS: Yup, absolutely.

ASSEMBLYWOMAN SEAWRIGHT: Thank you.

COMMISSIONER VISNAUSKAS: Yup.

CHAIRWOMAN WEINSTEIN: We go to Assemblywoman Hyndman.

ASSEMBLYWOMAN HYNDMAN: Thank you, Chair Weinstein.

Thank you, Commissioner, for your endurance.

(Laughter.)

ASSEMBLYWOMAN HYNDMAN: I represent a community predominantly of homeowners, predominantly homeowners of color, Black homeowners. So to see a cut of $32 million to HOPP is really disturbing. I'm hoping that we can get that money back.

And also we talk a lot about the Homeowner Stabilization Fund for communities of color, but what we're seeing is the

middle class, the Black homeownership that we have, is diminishing as they're choosing to leave the State of New York. We're talking about a lot of union members who are now turning 55 and instead of dealing with high property taxes, are leaving the State of New York and they're going south. I even have friends that have left for allegedly greener pastures.

And so when you talk about this -- the housing compact, I just want to be clear. You know, we have a community with four Long Island Rail Road stations, and so they don't feel like they're getting any help. They feel like we're asking them to do more density. We don't have any office parks or malls; we're talking about residential communities. And we're asking the middle class, particularly my community, to do more with less. And the property taxes and escalating home prices, large foreclosure rates in the community -- Laurelton, St. Albans, Springfield Gardens, Rosedale -- where we're seeing the same thing, to do more

with less.

I would really like to talk about how we sustain Black homeownership. We have to remember that we're only a generation away from redlining and housing covenants. So how are we going to move the State of New York and not remember those communities who have really done the work, built the wealth, and now we're seeing diminishing returns.

So I just wanted your department to be mindful of that as we go into this homeowner -- this housing compact, especially in a district like Queens, New York.

Thank you.

COMMISSIONER VISNAUSKAS: Yeah, look, I would say that we are very aware of the racial wealth gap in homeownership in New York State and really in the country, and we have tried to put in a series of programs both on the borrower side, to make sure there's more access to people who have traditionally not had access to home mortgages, but also on the supply side, to make sure that we are building homes that

people can buy.

I think in the middle of that is also making sure the people who are homeowners have resources. And as you mentioned, the Homeownership Stabilization Fund, to make sure that when they need to make repairs, to hang on to that home that has a lot of equity built into it, that is their generational wealth.

So we are trying sort of across the spectrum, whether it's on the borrower side, the -- is there something I can buy, and can I stay in my home, to address all that. But we'd be happy to continue to work with you on other strategies to address that. We're very well aware of it. It's such an important issue.

ASSEMBLYWOMAN HYNDMAN: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblyman Meeks.

ASSEMBLYMAN MEEKS: Thank you, Madam Chair.

Good morning, Commissioner.

COMMISSIONER VISNAUSKAS: Good

morning.

ASSEMBLYMAN MEEKS: Looking at some of the goals and the plans as they relate to more affordable housing across the State of New York, one of the challenges -- and I represent Rochester, New York -- one of the challenges that we often see is we see this new development, these capital projects coming into our communities. And out of the five poorest zip codes in New York State, three of them are in Rochester.

And we see some of this development in those communities, yet we don't see individuals from those communities with opportunities to generate wealth from these projects.

Are there any plans in place that you all have as they relate to project labor agreements that are intentional in focusing on zip codes and helping those zip codes do better as it relates to these type of projects and monies coming in?

COMMISSIONER VISNAUSKAS: I mean, we have our MWBE goals, so we do try to make

sure that there is both sort of MWBE opportunities across the investments we make, which are significant. Certainly in places like Rochester we have a wealth of wonderful affordable housing developers that we've worked with there. So I think we do that on that front, and also always encourage local hiring as relates to those.

I think on some of the owner side, we also are trying to create more homeownership opportunities in places like Rochester, where we've had a lot successful rental buildings built there. And since we launched last year a new homeownership program, also making sure that sort of on the flip side of the jobs, that there are places for people to buy and also build generational wealth.

So we look forward to sort of working with you more on that.

ASSEMBLYMAN MEEKS: Thank you.

And also as it relates to like what we often talk about across the state, anti-violence initiatives. And I want to say a great anti-violence initiative is

good-cause eviction. When we look at challenges with housing insecurities throughout our communities, housing instability, I think that we need to be intentional in protecting families, and in particular our children, and keeping them in their homes.

We see challenges with our school districts. I think some of those challenges go back to the instability within the household. So we're asking the Governor to look at good-cause eviction and support this effort.

Thank you.

CHAIRWOMAN WEINSTEIN: We go to Assemblywoman Lucas.

ASSEMBLYWOMAN LUCAS: Good morning, everyone. Thank you, Madam Chair.

Thank you, Commissioner.

So you made a tremendous investment in a five-year plan for housing. And however, due to the pandemic, a major offset has occurred with ERAP funding for our NYCHA developments. How can we work together to

address this issue with -- in this particular plan, without disrupting the 25 billion set-aside for housing stabilization and opportunities?

COMMISSIONER VISNAUSKAS: Yes, I understand sort of NYCHA is sort of dictated in the legislation from last year in terms of priority for the ERAP funds. But my understanding is that both the office of -- OTDA, who administers the ERAP program, and the Governor's office have been working very closely with the federal government to try to get additional funds for that program. There have been two or three additional tranches of funds that have come into it from the overall federal program, and I think they continue to advocate to get additional funds to fill what's now currently, you know, a large need in that program.

I don't have the specific because we don't administer the program, but I know there's a lot of pressure in working with the federal government to get additional funds for that.

ASSEMBLYWOMAN LUCAS: I'd be interested in knowing where we can potentially get it from within that five-year plan. Is that --

COMMISSIONER VISNAUSKAS: Well, the five-year plan that we have is capital, it's not expense dollars, which I think is what is funding the -- would need to fund the ERAP program.

ASSEMBLYWOMAN LUCAS: Got it.

Additionally, I heard Member Simon reference the Mitchell-Lama. It would be criminal if I did not mention Linden Plaza, which has had tremendous issues over the years. They have been flip-flopped throughout, being told that it was under different programs. The infrastructure is declining rapidly. They are facing potential new ownership, and the tenants have not been included in that conversation.

Can you speak to me a little bit about what the plans are for Linden Plaza and the stabilization of it?

COMMISSIONER VISNAUSKAS: Yes, we'd be

happy, probably in maybe in a separate follow-up conversation, to go through the work that we have done with them so far and where they are sort of in their various processes to get their capital needs met. I don't have the information off the top of my head, but we'd be happy to sit with you.

ASSEMBLYWOMAN LUCAS: That would be fantastic. Thank you.

CHAIRWOMAN WEINSTEIN: Assemblywoman Chandler-Waterman.

ASSEMBLYWOMAN CHANDLER-WATERMAN: All right, is it on? All right. Thank you so much. Thank you, Madam Chair.

My district is District 58, East Flatbush, predominantly, Canarsie, Brownsville and Crown Heights. So I -- I'm looking at what's mentioned here in your testimony about Vital Brookdale, which was a lot of great things done there and I think is definitely a multifaceted issue when it comes to housing, and it requires a multilayered solution, which we -- definitely I see the trying effort here.

However, some healthcare providers, nurses, housekeepers, administrative staff, residents, some security, right -- a lot of providers were not able to secure housing there. And as we, unfortunately -- they're providing the services, they live in the district, they don't have proper housing. And we don't want to lose them in our healthcare system. And we are losing everyday, right?

So how can we work together to have a formal set-aside, a consideration for great projects like this that you don't want to be tainted by those who are left out, because obviously it's hard. How can we reimagine or rethink how do we include those healthcare providers that do have a job but still do not have adequate housing?

COMMISSIONER VISNAUSKAS: Yes, absolutely. I'm sure that we were at that event together; that issue was certainly raised right then and there.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Yeah.

COMMISSIONER VISNAUSKAS: We sort of understand that it is true in general in sort of tax credit projects that it's -- there's always some people who make a little bit more than the limit, but they still need affordable housing. And that's really a challenge around sort of this workforce housing that we have tried, through our various programs, to get at over the years.

I think, you know, as relates particularly to health workers, we'd be happy to continue to work with you as we go forward in the Vital Brooklyn initiative and also in any other sites to figure out how we could get a little better on that.

ASSEMBLYWOMAN CHANDLER-WATERMAN: I look forward to that.

And then my time is going, so I see the Climate Home Funds. So when electricity -- you know, in our district electricity is down because of weather or what have you, how do we sustain that the -- that we can still move forward when we have fully electric?

COMMISSIONER VISNAUSKAS: Yeah, so we work really closely with NYSERDA on this and sort of the resiliency of the grid itself, to make sure of that as we switch people to electric.

So I think that's going to continue to be something that we collaborate with them on, to make sure that as we electrify more and more homes, that the grid is more resilient to withstand, you know, any types of storms or any other things that happen.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Okay, thank you. {Inaudible.}

CHAIRWOMAN WEINSTEIN: Assemblywoman Kelles.

ASSEMBLYWOMAN KELLES: Thank you so much for all this -- and your endurance, of course.

I do believe also the crisis is so severe that we do have to do something at the state level. And coming from local government, I have seen tremendous resistance to any kind of zoning changes in order to create the density we need. So thank you for

that.

I do have some concerns, though, with the affordable housing piece of this, and I want to dive in. What I saw with respect to the support for the renters and homeowners, the Homeowner Assistance Program and the state's Tenant Protection Unit that would be added. But both of these really focused on more upgrades to homes, from what I'm seeing, for the most part.

And in Tompkins County I'm seeing -- that's one of my two counties -- I'm seeing rent increases from 20 to 40 percent just in the last couple of years. And the focus of this compact really seems to be the development of new housing, as if supply will really address the problem of affordability. I don't believe that that is, particularly given the rates that we're seeing right now. They're experiencing it right now, and development's going to take years to develop.

So what are you doing specifically in this budget for right now for those rent hikes?

COMMISSIONER VISNAUSKAS: So I would say a couple of things.

You know, I think -- and we hear this a lot when we go to communities. And I think one of the challenges is that we have tended to focus sort of on short-term. We are really excited about our five-year housing program that was approved last year to build housing today --

ASSEMBLYWOMAN KELLES: Housing supply.

COMMISSIONER VISNAUSKAS: Sorry?

ASSEMBLYWOMAN KELLES: That's supply. So right now for renters, for the support --

COMMISSIONER VISNAUSKAS: I'm sorry, I was just saying one of the reasons why we think the compact is so important, right, is because we are often focused, understandably, on residents today. So we agree that we need to have both, right? We need to have both sort of short-term solutions as well as long-term.

And we have a lot of preservation activities that we do around the state. We have our own Section 8 programs, we obviously

have the rent-stabilized stock in TPU. So those are ways in which across the state we are helping existing renters stay stably housed.

ASSEMBLYWOMAN KELLES: Okay, and would you be open to something like good-cause? We see, you know, regulations on every industry. This is just simply regulation guardrails on an industry. I'm just curious.

COMMISSIONER VISNAUSKAS: Yeah, I mean, I would certainly say that in 2019 when the HSTPA was revised and passed and was made statewide, we have seen a couple of localities opt into that to add additional tenant protections, and that's sort of part of dovetailing for the TPU expansion to make sure we're supporting that effort in those places that have been able to sort of pass that.

ASSEMBLYWOMAN KELLES: It was just yes or no.

So I'm going to take my next 33 seconds. A couple of things, concerns of mine about sprawl. I would love to see some

language in the compact about prevention of sprawl, building into green spaces. So I'm hoping you might be open to that.

And the other thing that concerned me was the 50 million reduction in land banks. That's actually a huge way, particularly in my district, that people have of like buying affordable homes and becoming -- so can you describe why 50 million?

COMMISSIONER VISNAUSKAS: Yeah. So the 50 million we got last year, we released -- we worked really closely with the Land Bank Association and all the land banks on what they wanted from that fund. So we released the first $20 million last year, and now we're working on releasing the next $30 million.

So it's not a reduction, we just haven't finished spending it. So we still have $30 million to go that we'll spend down this -- we'll award this year.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblyman Kim, three minutes.

ASSEMBLYMAN KIM: Thank you,

Commissioner, for your patience today.

You know, when we talk about the $25 million investment, the housing compact, we often talk about capital. And when we refer to capital, we're relying on private capital and we're subsidizing private capital, we're incentivizing private capital to get the job done.

But I believe private capital is partially the reason why we institutionally push back against good-cause. Because when we rely on private capital so heavily, there's systemic and economic pushback to protect tenants because the market, to them, doesn't work if we protect tenants at all costs.

So my question really is, what are we doing with public capital? You know, what kind of investments are we prepared to make in the next 10, 15, 20 years to really build things from the public side? What does our administrative capacity look like today? And it's okay if you don't -- if we lack it, but is there a plan to really interfere -- not

interfere, but like compete with private markets and private capital? That here we are, we're going to take ownership, and we're not just going to subsidize the private marketers to do the job for us, but we're going to step up on the public side to build housing.

COMMISSIONER VISNAUSKAS: It's a great question. I mean, we are, you know, just about to finish our first year of our five-year Housing Plan. We have an enormous amount of resources in this state towards affordable housing, more than any other state in the country. And so we will create 100,000 -- create and preserve 100,000 units over the next five years.

We are limited, by and large, by sort of our federal resources because they're really sort of the backbone of the work that we do. So, you know, I think we do absolutely as much as we can in this state as relates to production of affordable housing, and we push every dollar as far as we can to get as many units produced and preserved as

we can.

We do need the private market to build as well, because government can't alone build all the housing that the state needs, based on our job growth projections. But I do think it's on -- there's a lot of incentives that can be used by localities, whether that's a tax incentive or whether that's a zoning incentive, to make sure that affordability is built in. And that's really at the municipal level to make those decisions.

ASSEMBLYMAN KIM: And I just feel like we're just kind of going in a cycle when we just continue to rely on failing private markets to get the job done. And that's why so many of us are here pushing for good-cause, because we can predict that this is not going to work out for many of our tenants, that we need to give them as much protection until we get it right as an institution.

And in my last few seconds, I think the state should be considering what

North Dakota has done and other states are considering -- California is ahead of this -- in establishing a public bank system allowing municipalities to establish their own public benefit corporations to get this done. So even if -- even at the state level alone, if we get the receipts of every public employee, that's $6 billion that we can leverage to build affordable housing in the future.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblyman Ra.

ASSEMBLYMAN RA: Thank you.

Commissioner, so in your written testimony and you stated earlier, you said municipalities will decide how to best meet their new home construction target. Now, right, we're talking about the fast-track piece, and then there's the transit-oriented development piece.

Explain to me how the 3 percent target isn't really just, you know, a red herring when, if we were to mandate the density that the transit-oriented development piece

mandates in Nassau County -- which is 50 units per acre -- we're going to be well past 3 percent. So I would say this proposal doesn't do that in any way. It's telling municipalities this is how you're going to get there. It's not giving them any options.

It's not allowing for the communities that you mentioned here that have done these types of things in other communities that I'm very familiar with within Nassau who have done, you know, additional density around train stations and other places in their downtowns.

So can you explain to me how those two pieces work together and what flexibility we really are providing to our localities?

COMMISSIONER VISNAUSKAS: Yeah. It's a great question. And we've been out speaking to lots of town supervisors and mayors and getting input and want to make sure that people understand what this is and how it works.

You know, we believe that the train stations can handle additional density,

especially train stations closest to all of the job centers. And so we -- and we think there's so many examples, as you sort of said, both in Nassau and Suffolk, of localities that have done this well. So for those places really they are not going to be sort of undertaking rezoning because they've already done this and they have sort of the TOD example of liveable/walkable.

But there's lots of places that have not rezoned. So I think the flexibility comes for those localities if they can choose to rezone in a way that they see fit. It can be to the north of the station, the south of the station, it can be townhouses, it can be multifamily. They certainly will leave their single-family district as it were and put more multifamily at the train station. So we think there is flexibility designed within sort of the structure for localities to do a rezoning in a way that makes sense for them.

ASSEMBLYMAN RA: Now, if a -- suppose a municipality has a local village, say, has already done this type of development. Do

they get credit for the housing they've already brought online in the last few years?

COMMISSIONER VISNAUSKAS: Yeah, so we have heard a lot from communities that they would like us to see a sort of credit for good work so far. And so we have that in the legislation as proposed for sort of a lookback period. But we're certainly open to modifying that to make that more inclusive for places that have had sort of different spurts of growth at different times.

ASSEMBLYMAN RA: Okay. And with regard, you know, to the process we're going to go through here, so this is an automatic rezoning of these properties within the railroad station. I have a number of them in the district I represent. I can think about just the block I live on. I have a train station down the street. It's all single-family homes.

So are we basically envisioning that those lots are -- we're going to tear down those single-family homes and build, you know, high-rises and apartment buildings?

COMMISSIONER VISNAUSKAS: Well, certainly this state is really just encouraging those localities to rezone around those areas to allow --

ASSEMBLYMAN RA: We're not encouraging, we're mandating.

COMMISSIONER VISNAUSKAS: We are -- we would like them to -- to rezone around their train stations --

(Overtalk.)

ASSEMBLYMAN RA: Again, not we'd like them, they're being forced to. This isn't we'd like them, this isn't encouraging them, this isn't an incentive. This is a requirement.

COMMISSIONER VISNAUSKAS: That they do the rezoning themselves --

ASSEMBLYMAN RA: Yes.

COMMISSIONER VISNAUSKAS: -- yes. They have to undertake a rezoning process and plan how to accommodate growth.

We have a huge need for housing in this state. We -- as you heard me say at the outset, we created 1.4 million jobs and

400,000 units of housing. We need to be creating more housing. We think the smartest and best place to do that is around train stations, because it's good for the environment, people don't need to have cars, they can quickly access jobs at our -- in job centers located along the train stations. So we think that is a great place to put density, is around the train stations.

And so that's why we put forward such a -- the transit-oriented development as part of this proposal.

ASSEMBLYMAN RA: Okay. And you just mentioned environment. So we are all used to, when there's a proposal, a SEQR process. This doesn't require that, correct?

COMMISSIONER VISNAUSKAS: We have seen SEQR in a lot of places being used to prevent housing being built. So we are putting forward sort of a more streamlined version of that which really focuses on health and safety issues and not on a lot of other -- we already know that transit-oriented development is good for the environment, so

the need to sort of study a lot of that is more focused now onto health and safety issues.

ASSEMBLYMAN RA: I just want to reiterate, number one -- many of my colleagues on both sides of the aisle have mentioned this -- this mandates housing, it doesn't mandate affordable housing. I don't think it's going to create affordable housing.

But on top of that, we need to work with our local municipalities, not mandate things to them. This density does not work and cannot work in Nassau County. We don't have the infrastructure to support it, we don't have the space to support it.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

I have a couple of issues I want to raise.

I know it's been raised by a couple of my colleagues about the HOPP program. And I know you said that the funding exists through the -- the contracts run through mid-July.

Obviously that means that -- and part of why we put in place contracts running beyond the budget year is that for a number of years the groups would be there in this time in March not knowing whether there was continued funding. There are issues about taking on new clients and the continuity of the program.

So I still don't understand how there is no funding for HOPP in this budget.

COMMISSIONER VISNAUSKAS: So I think last year when -- and I think the July date was mentioned by Assemblywoman Rosenthal. We don't hold the contract, so the --

CHAIRWOMAN WEINSTEIN: Right.

COMMISSIONER VISNAUSKAS: As you know, last year, because it was doubled, I think it was unclear to us whether or not that doubling of funds allowed them to go further in time, because it's almost -- you know, it was an initial $15 million for the services that they provide. We are happy to work with the Legislature on this and to talk to the Attorney General's office about what the

needs are there.

CHAIRWOMAN WEINSTEIN: Okay. And I'm sure we will hear from some individuals later when we have public witnesses, talking about the dire need for continued funding for HOPP.

We actually were thinking that it might have been -- those of us in the Legislature thought that it might have actually been an oversight and that we would be seeing the money in the 30-day amendments. Which I guess are coming out later today. But you don't seem to know -- you don't seem to know about that, so I would think that that's not going to happen.

And then I know there's been some discussion about the housing compact proposal. Could you just explain a little bit further how they would interact with last year's five-year capital plan, and maybe an update on the progress of those programs funded through the five-year plan?

COMMISSIONER VISNAUSKAS: Sure. So we're in -- you know, almost done with our first year of the new Housing Plan, and we

are as of I think last month about 15,000 units towards the 20,000 unit goal for the first year. So we are on track, which is great.

And I would say -- and I had started to say this earlier, but just to sort of clarify how our affordable housing plan sort of fits into the overall is that when we look back over the last 10 years, we've looked at the affordable housing really as part of the base, because that program is in place. And we look forward -- our 100,000 units and beyond really are built into the sort of 400,000 base. And so the additional 400,000 units that the sort of three different buckets of policies create are incremental to all the work that we do.

CHAIRWOMAN WEINSTEIN: Okay. I think we're going to go to our last questioner, then.

CHAIRWOMAN KRUEGER: Senate's closed.

CHAIRWOMAN WEINSTEIN: The Senate's closed.

Assemblywoman Rosenthal for a second

round of three minutes.

ASSEMBLYWOMAN ROSENTHAL: Thank you, Chair Weinstein.

And thank you, Commissioner, for sitting through all these and bringing your lovely staff members, who I appreciate as well. Thank you.

So I have a lot more than three minutes' worth of questions, but let me just hit on a couple of items.

We do know that -- you'd talked about housing supply. We do know that there are tens of thousands of units that are rent-regulated that are being kept off the market. So what is HCR doing about that?

My second question is -- and I've heard this from so many colleagues and from my own office experience. The petition for administrative review takes a very long time, maybe three years -- rent overcharges, reduction in service complaints. And with rent overcharges, actually, the tenant has to keep paying until the matter is adjudicated.

And what can be done to speed up the

PAR process? I would say you should get more staff, although that's not up to me. But I also heard that there are about 13 inspectors in your shop. So that is very concerning.

And the third item is -- and we are going to hear testimony later about there are estimates of up to $2 billion owed for NYCHA and PHAs around the state, as well as not-for-profit corporations that will have to default -- hopefully not, but are in danger of defaulting on their mortgages because they did not get ERAP money.

So I would hope that the Governor would put some funding in the budget to take care of those very serious problems.

COMMISSIONER VISNAUSKAS: Okay, so that was a bunch of things. Let me just sort of go in order.

I would say, on units that are not registered or not in the system, you know, one of TPU's main focuses is to make sure that units that fall out of the registration system get re-registered, they get input from elected officials, input from tenants and,

you know, they'll accept referrals from anywhere. We have brought back over 100,000 units in the last 10 years that were unregistered --

ASSEMBLYWOMAN ROSENTHAL: And these are landlords who are boasting now that they're keeping them off. Maybe they're not boasting; they used to boast. So we know they're saying there are units off the --

COMMISSIONER VISNAUSKAS: So you should definitely refer those to us, and TPU will gladly investigate those. That is, you know, core to their mission, is to make sure those units are getting registered.

I think on the PAR process, as we call it, the petition for administrative review, I would say a couple of things. One is, you know, we were -- the ORA staff was -- the staff had been cut for a very long time and in 2019 we were very thankful to get a big infusion of staff into that unit. We did a lot of hiring over the course of that year, and then we hit the pandemic. And of course we have suffered -- we had a hiring freeze

during part of that, and then we have started to hire. And like many people who are trying to hire across the state, it is slow and challenging to get people. But we are working to continually hire people.

The other thing I would say is that the cases are more complicated with the onset of HSTPA, so the processing times have gotten longer. There's a lot of due process in there anyway, but there's also I think more complication to those. So they are not short processes sort of by and large.

And I think to your third question about ERAP, you know, I would sort of provide the same answer as I have. We work very closely with our portfolio of affordable housing providers to make sure that we can give them the financial relief they need as they've suffered from tenants who have applied for ERAP and while they're waiting for that to get processed. And we continue to work with the Governor's office and with our federal delegation and the Governor's federal office to get additional funding for

ERAP.

ASSEMBLYWOMAN ROSENTHAL: If we don't, we should put it in. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

And to the Senate.

CHAIRWOMAN KRUEGER: Sorry, we weren't completely closed. Brian Kavanagh, our chair, returned for his last three minutes.

SENATOR KAVANAGH: For the record, I was in the room.

But just to clarify, I think I misspoke and asked you a question and got a quizzical look. But I think I was referring to the Housing Stabilization Fund. But there's something called the Homeowners Stabilization Fund, which is a $50 million fund.

COMMISSIONER VISNAUSKAS: Yes.

SENATOR KAVANAGH: Can you talk a little bit about that?

COMMISSIONER VISNAUSKAS: Yes. I'm sorry that I looked quizzical before. I was thinking in my head it was not the right name.

We saw a real need for home repair programs in largely communities of color that had a large percent of homeowners that were of color that had housing distress. And we saw this coming out of the work that we did in East Buffalo after the Tops shooting.

And so we wanted to make sure that around the state we are allowing homeowners for whom their house is their generational wealth, but who have a lot of distress in their home because they don't have the ability to make repairs, that we can provide those funding -- that we can provide funding to those homeowners.

So we're really excited about this, to be able to launch it across the state to be able to, you know, make much-needed repairs. As you drive around the state you see a lot of homeowner distress, and so this is a great sort of down payment to be able to expand that statewide.

SENATOR KAVANAGH: So this one is not specifically attached to the -- unlike some of those other funds that are intended to

support the sort of administration of the housing compact, this is a -- I mean, it might be related in some ways but it's not -- this is not part of that structure.

COMMISSIONER VISNAUSKAS: Yeah, it's really a standalone program coming out of the work that we did in East Buffalo, where we saw really a tremendous need for this type of program. We have it sort of in some ways, but not really as specifically tailored as what we think this will do. Going really into targeted communities of color where there's high homeownership and high rates of housing distress is really sort of a -- sort of a much more targeted initiative than we have in some of our other programs.

So it's outside the compact, and we're really excited about it.

SENATOR KAVANAGH: Have you worked out details about how much money per household, how people apply, all that sort of stuff?

COMMISSIONER VISNAUSKAS: Yeah, so we have -- there are some preliminary estimates, but we're going to work with a series of

local partners, and so I think we want to get a little more fine-tuned with what the need is on the ground.

SENATOR KAVANAGH: Okay, good, thank you. And just a follow-up to Assemblymember Rosenthal's question.

In your -- in the portfolio of affordable housing providers that you work with, there's -- you know, we've been talking a lot about ERAP, which the ERAP portal is closed. We've been working with OTDA on estimates of how much it would cost to cover all the ERAP applicants. But we understand from a lot of providers that there are arrears that built up that do not appear to be related to tenants who actually applied for ERAP.

Do you have any estimate of sort of what the un -- sort of the scale of unpaid rent is among affordable housing providers that are in your portfolio?

COMMISSIONER VISNAUSKAS: We don't have sort of exact data on that. We have worked with the industry groups who've come

to us to talk about this issue. And it's -- so we're sort of in conversations with them, but we don't really have an exact figure at this time.

SENATOR KAVANAGH: And do you have any -- besides ERAP, do you have any sort of funding sources that would be available to cover arrears that have built up in this period?

COMMISSIONER VISNAUSKAS: So the main tool that we've used to date is allowing owners to sort of not make contributions to reserve funds and to give them sort of financial relief in the ways that we have. So we've sort of operated more kind of in the relief function than in the kind of direct payment function.

But we have tried to provide that where we can across our portfolio to help building owners that are in distress.

SENATOR KAVANAGH: Just one more, super quick. Does that approach relieve -- have the effect of relieving the tenant?

CHAIRWOMAN KRUEGER: You know what,

Brian, you can't ask a new question when it goes to zero.

(Laughter.)

SENATOR KAVANAGH: That was a follow-up.

CHAIRWOMAN KRUEGER: You can follow up with the commissioner afterwards.

SENATOR KAVANAGH: And, and is that -- does --

(Laughter.)

CHAIRWOMAN KRUEGER: Thank you so much for returning.

SENATOR KAVANAGH: Thank you. Thank you, Senator Krueger. Thank you, Commissioner.

CHAIRWOMAN WEINSTEIN: Commissioner, thank you for being here. There are no further questions. I know there are a number of responses that there wasn't time to give, so we look forward to hearing those and look forward to continuing to work with you.

COMMISSIONER VISNAUSKAS: Thank you. We're happy to follow up on those. Thank you, everyone.

CHAIRWOMAN WEINSTEIN: So next we begin our public portion of the hearing. And we will -- as I mentioned, the next witnesses will be in panels. Each will have three minutes to make their presentation, and then colleagues will have three minutes, if they desire, to ask a question of the panel.

So we start with -- we have Legal Services NYC, Jacob Inwald. Legal Services Access Alliance, there was a court conflict with the person scheduled, so Rachel Halperin is here. Citizen Action of New York, Rebecca Garrard; Urban Homesteading Assistance Board, Claudia Waterton; and Enterprise Community Partners-New York, Baaba Halm.

So I think -- so I see four people, but I thought there were five people.

UNIDENTIFIED PANELIST: Claudia was here; she just had to step out.

CHAIRWOMAN WEINSTEIN: Okay. So why don't we go -- I think it will be easier to go in the order that I mentioned. So Jay, if you want to start.

MR. INWALD: Yes. I was prepared to

say good morning, but I think I have to say good afternoon. Thank you for the opportunity to testify. Jacob Inwald from Legal Services NYC, and I'm here to testify about the Homeowner Protection Program.

Which I first of all want to thank those of you who asked very pointed questions about it earlier, and I don't want to risk offending people by listing all of you who asked about it. But we do appreciate the Legislature's consistent support for this program.

I wish that HCR people had stayed here, because there's some crucial information that they were unable to give you that I can give you, down to the decimal point. There was a suggestion which was somewhat disingenuous that it was excluded from the budget because there was a thought that there was leftover funding that was not spent down. There was an 85 percent increase in last year because we saw unprecedented need that dwarfed what we experienced during the worst of the Great Recession. That's why

there was an 85 percent increase.

And all it takes is a phone call to the AG's office. I can give you -- they fully committed, of that 35 million, 34,340,164.56. So that's a very specific number which Kerri White at the Attorney General's office I'm sure would have provided to Homes and Community Renewal had they been asked about it over the last six months when we've been advocating to continue this funding.

So I apologize if my tone is a little bit barbed, but it's a very specific question that could have been addressed fairly completely.

I'm not going to read my testimony; you have my lengthy written testimony. I'm just going to hit on a few bullet points beyond answering that question.

I want to mention the subject of deed thefts, which many of you have been very concerned about, which particularly has a pernicious impact on communities of color in gentrifying neighborhoods where real estate

values are appreciating.

HOPP is the state's only tool to combat deed theft. This is the network of people who are working with vulnerable homeowners who are the prey of the deed theft scammers, the partition scammers, and the various other scammers preying on distressed homeowners. So it's completely counterintuitive to dismantle and defund this network, which is what will happen on July 16th, if you're concerned about deed theft and preserving existing homeownership.

The other thing I just want to mention is we cannot talk about this without talking about race and the racial impact of taking away the advocates for distressed homeowners. Because foreclosures and -- mortgage foreclosures, tax foreclosures, scams, preying on homeowners, disproportionately target communities of color. And the foreclosure process is complicated, and to take away people's advocates from this court process, from the very complicated loss mitigation process, what you're saying is we

are not going to provide the communities the advocates that they need to preserve their rights and get good outcomes.

In addition, as I mentioned, we're seeing -- okay, I'm out of time. I just want to also mention the Homeowner Assistance Fund, which Homes and Community Renewal administers. And they rely on the HOPP network to actually make that program work. That's federal money to the tune of $550 million providing relief to New York homeowners. And they have a separate portal for the HOPP advocates to actually submit those applications, and three months ago they actually asked us to take on applications of homeowners who did these applications on their own because they recognized that they needed the support of the HOPP network.

So -- I'm sorry for going over.

CHAIRWOMAN WEINSTEIN: Thank you. Thank you. Legal Services Access Alliance.

MS. HALPERIN: Good afternoon. My name is Rachel Halperin. I'm substituting for Erica Ludwick, who had to appear in

court. I'm the CEO of Legal Services of the Hudson Valley and the vice president and board member of Legal Services Access Alliance.

Thank you for the opportunity today to comment about the Governor's Executive Budget.

We are grateful for the Governor's continued support of $35 million in funding for legal representation and eviction services, which provides legal services for tenants facing eviction outside of New York City. Collectively the Legal Services Access Alliance represents federally funded legal services providers outside of New York City that cover every county outside of the city. We have come together through the receipt of this funding to ensure that this funding is used to help as many tenants as possible.

Moreover, the alliance members are subcontracting and collaborating with providers in each of our regions to ensure that all vulnerable populations are being served. This funding has been critical in

supporting struggling New Yorkers in every corner of the state. We have prioritized representation in underserved areas, including city, town and village courts in our rural counties.

With this state support, alliance members and their partners have helped thousands of individuals avoid homelessness. Through this funding we have served over 10,000 tenants throughout the state. We have also come together and invested in needed technology and resources to develop best practices and streamline services to make them accessible to those in crisis.

We are collaborating to develop a statewide coordinated intake portal, and we have also created a toll-free hotline that tenants can call to be directed to the appropriate legal service provider in their area. We are partnering with law schools to recruit and train new lawyers and create paid summer legal internships and leadership training seminar programs which will help create a diverse and robust pipeline of civil

legal service providers throughout the state.

There is much more work to be done to continue to serve the tremendous unmet need for eviction legal representation and reach the entirety of New York State in the most expeditious and efficient manner. We ask for your continued support of the $35 million for the legal representation for eviction services initiative in the 2023 enacted New York State Budget. This is a historic investment by New York State. We thank the Legislature for their support of this funding, and we hope that you will support it in this year's budget as well.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Citizen Action of New York.

MS. GARRARD: Yes, hello. My name is Rebecca Garrard. I want to thank the chairs and all the legislators for allowing me to testify today.

So this legislative session I don't feel the need to convince all of you that there is a housing crisis. I think we are in

a unique moment where it's of such epic proportions that we have a shared understanding of the urgency of need for policy to address it. So what I'm going to take my time today to do is to speak about the comprehensive nature of the solutions that I think are required in this moment.

We know the Governor's proposal has centered on incentivizing development through subsidies and the removal of zoning restrictions. While the idea of increasing supply is not harmful as part of a package, it must coexist with tenant protections that prevent displacement due to increased rents and no-fault evictions that result solely from proximity to the increased resources.

In July of 2022, City Limits published an article about the unfulfilled promises by the developers of Atlantic Yards. They received a 421-a tax break yet were unable to meet their deadlines on the provision of affordable units.

However, when I read the article, the most important information in there to me was

around the changing demographics of the neighborhood. As noted by the reporter who wrote the story, in Brooklyn Community District 2, where the project is located, the number of Black residents decreased from 41.8 percent of the population in 2000 to 20.3 percent in 2015 through 2019. The number of white residents increased during that time from 31.1 percent to 52.1 percent.

Without good-cause tenant protections as provided in Senator Salazar's and Assemblymember Hunter's legislation, there is no mechanism for community members from historically disinvested Black and brown counties to benefit from new development and resources. This is true not just in New York City but in every neighborhood across the state when development is courted in the absence of protections for the tenants who reside there.

This is an aspect of the housing crisis which cannot be ignored any longer, and this must be the year that we pass good-cause tenant protections. Wow, am I

running out of time.

In addition, I ask you all to consider what is the best use of state funds in terms of incentivizing housing stability. True long-term housing stability means creating the opportunity for tenants to own their units. The Tenant Opportunity to Purchase Act, held by Senator Myrie and Assemblymember Mitaynes, provides mechanisms and funding for these purchases to occur.

And lastly, we must include in this year's budget relief for tenants who are on the verge of eviction and the countless New Yorkers who are unhoused. The Housing Access Voucher Program, held by Senator Kavanagh and Assemblymember Rosenthal, ensures there's immediate relief for those who are suffering from their inability to afford shelter.

There's more in here that you can read, but thank you for the chance to testify.

CHAIRWOMAN WEINSTEIN: Thank you.

I just want to remind all the

witnesses that your testimony was submitted in advance and was circulated to all the members and has been posted on our respective websites, the Assembly and the Senate.

So next we hear from Urban Homesteading Assistance Board.

MS. WATERTON: Hi, honorable chairs and members of the committee. Thank you for having me today. My name is Claudia Waterton. I'm the president of my tenants association in the South Bronx. I'm here to share my story and demonstrate how critical it is to pass the Tenant Opportunity to Purchase Act, TOPA.

In 2017 when the new landlord purchased our building, immediately he jacked up the rents. My neighbors and myself organized because we knew that the building was rent-stabilized. But our landlord was trying to destabilize our building.

It was a five-year-long battle that we fought. Every month we met to strategize on how to win. We were finally able to purchase our building last year, February 2022. We're

currently working to become a HDFC co-op. And through this process, we were helped by the local nonprofit, UHAB.

My neighbors and myself will be operating our building as a collective, and we'll be able to purchase our units for $2,500. We're currently working on waterproofing our building, which means that our building will be completely run on electrical power with new heat pumps which would meet the highest standards for New York State climate goals.

Currently in the South Bronx waterfront there are newly built towers financed by 421-a that are still half-empty, mostly because low-income tenants in the neighborhood can't afford to live there. These buildings also lead to gentrification in the neighborhood. But because we bought our building, I know that I'll be able to stay in the place that I currently call home for the last decade.

Growing up, I was taught the importance of owning something, and for me,

having ownership like this is a way to build community wealth to pass on to future generations. TOPA would allow tenants whose buildings are up for sale to make the first offer to buy their buildings, giving them the opportunity to transfer their buildings into permanent affordable housing.

We are requesting $250 million for this budget year, which will help tenants purchase their buildings and remove them from the speculative market. I want all tenants who are organizing in their buildings to do the same thing that we did, but using TOPA.

TOPA will give the tenants the right to make the first offer when their building goes up for sale. Their owners can reject the first offer, but the tenants also have the right to match the second offer of a third party. Tenants can buy their buildings together as a limited equity co-op, turn them into public housing, or work with a nonprofit to remain permanently affordable rentals.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

And last, Enterprise Community Partners.

MS. HALM: Thank you.

I am Baaba Halm, vice president and market leader for Enterprise Community Partners. Thank you for the opportunity to testify on the wide-ranging budget needs to address the state's affordability challenges.

New York State continues to be amidst the worst homelessness crisis since the Great Depression. Across the state homelessness has pushed communities to the breaking point, with shelter capacity dangerously low and, in upstate communities, few resources to deal with the crisis.

We urge the Legislature to include in its one-house budgets money to fund the Housing Access Voucher Program at $250 million this year, which would serve over 50,000 New Yorkers statewide. HAVP is accessible, flexible, and nondiscriminatory, making it the most effective program for preventing homelessness and moving homeless households into permanent housing.

And as we are talking about the state increasing more housing supply and creating more housing units and rental vouchers being expanded, we do believe that there's a need for more fair housing enforcement resources. We therefore request an additional $5 million be allocated to HCR's Fair Testing Program this year. That funding level will allow the state's six existing Qualified Fair Housing Organizations to continue critical services at their current levels by also supporting community-based organizations to expand into parts of the state without fair housing organizations.

Enterprise supports the housing compact. The housing compact will allow more housing to be created in communities where there is a demand for new housing, while allowing communities to determine how they achieve statewide growth targets. We support the compact's plan to give more weight to affordable multifamily housing to meet the growth targets and to streamline the approach and approvals for affordable multifamily

housing.

We do look forward to working with the Senate and the Assembly to incorporate more of a affordable and fair housing lens to the compact.

And we applaud the Governor's housing compact's code enforcement provisions to make it easier for local governments to take ownership of zombie properties, which pose a significant challenge for many upstate communities.

And on supportive housing, we join the Supportive Housing Network of New York in calling on the Legislature to invest in preserving the existing affordable housing units we have, and to unlock the hundreds of millions of dollars in preservation capital funding for supportive housing included in last year's budget.

And for NYCHA, the New York Housing Conference estimates that NYCHA faces a $35 million budget shortfall. It is therefore crucial that the state continues its commitment to fully address the needs of

NYCHA by stepping up and establishing a long-term city/state capital plan for public housing.

And on the arrears for the affordable housing and public housing portfolio, we recognize that public housing operators and affordable housing operators are in danger of maintaining the viability of their housing stock. And so we support NYSAFAH's ask for $2 billion to support these owners and operators.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to our Housing chair, Assemblywoman Rosenthal, three minutes.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

I have it on good authority that there is no money left unspent from last year's $35 million allocation. Does anyone understand why the Governor would leave this funding out of her Executive Budget?

MR. INWALD: I think that question is directed at me. I'm not sure I can answer for the motivations.

(Laughter.)

ASSEMBLYWOMAN ROSENTHAL: Well, maybe just reiterate how important it is.

MR. INWALD: Yeah, I'm happy to reiterate how important it is.

(Laughter.)

MR. INWALD: And one thing I want to mention -- we tend to inhabit silos in the housing space, but I want to mention that in New York City when you're talking about homes that are lost to foreclosure, they are also -- that also represents the loss of affordable rental housing, naturally occurring rental housing.

Almost all of the homeowners we work with have one or two rental units. And when those houses are lost to foreclosure, they are bought by investors, gentrifying developers, and they are not retained as any kind of affordable housing. So we are usually typically losing one or two rental units each time a home is lost to foreclosure.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

It's very important that these 30-day amendments contain the restoration of that funding.

I also wanted to ask quickly about evictions and the many homeless families that are living in our city and our state. HAVP would help a lot. What other protections would we need? I'm asking Rebecca Garrard.

MS. GARRARD: Yeah, thank you, Assemblymember Rosenthal, yes.

I think it's those protections, right, that are missing from the Governor's plan. This was mentioned earlier, right? There's no immediate solutions for the crisis. certainly HAVP would provide immediate relief for the tragically large number of unhoused New Yorkers who are unable to access housing.

And in terms of triaging the crisis, you know, I heard the HCR commissioner say we're talking long term. Right? I think good-cause is long term. Until we can triage, right, this cycle of housing insecurity that moves people from being rent-burdened to unhoused to housing

insecure, that's the kind of lack of foresight that puts us into always having to think about what's down the road. Right?

So I think that would -- those are the things that I find most necessary.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

Anyone else want to comment on that portion?

MS. HALM: I would just add that HAVP is also an anti-eviction tool. It's not just for folks who are homeless but folks who would be at risk of homelessness who are not now captured by existing voucher programs. And which is why we believe it's an important tool that should get funded.

ASSEMBLYWOMAN ROSENTHAL: Right. It's half and half, I believe. Yes, half folks who are unhoused and half who are on the precipice of eviction.

Okay, thank you all.

CHAIRWOMAN WEINSTEIN: Senate?

CHAIRWOMAN KRUEGER: Thank you.

Senate Housing Chair Brian Kavanagh, three minutes.

SENATOR KAVANAGH: Thank you.

There's very diverse perspectives on the panel, a lot of different -- and I think some of my colleagues will pick up on a few of the topics that have been talked about here, including TOPA. Our colleague Senator Myrie will have something to say about that.

I want to particularly focus -- and thank you, Jay, for your -- I think you've covered, thoroughly covered the question of the need for HOPP. And I think, as you know, we're very much prepared to push for that.

I want to just follow up a little bit from Enterprise's perspective on the need for additional support for the fair housing initiatives. I think a lot of -- you know, I think a lot of people think, you know, the rules have been around for a long time and, you know, we talk about educating people and, you know, everybody knows what they're supposed to do.

Can you just talk a little bit more about, you know, how -- like why it's so

important that we have organizations that are on the ground doing that work and, you know, your request for a $7 million allocation? Which I support.

MS. HALM: So on the fair housing work, enterprise was able to launch an innovative program with Attorney General resources which ended last year, and the state stepped up to, for the first time, create a state-supported Fair Housing Testing Program. That program was funded at $2 million, which was very far short of what -- the program under Attorney General resources. And so the six fair housing organizations scaled back their services in order to absorb that $2 million.

And so what we're asking for is an additional $5 million so they can restore the service cuts and to allow expansion to other parts of the state that we believe there's a real unique and urgent need for fair housing enforcement organizations to support tenants and folks on the ground there.

SENATOR KAVANAGH: And if we were --

if the Legislature were successful in getting a total of -- the $5 million and a total of $7 million, do you think your network would be able to make sure that there's at least one organization in every part of the state that's focusing on this work?

MS. HALM: I think they stand ready, and ready to deploy and to work with other organizations to develop the capacity to support other parts of the state, absolutely.

SENATOR KAVANAGH: Okay. And can you talk just a little bit about the newest kind of fair housing issue? We've added source of income discrimination to our list of things statewide that are -- you know, that's a kind of discrimination that's been banned relatively recently. Can you talk a little bit more about your thoughts on that, your organization's work on that?

MS. HALM: So source of income discrimination was banned in 2019, and it protects tenants who are using vouchers such as Section 8 or HAVP, if we are successful in getting it funded, to pay for their housing

costs.

And we know in communities throughout the state that there are real barriers, discriminatory practices that landlords use -- and some, to be honest, just don't understand what the law is. So the fair housing enforcement resources allows for education, it allows for affirmative enforcement action to be taken against discriminatory landlords.

And as we understand the affordable housing challenge's needs statewide, and that we want to open the door to access, to tenants statewide in communities of their choice, enforcement resources should be coupled with that. Right? And you need the carrot, you need the tool to get people housed, but you also need the stick for bad actors. And we can't ignore that there are bad actors throughout the state.

SENATOR KAVANAGH: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblywoman Lucas.

ASSEMBLYWOMAN LUCAS: Okay, thanks

again, Madam Chair.

This question is actually for Enterprise. I see you have the vacant and abandoned properties and zombie properties as it relates to the Governor's compact. In July 2017, LISC funded a zombie homes program with HPD. Will Enterprise be willing to finance a similar program for the housing compact?

MS. HALM: We certainly could look to the extent that there's a need. We work very closely with LISC. We work very closely with HPD. And we're willing to step in and help as much as possible.

Zombie properties are an important tool. We heard earlier, right, that some land banks are using -- getting zombie properties and are able to turn it into affordable home ownership and multifamily rentals. And so for communities to have tools to make sure that they are able to take over blighted properties we think is an important preservation strategy, and it's an important community development strategy.

ASSEMBLYWOMAN LUCAS: Thank you.

CHAIRWOMAN WEINSTEIN: Anybody else in the Senate?

CHAIRWOMAN KRUEGER: Senators?

Senator Myrie.

SENATOR MYRIE: Thank you, Madam Chair. And thank you to the panel.

I have part comment, part question. Firstly, appreciate the advocacy for TOPA. Incredibly, incredibly important. I think it is one side of the coin, the other side being deed theft, as was mentioned, about building community wealth. We see it being robbed, particularly from Black and brown communities. TOPA provides a way to build that community wealth. And so I appreciate the advocacy there.

And just a question, and this is really for anyone on the panel. You know, we hear a lot about good-cause and a lot of what I believe to be mischaracterizations of what it actually does. So I'm hoping, with the balance of the time, if you can talk about what this would really do to preserve

affordability, what it would do to fight evictions, and what it does not do, as we've heard some of the opponents of good-cause say.

MS. GARRARD: Can I start? I promise I'll leave space for others.

Thank you, Senator Myrie, for that really important question. Right? We know what it does, is it protects tenants who are following all of the obligations of their tenancy -- paying the rent on time, taking care of the property. What it prevents is those tenants being evicted in either retaliation for reporting unsafe conditions or being evicted or priced out of their residences -- even through they're following all their tenancy obligations -- because resources are finally coming into areas that have been disinvested, predominantly communities of color, and now all of a sudden people that look like me are walking around, people that are wealthier are walking around, and rents rise simply because of that.

What it does not do, to your point

that I think there's a lot of misconception about, it does not prevent evictions. If a tenant is not paying the rent, they can be evicted. If a tenant is damaging the property, they can be evicted. It is a protection for tenants who follow every obligation of their tenancy.

And if we can't have a shared collective belief that tenants who are really like stable, valuable producers and participators in their community should be protected for displacement due to no correlation to action or inaction on their part, then I don't actually know where we even go from there, or where we start.

Oh, gosh, I left 20 seconds. I'm so sorry.

CHAIRWOMAN KRUEGER: Assembly.

CHAIRWOMAN WEINSTEIN: Assemblywoman Simon.

ASSEMBLYWOMAN SIMON: Thank you.

Sort of just a follow-up to that, which is the number of buildings that are being bought by private equity that are

coming in and just wholesale issuing eviction notices to people who have been living, paying their rent for 15, 20, sometimes 30 years -- but they're not stabilized, they have no other protection. And that's happening throughout my district and it's happening certainly throughout Brooklyn and I'm sure other parts of the city as well. I don't know if you -- others of you have perspective on that or have an approach other than good-cause or -- good-cause I think really addresses this well.

But you brought up Atlantic Yards, which is a combination of 421-a issues but also the affordability. So I think one of the things we struggle with is what we call affordable not being affordable, how much we have of it, how much we have of one-bedrooms. You know, the two-bedrooms that are, you know, a thousand square feet, which are really not two bedrooms.

What can we do better in the way we allocate the funding so that we don't incentivize the creation of what I call fake

affordable? So I leave that out to any of you. I'm sure it's not a quick answer.

MS. GARRARD: I really appreciate that question, right, and I think it's part of what we find most troubling about the Governor's proposal, which is totally, right, leaning into incentivizing and subsidizing without correlation to affordability.

To your point, the definition of affordable is in the eye of the beholder, and so a lot of government funds, right, go towards these developments under the guise of creating a number of affordable units that community members will tell you are not at all affordable. So I think that metric, right, needs to be reexamined. We have to be much lower if we're going to use AMI -- much, much lower than the brackets that we're currently using and deeming affordable.

And I think, to your point, it's just so crucial too that we have the coexisting protections, because then we see -- I always say it feels like a net loss. You're buying the affordable units through this

incentivized development, and you're losing probably four times as many in the surrounding market-rate rents.

And to your earlier point, it is happening all over the state. Right here in Albany there's an entire building of tenants in Bleecker Terrace whose building was bought up by a New Jersey developer, and the first thing she did was issue no-fault holdover evictions to the entire building. So it's a plague around the state.

ASSEMBLYWOMAN SIMON: Thank you.

CHAIRWOMAN KRUEGER: Senator Julia Salazar.

SENATOR SALAZAR: Thank you, Chair.

And thank you all so much for taking the time to testify today.

I did want to follow up on Rebecca's testimony regarding the good-cause eviction bill. Even though this is a budget hearing and this bill doesn't have a fiscal impact to the state, this is something that we intend to discuss in the context of the Governor's housing compact.

Rebecca, could you talk about how the text of the good-cause eviction bill offers protections actually also for homeowners who may be in the eviction process, exemptions, and even perhaps how if good-cause eviction were law, it would interact with protections that we advocate for, that exist for homeowners, including programs for homeowners who are struggling.

MS. GARRARD: Yeah, thank you for that question. I think you raise a really good point because a lot of the misinformation around good-cause creates a false tension between the property owner and the tenant. And so the reality is there are, as I mentioned before, right, numerous reasons to be able to evict. There's also exemptions for buildings under four units that are owner occupied, in recognition that it feels like an extension of your home and so there should be extra discretion. There are exemptions for if you need a family member to move into a unit. So there's a lot of, right, allowances.

In my mind, it helps -- and I believe data would show, right -- it helps small landlords, because it levels the playing field for them against these really predatory large players. Right? I defy you to find me a small landlord who has a tenant that is paying the rent on time and taking care of the property who wants to no-fault evict them. That is not the case. It is not what we see. Those landlords are like please never leave, and probably bring them cookies at the holidays. You know what I mean?

What we see this used for is when these really predatory corporate developers come in and want to convert the housing from an affordable range, from a community-based ownership model to one that is strictly for profiteering, either through the lens of displacement or intentional disinvestment, right?

So this, to me, is a really good way to concentrate on what landlords do need resources, right, which we don't want small landlords who are Black and brown losing

their properties. This bill won't do that. And we are very much in favor of providing resources, if needed, to that class of landlords.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblywoman Kelles.

ASSEMBLYWOMAN KELLES: That was unexpected.

So two areas of questions. One, Enterprise, thank you for bringing up the compact. I think there are actually very promising aspects of this. You did bring up the piece of concern, which I have as well, which is the affordability piece. So of course she mentioned supply earlier and the existing issues, so this one is related to supply.

Can you give some examples or recommendations of how we might strengthen the affordable housing piece of the compact?

MS. HALM: From our work we know that there's affordable housing that's needed throughout the state. The compact really leaves it up to individual communities to

either through a regulatory agreement, right, that that's how you get affordable housing created, which is a subsidy or to consider other measures. But it doesn't really give guidance, it's not part of the planning process in thinking about how a community is going to achieve its growth target.

And so that should be part of community planning, we think. Long-term community planning should think about affordability and how to incentivize it and give some guidance to communities to factor that in. Because we do know that there are large parts of the state that don't have the apparatus, the planning apparatus, and there's going to be some technical assistance. But we should think about affordability as part of that technical assistance, part of that review, that expectation that when the community is thinking about the different options it wants to maximize for their particular community, that they're also thinking about how to maximize affordable housing.

ASSEMBLYWOMAN KELLES: And do you think it would helpful to have a requirement to meet that 1 percent or 3 percent specifically for affordable?

MS. HALM: I think there's a lot of ways to achieve affordability, and so that we should just have a frank conversation about what is the best goal for the state and that we need more housing but we certainly need more affordable housing across the state, and not just in, you know, core areas. But we want people to have options of where they live. That's a central component for Enterprise in our work, that there should be optionality for families that if they want to move to upstate, they're going to find affordable housing. If they want to move downstate, they can find affordable housing. And so that should be part of the state's overall planning process, to make sure that affordability is part of our long-term approach as well.

ASSEMBLYWOMAN KELLES: Thank you so much.

And quick, Rebecca, last question about good cause. Good cause, HAVP, I totally agree they would address the needs right now. With good cause, though, there's a lot of misinformation that landlords would not be able to increase the rents at all, that it would restrict them.

Can you talk a little bit about how that is not true?

MS. GARRARD: Yeah, thank you so much -- because we haven't got to that -- for bringing that up, Assemblymember Kelles.

So what the bill does in its current form is set a floor, right -- not a ceiling, a floor -- for the rent increase that's related to nothing more than just breathing air. But cost of owning the property, if it increases, landlords absolutely can go above that floor to recoup their costs of ownership. That includes property taxes, repairs, et cetera, et cetera.

So that is another important piece of misinformation that is not true and the bill allows for.

ASSEMBLYWOMAN KELLES: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Assemblyman Kim.

ASSEMBLYMAN KIM: Thank you.

So I represent one of the worst economically unequal districts in the entire state -- Flushing, New York -- between the haves and have-nots. And I just wanted to spend a minute about why it's so important to protect the tenants.

One of our brothers in the movement -- that will be here with you all as a social and housing justice advocate -- is dealing with some serious cancer and going through chemotherapy, and he is living in conditions where every day there are rats, rodents, roaches in his house and there are doctors, myself, everyone is advocating for him, but this is just one example -- even one of us that have to go through this kind of struggle.

And I'm just, you know, I'm blown away by some of the testimonies today and what

you're pushing for. And one of the things that makes me feel optimistic -- and I want to turn my attention to Claudia Waterton and what you were able to accomplish through your organizing, to take a problem and really take ownership of your futures. But it took you five years of organizing.

MS. WATERTON: Yes. Yeah. Yeah.

ASSEMBLYMAN KIM: And so my question -- I just want to take a little kind of deep-dive moment of how difficult was it to find financing, to get people to invest. Just walk us through the process of how you were able to accomplish this as an organizer.

MS. WATERTON: So that was actually very difficult, because around the time when we finalized the first round of financing, COVID happened and everything got taken away. It was through the city.

And then in the middle of COVID, we were able to find the second round of financing, just really out of the blue, and that's how we finalized it. But, I mean, it was so rare.

And I have to say in our case we did use -- because we also had a DHCR case that we were pending, along with us trying to purchase the building. So because of that case, he could not sell it to another developer. He was trying to get us to drop it in order to sell the building because no other developer would touch it, because then they would have to pick up the case again and fight with us another, I don't know, maybe five, 10 years until that case closed.

So we basically held the building hostage, basically, and said, You have to sell it to us, we're not dropping this case. Either you sell it to us or we just wait it out in court.

ASSEMBLYMAN KIM: So it was an extenuating circumstance, almost an outlier, that you were able to do this without state support or anybody else. So that's why it's so important to push legislation to fund -- is it 250 million that we're --

MS. WATERTON: We purchased it for 2.6 million.

ASSEMBLYMAN KIM: But as a state we want to put in funding to --

MS. WATERTON: Oh, yeah, the total for TOPA is 250 million.

ASSEMBLYMAN KIM: Okay. Thank you so much.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblywoman Chandler-Waterman.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Thank you, Madam Chair. Thank you all.

Good cause and bills like this, you know, is really good to protect our tenants. And I do agree there's a lot of misinformation when it comes to -- on the part of homeowners and all that. So I'm glad for my colleagues for bringing up those points to explain so I don't have to ask those questions, because it was already asked.

But to Legal Service NYC, Jacob. So we have lost so many working-family Black homes in Brooklyn when LISC should have provided funding in the past 10 years. What should we change? So much funding for

advocates to save on the one-to-four-family home homeownership. Why is there such a high percentage of unrepresented homeowners in Brooklyn losing their homes? What are we missing? What are we not doing?

My district is over 90 percent Black and brown. Canarsie has a high foreclosure rate. We are losing our homes, our generational wealth, our families are suffering. Can you shed some light?

MR. INWALD: So I'm not sure I can do it in two minutes and three seconds, but there are lots of challenges in that. But just to cast some perspective, Brooklyn actually has better resources for homeowners than any other county in the state. We have multiple legal services providers and housing counseling agencies.

But that being said, even at the existing levels of funding we have never been able to fully meet the need. We cannot take every client who comes in the door. And we have to triage and we have to marshal our resources. There are -- you know, that's

part of it. And that applies to all of our colleague organizations who do this work as well.

There are some people who are resistant to taking free legal services, and they are more likely to, you know, go with scammers charging them money because they feel like if they're paying someone, they're getting better services than someone who's actually doing the work for free. So sometimes we have that challenge, you know, in some communities.

And we could really benefit from better information coming from trusted resources -- you know, public service announcements and things like that. That's not about the budget. This is about like how we actually, you know, get the word out better. But it's been a constant challenge. I've been involved in this for about 14 years, and it's always been a challenge. It's -- we don't necessarily reach everybody.

Although I will say that the environment has drastically changed from

where we were before HOPP. Right now -- you know, before HOPP, 90 percent of foreclosure cases resulted in default judgments where the homeowner did not interact with the process whatsoever. And we now have -- you know, closer to 60 percent of homeowners are getting representation at least in the settlement conference phase of cases in court. So that's a drastic transformation.

We're at risk of going back to where we were if the network is no longer there on July 16th. But we have transformed the environment, and it's no longer just a situation where lenders can go into court and know they're going to get a default judgment.

But there is lots of work, and I'm happy to talk further about how we can --

ASSEMBLYWOMAN CHANDLER-WATERMAN: That's what I was going to say, yes.

MR. INWALD: -- better, you know, do outreach and reach, you know, all the communities who need our services.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Especially in the Black and brown

communities.

MR. INWALD: Happy to do that.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Thank you so much.

CHAIRWOMAN WEINSTEIN: Thank you.

Senate, do you have --

CHAIRWOMAN KRUEGER: I believe the Senate is closed.

CHAIRWOMAN WEINSTEIN: Okay, so the Assembly also is closed.

So we'd like to thank the members of this panel for being here, and we're going to call the next panel to present, Panel B: New York City Housing Partnership; New York Building Congress -- and I note, for those following, that Carlo couldn't be here because of illness, so we have Justin Pascone -- then 32BJ SEIU; New York State Association for Affordable Housing; New York Housing Conference; and Amalgamated Housing Corporation.

(Pause.)

CHAIRWOMAN KRUEGER: Okay. Hi, everyone, welcome. We're going to start from

my right, your left, and just keep going down. Is that all right? Okay, you're easy, fine.

Remember to introduce yourself and speak for three minutes, as close to the microphone as you can get -- some of them work better than others. Thank you.

MR. YAKER: I thought I was last, but I guess I'm not. Ed Yaker, Amalgamated Houses, the oldest limited equity co-op in the country. We're 95 years old, and I don't know if we're going to reach 100. And if we don't, the cause of death is going to be supervision by the State of New York Housing and Community Renewal.

When the commissioner spoke, she said, Oh, they're private enterprises, they're private businesses. But we don't control our own money. We can't increase carrying charges unless we go to the state and the commissioner gives us an increase. We can't take money for capital repairs, a new mortgage, unless the commissioner allows us to. And in the past years, that's been the

problem.

Our last three increases have been late, insufficient, they don't make up for the gap when we have a budget year ending January 1st but they don't get to an increase until June 1st. Well, whatever shortfall you had in those ones doesn't exist. We're starting a new budget from here. So you get an increase to cover the next two years, but nothing to cover the shortfall.

So we're now a million-five behind in payments to vendors. We have nothing in our capital reserve, nothing in our operating reserve, because the state wouldn't grant us an increase.

We know the pain of increases; we pay it. And we know our people move in based on income limits. But as a co-op, we got nowhere else to get money from.

A few years ago we knew we needed capital work. We went to architects, we went to engineers, we said, What do we need to do? Here's your list. We had more work than we could afford to make the debt service payment

on, so we wanted to borrow part of it from Freddie Mac, come back a few years later: No, you can't borrow now, you have to do it in our form of IPNA, integrated physical needs. Same information, but it took -- cost us a quarter-million dollars to redo, and two years. And you know what's happened to interest rates in the last two years? It's going to cost our cooperators of affordable housing $2 million a year for 30 years because, nope, we didn't do it in their format.

Our crisis now is gas. We're going to get shut down. We started telling them about Local Law 152 in New York five years ago. We got silence. Our buildings are older than the Mitchell-Lama program. So out of 1500 families, we're going to have 800 shut down.

They caused the problem; they have to find us the money to fix it. We don't have money to do anything.

CHAIRWOMAN KRUEGER: Thank you.

Next?

MR. SMARR: Good afternoon, chairs and

members of the Assembly and Senate committees. I'm Jamie Smarr, CEO of the New York City Housing Partnership. Thank you for this opportunity to discuss the need for legislative tax and zoning incentives in support of affordable housing creation in New York.

The Housing Partnership, since its founding by Mayor Koch and David Rockefeller in 1982, has created more than 72,000 units of affordable housing using various state and city housing incentives. These housing units, which are both rental and for sale, make the foundation of New York City's economic recovery from the moribund 1980s to what we see throughout the city today, which are strong and vibrant neighborhoods that support the city's tax base, immense cultural life and business activity.

I am intimately familiar with the role incentives play in the creation of housing. For several years I served as director of tax and zoning incentives for New York City Housing Preservation and Development. During

my tenure, the Legislature had a special program known as 421-g. 421-g helped to revive, to rebuild and to transform Lower Manhattan following the 9/11 terrorist attacks. Looking back now 20 years from that terrible time, I feel the Legislature should be proud of its contribution toward the revival of New York after 9/11 in the form of special incentives for housing development.

Of course we are not here to rest on our laurels or prior achievements. Housing demand has so far outstripped supply in New York City present-day that recent statistics show New Yorkers now have a close to zero percent chance of finding a low- or moderate-rent opportunity in New York City. This is the worst that it's ever been.

421-a and J-51 are proven housing incentives that work very well together to encourage both new construction and preservation of existing affordable housing. More than 1 million New York apartments owe their creation and preservation to these legislative initiatives. 421-a and J-51

together incentivize the private sector to work collaboratively with the Governor to provide and modernize housing while stimulating the construction and general contracting jobs sectors, which have always been reliable middle-class job creators. And without middle-class job creation, a vibrant New York City will certainly cease to exist.

There has been significant work recently by both the city and the state towards streamlining the process of creating new affordable housing. I suggest the Legislature seriously consider providing affordable housing projects with zoning exemptions, like present state law allows the School Construction Authority to exempt its school construction projects from zoning reviews to speed construction. New Yorkers don't have years and years to wait for more housing opportunities.

New York possesses one of the most robust real estate markets in the world. Legislative incentives to quickly implement solutions will safeguard our city's future

for generations to come. New Yorkers really need this legislative action now.

CHAIRWOMAN KRUEGER: Thank you. Going to cut you off there.

MR. SMARR: Thank you all.

CHAIRWOMAN KRUEGER: Thank you, Jamie. Next?

MR. PASCONE: Thank you. My name is Justin Pascone. I'm here representing the New York Building Congress. We're an over 100-year-old organization that represents New York's building and construction industry, comprised of over 500 organizations, architecture firms, engineering, contracting, labor and 250,000 skilled tradespeople and professionals throughout New York.

Thank you, Chairs Krueger and Weinstein for the opportunity to testify this afternoon, and thank you to the assembled members of the Assembly and Senate.

As one of the leading construction and building advocacy organizations, the Building Congress wholeheartedly supports the

Governor's proposal to establish new home targets in cities, villages and towns across the state. We're testifying in support today of the multiple housing-related proposals included in the Governor's housing compact, and believe these are necessary to reach the Governor's target of 800,000 homes over the next decade.

And a decade is a useful metric if you look at where the metro region thought they would be 10 years ago. Today, we are now a decade ahead of where we projected we'd be in jobs -- which is excellent -- and we're a decade behind where we thought we'd be in the number of housing units produced, which leads to a lot of the issues we've discussed already.

So I just want to highlight four specific policies that we are testifying in support of today.

Extension of the project completion deadline for 421-a. Due to workforce shortages, rising construction costs, increased challenges with debt markets and

infeasible time frames for large construction projects, the June 2026 deadline for vested projects currently in the 421-a program is becoming increasingly challenging to meet. The danger of not meeting this deadline is putting over 33,000 in jeopardy. The largest percent of those are in the outer boroughs, and that translates into over 500,000 jobs.

We're in support of encouraging transit-oriented development. TOD would not only increase New York's housing stock but encourage the use of public transit, reduce greenhouse gas emissions, promote local economic development, and increase social and economic mobility for New York's population across the state.

Research suggests that minimum densities around stations to make commuter rail cost-effective are anywhere between 16 dwelling units per acre and 45 dwelling units per acre. The average density surrounding Long Island Rail Road and Metro-North stations outside of New York City is 3.6 dwelling units per acre.

For subway stations to be cost-effective, that target has to be at least 50 dwelling units per acre. New York City subway stations only hit that mark for about two-thirds; the remaining third below are below 50.

We're also in support of creating incentives to convert commercial properties to affordable housing and raising the FAR -- and eliminating the FAR requirements for residential units.

Thank you.

CHAIRWOMAN KRUEGER: Thank you very much.

Next?

MS. FEE: Good afternoon. My name is Rachel Fee. I'm executive director of the New York Housing Conference. Thank you very much for this opportunity to testify today.

New York Housing Conference is a nonprofit policy and advocacy organization, and we support safe, decent and affordable housing for all New Yorkers. We're also a founding member, with many groups testifying

today, of New York Neighbors, a coalition of more than 40 organizations in support of homes.

New York is facing a severe housing crisis, as we have discussed at length at this hearing today, and we support Governor Hochul's New York Housing Compact. We think this provides the framework to address the root cause of our affordable housing crisis, which is a housing supply shortage. It provides flexibility for localities, boldly tackles exclusionary zoning, requires development near transit hubs, and incentivizes affordable housing.

Expanding housing supply will give renters and homebuyers more housing options, lessening competition for housing, which drives prices up. Minimum density requirements in transit-oriented development will create much more affordable housing options, including townhomes, condos and apartments, than are currently found in counties dominated by single-family zoning. Monthly mortgage payments for condo/co-op

typology are 20 to 40 percent less than single-family, according to recent Zillow data from select New York City suburbs.

The housing compact is a housing growth strategy which will make New York more affordable for renters and homebuyers. Seniors who want to downsize will benefit, millennial first-time homebuyers priced out will benefit, and renters near transit will benefit from these transformational and long-overdue set of housing policies.

New York's average home prices increased 46 percent from 2018 to 2022. Half of renters in the state are cost-burdened. And the New York metro region is the second most segregated in the country. It's time for the state to take action, as many other states have already done, to address decades-old zoning that intentionally excluded multifamily housing and minority owners and renters.

We recognize that as we address the supply shortage many low-income families need assistance now, and we call for 250 million

for the Housing Access Voucher Program, which provides rental assistance to families and individuals already experiencing homelessness.

Further, we cannot allow a wave of evictions of public and affordable housing tenants. The state should create a $2 billion Tenant Fund for Affordable Housing. Given the regulatory limitations on both income and borrowing, which we outline in an upcoming policy brief, public housing and private affordable housing and their tenants are especially at risk, and state action is needed.

Lastly, we have additional recommendations in our written testimony on programs that need to be increased from the Executive Budget and other policy measures.

Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Next?

MS. MILSTEIN: Thank you, chairs and members of this joint committee, for the opportunity to testify today.

My name is Jolie Milstein. I am the president and CEO for NYSAFAH, the trade association for New York's affordable housing industry, and our 400 members are responsible for the vast majority of the affordable housing built across New York State each year. NYSAFAH is the largest affordable housing trade group in the country.

NYSAFAH's number-one priority this year is the creation of the Tenant Fund for Affordable Housing, or TFAH. With the suspension of the ERAP portal, there's a need for a one-time $2 billion funding source to pay the rent arrears for tenants of affordable and public housing and to ensure the continued financial viability of affordable buildings, some of which are unable to pay their mortgages.

TFAH would resolve thousands of eviction proceedings by addressing rent arrears, and our proposal splits the cost burden between landlords, the state, and tenants. Particularly vulnerable tenants would not have to pay anything at all. TFAH

would also provide 500 million in aid to public housing authorities across New York State.

While NYSAFAH has calculated the total need to be $2 billion, the final funding amount would be based on survey data from the city and state housing agencies that oversee these public/private assets. We're asking for this fund to be applied to affordable housing projects throughout the state with regulatory agreements with either the state or the city housing agencies.

NYSAFAH's second top priority is to pass the Governor's housing compact, particularly the housing growth targets and transit-oriented development. The housing compact would directly address New York's housing crisis by increasing the supply of homes. The state created -- we've heard this many times -- 1.2 million new jobs while only adding 400,000 homes. This compact would allow more housing in places that make sense -- near transit stations and within already developed areas.

Also, the compact would directly address New York's fair housing challenge. New York has the most segregated school system in the United States, and in the New York City area it's the second-most segregated metro area in the country.

The single greatest obstacle to building affordable housing is this exclusionary zoning, in our opinion, and the compact would also directly incentivize affordable housing locally by double weighting in-housing growth calculations to all affordable units created. New York needs to seize the moment to pass the housing compact this year.

One final comment. Insurance for affordable housing is out of control. Some of our members have turned to self-insurance because so many insurers have pulled out of the New York market. The cause of this? Sky-high jury awards for liability cases -- and, separately, the Scaffold Law, which is so harmful that fully 10 percent of the construction costs -- let me say that

again -- 10 percent of the construction costs for affordable housing in New York City must be devoted to these insurance premiums.

We urge the Legislature to reform the Scaffold Law this session.

Thank you for the opportunity to testify.

CHAIRWOMAN KRUEGER: Next?

MS. KHAN: Good afternoon. My name is Deandra Khan, and I am the political coordinator with 32BJ SEIU. Thank you to the chairs for the opportunity to testify today.

32BJ is the largest property services union in the nation, representing 175,000 members across 11 states and Washington, D.C., including more than 85,000 members in New York. Our members are the backbone of the multifamily housing sector in New York City and surrounding localities. They are doorpersons, porters, handypersons, superintendents and other essential building services workers.

Through years of building strength in our industries and successful contract

negotiations, our members have created a standard of employment that provides a true pathway to the middle class: Livable wages, affordable family health insurance, training and career advancement and a pension in retirement. These standards encourage longevity and professionalism on the job, helping to make 32BJ members vital to the tenants in their buildings.

As the state looks for ways to expand housing production, it must consider how we can promote quality jobs in tandem. That is what responsible development means.

There are two proposals in the Executive Budget that do this. The tax incentive to encourage commercial to residential conversions to include affordable units includes a requirement that building service workers at the converted properties are paid no less than the prevailing wage and benefits, which we strongly support.

We do have some recommendations to amend this proposal to clarify the application of the requirement to ensure

certain projects are not unintentionally excluded, and to aid in compliance.

Similarly, the proposal to extend the completion deadline for vested projects under the expired 421-a program for four years will both ensure that these projects, which are estimated to build more than 30,000 new housing units, will come to fruition, including an estimated 500 to 1,000 family-sustaining building service jobs that will be created.

Other budget proposals make strong and needed advancements to promote housing production, but in their current form they do nothing to encourage the creation of equal quality building service jobs.

Under both the local growth target and TOD proposals, projects in low-growth localities or in close proximity to train stations would benefit from the sort of glide path to approval that circumvents local processes. But it's important to note that it's through public engagement phases of local approval processes, such as New York

City's ULURP, that 32BJ, along with other stakeholders, have been able to shape projects to make sure they meet community interests.

For 32BJ, this specifically means a commitment from developers to create jobs. Should the state legislate to grant developers the benefit of a streamlined approval process, it must include a requirement that projects uphold the applicable building service worker standards for that locality.

We have a number of other proposals that we support in our testimony, including the Housing Access Voucher Program. So thank you for the time.

CHAIRWOMAN KRUEGER: Thank you very much.

We're going to start with Jeff Dinowitz, Assembly.

ASSEMBLYMAN DINOWITZ: Thank you.

The question is for Mr. Yaker. I just want to make sure I heard you right before. Did you say that because of HCR's

dilly-dallying and dawdling that it's going to cost the Amalgamated $2 million more a year for the loans?

MR. YAKER: Probably more than that. Because in addition to interest rates going up, our property deteriorates further and inflation drives up the cost of repairs.

ASSEMBLYMAN DINOWITZ: So that's -- over 30 a loan, that's at least $60 million.

MR. YAKER: That's my guess, yeah.

ASSEMBLYMAN DINOWITZ: And in addition, the carrying charge increases would be more than it might otherwise have been had they done things in a timely fashion?

MR. YAKER: Of course. Yeah. I haven't done the math, but $2 million a year is probably more than $30 per room per month.

ASSEMBLYMAN DINOWITZ: Now, the people who live at the Amalgamated -- I mean, obviously I'm very familiar with it. But these are mostly working people, elderly people, not wealthy people.

MR. YAKER: Right. And that's the difficulty we face in affordable housing, is

you have income limits to get in. So then when we have to raise your carrying charges, it's going to be painful. But we have nowhere else to get money.

Tell the insurance companies that we're affordable housing, don't raise our rates. Tell DOB with their Local Law 11 requirements, where architects submit buildings are safe and they say, No, no, no, we found something we don't like, keep the scaffolding up for $8,000 a month. DOB is killing us with Local Law 11.

And those of you who have constituencies, talk to them about FISC.

ASSEMBLYMAN DINOWITZ: Well, I live in a co-op building and our scaffolding has been up I think for a year now, and Local Law 11 is causing problems.

MR. YAKER: Yeah, it's killing the city.

ASSEMBLYMAN DINOWITZ: No question.

So would you say it's fair to say that while there's no -- as far as I know no legal obligation on the part of HCR to cough up

some money due to the delays that they cause, would there certainly be at least a moral obligation for them to try to be helpful, considering everything?

MR. YAKER: Obviously. They're supposedly in business to keep us affordable, but they're driving us out of affordability by increasing our costs.

ASSEMBLYMAN DINOWITZ: So if -- if for some reason the people in the Amalgamated voted to leave the program, 1500 units would be gone from affordability --

MR. YAKER: Yes.

ASSEMBLYMAN DINOWITZ: Well, that would be pretty much of a disaster for affordable housing.

MR. YAKER: We've had times we could have, during the whole wave of conversions. We said no, we want to stay affordable housing. I'm more concerned with going bankrupt than I am with voting to leave the program.

ASSEMBLYMAN DINOWITZ: Right.

MR. YAKER: We may not be able to get

insurance. What do you do if you have a housing co-op and you can't insure your property? I don't know.

CHAIRWOMAN KRUEGER: Thank you.

ASSEMBLYMAN DINOWITZ: Okay, thank you.

CHAIRWOMAN KRUEGER: Thank you.

Senator Brian Kavanagh.

SENATOR KAVANAGH: Thank you. And thank you, Mr. Yaker. I know we had an opportunity -- and I think my colleague who represents you may also have some comments.

And I do want to thank Senator Liu in particular for his attention to all the issues we've been discussing today.

(Inaudible response.)

SENATOR KAVANAGH: I do, I extend my gratitude sincerely.

I want to just follow up on the comments about the need for -- to pay unpaid rent, the rent arrears that have been built up over time. Just can you -- one of the things that, you know, some of us have been very concerned about is the fact that ERAP

was designed not to cover the costs of public -- it was designed in New York State not to cover the cost of public housing or Section 8 housing until all other needs for the program had been met.

Can you just talk a little bit about -- for Jolie, or anyone else who wants to comment on this as well -- but the dynamics within our affordable housing community that that created and, you know, the extent to which that's, you know, a problem the state has contributed to and your proposal for addressing it.

MS. MILSTEIN: So thank you for the question. We had a lot of problems with the way the ERAP program was set up and the unintended consequences in perceived eviction protection, tenants thinking that they, if they had eviction protection, didn't need to pay the rent even if they didn't have a qualifying disability or unemployment or COVID-related circumstance.

So what we see in the portfolio of affordable housing, which this TFAH is meant

to address, is widespread missing rent. We think it's between 8 and 13 percent, on average, across the portfolios across the state. Many of these properties, the tenants were not eligible to receive funding because they were either deprioritized or they didn't even apply because they thought they wouldn't get funded -- in fact, many didn't.

So we're asking for this money because the ERAP program really failed the affordable housing buildings and had even further complicating problems created by the eviction protection during the process of evaluating if they would even be eligible.

So not only were there insufficient funds and disqualifying criteria, but a misperception about eviction protection that really ballooned into rent strikes and we believe billions of dollars of missing rent across the affordable housing and public housing portfolios in New York State.

SENATOR KAVANAGH: Thank you.

The -- I think I'll actually leave it there, just in the interests of time. But,

you know, thank you all for your testimony.

CHAIRWOMAN KRUEGER: Thank you.

Assemblymember Rosenthal.

ASSEMBLYWOMAN ROSENTHAL: (Inaudible.)

CHAIRWOMAN WEINSTEIN: Sure.

Assemblyman Epstein.

ASSEMBLYMAN EPSTEIN: You get Epstein instead of Rosenthal, we're good.

(Laughter.)

ASSEMBLYMAN EPSTEIN: So thank you all for being here. I just want to be clear about the preservation side, because we saw a lot lacking in the Governor's proposal around preservation of housing. And I hear her talking about affordable housing. Do you feel like the Governor needs to do more to preserve housing, as we hear in one development, but across the state?

Maybe, Rachel, if you don't mind starting.

MS. FEE: Sure. So as I mentioned in my testimony, we really think that the housing supply shortage is the driver behind our affordability crisis.

ASSEMBLYMAN EPSTEIN: I totally get it. But do you think preservation is a tool that we should be using for existing units?

MS. FEE: Right. We want to preserve every unit we have. But we also have to add more. And until we add more, that shortage is making tenants compete with each other and driving up prices, both for renters and homeowners. So we really see that as part of the solution.

ASSEMBLYMAN EPSTEIN: A hundred percent. We need more, but we need to preserve.

(To Ms. Milstein.) Go ahead.

MS. MILSTEIN: So, look, if you're talking about capital and programs that specifically address the preservation of our existing affordable housing units and our housing stock broadly, I think that HCR has a number of programs that were fully funded in the five-year plan and that are being deployed.

I think half the units in the Housing Plan are preserved, as compared with new

construction. And it allows us to really address a lot of environmental problems in the older housing stock at the same time. So it's multipurpose, those funds. And my understanding of the changes to J-51, they will allow for even more preservation. But we always need more tools and more resources to preserve the housing stock we have.

ASSEMBLYMAN EPSTEIN: Great. And I want to go to the New York Building Congress around -- you suggested extending 421-a, I think, right?

MR. PASCONE: That's correct.

ASSEMBLYMAN EPSTEIN: And how many units are you talking about in that extension, how many units of housing are you talking about?

MR. PASCONE: So for extending the deadline for June 2026, that's 32,000.

ASSEMBLYMAN EPSTEIN: 32,000 units. And what percentage of those are affordable?

MR. PASCONE: I don't have the figures on me, but I know that 80 percent of them are in boroughs outside of Manhattan. But I

think affordability is a key piece of the puzzle here, so I'd be happy to follow up.

ASSEMBLYMAN EPSTEIN: And these are up to AMIs at 130 percent of AMI, right, that's what you're proposing?

MR. PASCONE: These are the affordability units -- affordability standards set by the city.

ASSEMBLYMAN EPSTEIN: Yeah, that was set up in the program that expired, right?

MR. PASCONE: That's correct, yeah.

ASSEMBLYMAN EPSTEIN: I want to go back to the development option of basements and legalizing basements and ADUs. I'm wondering, you know, I didn't hear anyone talk about that. Is that a tool that should be available to expand options for affordability, as well as preserving -- getting new units on market?

MS. FEE: Absolutely. Yes, so I think we want to see ADUs as part of this budget package for sure. It's critical for New York City. We had tragedies that we're all aware of because of illegal basements.

CHAIRWOMAN WEINSTEIN: Thank you.

Senate?

CHAIRWOMAN KRUEGER: Thank you very much. We have Senator Jackson.

SENATOR JACKSON: I went already, Madam Chair.

CHAIRWOMAN KRUEGER: Oh, excuse me, Senator Jackson. You're right, I called on you first. Pardon me.

Senator Helming, did you have questions?

SENATOR HELMING: Thanks, Senator Krueger. I have one quick question.

I believe it was Deandra who mentioned support for the program that allows for the transformation of commercial buildings to residential buildings. Do you know -- and I don't expect you to know, but maybe you do -- is this limited to the New York City area?

MS. KHAN: Yes, I think it is. And I think it's because the Manhattan area was the one that was most hit hard when the pandemic hit and there was -- there are many, many vacancies in commercial office buildings. So

it's presenting an opportunity to utilize that empty space and convert it into residential.

SENATOR HELMING: And in last year's budget I believe we had funding and we created the program Housing Our Neighbors with Dignity Act, that HONDA Act, which allowed for similar work to be done. Do you have any idea why that program was so underutilized?

MS. KHAN: I mean, I think like it's expensive to convert and to -- like to convert new spaces. And so programs like that would need a lot of funding to ensure that it's happening at the scale that is needed to address the crisis.

And so -- but like programs like HONDA are good, conversion programs are good because they are sort of innovative ways to try and deal with the crisis. And, you know, our perspective in the mix here is that those programs where the state is sort of using its dollars and incentivizing these creative uses of buildings, the permanent jobs that are

created after should be part of the picture, and it should also come with job standards.

SENATOR HELMING: Thank you.

And as someone who represents rural upstate New York, I have to put in a plug, just like last year. I fought to have that HONDA program expanded to include upstate -- that we have a lot of empty commercial buildings as well. We have empty school buildings, et cetera.

And in my experience, it works out in a positive manner for everyone when they're transformed into affordable housing or housing for seniors, housing for our DV community -- we're severely short in that area as well. So any support we can get for extending that program to upstate as well, I'd appreciate it.

MR. SMARR: I would also continue to encourage the Legislature to look at the zoning piece. It's one thing to provide funding to convert office to affordable, but unless the zoning piece is fixed, you know, there's -- we still won't be able to get

these projects. It's extraordinarily difficult, from a zoning perspective, to get permission to convert an office building to an affordable housing project.

SENATOR HELMING: I don't want to cut you off, but that may be more specific to downstate. And I'd be happy to show you examples in upstate where we welcome it.

And I just want to be really careful with the comments that I make because when we talk about converting commercial to residential, in so many of our small towns, our Main Streets, we worked very hard to preserve that unique character of the Main Streets and to reserve residential for upper stories, preserve the bottom for commercial.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: We go to Assemblywoman Maritza Davila.

ASSEMBLYWOMAN DAVILA: Good afternoon. Thank you all for presenting today. I know I came a bit late, but we did have session.

But I really am interested in some of the comments that were made in terms of building more housing upstate in different municipalities. And I know that the process must be very difficult to even start that conversation upstate because some people will not accept new housing.

My question, where do you start, is it county or municipalities? Is there a process, a community board? What is the start of that?

MS. MILSTEIN: Well, the process can start in a number of different ways in a municipality. Where I live upstate, a developer would consider a piece of property if it's zoned or if you have a floating zone that allows for housing, then you can bring that zoning to the lot that the developer's considering.

Many towns now in the Hudson Valley, where we have a number of members, are proactively, as municipalities, zoning for housing because they recognize that they can't staff their hospitals, their schools,

and they want to encourage working people to be able to live in this community. Even if it in previous times favored, you know, one-acre zones, single-family zoning, they recognize now their housing needs are different.

So it can come from the private sector, it can come from the municipality and the people in the community. It can come from government. In other states, all our neighboring states have a government -- statewide government mandate to encourage housing because of the extreme challenges in creating especially affordable housing, and have both with carrots and sticks encouraged communities and private developers to come into communities and develop housing.

So New York is behind in not having a statewide mandate that affords many options and many choices to municipalities. But I think we're at a critical point in New York State where we have to have the state step in, because given the choice to do it themselves, even in the face of severe

demand, municipalities have not been able to step up and address the housing crisis.

ASSEMBLYWOMAN DAVILA: What I didn't hear was supportive housing.

And very quickly, in terms of the 32,000 units for 421-a, last year there was a proposed 25,000. Now we added an extra 10,000. What we didn't get -- and this is why we stopped the entire project -- was where these units were going to be built. We did not get that information. So it would be helpful if we did get that information.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Senate?

CHAIRWOMAN KRUEGER: Thank you.

So Robert Jackson didn't speak earlier; we got confused. So we're calling up Robert Jackson again.

SENATOR JACKSON: Thank you.

Good afternoon, everyone. So let me thank you for coming in.

I'm going to give reference to two things. One, you may have heard the

questions that I've asked, along with our Senate chair, regarding the enforcement units in HCR. And so I want to know what the impact is going to be on the people that we represent. I put them in the frame of I've heard on the news that there are 60,000 units, apartment units, that are vacant and being held by the landlords that own them because of whatever reason. So if you have any insight on that, I would appreciate that.

But my first one is to Ed. Ed, as you know, I've met with you and the board of Amalgamated Housing, along with our Housing chair, Brian Kavanagh. And we got some movement on the two issues that were immediately facing you. And as I said to all of you, I will work with you and HCR to be able to try to move things as quickly as possible and not delay where it will cost you a half a million dollars or a million dollars because it took so long. So I ask you to just please continue to communicate with us like you're doing so that we can communicate effectively, hopefully, with HCR to move the

things that need to be moved.

And I appreciate the advocacy that you have on behalf of all of the people of Amalgamated, because quite frankly when I was there politicizing, meaning collecting signatures and knocking on doors for reelection processes, I heard it from the people that were living there how much they cannot afford the increases that are going up. So please keep up the work and put pressure on us, along with Jeff Dinowitz, who is the Assemblymember that represents the area. But I appreciate that.

And everybody else, if you can just give me a comment on the things that I asked, and I'm sorry, I only have one minute and 6 seconds left.

MS. MILSTEIN: I can speak quickly to the vacant apartments in the affordable housing portfolios, which we never used to see. But now with all this missing rent, landlords of affordable housing projects -- which again, public/private, overseen by HCR -- because they're missing so much rent,

they're not only not performing regular maintenance, unless somebody moves out they can't bring the unit back online because they just don't have the resources.

So we're seeing it in the affordable housing portfolios. Since the pandemic, arrears have probably gone up at least five-fold in most of the city affordable housing projects that our members maintain.

MR. YAKER: If I could comment on the vacancy issue also. We have that problem. We can't get staffing to turn over the apartment. Because a 90-year-old apartment, you can't just give to the next person the way the last person left it.

The other thing is HCR's process means you've got to call someone, wait two weeks for them to decide. If they say no, wait another two weeks for the next person. We could lose months going through the list till someone accepts it.

CHAIRWOMAN KRUEGER: Thank you. Time is up, sorry.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblywoman Lucas.

ASSEMBLYWOMAN LUCAS: Thank you, Madam Chair.

This question is for 32BJ. In your testimony you mentioned extending the deadline for vested projects with 421-a by four years, that will have approximately 500 to a thousand new family-sustaining building jobs that will be secured.

Is there an addendum that 32BJ will look to implement to make sure these jobs are secured? As well as does 32BJ have a policy for new incentive programs to replace 421-a regarding 32BJ jobs?

MS. KHAN: So my understanding is that if the deadline is extended, it follows the previous 421-a program, which had a building service worker prevailing wage requirement. So that would ensure that the jobs that are created are family-sustaining jobs. If that answers your question correctly.

ASSEMBLYWOMAN LUCAS: Kind of.

MS. MILSTEIN: I think she wants to

know if you have a proposal for a new 485-w or something.

MS. KHAN: Oh, yeah. So --

ASSEMBLYWOMAN LUCAS: That was the second part of the question, yes.

MS. KHAN: So with regard to your second question, 32BJ had supported the Governor's proposal to replace 421-a with what was called 485-w last year, from the perspective of it's like tax -- when you use a tax incentive to incentivize development, especially the creation of affordable housing, it's good responsible development because the state is sort of in control of the criteria that goes into the development of housing.

And so 485-w had those parameters and also included a building service worker prevailing wage standard, which is why we supported it. My understanding is that there was a lot of disagreement over that program last year, and so we are looking forward to working with the Legislature to hopefully come up with a replacement program. We

haven't seen one in the Executive Budget, but hopefully the budget space is the opportunity to really come up with the criteria that everyone is looking for to ensure the creation of -- you know, to ensure responsible development, creating good family-sustaining jobs and creating housing for everyone.

ASSEMBLYWOMAN LUCAS: I think we talked about this last year as well, just in terms of just making sure that there's a level of oversight and accountability that's baked into this as well. Because we have had some concerns about those jobs, especially when it comes to communities that are Black and brown as well, in some of the development that happens in those areas.

But we do need a high level of oversight and accountability attached to that. And we did talk about that last year.

So thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Senate.

CHAIRWOMAN KRUEGER: Thank you.

Senator Martins.

SENATOR MARTINS: Good afternoon, and thank you for being here.

I had a quick question. I believe it was Ms. Fee who spoke about exclusionary zoning. And exclusionary zoning is just a community's opportunity to decide where they put their commercial properties, where they put their multifamily properties, where they put their single-family properties. Right, we can agree on that?

MS. FEE: Sure.

SENATOR MARTINS: So if we're talking about the housing compact, specifically the transit-oriented development piece of that, which would effectively replace every community's zoning in a distance of a mile centered on a train station, does that not eliminate the opportunity for a local community to make those decisions for themselves?

MS. FEE: I don't think so. I think it gives communities control to plan. But it's really looking at a statewide approach

to address our housing crisis on their own --

SENATOR MARTINS: But the transit-oriented development piece says 50 units per acre across a half-mile radius around a train station. It doesn't allow the local community an opportunity to voice an opinion, it doesn't say how they're going to make those 50 units per acre work. It's 50 units per acre regardless of whether it's a commercial building that's there or whether it's a single-family home that's there.

Do you think that the state, under these circumstances for every village, town, outside of New York City and across the state -- and, frankly, New York City itself, because they have their own restrictions with regard to building in the city -- should give up that right and be supplanted or -- frankly, supplanted by the state?

MS. FEE: I think minimum density requirements in TOD is the fair housing policy that New York State needs. Local communities can look at that density requirement and choose -- it's an average

that they have to achieve in that radius. I understand for some communities it's going to be a big leap. But I also think it's really smart planning to build more dense housing around our mass transit stations.

SENATOR MARTINS: So the planning that we're talking about, just so we're clear, is the state imposing a rubric or paradigm for everyone.

For communities like mine in Nassau County that are already dense -- they're the most densely populated communities, by mile, outside of the five boroughs, by far -- having to make a choice of adding 50 units per acre around our train stations -- we have over 50 train stations, thanks to the Long Island Rail Road. If you do the math, it's over 1.2 million additional units, which will completely destroy the suburban communities.

Now, that's the context in which we're talking about. We talked a moment ago about the balancing of historic versus preservation versus renewal. Well, there is preservation

here, preservation -- you know, we always talk about gentrification, we talk about terms like that and the ability of local communities to make those decisions for themselves. How is this any different?

CHAIRWOMAN KRUEGER: (Inaudible.)

MS. FEE: I think we're looking at growth targets over a decade --

SENATOR MARTINS: I'll wait -- I'll wait --

CHAIRWOMAN KRUEGER: Sorry, no, your time is up. So offline you can follow up with Senator Martins.

SENATOR MARTINS: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblywoman Jackson.

ASSEMBLYWOMAN JACKSON: No questions, Chair.

CHAIRWOMAN WEINSTEIN: Assemblywoman Simon.

ASSEMBLYWOMAN SIMON: Thank you.

I have lots of questions for all of

you, but no time.

So thank you very much, Mr. Yaker, for your testimony, and I know you share a lot in common with deteriorating Mitchell-Lama co-ops that I have in my district -- very, very similar issues.

One issue that concerns me is this notion that the FAR cap of 12 actually would -- is a problem that needs to be addressed. I disagree, because I live in a very dense area that is very -- taller and taller and taller every day despite that.

But also the concern I have about this blanket extension of 421-a. And one of you mentioned in your testimony that that includes the Gowanus area, which was just recently rezoned. And forgive me for not being overly sympathetic to people who put a shovel in the ground knowing it's a toxic waste site. And I don't think four years is going to do it. So how are we going to target this four-year extension for those areas that actually need some relief that is even realistic? There are certainly -- there

are so many brownfields in the Gowanus area that are about to be developed, and it is not at all clear to me that that cleanup can be done in a timely fashion. Or well enough, which is not -- I'm not willing to give up on a comprehensive, in-depth cleanup in order to facilitate somebody building a building.

And I also want to know how much is going to be affordable, because I live in the land of non-affordable affordable housing. And so I would like to get an answer on that as well. I don't know who wants to give me that answer, but I need the answer.

MS. FEE: I would be happy to comment.

So the Gowanus rezoning was one of two rezonings under the de Blasio administration that weren't in low-income neighborhoods. And as you mentioned, this is a very popular neighborhood with great schools and amenities. So bringing affordable housing to Gowanus I think should be a priority so that we can create affordable housing opportunities in every neighborhood. The sites are complicated, as you mentioned, so

we are certainly in favor of extending the construction timeline for that tax abatement. I can't speak to whether that's realistic, on top of the brownfields cleanup. They are complicated sites. But I think that should be a priority that we are including affordable housing that was promised to the community.

ASSEMBLYWOMAN SIMON: So the rhetoric around that rezoning was that they were rezoning in an area that was very wealthy. And in reality, much of Gowanus is not that wealthy. So I'm glad to hear an admission about that.

However, the reality is that the concern is really about what you're going to build, how much will be affordable, and how affordable will it be. And that's going to be a critical element. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate.

CHAIRWOMAN KRUEGER: Thank you very much.

So when the commissioner was here

earlier and she was asked about what happens if 421-a doesn't get extended for another four years, she answered those buildings become non-affordable rentals and/or co-ops or condos. Okay. So most of us here who opposed the continuation of 421-a opposed it because we were getting so little affordable housing for the amount of subsidy that was going into the 421-a building.

So I calculate four years of 421-a is about -- if I'm very conservative, it's only one and a half billion dollars a year of lost tax revenue from that program consuming another four years. That's another $6 billion going into building buildings with a tiny share of affordability. I don't believe that's the right thing, because I think we have to fight for actual affordability.

And frankly, if those buildings get built without 421-a, to answer 32BJ's questions, those will be buildings that will be 32BJ buildings, they just won't be 421-a buildings. Because they're not stopping

building, they just won't be building with the 421-a credit.

So now I want to ask multiple of you, quickly, because you've testified about it, what should be the right formula? I'm not saying I don't believe that tax abatements in exchange for affordable housing is the right -- is a legitimate answer. I'm saying the proposals we've gotten so far are not acceptable. I mean, even the conversion proposal that's for, I think, only 19 years of affordability, as opposed to in perpetuity, with enforcement -- which is what I hear from my colleagues every day -- and it's going to be, I think, a 50 percent incentive for 20 percent of the units in the buildings. That math scares me again, because I just don't think we're going deep enough for actual affordability.

So you were actually raising the point about we have to have a real affordability. What's your opinion about that proposal versus what the math ought to be, and other proposals?

MS. FEE: So I do think it's important for the state to incentivize rental housing and require affordable housing. Last spring New York Housing Conference issued a report for the New York City Housing Tracker, and we show in that that we're only building affordable housing in low-income neighborhoods, if not for mandatory inclusionary housing combined with a tax abatement. So we do think it's important.

In the fall we put out another policy brief that focused on the discrepancy between AMI for New York City and renter AMI, which is half the measure. So I think you're right, Senator, that a tax incentive is needed to build rental housing. Our priority would be deep affordability in every community. And I think the Legislature has a great opportunity to shape those programs, both the conversion program and rental housing replacement.

CHAIRWOMAN KRUEGER: Thank you.

And sorry, none of you else get to answer because my time is up.

Thank you.

CHAIRWOMAN WEINSTEIN: Assemblyman Taylor.

ASSEMBLYMAN TAYLOR: Thank you, Madam Chair.

And thank you all for being here this afternoon. Ed, I thank you for your passion. It just drives it home.

It's more of a statement, and help me take it there. I think Senator Krueger just kind of touched on it. Between 421-a, J-51, ERAP, LRAP, vouchers, and the enormous amount of people that are facing evictions in the city, especially NYCHA, who we never touched in terms of relief, as far as I'm understanding -- and then we talk about what the Governor proposed, and it was mentioned by my colleague here in terms of building out, going out toward Long Island and other places by train stations.

Would it make sense -- because understand we have to preserve, but also we need to bring in more housing. And I know about the conversion. But wouldn't it -- in

my opinion, so you all weigh in. You guys are the experts. What would it look like if we did it kind of like driving a clutch up a hill, a clutch car up a hill? You give it a little bit of gas and you have to come up off the brake a little bit so there's a balance.

So while we want to bring more housing on board, we have a lot of housing that's out there that's not being utilized, whether it's NYCHA, whether it's the 60,000 units that he mentioned. And I've had folks talk to me about can we lower the threshold so that we could do some repairs. None of this is helping my constituents right now. Black folks and brown folks are not going to survive. So if we build everything that everyone's talking about, you know -- well, maybe you don't know. I don't believe for one minute my folks are going to leave New York City and be able to go out to Long Island. Because whatever works, that map is not going to create an open home and an environment for them.

So we need to save what we have. How

do we do that? I've got one minute and 10 seconds.

MS. FEE: So I'll jump in quickly. One proposal that we haven't discussed in our testimony is to add mandatory inclusionary housing to the preferred actions in the housing compact. And we believe that could be a really successful tool in high-cost markets to bring in affordable housing.

ASSEMBLYMAN TAYLOR: Give me that in layman terms.

MS. FEE: So in the Governor's housing compact there are preferred actions that localities can adopt to change their zoning in the planning process to meet their growth targets.

So adding mandatory inclusionary housing as one of the options is a recommendation.

ASSEMBLYMAN TAYLOR: Twenty years ago they kept telling me, hey, we're going to affordable housing. In Harlem they brought in some housing, but damn if it was affordable for the people that lived there.

Like we're fighting to stay there.

And thank you, I'm taking up somebody else's time. I got 9 seconds.

CHAIRWOMAN WEINSTEIN: There's not really time to answer that question, so -- I'm sure you can have some offline discussions.

Senate, do you have --

CHAIRWOMAN KRUEGER: I think the Senate is closed unless someone's popped up with a question. No, we're closed.

CHAIRWOMAN WEINSTEIN: So then we'll go to Assemblyman Burdick.

ASSEMBLYMAN BURDICK: Yes, thank you.

And this is actually a question for Deandra Khan. And I'm sorry that I wasn't here for your verbal statement, but I did read your testimony. And as I'm sure you've been hearing, and everyone has been hearing, that we have a real focus on the affordable housing element. And while I've read your comments about 421-a -- very helpful to have that -- for the larger program, the housing compact, I'd be interested, Deandra, if you

have any -- whether 32BJ's got any thoughts about how to make sure that this really develops affordable housing, since it's all about, right now, 800,000 housing units. But there's nothing that really sets a goal for the number of affordable housing units that would be created over that 10-year period.

MS. KHAN: I mean, so in the Governor's proposal I think that they sort of incentivize -- or they sort of give credit to localities if they build affordable. That's my understanding of like their approach to it.

In general, it seems like -- in our perspective -- where the state is sort of taking a role in encouraging development, we believe that the state has a responsibility to --

ASSEMBLYMAN BURDICK: Can I ask you this. You said the incentivizing. And one of those elements, and I asked the commissioner about this, is a 2:1 ratio. And I had suggested that that ratio really ought to be ramped up to maybe 5:1. Do you think

that that's something that 32BJ would agree with, to have more of an emphasis on the affordable housing element of it?

MS. KHAN: Yeah, I mean, I think that encouraging the building of more affordable housing is better for everyone. So yeah.

ASSEMBLYMAN BURDICK: Great.

Does anybody else on the panel have thoughts about that, increasing that ratio that's 2:1 now that the municipalities have to -- you know, could use? Any thoughts on that and whether that would be something that makes sense?

MS. FEE: So our ability to finance affordable housing is limited by the state budget. So right now we're maximizing all of our federal resources and the five-year plan is looking at development and preservation of 100,000 units.

So I think creating greater incentives maybe gives more siting opportunities for affordable housing but may not necessarily expand our supply broadly. But, you know, I think it's something to look at.

As I mentioned, I do think preferred action to include MIH would be important. And I do think also we are going to see with more density new price points that are not available in communities that are dominated by single-family especially.

ASSEMBLYMAN BURDICK: Thank you very much.

CHAIRWOMAN WEINSTEIN: Assemblywoman Rosenthal.

ASSEMBLYWOMAN ROSENTHAL: Hi.

You know, the NYCHA and the public housing authorities' debt is well-known, but I feel like the 1.5 billion has sort of flown under the radar. And I believe you met with the Executive or her team. What kind of response do you think you got? Because it didn't seem from the commissioner's side that there was money flowing. It seemed more like, We'll ask the feds.

MS. MILSTEIN: I think that we certainly got a sympathetic hearing from the second floor. HCR is the closest to the problem, and they understand the depth and

breadth, but I think they don't want to undermine everyone's efforts in the administration and private industry asking the feds for additional distribution from the original allocated 43 billion, whatever it was. There's still a fair amount of that money left, and New York continues to ask for that.

Privately I'm told that this is a serious problem, that HCR is seeing requests for forbearance and restructuring of mortgages, and they're seeing assets that are beginning to be at risk. So they understand the problem.

We've done a couple of different calculations of how to assess the -- you know, how to come to the 1.5 billion, and I'm -- again, it's really the agencies that are in the public/private partnership that oversee these assets that have the best way to assess where the arrears are. And I'm told by both HCR and HPD that they're undertaking right now a survey of those assets to better understand where the arrears

are.

ASSEMBLYWOMAN ROSENTHAL: I mean, it's one thing to have an ambitious plan to build a lot of housing; at the same time, we will lose already built housing. It doesn't make much sense. So I hope they're listening, because this is an urgent need.

For anyone, the changing of commercial to residential, is there any affordability, in your mind, when this happens? Is there an opportunity -- because I know it's very expensive to do that. Is there any opportunity for affordable housing in that mix?

MR. SMARR: Certainly. Right now the partnership is working on two projects that are exclusively commercial to affordable.

ASSEMBLYWOMAN ROSENTHAL: And where is that?

MR. SMARR: That's the only interest we would ever have.

ASSEMBLYWOMAN ROSENTHAL: Okay. Where are those?

MR. SMARR: One is in Jamaica, Queens,

and the other one is in Harlem.

MS. MILSTEIN: And upstate, municipalities are looking at ways through payments in lieu of taxes, or PILOTs, to incentivize those conversions, because they understand a wasting asset that's in bankruptcy is of no value, but bringing in affordable housing and making some accommodations for the municipal taxes on that property is a great way for them to have an aggressive stand in repurposing those assets.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

CHAIRWOMAN WEINSTEIN: Assemblywoman Chandler-Waterman.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Hello? Okay, great. Thank you, Madam Chair.

I'm not sure who can answer this. I thank my colleagues for all the questions that they asked. Of course, going last, they asked most of them for me.

So in the Black and brown communities -- I'm going to focus a lot on that, that's 90 percent of my district -- we

have a lot of faith leaders, clergy that is developing affordable housing but have a lot of red tape going through the process. Who knows best what's needed for the community but those who are supporting them and actually live in the community? How could we create pathways for our clergy members to be able to do -- get a part of this affordable housing? I'm not sure it's a question for you, but that's something I want to put out there because that's something that we can get creative with as well.

MR. SMARR: Well, I would love to talk to you. Just this year the partnership started a service just for faith and mission-based organizations who are interested in affordable development. So -- and I know LISC and Enterprise have similar programs. It's actually a big initiative of Mayor Adams.

So I would love to talk to you because I work with several faith-based leaders who are thinking about doing affordable projects.

ASSEMBLYWOMAN CHANDLER-WATERMAN:

Thank you so much.

CHAIRWOMAN WEINSTEIN: Thank you.

Thank you to the panel for being here.

CHAIRWOMAN KRUEGER: Thank you very much.

CHAIRWOMAN WEINSTEIN: And we're going to call Panel C now: Neighborhood Preservation Coalition, Community Preservation Corporation, New York Land Bank Association, Adirondack Foundation, Rural Housing Coalition of New York -- I should just note with that that the scheduled speaker is ill, so Bruce Misarski will be speaking -- and New York State Rural Advocates.

After this there will be one panel, Panel D: For the Many, Association for Neighborhood and Housing Development, and Open New York. And I would encourage the members of that panel to make their way down so that we can be ready to have that.

And I just want to recommend to everybody that it is now 2 o'clock; we have the Workforce hearing scheduled after the

Housing hearing. It was scheduled for 2 o'clock; it will be delayed a little bit because of this hearing running longer than we had anticipated.

If you can go in the order that -- it will be easier for the audio people, I think, in the order that's listed. So Neighborhood Preservation Coalition first.

MR. STREB: Thank you to this panel for the opportunity to testify.

A special thank you to Senator Krueger and Assemblywoman Weinstein for your perseverance in hosting all these hearings, and to Senator Kavanagh and Assemblywoman Rosenthal for being staunch supporters of our organization.

My name is Mark Streb. I'm executive director of the Neighborhood Preservation Coalition. In the philosophy of not burying the lede, the Neighborhood Preservation Coalition and its 135 housing not-for-profit organizations from across the state are requesting 17.75 million for the Neighborhood Preservation Program and 250,000 for the

Neighborhood Preservation Coalition.

What is the Neighborhood Preservation Program, and why are we asking for these amounts? This program was created by the forward-thinking State Legislature based on their findings that community development organizations relied heavily on volunteer services, short-range funding and were underfunded and understaffed. It was your collective vision that this program would provide grants for the Neighborhood Preservation Companies. These companies are community-based, not-for-profit housing organizations that serve their communities every day to ensure that stable, safe and affordable housing becomes a reality for low-to-moderate-income families.

Why these numbers? Governor Hochul's proposed budget decreases funding by $100,000 with no funding for the coalition. In last year's final budget the program was funded at 12.93 million with 250,000 for the coalition.

Despite the ever-increasing need of

affordable housing, funding for the Neighborhood Preservation Program has remained flat from 2015 to 2023. To make matters worse, the rate of inflation during this time is nearly 30 percent. Flat funding is a cut in funding.

The not-for-profits provide an incredible range of preservation and revitalization services, from homelessness prevention, workforce assistance, eviction protection, weatherization assistance, and mental health services, to name a few. The need for these services has increased.

In addition to the program's investment in human capital, the economic development investment of this program is incredible. By working with the community and leveraging other resources, the program's return on investment is over 10:1. In addition to this fantastic return on investment, the not-for-profits must provide matching funds at 33 percent -- a true testament that this program is community-driven from the very neighborhoods

that it serves.

The lack of affordable housing has increased. It's a national crisis, and it's at the doorsteps in our neighborhoods. As there's no single cause of the housing crisis, there's no single solution. Newly created solutions and programs are needed -- but not at the expense of decreasing funds for programs that worked for decades.

CHAIRWOMAN WEINSTEIN: Thank you.

Community Preservation Corporation.

MR. CESTERO: Thank you. Good afternoon, everybody. My name is Rafael Cestero. I am the chief executive officer of the Community Preservation Corporation.

CPC is a nearly 50-year-old nonprofit affordable housing and workforce housing organization formed in the early 1970s in response to the massive disinvestment crisis in New York City. We expanded throughout upstate New York in the early '90s and have offices -- seven offices all across New York State.

Since our founding we've invested and

lent and funded over $14 billion to finance the creation and preservation of more than 225,000 units of housing across New York State. In the last two years alone, we have invested over $1.3 billion in New York State, in partnership with HCR and New York City and many other partners that have testified here today.

I'm really here to voice support for the Governor's housing compact, as a 30-plus-year veteran of affordable housing, having dedicated my entire professional career to the creation and preservation of affordable housing all across New York State, and at CPC having known for 50 years that affordable housing is vital to our neighborhoods. We have already a tremendous amount of support in this legislative body with our state and local agencies that support affordable housing to build and preserve hundreds of thousands of units of affordable housing all across the state.

From our perspective, the biggest missing piece, the piece that we haven't done

enough talking about, is the lack of overall supply of housing. And we think the Governor has done a tremendous job of reframing the conversation and allowing us to have the dialogue that has occurred here today.

We believe that the housing compact is a critical part to a "yes and" approach to address our housing crisis in New York. Not only do we need to support the Governor's housing compact and continue the robust investment by the state in affordable housing projects, but we need tax incentives that support the creation of workforce and affordable housing and helping increase the supply of housing. We need tax incentives for property owners to be able to make repairs to existing units, get units back online, and preserve those units. We need robust tenant protections all across the state to ensure that our tenants are able to live and our homeowners are able to continue to live in the homes that exist.

And, in terms of immediate need, which has come up here often, we need to continue

to support a robust housing voucher program that not only adds additional funding to housing vouchers but ensures that we think about and streamline the bureaucracy that it takes for an individual to get a voucher and for an owner to get payment on that voucher.

Thank you.

CHAIRWOMAN WEINSTEIN: Land Bank?

MS. WRIGHT: Thank you for the opportunity to speak today. I'm Katelyn Wright. I'm the executive director of the Greater Syracuse Land Bank, and I'm speaking on behalf of the New York Land Bank Association.

You all received written testimony from our association president, Adam Zaranko, but he could not be here today.

CHAIRWOMAN KRUEGER: Could you move the mic a little closer? I'm sorry.

MS. WRIGHT: There we go. Is that a little better? Thank you.

CHAIRWOMAN KRUEGER: Thank you.

MS. WRIGHT: We represent 27 land banks across New York State. I think most of

you probably know what land banks are. We've been around for 10 years now. But just very briefly, we're quasi-governmental organizations established by local government to address vacant and abandoned properties and get them returned to productive use.

Almost all land banks also focus on the creation of affordable housing and cleaning up brownfield properties because those activities go hand in hand with revitalizing distressed neighborhoods where the vacant and abandoned properties that we are created to address are generally located.

Many of us work in dense urban environments in cities where there are dense concentrations of abandoned buildings in formerly redlined neighborhoods and systemically disinvested neighborhoods. But the majority of land banks actually serve rural areas. And I had some conversations recently with land banks in Wayne County, Chautauqua County, and Seneca County to get a better sense of what their needs are, and they were quick to point out that they have

so many folks housed right now in temporary housing and hotels, if they each had a hundred new units today they could be filled immediately.

And a hundred units may not sound like a lot if you're working in a bigger city, but it is a significant number of units for these more rural communities.

Most of us are working in weak markets, but there are also land banks working in Nassau County and in Suffolk County addressing affordable housing challenges there. And the Suffolk County Land Bank is particularly skilled at addressing brownfield properties.

Like I said, we have been around for 10 years and we've established a productive network across the state, and we are also here today to voice support for the Governor's plan to develop 800,000 new affordable units. The shortage of affordable units is dire all across the state. Most of us address that work by doing site assembly on the front end, kind of

pre-development work to prepare shovel-ready sites, and then work hand in hand with many of the affordable housing developers that you've heard from today.

So we are asking for land banks to be funded again in this year's budget. I know the commissioner earlier said that there is still $30 million from last year that they're trying to get out the door. But because the work that we do is at the front end of the development process, we think it makes sense for this work to be front-loaded so that we can get as many shovel-ready sites as possible prepared for our partners.

CHAIRWOMAN WEINSTEIN: Adirondack Foundation.

MS. BELLINGHAM: All right, wow. So thank you. Thank you for the opportunity to testify. I'm Lori Bellingham, vice president for community impact for the Adirondack Foundation.

Since 1997, the foundation, together with partners across the region, seeks to identify and address regional challenges such

as food insecurity, lack of childcare, housing strategies, shortages and affordability, limited access to vocational training, and threats to our economic vitality.

The Adirondack Region is home to more than 230,000 people dispersed across more than 6 million acres. Approximately 44 percent of our population are ALICE individuals and families; nearly 60 percent struggle to earn enough income to acquire stable and safe housing, gain reliable transportation, and access the social, medical and healthcare needs they have.

In Clinton and Franklin counties, 50 percent of families live in rent-burdened households, as more than 30 percent of their gross income is spent on housing. When looking at 2015 to 2020, median job earnings increased by 14 percent and median household income increased by 15 percent -- however, median home prices increased 28 percent.

Until the gap between wages and affordability of housing comes into balance,

our communities will continue to face challenges and our economy will be constrained. However, we've learned from our community partners that we cannot build our way out of this complex housing challenge. We need a variety of methodologies to combat the years of underproduction and to increase the availability of affordable family housing for our essential workforce.

Adirondack Foundation appreciates the Executive Budget's investment in housing infrastructure, and we recommend 25 million be directed to the Adirondack Region, to assist with water, sewer and new road construction, all critical to encouraging new housing.

Unfortunately, the Executive Budget does not appear to continue investment in programs that have already and continue to make a difference. We'd request the Affordable Homeownership Opportunity Program continue and be increased to 200 percent AMI; the Small Rental Development Initiative continue at 20 million; as well as the

New York Land Bank Act. These are three programs that, if support continued, help our communities working to overcome housing challenges.

The housing crisis in the Adirondacks is a workforce crisis that inhibits our region's economic development. Our community members value the rural environment where they've chosen to live, and they seek to improve their communities by ensuring that middle-income individuals and families can live and work in the Adirondacks.

We appreciate the opportunity and look forward to partnering with you to develop and invest in a variety of programs to encourage more affordable housing in the Adirondacks.

CHAIRWOMAN WEINSTEIN: Thank you.

Rural Housing Coalition of New York.

MR. MISARSKI: Hi, and thank you. I want to thank the committee chairs, I want to thank the committee members for allowing the Rural Housing Coalition -- and thank you for your support from last year's funding and funding our budget priorities.

So I'm Bruce Misarski. I'm here replacing Mike Borges, who is -- he's out sick this week, so I got the call and got sent in from the bench. So I'm the executive director of the Housing Assistance Program of Essex County in the Adirondacks, and also the executive director of the Adirondack Community Housing Trust, and I'm the chairman of the Rural Housing Coalition.

So I'd like to talk first about the RPC program, which is very important to us. The Rural Preservation Companies were created back in 1980 to support nonprofit housing organizations. The Rural Housing Preservation Companies deliver a variety of housing and community development services to rural communities throughout the state.

So HCR defines rural communities as having populations of under 25,000 people, and 924 of our state's 1,023 communities actually qualify as rural housing in some way or another. So it's a large area of New York State. But there are only currently 57 RPCs across the state; mine is one of them. And

we serve rural communities. We provide administrative support to our communities, we provide the funding that you provide, and we are the people that bring it to our community, where the rubber hits the road.

And we ask that our funding not only be restored from previous years -- the Governor has reduced our funding, and it's been stagnant since 2017. So we have not seen an increase since then for the last five years.

And so there are 57 RPCs across the state. The cost of construction, materials, and everything has eaten away at funding for us. The cost of employees has gone very expensive. So we ask the state that we increase the RPC funding to 60 RPCs. That would create three new ones. We ask that our RPC funding to each of our organizations be increased from 89,000 to 125,000, just to get caught up from the five years of no increases. And that also to restore the $250,000 funding to the Rural Housing Coalition for administrative supports.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

And last, New York State Rural Advocates.

MR. SEBASTIAN: Good afternoon. My name is Blair Sebastian -- kind of batting cleanup on this panel, I guess. I'm with New York State Rural Advocates. Our organization is made up of rural housing and affordable housing and community development practitioners from around the state. We've been advocating for rural communities since about 1980.

We have submitted our written testimony, the body of which addresses what we think are appropriate levels of funding -- and achievable levels of funding -- for a range of programs that our members use that address affordable housing needs in rural communities, and we're happy to talk about any of those as you may wish.

We prefaced our -- that discussion with the inclusion of a map that we got from the Economic Innovation Group. They've done

this for several years. We find it rather interesting. This is the first time we've seen it by zip code. And we find it kind of interesting because it really shows the chaotic nature of economic and social well-being in upstate communities, kind of leading us to suggest that maybe a 1 percent blanket goal. We're contemporary managers; we live on goals and targets. But it's important that they -- those targets are appropriate to the task at hand, and we kind of question that.

The other thing that that diversity map does for us is a nice segue into a conversation about the beauty of the Rural Preservation Program, which is its flexibility. RPCs, the 57 RPCs that Bruce refers to are governed by local people. The statute requires that local -- that governance be local, and those folks have the opportunity to tailor mission and work programs to the exact nature of the housing problems they face.

So you'll find groups in the Hudson

Valley, where markets are strong and demand is great, building multifamily housing as their focus. For the folks in my old stomping ground in Western New York, we tend to focus much more on the rehabilitation of existing stock and less on the provision of new stock, although there is a role for that.

So provided the Governor's housing compact goes forward in some form, we expect that Rural Preservation Companies are going to be called upon by local communities to provide the expertise that they traditionally possess, to help guide these small communities. It's been mentioned that the smallest of our rural communities are going to be hard-pressed to respond to the Governor's compact. We know that our groups are going to be called upon to help with that.

And so adequate funding for those groups is incredibly important. We've got a little chart on page 4 that shows that diminished return.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblywoman Rosenthal.

ASSEMBLYWOMAN ROSENTHAL: I just want to put in a good word for NPCs and RPCs. I have NPCs that I've been working with for years in my district. And RPCs, I've learned a lot about you. And I think, once again, good plan to build housing; even better to maintain the housing we have today. So I support and I agree there's a need for increased funding for all of your efforts.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Brian Kavanagh. Senator?

SENATOR KAVANAGH: Thank you. I'll echo the lovefest for NPPs and RPPs. As you know, I'm a big supporter, and hoping we can meet the requests here today. As well as the other -- you know, the other rural needs, which I think we might hear from our Agriculture chair in a minute on.

I want to focus -- Mr. Cestero, you talked about the lack of an exemption component of the tax -- are you talking about -- you're talking about the Governor's

J-51?

MR. CESTERO: Oh, I'm talking about the, yeah, J-51 program. Right? In its current incarnation, you know.

SENATOR KAVANAGH: Have you had an -- J-51 is a -- you know, it's a city -- primarily it's a city tax program.

MR. CESTERO: Right.

SENATOR KAVANAGH: Have you had an opportunity to talk with the city about that element of the program and whether there have been --

MR. CESTERO: We have, yeah. We have. We've talked to them about it and we've shared our concerns about the economics of that, you know, working in a way that will incentivize -- create enough resources to bring units online and to do the repairs necessary in those buildings and in those units.

SENATOR KAVANAGH: Okay. Because we're not formally hearing them testifying today, but I think it's quite likely they are listening, so, you know, I think we would

like to -- I think we would like to see, you know, a kind of city response to that -- you know, that proposal which is -- we have both a standalone --

(Overtalk.)

MR. CESTERO: We're happy to provide more detail on that. Yeah, yeah.

SENATOR KAVANAGH: Yup. On -- can you -- if I may, related -- you know, distinct but related, have you had an opportunity to review the tax proposal in Part P that is intended to incentivize commercial conversions in the city? And I just wonder if you could speak to the -- if you can, about the sort of adequacy that -- the levels of affordability that we might be seeking given the sort of scale of the benefit there.

MR. CESTERO: So I have not spent nearly as much time on that as I have on J-51, as an example. So -- but what I can say is that, you know, it was referred to earlier, you know, the 421-g program in the post-9/11 world, and that led to lots of

office conversions. And I've been on record in lots of different settings saying that I think the lesson learned from that is that we probably didn't do that as equitably and inclusively as we should have. And that I do think that there's a significant opportunity for affordability in office conversions.

I want to be careful, though, to say that office conversions are really hard. And so I don't think there's an overwhelming number of units that are going to get created through a conversion process, and I think what the compact does is create a framework so that owners can think about conversion strategy. And certainly an incentive should include an affordability requirement.

SENATOR KAVANAGH: I may want to follow up with you on some of the details.

MR. CESTERO: Yeah.

SENATOR KAVANAGH: And also just while I have four seconds, there's also this proposal for an "opt-in outside the city" proposal. Given your current role and your prior experience, I'd love to hear your

thoughts on that as well. But I'll respect the clock.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblyman Burdick.

ASSEMBLYMAN BURDICK: I first want to commend each of the panelists for the great work that you're doing to promote housing and to promote affordable housing.

And to Mr. Cestero, you may recall that I had worked in my former days as supervisor of the Town of Bedford with CPC on getting permanent financing for an affordable housing project there.

MR. CESTERO: Yeah.

ASSEMBLYMAN BURDICK: I'd like to pose the question that I think I've posed to every one of these panels. And that is that, you know, my concern that I have with the housing compact is that there's not enough on affordable housing, that it is really a compact, the creation of 800,000 units over 10 years.

Do you feel that there should be a subgoal within that 800,000 of affordable

housing units that would be created? And maybe if we could start with you, Rafael.

MR. CESTERO: Sure. So I think, from my perspective, the important thing here is a recognition that I believe, right, more housing supply and correcting the supply/demand imbalance that exists in our state will ultimately lead to less competition, and therefore will lead to lower prices.

But that's going to take time. Right? And that's why I think it's important that the state continue to fund the housing -- affordable housing plan, $25 billion last years as part of a new five-year plan. To me, that's the critical piece. Because if you're not also investing in affordable housing, then I think you are ending up behind the eight-ball.

ASSEMBLYMAN BURDICK: Thank you.

Any others have a thought about setting a subgoal on affordable housing within the 800,000?

MR. SEBASTIAN: Absolutely in support

of focusing on affordable housing in this initiative.

Some of the communities we look at, all the new housing -- any new housing that would be created kind of falls into that broad affordable category. But in rural communities there are those really hot markets where we really, really, really need to build some housing. And --

ASSEMBLYMAN BURDICK: Great. Thank you. Any others --

MR. SEBASTIAN: And they need to be affordable.

ASSEMBLYMAN BURDICK: -- have a thought, yes or no, on a subgoal?

MR. MISARSKI: I certainly agree, affordable housing is key. And what happens is really it's sort of a musical chairs. If we just build housing for the wealthy people, you know, it opens up where they formerly lived, and everybody moves maybe up.

ASSEMBLYMAN BURDICK: Right.

MR. MISARSKI: The poor people always get the worst housing.

ASSEMBLYMAN BURDICK: Any others?

MS. BELLINGHAM: I guess I would add -- yes, and I would be careful on the definition of affordable.

ASSEMBLYMAN BURDICK: Oh, sure. Of course. Yeah.

MS. BELLINGHAM: So in our small communities, I would say workforce housing or we would say workforce housing. Our essential workforce, which has changed a little bit since COVID -- so our teachers, our healthcare workers, people who make above, you know, the 80 percent AMI --

ASSEMBLYMAN BURDICK: Thank you so much.

MS. BELLINGHAM: -- can't afford it.

ASSEMBLYMAN BURDICK: Appreciate it. My time's up.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate.

CHAIRWOMAN KRUEGER: Thank you.

Rachel May.

SENATOR MAY: Thank you.

And hi, everyone.

Katelyn, good to see you. I guess I had a question for you about the land banks. I understand -- so you're asking for the same funding as last year in the budget?

MS. WRIGHT: Yes.

SENATOR MAY: Are you ever interested in doing rehab or, you know, reconstruction on your own? And is that something, you know -- or what would you need in the way of resources to do that?

MS. WRIGHT: We have done a handful of our own projects in-house over the years. But mostly -- in Syracuse, anyway, mostly what we do is that pre-development work to make shovel-ready sites available for other affordable housing developers, just because we already have a very strong network of affordable housing developers in Syracuse.

But a lot of the other land banks are actively engaged in doing their own development because they just lack those partners.

SENATOR MAY: Okay.

MS. WRIGHT: But there are other HCR

programs to support that work. This land bank funding provides for acquisition of property and demolitions and stabilizations that aren't funded by any other HCR programs. And so we want to make sure that that's available.

SENATOR MAY: All right, thanks.

And thanks for mentioning the rural issues, those of you who are advocating for rural housing. I guess -- so in my district I have a number of Finger Lakes. One of the issues that we have is housing for seasonal workers who are, you know, necessary to the local economy, and there's no place for them to live.

Is this -- are there good ideas out there, solutions? Is there something in the compact that would help with this? Anybody have thoughts on those issues?

MR. SEBASTIAN: There's nothing in the compact, I don't think. You know, so much of the focus is on permanent housing. And so, you know, the only model perhaps we might look at is the long-standing farmworker

housing model, which again addresses seasonal employees very often.

And so most -- most of that work has been federally funded, but the state has been involved in some farmworker housing. And given the seasonality of it, it may make a decent model.

SENATOR MAY: Anyone else?

I know one area has actually built housing for firefighters because they can't live close enough to the fires, you know, to actually respond in a reasonable period. So it seems like it's a subset of housing need that is hard to include in any kind of planning.

So I would love to know if you have good ideas about this, or you see best practices, what we can do to help with that.

Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRWOMAN WEINSTEIN: Assemblyman Manktelow.

ASSEMBLYMAN MANKTELOW: Thank you,

Chairwoman.

Katelyn, could I ask a few questions to you? Thank you for being here.

Earlier this morning when I spoke with the commissioner about land banks, I was surprised that only 20 million of the 30 million -- or of the 50 million had been spent. Who controlled that number, I guess is what I'm asking.

MS. WRIGHT: That's all that's really been released by HCR to date. There was a Phase 1 RFA that we all applied to, and that released the 20 million. The Phase 2 RFA just came out recently, and those applications are due in about 10 days.

ASSEMBLYMAN MANKTELOW: Okay. So my second question is as I -- I'm so glad to see the land banks growing. You guys do some remarkable work, being involved with the one at Wayne County early on years ago. It's such a great attribute to the communities, to the state. And the amount of money you save is remarkable.

As the land banks grow, will

50 million be enough long term?

MS. WRIGHT: Long term, it's hard to say. There are 27 land banks today, but I expect more to be created, and so that will put extra stress on it. But at this point in time, with 27, that seems sufficient to us.

ASSEMBLYMAN MANKTELOW: And my last question, speaking with the commissioner again this morning -- how much dialogue do you have with the commissioner?

MS. WRIGHT: Directly with the commissioner, not very much. But with her people, all the time.

ASSEMBLYMAN MANKTELOW: So you have a good working group, or a good --

MS. WRIGHT: Absolutely. HCR has been very supportive of us and very open to our suggestions for what resources we need to meet our needs.

ASSEMBLYMAN MANKTELOW: You know, knowing what the land banks do, if it's so well into the HCR, the compact coming up -- I just want to say thank you and we're here to support you. So thank you.

MS. WRIGHT: Thank you.

ASSEMBLYMAN MANKTELOW: Thank you.

Thank you, Madam Chair.

CHAIRWOMAN WEINSTEIN: Senate?

CHAIRWOMAN KRUEGER: Thank you.

Senator Salazar. No, she left. forget Senator Salazar for the moment. Sorry.

Senator Helming.

SENATOR HELMING: Thank you, Senator Krueger.

And thank you, everyone, for not only your testimony but the fantastic work you do throughout the State of New York. I really appreciate it.

Katelyn, I think you were here earlier when I talked to the commissioner, questioned her about the land banks. I really appreciate you bringing up the example of if we provided more funding to our land banks, we could move people who are stuck in hotels into these refurbished homes. That's critically important. So we will be advocating for funding in the budget. I know

right now there's zero that's budgeted.

Lori, you brought up -- and I think a few of you did -- about workforce housing and the challenges. And Senator May I think touched on this as well, how challenging it is in so many of our areas to find that workforce housing when you have so many seasonal rentals that go for a whole lot of money, right, in the Finger Lakes. Average workers can't afford them. People with dual incomes, two teachers, they can't even afford them.

So I guess what I'm wondering is, the Governor in the housing compact has the ADU program that's outlined. Do you see that outside of New York City, do you see the ADU program helping in any way to address workforce housing issues or ...

MS. BELLINGHAM: I think increasing density is a good thing, especially -- you know, we live or we are in the Adirondack Park, so we do have constraints around, you know, footprints around our villages and hamlets.

Many of our ADUs are typically used for short-term rentals. So, you know, yes, I think increasing density is a good thing. I think that, you know, we have 63 percent of our employers are saying they cannot house their employees, and that's the primary reason that they --

SENATOR HELMING: I'm just going to add, real quick, so it's something that you can look into as well, that I believe the language that's included in the proposal says that the ADUs can be rented for 30 days or more. So when I look at areas like the Lake Placid area or the Finger Lakes region, I see people building those ADUs to generate more income for short-term visitors, not necessarily addressing our workforce housing shortages that we are experiencing.

So if you have, as Senator May said, feedback on that, I would love to hear it as well.

Anything else that you would like to share to help with the issues in our rural communities, short-term things that we can

do?

MR. MISARSKI: I just wanted to -- I didn't get a chance to mention a couple of programs that we really rely on that we -- the funding got shortened on this year with the Governor's budget.

And those include the Access to Home program, the New York State Main Street program, the RESTORE program, and also the Small Rental Development Initiative that is not funded this year. So those were all really important programs we'd like to see receive some funding.

CHAIRWOMAN KRUEGER: Thank you.

Since the Assembly is done, next is Senator Hinchey.

SENATOR HINCHEY: Perfect lead-in here, thank you.

First and foremost, I want to thank all of you for being here, and many of you for working with us last year. You know, most people think about a housing crisis in our urban, densely populated areas, but we all know that our rural communities are

facing a housing crisis as well. And thanks in partnership to many of you, last year we were able to secure the largest investment in rural housing support that we've ever had.

Unfortunately, many of those gains have disappeared from the Executive Budget. And so I was actually going to ask about a number of those programs -- thank you for mentioning them -- specifically RESTORE and the Small Rental Development Initiative. I know in my community we funded the RESTORE program and changed some of the language last year and in my community when our affordable housing corporation went to access those funds, they were already oversubscribed.

Can you provide a little bit of information on how much money you would like to see in that program? And also a few more details for my colleagues on the Small Rental Development Initiative.

MR. SEBASTIAN: Well, our request for RESTORE is $4 million. Last year the program was funded at $3.4 million. We understand that the agency got applications,

proposals -- valid proposals for $6 million last year. So our $4 million falls a little short of demand.

SENATOR HINCHEY: I would say 6 million is an appropriate ask, since we know that's the need and the demand out there.

Can we also talk a little bit about the Small Rental Development Initiative? I know we had requested last year I believe 20 or 30 million. We got 7. And that program has been cut. Can you provide a little insight on that funding?

MR. MISARSKI: Yeah, actually we're working on an application right now for the SRDI program. And disappointed that it is not funded this year in the Governor's budget.

It's one of those perfect tools for rural communities where we can get in and put four, eight units of housing in a community of a thousand people. That's what's appropriate for our communities, not LIHTC hundred-unit projects. We need small rental

projects in small communities, in every community. Right? That's what every community needs. And we just can't rely on ITC projects in big cities to create all the housing units. Every town and village wants to do that.

SENATOR HINCHEY: And is it fair to say that the funding in the -- I'll call it the rural housing package, that in your request and what we were able to secure -- the areas we were able to secure last year, are incredibly important because most of state and federal funding go to those larger projects than they do the smaller ones?

MR. MISARSKI: Exactly, yes.

MR. SEBASTIAN: Yes, small projects are odd ducks in the scheme of funding.

And, you know, there's something to be said for scale. But they just don't work in small communities.

SENATOR HINCHEY: Thank you very much.

CHAIRWOMAN KRUEGER: Senator Jackson to close, I believe.

SENATOR JACKSON: Sure.

Good afternoon. Thank you for all coming in. And I read some of your testimony, especially from the rural districts, and we want to do everything we can in order to make sure that everyone is taken care of in this housing thing.

But more specifically, I represent New York City, let me just focus on that. And as far as the Neighborhood Preservation Coalition, CLOTH, Community League of the Heights, is in my district, with Yvonne Stennett, and I've been involved with them for many, many years. So I appreciate all what you do on behalf of the people that we represent and that you represent.

But my question is I've heard a lot of comments from my colleagues, especially in outer areas, as far as building affordability housing near major transportation hubs, subways and so forth. And many of them are somewhat opposed to the state basically mandating that if in fact they disagree.

How do you think that -- do you have any other suggestions or thoughts about that

in order to ensure that the goal of the Governor happens over a 10-year period of time?

MR. CESTERO: I mean, I think -- I guess what I could offer is two thoughts. First, robust agreement on Yvonne Stennett, who's one of my favorite people in the whole world.

SENATOR JACKSON: Speak just a little louder --

MR. CESTERO: Sorry. Robust agreement on Yvonne Stennett, who's one of my favorite people in the whole world.

And then to your question, I think that clearly there's tension, right, when housing proposals happen. In my view, what the Governor has proposed is essentially a response to what is a crisis in our city. And, you know, there -- maybe there should be talk of safe-harbor kinds of things that can be done. If there's issues in particular communities that don't fit within the time frames in the housing compact, those kinds of things could be helpful in extending the time

frame to address the issues.

But at the end of the day, our state is overwhelmingly short on housing, and we need to build it in lots of different places.

SENATOR JACKSON: Thank you.

Anyone else, shortly? Because I've got 36 seconds.

MR. STREB: Yes. Just --

SENATOR JACKSON: If you don't mind giving your name, because when we speak we don't know who everyone is.

MR. STREB: Sure. Mark Streb, Neighborhood Preservation Coalition executive director.

SENATOR JACKSON: Thank you.

MR. STREB: The housing compact is another tool in the toolbox. It's a tool that one size doesn't fit all, though. So every community -- and that's the value of the Neighborhood Preservation Coalition, they're the folks on the ground. When there's a problem, this is who the people in the neighborhood go to. And that's why we're one of the tools in the toolbox.

SENATOR JACKSON: Well, thank you all for coming in. My time is up.

CHAIRWOMAN KRUEGER: Thank you.

We do have one more Senator we missed. I think his name is Senator Jack Martins.

SENATOR MARTINS: Thank you.

And thank you all for testifying today.

I like the analogy of a tool in the toolbox, or tool belt. You know, this happens to be a sledgehammer. And so it's hard to carry around, and it takes out a lot more than we think as we swing it. I prefer to use a scalpel or something a lot more precise.

And we talk about rightsizing and building small rental housing where it belongs, but that's not what this says. So let's not kid ourselves. This compact is a blunt instrument. It's going to require, in communities like mine in Nassau County, 25,000 new housing units around every train station.

Now, if I were to ask people who don't

live on Long Island and don't live in New York City or in the metropolitan area -- and I don't know, I'll pick someone who may live in the Adirondack Park and ask you if I put a mile circle in the middle of the park, and so we're going to build 25,000 units there because we need housing for people who work in the area, not just people who come and visit the area as tourists, I think there'd be some pushback, not only from the council but also from the community at large.

And so let's figure out ways so that we can work together. And I think what we've said, time and again, is everyone understands that we need affordable housing, but it shouldn't come at the expense of people coming here and saying, You can build it there, but you're not building it in my backyard because it's not going to impact us in just the same way.

So I won't ask you the rhetorical question because I think we all understand what the answer is. I've had the opportunity to work with some of you and your

organizations over the years, and I understand the great work that you do. And I appreciate it. But the areas that I represent -- you know, a small island jutting out into the middle of the Atlantic, sitting on a sole-source aquifer, with pristine shorefront and communities that were built up over the last 300 years, will change like that (snapping fingers) if this were to happen.

And so we fight, because we don't all disagree -- we all agree on what the end result should be. But it can't come at the expense of certain people and not everyone sharing equally.

Thank you. Thank you.

CHAIRWOMAN KRUEGER: So I don't think there was a question, just a speech.

SENATOR MARTINS: No, there wasn't.

CHAIRWOMAN KRUEGER: Just checking.

SENATOR MARTINS: There was a sort of a rhetorical question, but then I said no.

(Laughter.)

CHAIRWOMAN KRUEGER: Okay. For the

future, let's try to limit the speeches.

I believe we are done.

CHAIRWOMAN WEINSTEIN: The Assembly is done also. So I want to thank this panel for being here.

So if we can, first, For the Many.

MR. RANGA: Great. Can everyone hear me?

CHAIRWOMAN WEINSTEIN: Yes.

MR. RANGA: Thank you so much to the chairs and the entire committee. My name is Brahvan Ranga, and I'm the political director at For the Many.

For the Many is a grassroots social justice organization based in the Hudson Valley. We organize in rural, suburban and small-city upstate New York to fight for laws and win elections to bring us closer to a New York that works for all of us and not a greedy few. We started in 2012 as an all-volunteer group of everyday people meeting in a church basement to try and fight against evictions and foreclosures, and since then housing has been one of our core

focuses.

And we joined the Housing Justice for All Coalition, a statewide movement of tenants and homeless New Yorkers to fight for housing as a human right and pass transformative statewide legislation.

These past two years we've helped lead the way for the statewide fight for good cause, along with our partner organizations across the state. And our fight is a necessary response to the scale of the housing crisis in the Hudson Valley, where 57 percent of renters are rent-burdened, where one in eight of the renting households in the City of Poughkeepsie are facing an eviction filing -- and where many tenants have virtually no eviction protections whatsoever, along with 1.6 million households statewide, especially in upstate.

And the single most important step this Legislature can take to address this crisis is passing good-cause eviction, protecting tenants from unreasonable rent increases and predatory rent hikes and unfair

evictions, but also giving them more control over their housing, empowering them to ask for better conditions and ensuring that they can feel secure in their homes. And it would slow the recent wave of gentrification and real estate speculation we've seen in the Hudson Valley.

After this Legislature repeatedly failed to pass good-cause eviction, we worked with our local allies to pass local good-cause eviction laws in Newburgh and Poughkeepsie and Beacon and Kingston. Throughout the course of that campaign, hundreds of tenants stood up to their landlords, facing the threat of retaliation, and demanded their local government take action.

However, these hard-fought protections are under threat from lawsuit. The City of Newburgh's good-cause law was recently overturned on preemption grounds. The court said that it was the state's responsibility to pass good-cause eviction. And that is why I am calling on this Legislature to pass

good-cause eviction, the Housing Access Voucher Program, and the Tenant Opportunity to Purchase Act in the State Budget.

If the Legislature fails to act, millions of New Yorkers will continue to face the worst excesses of the housing crisis without any protections whatsoever. We pray that you do something about it.

CHAIRWOMAN WEINSTEIN: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

MR. RANGA: Thank you so much.

CHAIRWOMAN WEINSTEIN: Next, Association for Neighborhood and Housing Development.

MS. WILLIAMS: Good afternoon, everybody. Barika Williams, executive director of the Association for Neighborhood and Housing Development, ANHD. I want to thank everybody, and especially the Senate and Assembly, for three years of support for ANHD's Displacement Alert Project.

The DAP portal tool has allowed electeds, CBOs and constituents to understand where New Yorkers are at greatest risk of

displacement and intervene with strategies. Specifically, it has been cited multiple times by the New York Times around tracking and understanding our eviction threats, which we know is going to be all the more critical in the coming months. And we humbly request $200,000 to continue to expand and enhance the DAP portal.

More broadly, while we applaud the Governor's commitment to tackling New York's growing housing crisis, we have some concerns that it deprioritizes the current urgency of homelessness, evictions, and crippling rent burdens, that it relies heavily on spurring development with a strategy focused on luxury tax breaks regardless of affordability -- and instead that we really need to focus on addressing the actual housing needs of those who are most impacted by the housing crisis.

We're asking that the Legislature ensure that 421-a is not renewed and instead use that tax revenue for public good, and specifically also rejecting any broad extension of 421-a's deadline in order to

complete those projects. We would be putting billions forward in tax breaks for luxury developers while simultaneously, as has come up, no proposals for addressing NYCHA and affordable housing units left out of ERAP, and affordable housing projects that are stalled or not moving in the pipeline while other luxury units are allowed to go ahead and go through.

We support some of what other folks have said -- universal right to counsel, TOPA, good-cause eviction, HAVP, ADUs and HOPP.

Specifically on the Emergency Rental Assistance portal, there's an estimated over half a million New York State households that remain behind on rent -- 80 percent of them are people of color and 77 percent of them are low-income households. The way that the ERAP was set up means that income-restricted housing was deprioritized, and these are our mission-driven nonprofit members who have been left out. And so it is critical that we find a way to ensure that those residents are

not evicted from their units and find them assistance.

Lastly, on the housing compact, we support a more equitable distribution of housing development across the state. We can't continue to allow exclusionary zoning in housing practices.

We have deep concerns and do not support the use of blanket housing targets across New York City at the community district level. There's huge differences in our community districts in New York City. They range in average income from 23,000 to upwards of 175,000. Some of them have built less than 200 units and others have built as many as 12,000 units in a six-year period. What they have done in development and what they have experienced in terms of land-use disparities varies greatly.

I'm happy to speak about this further. Thank you.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Open New York.

MS. GRAY: Hello. Thank you, Chair Weinstein and Chair Krueger, for the opportunity to share testimony in support of the pro-housing provisions in the Executive Budget.

My name is Annemarie Gray, and I serve as the executive director of Open New York. Open New York is an independent grassroots pro-housing nonprofit with hundreds of volunteer members across the state.

As you have heard from other witnesses today, New York is in a dire housing crisis that has real and direct human consequences: High rents, displacement, segregation, tenant harassment, homelessness, and countless other problems. A key reason why New York has failed to produce enough housing over the past 30 years is the lack of a statewide framework for promoting housing growth and affordability. Unlike many other states, New York allows local governments absolute power to ban housing growth, which perpetuates and worsens our housing crisis each year.

The interrelated proposals in the Executive Budget that would encourage cities, towns and villages to revamp their zoning codes to allow more housing are vital first steps in shifting away from the broken status quo. Open New York is especially excited about Part G, or the Transit-Oriented Development Act of 2023, which would encourage housing growth in walkable, sustainable areas and would bring needed ridership and revenue to the Metropolitan Transit Authority.

Most importantly, Parts F and G, the New Homes Targets and Fast-Track Approval Act and the TOD Act rebalance the relationship between the state and local governments to ensure that housing is allowed to grow where there is demand for it. We also support the inclusion of additional infrastructure funds to address the need for additional capacity for water, sewer, utilities and other investments.

If these acts become law, local governments will have a framework and

guidelines under which to operate, but they will no longer have unchecked authority to block all housing growth. We believe that it is a necessary change if New York is ever to leave its housing crisis behind.

Open New York's main concern with these acts as drafted is their lack of strong enforcement provisions. In other states that have adopted similar frameworks -- California, Massachusetts, and New Jersey, to name a few -- local governments have extensively delayed required zoning actions or failed to provide legally required building permits. The only efficient way to discourage this behavior and ensure that these acts achieve their purpose is to empower private nonprofits to sue non-cooperative localities and invoke monetary penalties for noncompliance. California's Housing Accountability Act provides exemplary provisions as an example.

Additionally, we believe the Legislature should consider including affordable housing growth targets for

localities that have very little affordable housing in their communities today. The housing compact can be a powerful tool to address fair housing concerns and correct patterns of exclusion, and all options to strengthen outcomes toward fair housing goals should be explored.

Finally, building the housing we need will take time. A comprehensive approach to solving our housing crisis must also include tenant protections for those who are struggling to pay rent right now. We hope that the final budget will include expanded tenant protections such as good-cause eviction and more funds to support government capacity for investing and innovating in the creation of affordable housing.

New York is in a housing crisis, but this year's budget gives us the opportunity to create a statewide solution. When young adults can afford to live in the communities they grew up in, seniors can age in place, and we can welcome new neighbors without fear of displacing long-time residents, we'll be

glad we rose to the challenge.

Thank you for your time.

CHAIRWOMAN WEINSTEIN: Thank you.

We'll go to questions.

Assemblyman Epstein.

ASSEMBLYMAN EPSTEIN: Thank you all.

Just quickly, do you all support getting funding aside for ERAP for NYCHA residents and other affordable housing residents? I heard Barika's point on that; I just want to make sure we're all on the same page.

MS. WILLIAMS: Yes.

MR. RANGA: Yes.

MS. GRAY: Yes.

ASSEMBLYMAN EPSTEIN: Thank you.

(Reaction.)

CHAIRWOMAN WEINSTEIN: Less than a minute.

To the Senate.

CHAIRWOMAN KRUEGER: Thank you.

Senator Myrie.

SENATOR MYRIE: Thank you, Madam Chair.

Thank you all for your testimony and for your patience today. This is for Ms. Williams, but I open it up to whomever wants to answer. All displacement is not created equal. You made reference to the disproportionate effect it has on people of color. I'm hoping you can talk to us about how the forces of displacement have had an acute effect on Black families, particularly in the City of New York.

MS. WILLIAMS: Absolutely. And I want to acknowledge that all of us very much have this fresh in our minds given the recent New York Times article, which I appreciate and appreciated the coverage. But also it emphasized that many folks, including our

elected officials like yourself, and many of us in housing advocacy spaces, have been sounding the alarm of the disappearance of our Black communities for years.

Displacement and gentrification aren't just about changing of locations; it's also about shifts in power. And so one of the challenges and one of the concerns about also the lack of affordability and what affordability levels there are, both in the housing compact and more broadly, is that we know disproportionately our Black communities and Black residents, but then our communities of color more generally, earn less money. Right? You heard Senator Cleare say earlier median earning is about $53,000, I think. Right?

So there's a huge difference and shift, and we have to appreciate that by not creating deeply affordable housing -- not that there aren't Black people at all spectrums -- but by not creating deeply affordable housing, we are not creating housing and places for our Black families and

households in New York City.

CHAIRWOMAN KRUEGER: Thank you.

CHAIRWOMAN WEINSTEIN: Yes. So we go to Assemblyman Burdick.

ASSEMBLYMAN BURDICK: Thank you.

So I'm going to repeat the question I've asked to the other panels, and that is that I certainly understand the support that you have for the housing compact. As you know, it's got a target of 800,000 housing units within a 10-year period. Do you think that it would be helpful to set a subcategory within that of affordable housing units? And maybe if we can start from left to right. I guess that would be Annemarie, if we could start there.

MS. GRAY: Sure. Thank you for the question.

We are -- we think that there are a lot of ways you can add a layer of affordable housing requirement as part of the housing compact. More than happy to discuss details at another time. But we've seen, for example, Massachusetts has a program called

40B. There are ways to take lessons learned from that and actually have it be an additional requirement for the types of places that haven't seen enough affordability.

So there are a lot of different ways you could work that --

ASSEMBLYMAN BURDICK: But would you specifically support a subgoal of within the 800,000 -- say, 400,000, whatever it might be -- that would be affordable units?

MS. GRAY: It's a great question. I honestly -- I think making sure we have a system set up that actually makes sure affordable housing gets built matters. I'm not opposed to a number. But I think it depends on the details, and more than happy to talk about options.

ASSEMBLYMAN BURDICK: And Barika?

MS. WILLIAMS: I think I also will say I don't know about a specific number, specific percentage. But to your --

ASSEMBLYMAN BURDICK: You folks are like the commissioner.

(Laughter.)

MS. WILLIAMS: To your bigger question, though, I think very much are in alignment that calling for an expansion of market-rate housing does not necessarily address our housing crisis, which is about how people can afford housing, and point you in the direction of a London School of Economics study and research that says that trickle-down housing does not necessarily solve our acute affordable housing needs.

ASSEMBLYMAN BURDICK: And Brahvan?

MR. RANGA: Yeah, I would say fundamentally the issue is the commodification of housing. And the fact that our housing stock is used for the extraction of profit for a few really wealthy landlords and real estate corporations.

And I would say one of the solutions long-term that the Housing Justice for All Coalition is proposing is massive expansion of social housing and a social housing development authority that would provide well-funded beautiful public housing across

New York State, and that would lead to low-income families having more opportunities to find a place to live.

ASSEMBLYMAN BURDICK: Great, thank you. And I want to thank all of you for the work that you're doing.

CHAIRWOMAN WEINSTEIN: Thank you.

Senate?

CHAIRWOMAN KRUEGER: Thank you.

Senator Rachel May.

SENATOR MAY: Thank you, Madam Chair.

And thanks, all of you, for your thoughtful testimony and for lifting up housing stability as key as well to solving this crisis.

Annemarie, I just wanted -- thank you for shouting out the Massachusetts model 40B. We've talked about my bill, Senate 668, which I think is modeled on that system.

Do you think that that is a good way to try to boost affordability within the context of the housing compact that we're talking about?

MS. GRAY: I think that the good thing

about New York State being a bit -- being behind other states is we have a lot of places to look to for lessons learned of what works better or worse.

One thing we actually have seen in Massachusetts, and the reason that we're really focused on enforcement, is you have a lot of projects that have actually gotten stalled and stalled for years, so we really need to strengthen the enforcement provisions and, as I mentioned, focusing on allowing for nonprofits to sue and enacting penalties for long delays. I think that's actually something that Massachusetts has not done as well that we can do better on.

And I think as I mentioned in the previous question there are ways to layer in an additional requirement that's on top of the percentages. There are different ways to cut it. More than happy to talk through different details, and it could work in different ways. But something that requires places that especially aren't allowing enough affordable housing, you add an additional

requirement onto that as an option.

SENATOR MAY: Okay, thank you.

I mean, I know in Syracuse we have -- part of the crisis is something like 10 percent of boys in high school are functionally homeless right now or, you know, couch surfing in somebody else's home. And I do -- I would love more data on the impact of that kind of housing instability on school performance, on people being able to keep their jobs, on crime in neighborhoods where people are -- you know, where there's that much instability, people don't know their neighbors.

So as much data as we can bring to really explain why things like good-cause eviction are really important was very helpful to us.

So thank you for all of your advocacy, and keep up the fight.

CHAIRWOMAN WEINSTEIN: Assemblymember Kelles.

ASSEMBLYWOMAN KELLES: Yeah, I want to thank you all as well, because this last

panel is deeply refreshing. So thank you.

One question on -- Annemarie, on good-cause. We've talked about -- or you've talked about it, thank you, everybody. And anyone can answer this, but I know this you brought up specifically. There are concerns with good-cause that it would decrease supply of housing, that it would force landlords out, that things would, you know, be bought up by private equity. I've heard all these.

Have you done research on this? Do you have any thoughts on whether or not that's true? Anyway, that's ...

MS. GRAY: Yeah, I think writ large we've seen -- in other states we've seen pairings of rent reforms with tenant protections. So writ large, it is just a smart thing to do. All of the supply measures take a lot of time.

I think, as with every single bill, we'd still work through -- there are versions that have worked, there are versions that don't. I'm more than happy to sit down with you, have a little bit more of the detail and

what we've seen to date. But I think, writ large, we think that it really makes sense to -- you can pair these things together and it can work. But more than happy to follow up with kind of specific research. I want to just check with my team.

ASSEMBLYWOMAN KELLES: I would definitely -- well, I'll let you --

MS. WILLIAMS: Sorry, I just want to -- I think with one of your specific questions, I think what we understand in terms of how these deals are financed is that something like good-cause would actually deter private equity from coming in and purchasing up especially our smaller housing stock, because much of the way that they model their portfolios relies on mass evictions at certain periods of time to up the overall revenue and profit margins of the properties.

ASSEMBLYWOMAN KELLES: So you would call this a pro-small landlord bill in some ways.

MS. WILLIAMS: I think it increases

stability for small landlords and keeps housing in the pipeline for regular New Yorkers to be able to afford to buy these homes, as opposed to having to constantly compete with external interests, many of which are global.

ASSEMBLYWOMAN KELLES: Thank you. That's very helpful. Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Thank you. Our next questioner is Senator Jackson.

SENATOR JACKSON: Hello.

Thank you for hanging in, the three of you. I'm glad that you are here representing your areas. And I'm glad that you're talking about some of the bills that we're fighting to move forward -- good-cause eviction and things like that.

But I know that it takes resources in order to continue these grassroots organizations. And so ANHD, I believe you have a $200,000 request in for basically operating funds. And what about the other two groups and organizations? Do you have a

request in for funding that we should consider, the other two organizations that are there? Hello?

MR. RANGA: I don't believe that we do, no.

SENATOR JACKSON: I'm sorry, what?

MR. RANGA: I don't believe that we do.

SENATOR JACKSON: So you're okay, then.

MS. WILLIAMS: I mean, all of us could use additional funds. I was going to say I think I could speak on behalf of everybody.

And one of the most underfunded pieces of all of this is always the housing organizations that are doing this work, advocacy and direct services on the ground, right?

So as we have to continue to address an increasing eviction crisis, as we were doing -- going out and getting individual tenants signed up for ERAP -- I will speak for ANHD -- it was our members who were doing that work on the ground in their

neighborhoods with no bump in funding, while simultaneously being the sites where people were getting their vaccinations, while being the distributors for food resources.

So these are incredibly thin, overstrapped organizations across the board that are also serving as our community caretakers.

SENATOR JACKSON: And now if you sat through this hearing, you heard about the discussion as far as members and more suburban areas like Long Island, which basically their position is that they don't want anyone to tell them what's best for their community without them deciding what -- and working together.

How's your areas? Are you willing to accept the areas put forward by the Governor as far as locations in your geographical areas? What's your opinion on that, if your organization has one?

MS. GRAY: Yeah. To your previous question, we don't have an immediate budget ask in front of you, but -- a second,

Barika -- it's always needed.

We -- Open New York, we're a relatively young organization. We started in the city. We are actually like -- we have six chapters within New York City. We're actually expanding to be statewide, with specific focus on Westchester and Long Island, given the unbelievably important regional focus of housing opportunity and how we've planned for it.

So that's something we're really actively thinking about, about how we expand, how we partner with groups that are there, because those are some of the places that frankly are facing some of the worst kind of exclusionary patterns.

SENATOR JACKSON: Okay. And what about For the Many?

MR. RANGA: Yeah, I mean, I would add that it's always good for more funding. I think that like community advocacy organizations in particular are oftentimes strapped for funding because we don't have access to a lot of the revenue streams that

other organizations do.

I would also add that the Governor's plan, while building more housing, is great if --

CHAIRWOMAN KRUEGER: I'm sorry, we have to cut you off. You'll have to follow-up with him afterwards, thank you.

MR. RANGA: All right, sounds good.

CHAIRWOMAN KRUEGER: Assembly.

CHAIRWOMAN WEINSTEIN: Assemblywoman Lee.

ASSEMBLYWOMAN LEE: This question is for Barika. Can you tell me about how rent arrears have impacted your member organizations, especially considering that the tenants in the housing that your member organizations manage do not have access to ERAP?

MS. WILLIAMS: Yes, absolutely.

So our members manage and own affordable housing in -- throughout New York City in all five boroughs. They are faced with any number of tenants in units that aren't and haven't been able to pay rent.

They haven't been able to recoup that. It's impacting the cost of their ability to pay their vendors, to reposition the property, to access new loans, right?

Similar to somebody previously who testified, these are 100 percent affordable buildings, and they are our deepest affordability buildings in New York City because they are done by nonprofit organizations. So the longer they stay in arrears, not only does it impact their day-to-day operations, it also impacts their ability to come back to HPD and HCR and HUD and ask for additional funds to ensure the project's long-term viability and security.

ASSEMBLYWOMAN LEE: And while the tenants are in arrears, that also -- does that restrict, you know, these member organizations from doing other -- accessing other tools to help keep tenants in their homes?

MS. WILLIAMS: Yes. Because -- so for our members -- I mean, as I said, they've been working in these neighborhoods, some of

them 50, 60 years. There's a few that just had their 50-year anniversary. They try everything possible before evicting tenants. Right? And so what has come up is given the arrears, they're not in a position to then have conversations and mediation with their tenants to figure out new payment plans going forward, because they've got these arrears sitting on the books. Right?

So they're welcome and looking forward to having those conversations to say, Let's figure out what to do for you and your family from now forward. But we really have to address the backlog before we can do that.

ASSEMBLYWOMAN LEE: Got it. So having tenants who have applied to ERAP and giving them the opportunity to get access to funds through ERAP would be very helpful to --

MS. WILLIAMS: Incredibly helpful, yes.

ASSEMBLYWOMAN LEE: Yes. Thank you.

CHAIRWOMAN KRUEGER: Brian Kavanagh, Housing chair.

SENATOR KAVANAGH: Thank you.

I've tried to avoid asking questions that can't be answered in three minutes during this hearing, and I won't start now. But several of you alluded to this in response to questions about whether there ought to be more specific requirements, incentives, you know, provisions here that promote affordability specifically rather than just increasing, you know, the amount of production.

Is it fair to say that -- I mean, the Governor's plan on the 3 percent or the 1 percent, depending on where you are, is premised on the notion that if you give double credit for affordable units, that that will incentivize -- that's a sufficient incentive to do affordability. Is it fair to say that none of you think that quite meets the goal of incentivizing affordability?

MS. WILLIAMS: I mean, I will say for us it does not. Right? That not affordable units are the same, which has come up many times here. So to say double units -- double points counts for 120 AMI versus 40 percent

AMI is very different.

Also, affordability is not the only thing that some of us know we try to and prioritize and achieve in neighborhoods and communities. Seniors has come up, community spaces comes up. Things like veterans homes has come up. Right? MWBE who's doing the development also comes up. And so there's a number of factors that many of us have worked with many of you all around individual projects or large-scale projects around trying to achieve different things at the community level.

I think what we don't want is to create a pathway or a pipeline that then ensures that those folks who just want to do the bare minimum can always get through. We still want to be able to ensure these really productive and important creative projects like a library on the ground floor and affordable housing on top. Right?

I think our kind of takeaway is we understand the need for geographic distribution, but for New York City, given

our neighborhood difference, even this is not equitable.

SENATOR KAVANAGH: Any other response?

MS. GRAY: Yeah, I think that -- I mean, writ large, having a mandate-based statewide framework that does -- like, there are a lot of different ways to cut it that we think it can work. I understand a lot where -- kind of what were a lot of Barika's points. We think there are a couple of different options.

But the one I was alluding to before is you could layer in affordability requirements such as like 20 percent in New York City, 10 percent elsewhere in the state, that for areas that don't meet that goal in affordability as well, even if they meet the growth target, affordable projects can also go through a fast-track process.

There are ways to design something like that that we think would be a great addition. But frankly passing anything at the state level for the first time in New York's history is -- there are ways to

cut it, you can keep improving on it, but we think it's better.

SENATOR KAVANAGH: So with 14 seconds left, I'm just going to add several of you alluded to the possibility of helping to come up with alternatives. I think we would like basically anything that you have that you think could be added within the basic framework of the Governor's proposal, and also if you think there are elements of that framework we should go outside.

But we would appreciate that feedback -- obviously not now, given the clock is up. Thank you.

CHAIRWOMAN WEINSTEIN: Assemblywoman Rosenthal.

ASSEMBLYWOMAN ROSENTHAL: I wanted to give Brahvan a moment to finish his thoughts from the earlier question.

MR. RANGA: Thanks so much, Assemblywoman.

What I was saying was the Governor's proposal is a lot of what we've seen before, right -- incentives to developers, in the

hopes that that leads to increased housing stock and more affordability.

What we need, in pairing with those incentives and expanded housing stock, is tenant protections like good-cause, the Tenant Opportunity to Purchase Act, which would give tenants the ability to purchase their own homes and put power into their hands, and the Housing Access Voucher Program, which would end homelessness in the state.

So we can't just rely on these incentives. We have to put power in the hands of everyday people to control their own housing.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

And then, Barika, within ERAP there is funding for local groups to help people sign onto ERAP. So maybe you're owed some money.

MS. WILLIAMS: Actually, I think it went to a very specific number of groups in very specific areas. For example, in New York City I think it was like one per borough, if I'm recalling correctly. I may

be a little rusty on that.

But that was not necessarily the folks who were actually doing the, like, neighborhood -- I mean, going through the streets building by building. Right?

ASSEMBLYWOMAN ROSENTHAL: Okay. Thank you.

CHAIRWOMAN WEINSTEIN: Senate?

CHAIRWOMAN KRUEGER: Thank you.

I believe I'm the last Senator, so to speak.

So I guess mine was a similar question to Brian Kavanagh's question that you don't have enough time to answer. But, Barika, using your example -- I mean, you know my district. So we've probably passed any percentage growth because we're constantly building buildings. We're constantly building 421-a buildings. And yet we end up with less affordable housing every year because these big 421-as are knocking out the smaller rent-regulated units. And despite mandatory inclusionary zoning, the landlords get away somehow with fewer, far more

expensive units meeting their 421-a, compared to what the units that were there housing people already was.

So I'm very interested, in follow-through to today, in models that you all, from your expertise, actually think can work. Because I don't think anybody ever intended 421-a to be a disaster, but in my opinion it has been, at least for building affordable housing for very large sums of money.

So I want something that works. I think we all want something that works. I don't think it's there in the Governor's budget yet, either for New York City or for the other sections of the state. With all due respect, anybody who's talking about 10 percent affordable and providing incentives, no. That's just not going to do it for us. So it has to be significantly more than that.

And I also worry that there's not enough talk even in the Governor's housing packages of actual affordability. Because if

we aim for 800,000 units in 10 years but none of it's actually affordable for real people, I don't think we look back 10 years from now and go, what a great experience we had.

So I'm actually giving my speech when I told people not to give speeches. But I'm hoping that each of you can come back to us with specific recommendations how to make the concept of affordable housing for different communities and different populations work within a reasonable formula for tax incentives and exemptions.

MS. WILLIAMS: I think I'll speak to one piece that you mentioned, Senator, which is 421-a is a disaster because it was never an affordable housing program to begin with. Right? It was a program created to design market-rate housing, and we have iterated on it and included some requirements of affordability or this or that over time. But it hasn't ever been and it never will be an effective, affordable housing program because it wasn't designed to be an effective, affordable housing program. Right?

And so I think that ultimately our belief is if we want that affordability, let's design a program for that, but it's not 421-a.

CHAIRWOMAN KRUEGER: And I get it's different in upstate New York, it's different in Long Island, it's different in Brooklyn and Queens, the Bronx. We need a model that has some flexibility to make it work in all of our communities. But we need it to really work.

So thank you, and I am done. And I think the Senate is done.

CHAIRWOMAN WEINSTEIN: So we have a number of Assemblymembers.

Assemblywoman Simon first.

ASSEMBLYWOMAN SIMON: Hi.

Thank you. As a segue, I think that Senator Krueger was singing my song a bit because 421-a is all over my district, and you know how unaffordable it is now.

I would like to also get your impression of the use of zoning as a way to achieve affordability. It strikes me that at

least in every rezoning that I have seen, the thing that doesn't happen is increasing affordability. That you can build in affordable units, but of course it's always going to be about how affordable it is and whether it's really affordable.

But when we've done these big rezonings -- East New York was a class example -- people opposed that because in fact it was going to end up raising prices.

How do we achieve that goal of increasing affordability and affordable housing while not running amuck on the other side? Because if you build 25 percent affordable, you're build 75 percent that's not. It's just going to increase the prices in the area.

MS. WILLIAMS: I mean, I think it's a good question. I'm not sure I can -- I have the answer to the 25 percent/75 percent.

ASSEMBLYWOMAN SIMON: I thought you had all the answers for --

(Laughter.)

MS. WILLIAMS: Because the first

question I always get asked is can't we get 75 percent affordable, 25 percent market, which I think we all would love and wish to see.

I think we've all gotten much more effective about getting more affordability out of zoning when we think about where we were 15, 20 years ago, thinking about the Williamsburg rezoning versus where we've landed more recently on projects.

But it is a site-by-site fight. And one of the concerns in all of this is both we need to like not do this one by one as whack-a-mole, and also we need to not remove the leverage that communities have in order to ask for more. Right? So we don't want to create a situation where folks are required to do a floor level of affordability that actually is too little for communities and neighborhoods, and we could have gotten more from projects or big-scale rezonings.

MS. GRAY: The one quick thing to add -- I mean, I agree with Barika and agree on the importance of kind of affordability

how we've done it to date.

One of the other things that housing, kind of like especially at a regional level, can do, it can legalize smaller forms of housing that are just cheaper to build. You know, small apartment buildings the way that we've actually -- the city has historically been built up until, you know, a couple of decades ago. And some of this is really, really important. It also opens up more sites that, for example, HPD, HCR are able to use for 100 percent affordable housing but they're currently banned from having apartments on them.

So we need a really diverse range of strategies, and increasing the supply, especially of some of these most basic, kind of cheapest forms of housing, is a key component of that that we think the housing compact can also provide.

ASSEMBLYWOMAN SIMON: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblywoman Chandler-Waterman.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Is

it on? Okay. Thank you so much.

So I'm going to ask a question I asked before about clergy. And Ms. Williams -- I know you're looking at me -- direct to you, but anybody else can answer. How do we engage clergy more in the process of developing affordable housing and removing the barriers and the red tape?

Also, how can we leverage the Governor's plan to incentivize development by Black and brown developers? And if that can't be done at a scale that can make real impact, what needs to change in the system, holistically, to ensure those opportunities are being provided to entrepreneurs in a district like mine?

MS. WILLIAMS: I think this is exactly what you're talking about, is some of where we want to see the ability for there to be some setting of local goals within New York City, because we do have some of these specific pieces. So the ability to say we're going to prioritize some faith-based either sites or faith-based collaborations.

Vital Brooklyn, which the commissioner mentioned, some of those projects specifically prioritized having one of the primary partners of the joint venture be an MWBE developer so that we were able to ensure that there was, in that case, specifically a Black developer who was both building up their capacity and equity by doing the project and contributing to the community.

We don't want a situation where we at the local level -- community board, an Assemblymember, the city overall -- no longer has really the ability or leverage to say, We are trying to pinpoint specifically on these specific pieces. Because we know that these are areas of concern, and we don't want to set up our faith-based institutions to have to work with anybody and everybody. We want them to work with partners who really understand them, respect them, are going to ensure that they have a role in the project and in the site over the long-term.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Yes, thank you. Anybody else? No?

MS. GRAY: We're -- that's not something that we have explicitly focused on as an organization, but in general the ability to build a much more diverse range of housing types and really provide a lot of different things in a lot of different neighborhoods opens up a huge number of opportunities like that as well.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Thank you.

MR. RANGA: Yeah, I would add, you know, in terms of engaging the clergy in religious institutions, I think that, you know, an excellent opportunity for that is in advocacy. Right? When we do grassroots organizing in cities like Kingston or Poughkeepsie, we're engaging with churches and other community organizations not just to speak with business partners but also to lobby elected officials around transformative legislation on the local and statewide level.

I would also say, you know, the most effective way we can ensure that Black and brown communities have control over their own

housing is by passing landlord/tenant protections like good-cause and the Tenant Opportunity to Purchase Act, which would give Black and brown communities control over their own housing and large complexes.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Thank you. And thank you for your support.

MS. WILLIAMS: Can I just follow up on one thing he said, Assemblymember? Because it's for your district specifically.

Just thinking about if we can't figure out the housing piece, we will displace the congregations of these faith-based institutions. They will no longer have a place in the communities and neighborhoods.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblyman Manktelow.

ASSEMBLYMAN MANKTELOW: Thank you, Madam Chair.

Barika, really quick. Earlier on you talked about global influence, global players. How is that going to affect the

Governor's budget? And how is that working? Tell me what you mean by that.

MS. WILLIAMS: So I think what we are very much understanding, actually touched on this as well, is that our housing -- we still think of our housing market as like some local landlords and developers and mom-and-pop shops. In reality, this is a global industry and a global business practice. And so we have to be creating both securities and protections in place and thinking about this in the way -- and how anybody, not just the developer down the street, but somebody anywhere, will think about our neighborhoods and our streets.

So for example, there was a neighborhood -- there was a series of housing in Bushwick that was taken up and systematically purchased by an Australian hedge fund firm. And if you look at the neighborhood, almost all of one concentrated area the stock is owned by this one firm.

ASSEMBLYMAN MANKTELOW: So I'll contact you, but I have more questions about

the global influence. And is that something you think we need to try to stop?

MS. WILLIAMS: Oh, I mean -- could we stop it? I wish -- I mean, yes, I wish -- I think we -- I wish we could.

But I think the bigger concern is if we don't mitigate and address the fact that there's a global influence, then the rest of us, right, like everyday New Yorkers, won't have a place and way and a role to play in the housing market. I can't compete with something who can do an all-cash deal who is literally walking in with a briefcase of cash to try to purchase a home.

ASSEMBLYMAN MANKTELOW: We'll talk afterwards. Thank you so much.

CHAIRWOMAN WEINSTEIN: Thank you.

And the final questioner for this panel is Assemblyman Chang.

ASSEMBLYMAN CHANG: Thank you very much. Thank you, Chairwoman.

And thank you very much to our three guests who have been -- at least six to eight hours have been here, and much patient here.

I just want to question each of you, are most of your organizations based in New York City alone or the outskirts of New York City, like Westchester or Long Island? Is that correct, or most of your clients are?

MR. RANGA: No. We're a grassroots organization in the mid-Hudson Valley with offices in Poughkeepsie, Newburgh, Middletown and Kingston.

And, you know, one of the reasons why I'm really happy to be here to talk about why upstate New Yorkers more than anyone need landmark tenant protections like good-cause, is it's not just a New York City issue.

ASSEMBLYMAN CHANG: Okay, well, the question is because you have -- you know, housing stock is a big issue, the shortage and the cost itself. The cost of building housing in New York City or its core area is outstandingly expensive. Okay?

Have you ever tried marketing within your clients to perhaps relocate to an area like in Albany up here, or Binghamton or

Buffalo, where housing is so much cheaper, and lots of spaces like that? Have you ever tried to approach that that way, maybe alleviate some of the pressure downstate to upstate? Can any one of you address that?

MR. RANGA: Yeah, I mean, as an upstater I can kind of dispel the notion that like housing costs are lower in -- you know, we organize in like Orange County, Ulster County, Dutchess County, soon to be Columbia County. And these are countries where a huge proportion, 57 percent, of renters in the mid-Hudson Valley are rent-burdened.

So the idea that somehow like housing costs aren't significant in upstate communities, you know, I disagree with that.

ASSEMBLYMAN CHANG: How about the other two? Have you tried to market that?

MS. WILLIAMS: We don't market. We don't market to our --

ASSEMBLYMAN CHANG: I mean not market, but just encourage.

MS. WILLIAMS: -- our neighborhoods, but I think our -- we would be concerned

about creating a pipeline of folks, really gentrifying and/or displacing other communities in the rest of state.

The other piece that came up in previous panels, and I think one of the previous Assemblymembers asked about, is there has to be a fair housing component to this. Because included in your comment and suggestion is the assumption that folk will be received and be able to rent or buy in the communities that they're headed to. And we do know that there are rampant exclusionary, unfair housing practices in other parts of the state that may prohibit and inhibit people from moving elsewhere.

ASSEMBLYMAN CHANG: And how about you? Have you approached that?

MS. GRAY: So we have -- we're -- we have chapters across the five boroughs and then also in Westchester and Long Island. We're a volunteer-based advocacy organization, so we don't have clients per se.

But we are really, really focused on

the fact that we have some of the most exclusionary suburbs in the nation. We also have parts of the city that are literally -- some of the most affluent parts of the city, literally losing housing units because the system is so broken.

And so we're really focused on how, you know, adding more housing especially in some of these places that have kind of been de facto out of context, opens up a lot of different opportunities for people. And that really is kind of central to the issue.

ASSEMBLYMAN CHANG: Do you --

CHAIRWOMAN WEINSTEIN: Thank you.

ASSEMBLYMAN CHANG: Thank you.

CHAIRWOMAN WEINSTEIN: So this -- thank you, panel, for being here. This concludes the Housing hearing. We're just to take a five-minute break because -- before we start the Workforce hearing.

Just want to thank all the witnesses and staff for their participation in the Housing hearing.

And a real five minutes, folks,

because we've had a number of people waiting patiently.

(Whereupon, at 3:29 p.m., the budget hearing concluded.)