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

JOINT LEGISLATIVE HEARING

In the Matter of the
2024-2025 EXECUTIVE BUDGET
ON HOUSING

Hearing Room B
Legislative Office Building
Albany, NY

February 14, 2024
12:06 p.m.

PRESIDING:

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

Senator Brian Kavanagh
Chair, Senate Housing Committee

PRESENT:

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

Senator Thomas O'Mara
Senate Finance Committee (RM)

Assemblywoman Linda B. Rosenthal
Chair, Assembly Housing Committee

Senator Pamela Helming

Assemblyman Keith P. Brown

Senator Rachel May

Assemblyman Edward C. Braunstein

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PRESENT: (Continued)

Senator Julia Salazar

Assemblyman Erik M. Dilan

Assemblywoman Yudelka Tapia

Senator Jabari Brisport

Assemblyman Tony Simone

Senator Robert Jackson

Assemblyman Harvey Epstein

Senator Zellnor Myrie

Assemblywoman Dr. Anna R. Kelles

Assemblyman Demond Meeks

Senator Brad Hoylman-Sigal

Assemblyman Chris Burdick

Senator Cordell Cleare

Assemblywoman Grace Lee

Assemblywoman Jo Anne Simon

Assemblyman Al Taylor

Senator Jack M. Martins

Assemblywoman Dana Levenberg

Assemblyman Brian Manktelow

Senator Leroy Comrie

Assemblywoman Marcela Mitaynes

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PRESENT: (Continued)

Assemblywoman Monique Chandler-Waterman

Senator George M. Borrello

Assemblywoman Nikki Lucas

Assemblyman Jeff Gallahan

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CHAIRWOMAN WEINSTEIN: Good afternoon. We'll officially start. I am Helene Weinstein, chair of the Assembly's Ways and Means Committee, and today we begin the 13th and actually the last in a series of hearings conducted by the joint fiscal committees of the Legislature regarding the Governor's proposed budget for fiscal year '24-'25.

The hearings are conducted pursuant to the Constitution and the Legislative Law, and today the Assembly Ways and Means Committee and the Senate Finance Committee will hear testimony concerning the Governor's proposal for housing.

I will now introduce the members of the Assembly who are -- Democratic members of the Assembly who are here, and then Senator Kavanagh, who is filling in for Chair Liz Krueger, will introduce his colleagues. And then the Minority members will be introduced.

So we have with us the Housing chair of the Assembly, Linda Rosenthal; Assemblyman Braunstein; Assemblyman Burdick;

Assemblyman Dilan; Assemblyman Epstein; Assemblywoman Simon; Assemblywoman Tapia; Assemblyman Simone; Assemblywoman Mitaynes.

And Senator Kavanagh, if you want to introduce your members.

SENATOR KAVANAGH: Again, I'm State Senator Brian Kavanagh, filling in as a poor substitute for Liz Krueger, our Finance chair.

And we're joined on the Majority side in the Senate by Senators Brad Hoylman; Zellnor Myrie; Jabari Brisport; and Julia Salazar.

SENATOR O'MARA: And --

SENATOR KAVANAGH: And, forgive me, also Cordell Cleare, who's obscured by the speaker and sitting by her friend Jo Anne Simon.

SENATOR O'MARA: And on our side, I am Finance Ranker Senator Tom O'Mara.

We're joined by our Housing ranker, Senator Pam Helming, and Senator George Borrello.

CHAIRWOMAN WEINSTEIN: Assemblyman Ra,

our ranker on Ways and Means.

ASSEMBLYMAN RA: Thank you. Good afternoon.

We're joined by Assemblyman Keith Brown, who is filling in as our ranker on Housing for Mr. Fitzpatrick.

CHAIRWOMAN WEINSTEIN: So now a few ground rules.

Shut off your cellphones.

The governmental witness here today, the commissioner, will have 10 minutes to present her testimony.

When we go to the panels of nongovernmental witnesses, each member of that panel will have three minutes to present their testimony. Just remember, three minutes goes fast.

And we have -- all of your written testimonies have been submitted and are or will be posted on both the Senate and Assembly's websites. So please don't read your testimony, just tell us the highlights.

In terms of questions and answers from the legislators, for the chairs -- in this case, Senator Kavanagh and Assemblymember Rosenthal -- you have 10 minutes to ask questions of our Housing commissioner. Then both chairs can get a three-minute second round if needed.

The rankers on the respective committees, Housing and Ways and Means, have five minutes to ask a question. And all other members of the relevant committee have three minutes.

And just to remind the legislators, the time frame is both for the question and for the answer. So please be kind to the people testifying and don't leave them 10 seconds to answer a lengthy question.

So with that -- oh. Just everybody keep an eye on the clock -- legislators, testifiers. When it's green, you can speak. When it goes yellow, you still can talk, but that means you only have a minute left. And when it's red, it's time to get up.

And Commissioner, if there are questions you don't have time to answer, feel free to -- well, not feel free, but we'd like you to then send written responses to those questions to both the chairs of Ways and Means and Senate Finance.

And with that, with those ground rules -- and we may have some additional members that will come join us -- I'm very happy to welcome the New York State Homes and Community Renewal commissioner and CEO, RuthAnne Visnauskas.

COMMISSIONER VISNAUSKAS: Great. Hi.

Good afternoon and happy Valentine's Day, Chairs Weinstein and Senator Kavanagh. I am RuthAnne Visnauskas, commissioner and CEO of New York State Homes and Community Renewal, and it's my pleasure to testify before you today on Governor Hochul's 2025 Executive Budget and HCR's efforts to address New York's housing crisis.

As the Governor has said repeatedly over the past year, the shortage of housing is driving up costs and driving people out of New York State. And the only thing that will solve this issue is to increase the supply of homes.

If we need more proof that we need a major housing production boom, we have that in the latest Housing and Vacancy Survey, which pegs New York City's rental vacancy rate at a shocking 1.41 percent, the lowest in 56 years. A healthy vacancy rate is considered somewhere between 5 and 8 percent. And for asking rents below $2,400, the availability of units is at a functional zero.

A vacancy rate this low places enormous pressure on our housing market and enormous stress on our families. What is more disheartening than starting your search for housing knowing less than 1 percent of units in New York City are even available to you?

This is exactly why enacting the housing supply elements of Governor Hochul's 2025 budget is more important than ever.

I like to think we may be poised to turn the corner, but while the Governor's 100,000-unit Housing Plan is on track, it cannot, on its own, create the housing that we need in this state. There is no doubt that we still need to generate hundreds of thousands of homes over the next decade to make up for severe underproduction. All communities and levels of government must be part of the solution.

We still need significant legislative changes to allow for production at scale to meet the demand. That is our mission, and it will be our legacy for New Yorkers -- for young people looking to buy a first home, for families that need room to grow, and for older New Yorkers who want to remain in communities they've lived in their entire lives.

We're nearing completion of the second year of the Governor's $25 billion, five-year Housing Plan, and I'm proud to say that in the first two years, we are on track to create and preserve nearly 40,000 affordable homes.

A couple of highlights from the past year. I'm proud to note that New York was the first state to gain approval for our plan to spend $450 million in American Recovery Act funds, and that we have expended all of this federal funding to assist 18,000 households in stabilizing their homes. We provided $26 million to help 24 land banks revitalize communities across the state.

We're delivering $50 million in home repair funds to targeted communities in every part of the state, focusing on communities with the highest rate of homeownership among homeowners of color and where there are significant indicators of housing distress.

We provided $5 million in Main Street Grants to reinvest in our state's Main Streets.

For our affordable home ownership program, we've approved over 500 projected homes for sale so far.

And lastly, our financing programs require stringent design and sustainability guidelines. And through our Clean Energy Initiative with NYSERDA, this year we awarded more than $12 million to 18 different projects that meet or exceed New York State's climate goals.

Nearly every New Yorker understands the huge effort and fortitude it takes to secure a decent, safe and affordable home in the neighborhood of their choice.

The Pro-Housing Community program, launched in 2023, remains a key component to this pressing challenge. Going forward, municipalities will now be required to be certified as pro-housing in order to qualify for up to $650 million in discretionary funding, including the Downtown Revitalization Initiative, the NY Forward program, and our own New York Main Street program.

To further efforts to increase housing supply, the Governor's budget proposes $500 million over two years to assist state agencies in repurposing their properties for housing.

New York City, given its dangerously low vacancy rate and the critical importance of maintaining its status and its world-leading role as an economic driver and a center for creativity, has a real starring role in the budget this year. Legislation to increase the housing supply in New York City includes a new tax incentive for the development of rental housing, an extension of the deadline for developments that were vested in the prior tax incentive program, authority for the city to lift outdated residential density restrictions, a tax incentive to encourage affordable housing in office conversions, and a path towards legalizing existing basement and cellar apartments.

Through it all, we must keep pushing back on discriminatory practices on the part of industries and landlords. We will continue to aggressively enforce the state and federal Fair Housing laws. New Yorkers deserve that respect and protection.

Further, the Governor's plan proposes legislation to increase protections for affordable housing providers by prohibiting insurance carriers from raising premiums or denying coverage based on tenant source of income, the existence of affordable housing units, or if the building's residents are in receipt of government assistance. When these costs go up, they increase the cost of operating housing.

Finally, the Governor has proposed legislation to protect homeowners by creating a clear definition of the crime of deed theft, to enhance enforcement and other measures to prevent against this terrible crime.

I've traveled from one end of New York to the other this past year, attending meetings, taking tours, officiating at ribbon-cuttings and ground-breakings. In Schenectady I helped cut the ribbon on Northside Village, a newly redeveloped public housing complex that will provide 300 modern, affordable and energy-efficient homes. And I was thrilled to celebrate the opening of 55 new apartments at The Green at Garvies Point in Glen Cove, on Long Island's North Shore.

But whatever the location or type of development, I'm always deeply moved by the incredible impact that getting a permanent, safe home has on New York's individuals and families. There is no substitute for that experience. And what remains abundantly clear is that the state's housing crisis will only be remedied with bold and creative solutions that significantly increase our supply and thereby drive down prices.

The urgency of this housing crisis demands action. The Governor's initiatives, as expressed in her Executive Budget, encompass our idea for meeting the housing needs for all New Yorkers, and with your help I know we will meet this challenge head on.

Thank you, and I'm ready to take your questions.

CHAIRWOMAN WEINSTEIN: Thank you.

We go first to the Assembly Housing chair, Assemblywoman Rosenthal.

I just want to acknowledge we've been joined by Assemblywoman Lee and Assemblyman Braunstein and Assemblyman Gallahan.

ASSEMBLYWOMAN ROSENTHAL: Thank you,

Chair Weinstein.

It's good to see everyone. And hello, Commissioner. And hello, out there to everybody in the audience for tuning in to this most important hearing -- the last, but the most important, because it concerns housing.

So, Commissioner, I have a number of different questions. My first question would be -- last year the Governor put no money in for HOPP funding, which you know is used throughout the state and helps keep tenants in their homes and helps homeowners stay in their homes. Yet there's no funding this year in the budget again.

Can you explain why?

COMMISSIONER VISNAUSKAS: Yes. Last year it was a legislative add, and we would look forward to working with the Legislature on that this year as well.

ASSEMBLYWOMAN ROSENTHAL: So the Legislature has to put it in, not the Governor. Even though I think you have cited and the Governor has said how important these kinds of funds are.

COMMISSIONER VISNAUSKAS: Yes, we look forward to working with you to put that in the budget.

ASSEMBLYWOMAN ROSENTHAL: (Laughing.) Okay. So we all know about the housing crisis. And right now there's not enough housing of any type, but there's not enough housing for people who make -- who are low-income earners or even middle-income earners.

So can you tell me over the past 10 years how much affordable housing has been created through the 421-a program? And, if you know, at what income bands.

COMMISSIONER VISNAUSKAS: I believe the stat that's generally been used, you know, in sort of research and press articles is that between 2010 and 2020, about 70,000 units of housing were produced through the program in New York City.

ASSEMBLYWOMAN ROSENTHAL: Okay. And are they all still affordable? Some of them will expire, no?

COMMISSIONER VISNAUSKAS: Those were between 2010 and 2020. I believe those would all still be affordable.

ASSEMBLYWOMAN ROSENTHAL: Okay, can you explain why -- and I know this is not you, but we've heard from developers they're just not building. And why do you think that is?

COMMISSIONER VISNAUSKAS: Well, as you know, that program has expired and it's a sort of quick --

ASSEMBLYWOMAN ROSENTHAL: They're not building anything.

COMMISSIONER VISNAUSKAS: Right, including rental housing. And I think with the absence of that tax exemption, the finances of the rental projects, given the property tax structure in New York City, doesn't sort of pencil or make economic sense.

So you're right, you've seen a decrease in the production of new rental housing since the expiration of the program.

ASSEMBLYWOMAN ROSENTHAL: So you think

that absent a tax incentive there will be no building?

COMMISSIONER VISNAUSKAS: I believe the stat is that 70 percent of the units produced between 2010 and 2020 utilized 421-a. So yes, I think in the absence of that exemption you would see a significant decrease in production.

And we see that now in the permit data, right? There's permit data that is out for 2023 that shows a significant drop in permits last year.

ASSEMBLYWOMAN ROSENTHAL: Okay.

The Governor talks a lot about pro-housing community, but there are scant details in the budget about what that means. And I wonder if you'd explain that.

COMMISSIONER VISNAUSKAS: Sure.

The Pro-Housing Communities program was launched last July -- announced last July by the Governor. And we at HCR opened up the program in September. And localities can apply, there's sort of three steps to apply to get certified.

And as proposed in the budget this year, the certification would be a prerequisite for a series of state funding programs that go to municipalities.

ASSEMBLYWOMAN ROSENTHAL: But that's vague. I mean, can you explain more? Because I've had a lot of people ask me what does it mean, and nobody can figure it out because the details are so sparse.

COMMISSIONER VISNAUSKAS: Sure. Is there anything specifically you'd want me to cover?

ASSEMBLYWOMAN ROSENTHAL: No, no, no. Just -- there's not much info there.

COMMISSIONER VISNAUSKAS: Sure.

So there's three ways that you apply. You submit us a letter of intent. You submit us your zoning code and your building permit data. And then you either, through your building permits, reflect that you have either grown -- which is the third way to get certified, the sort of third piece -- and if you haven't grown, then we would ask that you pass a resolution locally that has a series of sort of pro-housing statements in it about reducing regulation to housing, wanting to grow your housing stock, that type of thing.

Those are the sort of three steps a community has to take to get certified.

ASSEMBLYWOMAN ROSENTHAL: So have any localities been certified so far?

COMMISSIONER VISNAUSKAS: Yes. Twenty have been certified so far, and we have about hundred other localities that we're working with in the process.

ASSEMBLYWOMAN ROSENTHAL: Okay. So Mitchell-Lama is one of the most successful programs, yet many developments are -- well, in my opinion, not supervised properly, and many projects are trying to get out of deep holes because they can't keep up with repairs, et cetera.

I notice there's no money -- it's once again an Assembly and Senate add for Mitchell-Lama funding.

COMMISSIONER VISNAUSKAS: So we had funding in the Housing Plan for Mitchell-Lamas. We -- in the course of the last Housing Plan, we had a series of legislative adds. We have actually just finished spending those down, so we haven't touched any of the $150 million that's in the second Housing Plan. We haven't spent any of that yet, so we didn't feel that we needed any additional funding this year for Mitchell-Lamas since we haven't spent any of that funding yet.

ASSEMBLYWOMAN ROSENTHAL: The previous 421-a program, has HCR identified any particular areas of concern that need to be fixed or adjusted should there be another 421-a-type plan?

COMMISSIONER VISNAUSKAS: I would say that in the proposal from last year, and sort of consistent to this year, there are some changes around reporting. There are changes around affordability. There were obviously parts of the program that people didn't feel were affordable enough, and so some changes to those.

So yes, I would say that I think there's -- has been and sort of continues to be proposals out there for modifications to the program in order for it to be reenacted.

ASSEMBLYWOMAN ROSENTHAL: Do you think that commercial conversions should include affordable housing, and how much?

COMMISSIONER VISNAUSKAS: So the Governor has proposed a tax exemption for commercial conversions in the City of New York that would create affordable housing in them. So yes, we certainly do agree with that.

ASSEMBLYWOMAN ROSENTHAL: But what percentage of these buildings?

COMMISSIONER VISNAUSKAS: It's -- as proposed, 20 percent.

ASSEMBLYWOMAN ROSENTHAL: And do you think that's enough?

COMMISSIONER VISNAUSKAS: I think that commercial conversions are challenging. Right? All the buildings are very different. And what it takes to convert them from a commercial building to residential, I think the economics can be hard for those buildings to be sort of economically viable.

So we felt that that was a good proposal. But as I said, it's -- it's a -- because all the buildings are so different, it's a hard thing to model sort of the finances of those buildings.

But yes, we felt comfortable with 20 percent.

ASSEMBLYWOMAN ROSENTHAL: So the vacancy rate and the number of apartments registered with ORA has dropped. In '23 there were 996,600 rent-stabilized units. And what are -- how many are there now?

COMMISSIONER VISNAUSKAS: Well, the registrations come in on a rolling basis, so that number changes, you know, sort of week by week and month by month as people continue to register. I don't have the current number off the top of my head.

ASSEMBLYWOMAN ROSENTHAL: But there are fewer vacant than there were --

COMMISSIONER VISNAUSKAS: Oh, yes.

ASSEMBLYWOMAN ROSENTHAL: And why is that?

COMMISSIONER VISNAUSKAS: Our -- I

mean, we believe that the spike that we saw two years ago was due to the pandemic, and we are back to historic norms for vacancy in the system. And this is apartments that are vacant as of April 1st each year.

ASSEMBLYWOMAN ROSENTHAL: Okay. Can you tell me how much -- of the $4.5 billion five-year Housing Plan, how much of the money has been spent?

COMMISSIONER VISNAUSKAS: We can give you sort of a breakdown probably program by program.

When we laid it out initially, we assumed that we would spend, you know, sort of on average about 20 percent of it each year. But some of our programs, especially when they're new -- like, for example, our homeownership program we started last year, we didn't spend any of that money last year. We are starting to spend that this year, so some of it has lagged.

But we can get you a program-by-program spend.

ASSEMBLYWOMAN ROSENTHAL: Okay. How

long are PARs taking to deal with? Because I have some constituents waiting two years for any kind of decision from HCR, which puts them in a funny position.

COMMISSIONER VISNAUSKAS: Yeah. So I guess I would say in the case of PARs, they are all different, right, because they're very fact-specific and case-specific.

I don't know what our sort of average time is by type, but we'd be -- we'd be happy to circle back with you if there's specific types that you're -- if you want to know how long the PARs are taking, we can follow up.

ASSEMBLYWOMAN ROSENTHAL: Okay.

How many people are employed in the Tenant Protection Unit?

COMMISSIONER VISNAUSKAS: We have 25 current employees.

ASSEMBLYWOMAN ROSENTHAL: And are there allocations for more?

COMMISSIONER VISNAUSKAS: Yes. We're currently hiring. As you recall from the budget last year, we expanded up into the Hudson Valley. And so we are still doing some recruiting to get staff to work in that part of the state.

But we are actively looking for people.

ASSEMBLYWOMAN ROSENTHAL: So in terms of keeping tenants in their homes and providing advice to homeowners, there are NPPs and RPPs that the Governor cut the funding and the Legislature added millions of dollars.

Isn't it worthwhile to fund that? Why didn't the Governor fund that?

COMMISSIONER VISNAUSKAS: The program is back funded at its traditional sort of base amount. And we will continue to administer those contracts as funded in the budget process.

ASSEMBLYWOMAN ROSENTHAL: I know you will, but why wasn't the -- why weren't these programs important enough for the Governor to fund? Because they are clearly successful; they are oversubscribed. And they need a lot more money to keep people in their homes.

COMMISSIONER VISNAUSKAS: I think we

would look forward to working with the Legislature if you want to add additional funding to those programs.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate.

SENATOR KAVANAGH: Thank you.

It's good to see you here, and Team HCR. I think we have some representatives from the Governor's office here as well.

Just a few questions about some of the funding items that were included last year and again, as you noted in the prior testimony, partly as a response to some legislative adds.

But the -- there's $50 million in -- in multiple -- most years we've added money for Mitchell-Lama assistance in capital, on the capital side. Last year there was $50 million. This year there's nothing in the Executive Budget for that.

Can you just talk about the status of past capital allocations for Mitchell-Lamas and sort of whether you have money on hand or whether -- how much of an additional need there might be for that?

COMMISSIONER VISNAUSKAS: Yes. As I had mentioned, we -- in the course of the first Housing Plan we started with I think it was 125 or $150 million, and then we got a series of legislative adds -- 100, 125, 25. And so we -- and then we started the second Housing Plan two years ago with 150.

So we have actually, in the last year or two, still been spending down the money from the first Housing Plan, spending down those legislative adds. So at this point we haven't actually touched a dollar of the new Housing Plan, 150 million.

So we will begin this year to spend that down. And, you know, certainly we'll continue to spend as needed. And if we need additional funds, we will come back and ask for that.

SENATOR KAVANAGH: And how many projects have been funded through that -- Mitchell-Lama projects have been funded through that in the past?

COMMISSIONER VISNAUSKAS: We haven't -- I don't have a specific number on that, but we can get you a list of everything we've financed.

SENATOR KAVANAGH: Both the number and a list of projects.

COMMISSIONER VISNAUSKAS: Yeah, absolutely.

SENATOR KAVANAGH: I appreciate it.

COMMISSIONER VISNAUSKAS: Sure.

SENATOR KAVANAGH: And just -- I'll just say I share my colleague Linda Rosenthal's concern about the lack of funding for HOPP and reductions in Neighborhood and Rural Preservation Programs and also something that isn't directly in your bailiwick, but the reduction in funding for legal services for people facing eviction. And again, that I assume will be a subject of negotiations in the next month or so.

I want to talk a little bit more in detail about the Pro-Housing program. So you said you've received a total of about

120 applications and about 20 have been approved so far. Have any been rejected?

COMMISSIONER VISNAUSKAS: No, no one's been rejected.

SENATOR KAVANAGH: Okay. Is there a deadline by which people need to apply if they want to receive --

COMMISSIONER VISNAUSKAS: So we didn't start the program with a deadline because we didn't feel that we were -- you know, we wanted people to take their time and, if they have to go through to pass a resolution, to have the time to do that.

I think there's certainly -- everybody loves, you know, a deadline. It does get people to take action. But I think at this point, given that we have a hundred communities that we're working with, I don't think we feel the need to impose a deadline, and we'll just keep working with those communities to get them through the process.

SENATOR KAVANAGH: Okay. And is Pro-Housing certification sort of a permanent status? Does it expire? Does it need to be renewed?

COMMISSIONER VISNAUSKAS: So one of the key parts of this that, you know, may not be so obvious in sort of the three-step process, is submission of data. And so we are working to get that data up into a statewide database so there's more transparency about zoning and also about building permits across the state.

So localities will have to submit us permit data every year to maintain their status, and we will then keep that in this sort of transparent database so that we can see housing growth over the state across time.

SENATOR KAVANAGH: So in principle, if a locality failed to provide data -- you know, maybe there could be some change in the political control or administration of a locality -- if they chose not to continue to submit data, at some point they would cease to be considered Pro-Housing for these programs.

So this is a program, as you noted,

that was created by kind of executive action during the summer. We have heard questions about the legal authority to make -- to condition these existing programs on pro-housing certification.

Can you just talk about how the programs that are the subject of this were selected and kind of what the legal authority is to do that?

COMMISSIONER VISNAUSKAS: Sure.

We were looking at discretionary state funding programs, so not things that go by formula or like federal pass-throughs. So we were looking at discretionary programs that municipalities apply for, because this is a municipality-based program, not sort of project-specific, unlike other things that we fund at the state.

So we looked at a series of programs, the ones that are sort of outlined in the budget include DRI and NY Forward as well as one at DOT, and selected a series of programs that we thought made sense and were important and we feel that the language in the budget give us the legal authority to do the conditioning.

SENATOR KAVANAGH: And the language in the budget applies to some of the programs but not others, is that right?

COMMISSIONER VISNAUSKAS: Only the ones that had reappropriation language that actually went into the budget. But we can still do it on the others, they just didn't have reappropriation language.

SENATOR KAVANAGH: I see. So the budget seeks authority to condition those for those specific programs but not for -- the -- the deciding factor on whether that language included in the budget is whether those programs would otherwise have been mentioned?

COMMISSIONER VISNAUSKAS: Were otherwise in the budget for appropriation, yeah.

SENATOR KAVANAGH: Okay. I think probably some clarity in that would be useful.

COMMISSIONER VISNAUSKAS: Okay.

SENATOR KAVANAGH: The RUSH program --

and I'm going to resist jokes about these rock-and-roll bands from Canada, but -- although -- because I've gotten them out of my system in the last couple of weeks.

But just there are three sites chosen that are specifically mentioned in the budget documents, but there's been talk about other sites that might -- that the Governor has talked publicly about: A former prison in Dutchess County, Creedmoor in Queens. There's been talk generally about MTA sites that might be appropriate for conversion to housing.

Can you just talk about the choice of the three sites that are mentioned and kind of what the sort of potential future of this program is over the coming year?

COMMISSIONER VISNAUSKAS: Yes.

As you may recall, in July when the Governor did the EO announcements, part and parcel to that was sort of a call to the agencies around public sites and her effort to, you know, make sure she's contributing to the overall housing supply needs in every way that she can.

So there has been a very robust effort with the agencies to look through sites that can be made available for housing. The sites are not finalized, but there are -- we have been looking, as you mentioned, at MTA sites, at SUNY sites, at state prisons and other state facilities. And then the funding is there to pay for infrastructure that's needed to make those sites developable.

The couple of cites that you mentioned that are in the budget language this year are the ones that needed some technical changes to their statutory language in order to be able to facilitate the development of housing there. But that's primarily why they're mentioned, because they needed legislative changes.

SENATOR KAVANAGH: And you and I had the opportunity to have this conversation offline, but there's a $250 million allocation for this program. If my understanding is correct, that's not necessarily earmarked for these three specific sites, it's for a broader program to reuse state sites.

COMMISSIONER VISNAUSKAS: Correct. It's to get at the overall 15,000 units that we are hoping to produce on state-owned sites.

SENATOR KAVANAGH: Okay. And could the administration provide additional -- you know, a list of potential sites that -- I think it would just be helpful in considering an allocation if we actually knew where we might be -- you know, might be considering doing the work.

COMMISSIONER VISNAUSKAS: I'm sure we can get back to you on that. We have a -- as I said, there is not a final list of sites. We are sort of working through -- there's a lot of state-owned sites to be --

SENATOR KAVANAGH: It will probably never be final, but yeah.

I mean, I think people were surprised that there are SUNY sites but only in Suffolk County, when obviously SUNY has a lot of land in a lot of other places. And the same with the MTA.

And there's no -- there's not much language in here about what would happen at the sites that are enumerated. There's talk about housing with respect to a DOT site that says "Uses approved by the DOT commissioner." I think the commissioner in that reference is the DOT commissioner, not you.

COMMISSIONER VISNAUSKAS: I believe so.

SENATOR KAVANAGH: Is there a point where we flesh out -- I mean, will there be affordability requirements, will there be other -- I mean, it's very vague for a quarter-billion-dollar allocation at this point.

COMMISSIONER VISNAUSKAS: Yes, I guess I would say a couple of things.

One is we felt it was important to make sure we had funds so we could know that we could move forward on sites that actually need infrastructure improvements to make them sort of ready to be developed for housing.

I would say that we have found, in

working in partnership with ESD, that sort of conditions are different on all the sites and in all the communities in terms of what gets produced. So I don't think there's sort of a single answer for what kind of housing we would expect in any of these sites. I think it's going to be a conversation, you know, in the local communities about what's -- about what gets built.

SENATOR KAVANAGH: But just in the course of budget negotiations, do you think the administration would be willing to have a negotiation about what the sort of parameters of this are going to be before we --

COMMISSIONER VISNAUSKAS: I don't generally sit at those negotiating tables, Senator, but I suspect those questions will come up.

SENATOR KAVANAGH: We'll have you appear as a special guest, a star at those tables.

The -- oh, just one more question about that. The DOT proposal is quite specific, as there are subparts -- there's

Subpart C, which is eligible for conveyance and Subparts A and B are for ground lease only. Do you have a sense of how that proposal is structured and why?

COMMISSIONER VISNAUSKAS: I believe -- I'm not totally sure which subparts are which, but that the language is there to provide flexibility in how disposition can happen, whether that's a real property transfer versus a subleasing of a portion of a larger site.

So I think that language is getting at that, but we can follow up with you on more specifics.

SENATOR KAVANAGH: Okay. And just one more question about this.

The $250 million, the capital goes through the Empire State Development Corporation rather than the housing agency. Is there -- I mean, understanding that ESD might be helping structure the property transactions and other things, but why would we give another agency $250 million rather than providing it -- you know, you're managing billions of dollars in capital to provide housing. Why wouldn't you be the appropriate agency to manage that as well?

COMMISSIONER VISNAUSKAS: So it's not a subsidy for housing, it is funding to pay for roads and water and sewer or to do demolition on buildings or other types of work that isn't generally things that we would pay for through our typical programs.

CHAIRWOMAN WEINSTEIN: Thank you.

SENATOR KAVANAGH: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

SENATOR KAVANAGH: Can I just -- we also -- just to note, we've also been joined by Senator Robert Jackson.

CHAIRWOMAN WEINSTEIN: Thank you.

And on the Assembly side, we've been joined by Assemblymembers Levenberg, Lucas and Kelles.

And we go to the ranker on Housing -- well, the substitute ranker on Housing, Assemblyman Keith Brown, for five minutes.

ASSEMBLYMAN KEITH BROWN: I'm going to do my best job impersonating Mike

Fitzpatrick. So --

SENATOR O'MARA: Just quickly, we've been joined on our side by Senator Jack Martins. Thank you.

ASSEMBLYMAN KEITH BROWN: Good afternoon, Commissioner. How are you today?

COMMISSIONER VISNAUSKAS: Good, thank you.

ASSEMBLYMAN KEITH BROWN: In your opening -- I only have five minutes, so I'm going to ask a lot of quick questions, and if you'd keep your answers as short as possible.

So in your opening you mentioned that housing was driving up costs and driving people out of New York State. I would just add a qualifier to that, that I also believe it's high taxes and the high cost of living that go along with that.

With regard to the repurposing of real property at SUNY campuses -- namely, Farmingdale and Stony Brook on Long Island -- you mentioned you'll be working in conjunction with ESD. And it was kind of vague in terms of what type of housing uses would be -- that you anticipate building there, and how many units will be there and who will be eligible to live at those locations.

Have there been any discussions with you and ESD about that? And have you had any discussions with the supervisor of either Huntington or the Township of Southampton, where they're located?

COMMISSIONER VISNAUSKAS: I think the idea with the state sites generally is that there are going to be conversations at the local level about what gets built there. So there is no sort of master plan for the sites already about what's getting built in each place. This is just the beginning of a longer process.

ASSEMBLYMAN KEITH BROWN: Along those lines, my understanding is President Nadler of SUNY Farmingdale has asked for housing specifically for staff and for professors. So is that the idea of building the housing there, or is it for some workforce housing or affordable housing of some type?

COMMISSIONER VISNAUSKAS: I admit I was not involved in any conversations with the chancellor there and what they're looking for, so I wouldn't be able to speak to that.

ASSEMBLYMAN KEITH BROWN: Okay. And then I saw somewhere in the budget it indicated eliminating SEQR review from some of these housing proposals. Is it related to the SUNY property itself?

COMMISSIONER VISNAUSKAS: I'd have to get back to you on that. I'm not sure that there is any SUNY-specific SEQR changes.

ASSEMBLYMAN KEITH BROWN: Well, some elimination of SEQR review was in the budget somewhere related to housing. And if you could get back to me and --

COMMISSIONER VISNAUSKAS: Sure.

ASSEMBLYMAN KEITH BROWN: -- find out where that is, that would be important for us to know.

Just in general, with the last question on this topic, how would any affordable housing or workforce housing -- how would they mix with the student population that are located on those campuses? Or would they be allowed to mix?

COMMISSIONER VISNAUSKAS: I think there have been some successful examples actually on some other SUNY campuses where they have built senior housing, for example, or other types of housing.

I mean, they're not building it sort of in the middle of their campus, right? These campuses tend to be quite large and have parcels that are sort of far away from the sort of the central hub of the campus. So I think this -- I don't think these are intended to be housing units that are sort of built in the middle of the campuses as much as utilizing the land that they have available.

ASSEMBLYMAN KEITH BROWN: Okay. And a question that Senator Mattera had asked me to ask.

Relative to Southampton, has there been any discussion about possibly building a hospital on the Southampton campus?

COMMISSIONER VISNAUSKAS: I'm not

aware of those discussions.

ASSEMBLYMAN KEITH BROWN: Okay. Switching gears to Pro-Housing Community designation, there's no mention anywhere of transit-oriented development housing. Was that on purpose, or is more to come?

COMMISSIONER VISNAUSKAS: We would be delighted for localities to, you know, rezone around their transit hubs for residential density. It's certainly something we've been talking about for the last year.

ASSEMBLYMAN KEITH BROWN: Right. And interestingly, when it comes to this, this was by Executive Order of the Governor No. 30 in July. But there was supposed to be some language mandating -- but it's not listed in the program -- that would require the certification that would -- it had to be in place in order to receive those funds, such as DRI and Main Street money, et cetera.

So it's not in this budget. Do you -- is there going to be an amendment that comes out later on?

COMMISSIONER VISNAUSKAS: No, there is

language in the budget that says these funds may be conditioned upon certification of the Pro-Housing --

ASSEMBLYMAN KEITH BROWN: May be conditioned, but not mandatory.

COMMISSIONER VISNAUSKAS: I believe that language allows us to make it a requirement.

ASSEMBLYMAN KEITH BROWN: Okay. So -- and then what about municipalities that received DR money already? Are they grandfathered in? Is it going to become effective in Round 8?

COMMISSIONER VISNAUSKAS: It would be for the prospective rounds.

ASSEMBLYMAN KEITH BROWN: Okay. And then I took a look at the resolution just in case some of my municipalities want to adopt it, and the language is pretty vague. Right? It's kind of aspirational, not mandatory.

So again, my question related to eliminating SEQR. But the one question I had was No. 4 it says "increasing development capacity for residential uses." Could you explain what was meant by that? Because that's a little vague.

COMMISSIONER VISNAUSKAS: I think it depends on the locality. That can mean different things. But for some places, that could be investments in something like water and sewer and roads, and in other places it could be schools. I think it's making sure that localities are investing in being able to accommodate additional housing growth in ways beyond just the housing.

ASSEMBLYMAN KEITH BROWN: Okay. I have 20 seconds left.

So Blue Buffers Buyout Program. We have a couple of peninsulas in my district, Asharoken being one of them. How would homeowners' purchase price be related to fair market value? And then how would it relate to the tax rolls? Would the tax rolls be based on vacant value?

COMMISSIONER VISNAUSKAS: We'd be happy to follow up with you. That's a rather detailed question for five seconds.

But we have had a program like this in

the Governor's Office of Storm Recovery, and so we can talk through how those programs worked in the past and how we're thinking about it going forward.

ASSEMBLYMAN KEITH BROWN: Thank you very much.

Thank you, Chair.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate.

SENATOR KAVANAGH: {Mic off; inaudible.}

SENATOR HELMING: Thank you, Senator Kavanagh.

Thank you, Commissioner, for your testimony.

I also want to thank you because your office and you personally are always available and ready to answer questions, so I really appreciate that.

COMMISSIONER VISNAUSKAS: Thanks.

SENATOR HELMING: The most recent time I think we spoke was back in July surrounding the flooding incident that occurred throughout the state. But in my district in

Ontario County -- again, I appreciate the responsiveness. Unfortunately, some of the response we got about how can we assist homeowners who are impacted or renters who are impacted by the flooding, their homes were devastated, it took a long time for the Governor to come out with an announcement that there will be funding available.

And then, unfortunately, most of my residents didn't qualify. It was the Emergency Homeowner Assistance program. And there was discussion at that time that we need the language, work with the feds to get the criteria changed.

Has there been any progress?

COMMISSIONER VISNAUSKAS: I don't think we've had a lot of progress with the federal government changing their process and standards.

SENATOR HELMING: Is there anything in -- realizing this is going to be a problem that continues, is there anything in the HCR portion of the budget that would allow us to be more responsive and to help more people?

COMMISSIONER VISNAUSKAS: Yes. So we put $40 million in the budget this year in a program called Resilient and Ready -- I might have flipped the words, it might be -- but it's called something like Resilient and Ready.

And the idea there is to be able to make both proactive investments and resiliencies -- so getting people to put their mechanicals above-grade or working with putting in basement vents, the types of things that people often need in their homes before a flood happens.

So we are really looking forward to that rolling out and being available.

SENATOR HELMING: I'm going to move on. I -- so many questions, so little time.

COMMISSIONER VISNAUSKAS: Sorry. That's okay, yeah.

SENATOR HELMING: But just moving on to rent-stabilized apartments. I've seen so many examples of apartments that are in poor condition, and the reason boils down to because the monthly rent isn't enough --

doesn't generate enough revenue for the landlord to afford investment in revitalizing these units.

I know this personally. I live in what I lovingly refer to as the Great White Money Pit, an older home that the cost in repairs, maintenance is just out of control.

And what I've witnessed seems to be supported by HCR's annual report on rent-regulated housing. These reports suggest there's been a dramatic drop-off in total dollar value of major capital improvements applied for and granted to owners of multiple dwellings over the last five years.

What are we doing to address that?

COMMISSIONER VISNAUSKAS: We have seen certainly a drop in applications of different types in the overall rent-stabilized stock.

And certainly I have read, you know, articles similar to how you mentioned about apartments needing large amounts of investment.

You know, we have a series of programs

that we have available at HCR that property owners can access in order to make capital investments into their properties for roofs and boilers and windows and those types of investments. And we always encourage owners of rent-stabilized properties to come take advantage of those.

So, you know, we will continue to do that. And obviously if there are specific owners that are in need or buildings in need, we're happy to work with them directly.

SENATOR HELMING: Thank you.

And I'll just add that, you know, the incredible burden of putting more and more regulations on people -- the fact that we pay some of the highest property taxes in the state -- none of that is happening. And I hope that we're considering that when we look at policies, when we look at programs.

Real quick, in the proposed budget the Governor is advocating for taking money away from various housing programs. We heard about HOPP, we heard about Rural Preservation. But programs that have been affected in my district also include the land banks. We had extensive conversations about this in the past. Is it true that $10 million is being removed from land banks?

COMMISSIONER VISNAUSKAS: No. I believe there was a legislative add last year that just didn't get renewed.

But we still have over $20 million of land bank money that --

SENATOR HELMING: Not enough.

COMMISSIONER VISNAUSKAS: -- that we will spend this year, so.

SENATOR HELMING: We need more.

Some of my colleagues touched on this. Part P of ELFA allows the repurposing of properties owned by SUNY and DOT. Are these properties going to be used for residential purposes?

COMMISSIONER VISNAUSKAS: Yes. The idea is to utilize properties for residential --

SENATOR HELMING: Thank you. And will the state have to conform to local zoning codes with those properties?

COMMISSIONER VISNAUSKAS: I think in the case of SUNY -- we could follow-up with you specifically on those sites. I don't know their zoning well enough to answer that.

SENATOR HELMING: I appreciate that.

But again, it seems like the Governor tries to strip away local decision-making, and I would hate -- I would not support that on the SUNY campuses or state-owned properties.

Really quick -- I only have a couple of seconds, but I need to put in a plug on this Pro-Housing certification. Look, my rural communities are struggling. The counties got stripped of their EFMAP funding, millions and millions of dollars, last year. They don't have money -- unless they raise property taxes -- to put into wastewater treatments, water treatment plants, sewer infrastructure, public drinking water. And then for them to be penalized, municipalities and counties and everyone else, on top of that for the Downtown Revitalization funding and everything else, it's bad.

If you want more development, more housing, we need to do more to invest in infrastructure.

And small communities can't compete with the large communities on the grant programs --

CHAIRWOMAN WEINSTEIN: Senator?

SENATOR HELMING: That's a response I get all the time. But it doesn't work. They don't have the manpower.

CHAIRWOMAN WEINSTEIN: Thank -- thank you, Senator.

We go to Assemblyman Ra, ranker on Ways and Means.

ASSEMBLYMAN RA: Thank you.

Commissioner, so according to the annual report from your agency on rent-regulated housing there's been a dramatic drop-off in the total value of major capital improvements applied for and granted to owners of multiple dwellings over the last five years. Are you concerned about this lack of investment in the aging affordable housing stock?

COMMISSIONER VISNAUSKAS: I think we want to -- you know, always want to make sure that owners, where it's needed, are making investments in the housing stock.

We haven't seen sort of a rise in service cases or something that you might see as a sort of counter-reflection to lack of MCIs, so we don't have, I think, a cause for concern based on that data.

ASSEMBLYMAN RA: Do you think that the $15,000 cap over a 15-year period makes sense given the age of these units and the work that may be necessary on them?

COMMISSIONER VISNAUSKAS: I would say that we certainly hear from a lot of owners that that is not enough and that many apartments need more investment than that.

ASSEMBLYMAN RA: Okay. And my understanding is just last Thursday New York City released their most recent housing and vacancy survey, and it had the first increase in 35 years in dilapidated housing conditions in rent-regulated housing, which the number had been continuously going down up until about three years ago.

So what role do you envision for HCR in ensuring the viability of this rent-regulated housing?

COMMISSIONER VISNAUSKAS: Well, certainly we work collaboratively with the City of New York, who enforces the Housing Maintenance Code, which is really sort of the source of sort of the conditions inside the city's rent-stabilized stock.

And for our part, we will make sure, as I said, either whether it's in service cases or other cases like that, that they are responded to quickly so that we make sure that the housing stays habitable.

ASSEMBLYMAN RA: One of the things that's come up in recent days was regarding New York Community Bank and the ability of rent-stabilized buildings to obtain refinancing.

Is that a concern for the department? And, you know, what are we looking at to try to make sure that that financing is available?

COMMISSIONER VISNAUSKAS: I would say a couple of things.

Certainly for the housing that we finance, we are working on sort of 30 -- we lend on 30-year fixed rate mortgages. So for our portfolio, the change in interest rates that impacted a lot of the New York Community Bank and other type of banking loans that you read about doesn't affect our direct portfolio.

I think certainly for lots of rent-stabilized buildings who have longer-term debt on them, the sort of rate increase -- recent increases, you know, don't necessarily impact their operating expenses.

We obviously don't have a lot of control over owners who take out loans that have shorter terms and therefore are subject to interest rate risk. But we are happy -- again, sort of as I mentioned before, we're happy to work with those owners should they want to come to us for financing that is more long-term and fixed-rate.

ASSEMBLYMAN RA: And just back in

terms of MCIs, you know, the current rate of return, is that going to be enough when rent-stabilized buildings have to be able to make the investments that are required of them to comply with the new building emission reductions that are required under Local Law 97?

COMMISSIONER VISNAUSKAS: Look, our role in this obviously is to enforce the law and to process MCI applications as they come in.

We certainly have heard, and I think the city is very acutely aware of the challenges of Local Law 97 and what incentives or tools may be needed to make sure that buildings can make those investments to meet those goals.

ASSEMBLYMAN RA: Okay. And then just lastly, going to a different topic, the Pro-Housing designation. You know, one of the issues that I'm hearing from many local governments -- and I have a local government within my district who has received the designation, and they've built a lot of housing in recent years.

But there's also a lot of places on Long Island that need sewers and all kinds of other infrastructure. So, you know, trying to get the designation on the front end may be more difficult if they're not able to access the funding that they're going to need to do those types of infrastructure improvements to allow for them to build.

COMMISSIONER VISNAUSKAS: Yeah, I would just say that there is no sort of water/sewer type infrastructure money that is limited or conditioned. The funding that's conditioned is other sort of state discretionary dollars.

And we would, you know, certainly be happy to work with those communities in your district that need additional resources.

ASSEMBLYMAN RA: Okay. Thank you.

And -- well, since I still have 30 seconds.

(Laughter.)

ASSEMBLYMAN RA: So you mentioned the -- right, it says that it may be conditioned. So -- but it's basically the intention that those -- all those different grant programs will be conditioned on having that designation going forward?

COMMISSIONER VISNAUSKAS: Yes, the language gives us the authorization to make the conditional -- to make it a requirement.

ASSEMBLYMAN RA: And that's the intention of the agency, is to make a requirement?

COMMISSIONER VISNAUSKAS: Yes.

ASSEMBLYMAN RA: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We've been joined by Assemblywoman Chandler-Waterman and Assemblyman Al Taylor.

Now we go to the Senate.

SENATOR KAVANAGH: Next up for questions we'll have Senator Myrie.

SENATOR MYRIE: Thank you.

Good morning --

COMMISSIONER VISNAUSKAS: Good morning.

SENATOR MYRIE: -- and thank you for coming. Happy Valentine's Day.

I'd like to align myself with the Governor's efforts to aggressively but responsibly build our supply. I think that is something that we all should be focused on, and we stand ready to get that across the finish line.

But I'm also looking at this report I think just published today by Comptroller DiNapoli entitled "The Housing Insecurity Crisis." And the report notes that evictions were up, post the moratoria ending, about 180 percent -- and so many more New Yorkers are being put out -- but it's still 27 percent less than pre-pandemic levels because of what we did in the Housing Stability and Tenant Protection Act.

So I would urge all of us, as we're having this conversation about housing, to ensure that tenant protections remain at the fore of that conversation because we see the real-life impact on that.

I'd also note that it is my understanding there's no capital funding for NYCHA in the Executive Budget. I know we were all appalled by the allegations that we saw last week by the U.S. Attorney's office. I would hope that as we go through this budget process that NYCHA and public housing residents both in and outside of New York City will not be forgotten.

But I want to get to my main and only question -- and some of my colleagues have spoken about this before -- in regards to repurposing of SUNY property. In my district I have a large SUNY property that you may have heard of, the Downstate Medical Center. And as proposed by the chancellor, there is a so-called transformation plan that includes in that, hypothetically, some type of housing.

That would have to go through your agency. And I'm wondering if anyone in the chancellor's office or the Governor's office has discussed housing on SUNY Downstate.

COMMISSIONER VISNAUSKAS: My understanding is that those plans and conversations are very preliminary, so I'm not aware of any specifics on housing for that site other than what's sort of been reported and discussed.

SENATOR MYRIE: Okay. Thank you.

CHAIRWOMAN WEINSTEIN: Assemblyman Dilan.

ASSEMBLYMAN DILAN: Thank you, Madam Chair.

And to Commissioner Visnauskas, good to see you.

COMMISSIONER VISNAUSKAS: You too.

ASSEMBLYMAN DILAN: I just have a brief question around a program that looks to be new in this year's budget, and that's the creation of a new tax abatement for rental construction housing, which I believe is where tax policy should be directed because that's where the demand is. And your housing -- or the city's housing vacancy survey even states that.

But I wanted to know -- and I asked this of the Tax commissioner earlier. She said it would be more appropriate for you. Can you give us more details about how this tax abatement program would work? Like what's the level of abatement? For how long? How deep are the AMI levels?

And I see it's subject to some negotiations in the MOU. Could you just explain that as best you can?

COMMISSIONER VISNAUSKAS: Sure.

So, you know, as you will recall, we have proposed a version of this tax exemption last year that was not successful. And so this year we came back and have a sort of a slightly different structure where there are certain things in the proposal that are kind of clear, and then we left a lot of sort of variables sort of more to be figured out either through the budget process or in consultation with the city.

So as you mentioned, so for 485-x, which is where we are in the numbering this year, the proposal would be for new construction of rental housing in New York City, and then it sets sort of a specified -- a to-be-specified percentage in AMI that we imagine would work consultively with the City of New York to finalize what that is. It is their tax incentive program that they implement. We very much want their sort of input on this as we go through the process.

I would say that the city designed their mandatory inclusionary program, which creates permanently affordable housing, to work in conjunction with the tax exemption. So that's sort of another reason why we left it a little more open this year for sort of consultation with them and to be worked out through the process.

The thing that is in there that is consistent with from years past is that the units would be permanently affordable.

ASSEMBLYMAN DILAN: Okay. This doesn't say the level of abatement that potential developers would see at this point? That's subject to negotiation?

COMMISSIONER VISNAUSKAS: So those I think are left to be worked out as part of this process or in consultation with the city.

ASSEMBLYMAN DILAN: So in theory we could pass this and not know the level of the abatement, not know the details, and it would be subject to the city even though we voted on it, we passed it?

COMMISSIONER VISNAUSKAS: I mean, I think it can get worked out in the budget process or, if not, it would defer to the City of New York to figure out what they believe works with their mandatory inclusionary program and their other goals for their housing program.

ASSEMBLYMAN DILAN: Okay. Thank you.

Thank you, Madam Chair.

CHAIRWOMAN WEINSTEIN: Senate?

SENATOR KAVANAGH: Next up, Senator Hoylman.

SENATOR HOYLMAN-SIGAL: Good morning. Nice to see you.

Thank you for your succinct answers. It really has moved the conversation along.

Are we keeping track, Commissioner, of vacant apartments?

COMMISSIONER VISNAUSKAS: So our system requires that landlords register the status of their apartments on April 1st of every year. And so we know the status of the rent -- I assume you mean the rent-stabilized stock. We know the status of the apartments in the rent-stabilized stock -- we know the status as of April 1st each year.

SENATOR HOYLMAN-SIGAL: Is there a trend line that you can share with us in terms of vacancies?

COMMISSIONER VISNAUSKAS: We -- as I had mentioned before, there was a bit of a spike in post-pandemic in 2021, but we are today back to certain normalized levels of vacancy, which is about sub 40,000 units as of that April 1 deadline, which is sort of a historical norm.

SENATOR HOYLMAN-SIGAL: And can we hold landlords to account for those vacancies in any way that you know?

COMMISSIONER VISNAUSKAS: Well, generally we see that in a -- like a subsequent registration year the units that are vacant are different units. So it isn't units that are being vacant -- or that are being held vacant for multiple years, they are just vacant at that moment in their cycle and oftentimes are then rented when it comes to the next cycle.

So I'm not sure if that answers your accounting ability.

SENATOR HOYLMAN-SIGAL: Yeah.

And how about NYCHA? Are you following vacancies in NYCHA developments?

COMMISSIONER VISNAUSKAS: No, I don't have any awareness of vacancies in NYCHA.

SENATOR HOYLMAN-SIGAL: And why is that?

COMMISSIONER VISNAUSKAS: We don't oversee NYCHA.

SENATOR HOYLMAN-SIGAL: So that information is not shared with the state housing authority at all.

COMMISSIONER VISNAUSKAS: No. I mean they're regulated by the federal government, right, and they report in to the city administration. So we don't receive data on their apartments as a whole.

SENATOR HOYLMAN-SIGAL: Speaking of the city, how closely are you working with the city administration on the mayor's City of Yes proposal?

COMMISSIONER VISNAUSKAS: We have a very collaborative relationship with HPD and HTC on our housing pipelines.

SENATOR HOYLMAN-SIGAL: Is there anything in his legislation agenda that you think is a must-do on the part of the Legislature?

COMMISSIONER VISNAUSKAS: I mean, I think this -- we and the city have sort of consistently, I think, in our conversation about supply talked about the need for a tax incentive for new construction of rental housing, we've talked about a tax incentive for commercial housing. We would very much like to see some authorization for legalization of basement apartments in New York City as well as a removal from the state law of the residential density cap so that the city can make decisions themselves about where to have residential density.

So I think we are aligned on all of those -- you know, our sort of supply package this year as it relates to New York City.

(Interruption by protestors.)

CHAIRWOMAN WEINSTEIN: Please sit down.

(Protestors continue.)

CHAIRWOMAN WEINSTEIN: You are out of order. Please -- please sit down so we can continue our hearing.

(Protestors continue.)

CHAIRWOMAN WEINSTEIN: I would -- please -- please respect the hearing. We would just --

(Protest continues.)

CHAIRWOMAN WEINSTEIN: Plea -- plea -- I would just like to clarify for the --

(Protest continues.)

CHAIRWOMAN WEINSTEIN: We're going to take a --

(Protest continues.)

CHAIRWOMAN WEINSTEIN: Every person -- not to get a back-and-forth, but every individual or organization that requests -- every individual or organization that requested to testify at this hearing and submitted their testimony according to the rules posted on the Assembly and Senate's websites, are listed to testify today.

(Overtalk.)

CHAIRWOMAN WEINSTEIN: If people failed -- if people failed to submit their testimony, they can submit in writing by the end of today and it will be posted on the Assembly/Senate's websites.

(Protest continues.)

CHAIRWOMAN WEINSTEIN: Can we give Senator -- can we add another minute to the time clock.

SENATOR HOYLMAN-SIGAL: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

SENATOR HOYLMAN-SIGAL: Thank you very much.

In the Pro-Housing Community program, is there anything to incentivize localities to streamline their approvals process?

COMMISSIONER VISNAUSKAS: Look, in the resolution -- so you can get certified one of two ways, right? One is you're either growing, which we would like to think is a reflection that you have a good system.

Or the other is you've passed a resolution and the resolution has a series of affirmative statements, and one is about reducing barriers to housing or reducing regulations.

So we are hoping that as communities want to apply and certify, that they will be doing those things.

SENATOR HOYLMAN-SIGAL: Are you assisting them with ideas on how to do that?

COMMISSIONER VISNAUSKAS: We are -- you know, we generally make ourselves available. We've been doing a lot of webinars and a lot of outreach. And I myself have gone out to a lot of meetings and talked to people.

So we will make ourselves as available as we can be to provide guidance on whatever it is they need from us.

SENATOR HOYLMAN-SIGAL: And what's your enforcement mechanism to ensure that the locality is in fact doing what they say they're doing?

COMMISSIONER VISNAUSKAS: Well, as you know, we're in a carrot, not stick, structure.

SENATOR HOYLMAN-SIGAL: Yes. So once you give them the carrots, what do you do?

COMMISSIONER VISNAUSKAS: It is just a carrot structure so that -- the idea is that they get certified. They are then eligible to apply --

SENATOR HOYLMAN-SIGAL: Can you claw back any of the grants or rewards if in fact they renege?

COMMISSIONER VISNAUSKAS: Well, there is no -- once you get certified, you have to submit us your data on an ongoing basis to remain certified. So if you are awarded, then you would receive that award, we wouldn't take it back. But going forward, you would then not be eligible for future rounds of grants.

SENATOR HOYLMAN-SIGAL: So it's an annual --

COMMISSIONER VISNAUSKAS: -- certification.

SENATOR HOYLMAN-SIGAL: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblyman Epstein.

ASSEMBLYMAN EPSTEIN: Thank you, Commissioner, for being here. It's good seeing you.

I just want to lift up my colleagues about HOPP and HA -- MMP, trying to get those back in the budget this year. Obviously those are critical for our communities. HAVP as well, trying to get that in the budget as well.

I appreciate what you're saying around kind of legalization of basements and giving the city more authority.

I want to talk about expiring 421-a units. So we've seen a lot of units come offline, pre-2013 units that aren't permanently affordable. What is HCR doing about preventing losing all those affordable housing units that are 421-a from leaving the system and losing thousands -- by 2026 it looks like we're going to potentially lose tens of thousands of affordable units in the city.

COMMISSIONER VISNAUSKAS: So our sort of greatest tool is that we have preservation financing programs available, so that when people want to take advantage of our low-cost funding that we have, that they use that to make renovations and then are back in our regulatory structure.

ASSEMBLYMAN EPSTEIN: Yeah, so the vast majority of developers have chosen not to take you up on those tools. So what other options -- I mean, we're worried, obviously, about thousands in my district and thousands across the city. Is there anything else we can do to try to not lose these units?

COMMISSIONER VISNAUSKAS: I mean, look, I think the best tool we have is for buildings that were developed through the inclusionary program, they are permanent. And for projects that we'll get ideally financed by a new tax exemption, they will also be permanently affordable and we won't be facing that issue.

It is a common one certainly in city

and state financing where we were also traditionally financing things for 30 years and at the end of that dealing with an expiring-use issue. So we try to proactively work with as many buildings as we can, but we don't have a lot of tools besides that.

ASSEMBLYMAN EPSTEIN: So just on the permanent affordability, what percentage of the new units that you're doing are permanently affordable housing when there is affordable housing units in the project?

COMMISSIONER VISNAUSKAS: I'd have to get back to you on that because we have a fair amount of overlap in New York City and not, so I don't know the percent.

ASSEMBLYMAN EPSTEIN: So I know one of my colleagues mentioned public housing. Not just NYCHA, but capital money for authorities outside New York City, it would be great to see something there to ensure we have resources for public housing authorities in and outside.

But also there's the operating rent. We provided some rent assistance last year to avoid a lot of evictions. Didn't see anything on rent arrears either. I'm wondering what the logic is to try to avoid some of those evictions, especially of these really low-income tenants.

COMMISSIONER VISNAUSKAS: So we have a series of tools that we work with with our building owners to, where they're having tenants who are not paying rent and they are having cash-flow issues, we are sort of using every tool we can. We've been actively releasing Section 8 and project-based Section 8s or projects to help stabilize them. We are proposing this insurance discrimination bill to cut down on costs on the other side and --

ASSEMBLYMAN EPSTEIN: We've heard both from public housing authorities as well as our nonprofit housing providers that they just need the rent payment. So is there a way to potentially think about that for this year as well, for additional rent payments for --

COMMISSIONER VISNAUSKAS: I think we

would continue to work with you all on that.

ASSEMBLYMAN EPSTEIN: Great.

And just finally, I'm wondering if there's a path forward just on the 12-FAR issue. I didn't see anything about permanently affordable on the 12-FAR issue. Is there any plan for permanent affordability?

And I guess you may not have time to answer, but --

COMMISSIONER VISNAUSKAS: Yeah, look, I think the idea there is to really give the city the tools to rezone and they can include permanent affordability where that can be --

CHAIRWOMAN WEINSTEIN: We need to go to the Senate now. Thank you.

COMMISSIONER VISNAUSKAS: Thanks.

SENATOR KAVANAGH: Senator Brisport.

SENATOR BRISPORT: Thank you.

And thank you, Commissioner, for your testimony.

A few quick questions about rent-stabilized units. When a tenant files an overcharge complaint with HCR, typically how long does the process take for HCR to make a decision?

COMMISSIONER VISNAUSKAS: I don't know that I have an average time for you. The cases can be very different. So some cases get resolved very quickly and some cases take a very long time. And, you know, it does not make us happy that it takes a long time to resolve those cases.

But I'd be happy to get back to you on specifics if there's certain cases you're concerned about.

SENATOR BRISPORT: Thank you.

And my understanding is that the lookback went from four years to six years due to that change. Have there been any changes in the amounts of complaints that have been filed with HCR?

COMMISSIONER VISNAUSKAS: I don't think that we have seen an uptick there. It certainly is also one of the things that makes the case processing take a little longer, because we have to go back even longer on those.

But I could get back to you on that.

SENATOR BRISPORT: Okay.

And is HCR tracking rent-overcharge complaints being filed against the same LLCs?

COMMISSIONER VISNAUSKAS: I don't believe that we do that because we handle all of our cases individually, not sort of in a batched or by owner way.

SENATOR BRISPORT: Okay, thank you.

And I have some questions as well about the 500 million in capital funds for state-owned property.

Have sites been selected already, or is that published?

COMMISSIONER VISNAUSKAS: No. So there's a series of sites that we are working on, when the Governor called all the agencies to come forward with sites, but the list has not been finalized.

But we are working through a lot of sites to see which ones can get developed the quickest, which can provide the most housing, which need the least amount of capital to become sort of ready for housing -- those types of questions.

SENATOR BRISPORT: Okay. I'll bring up 1024 Fulton Street in Clinton Hill, Brooklyn, in a state-owned site. It's slated for demolition for the health and safety of the pedestrians there through the OGS budget. But it is state-owned property in a rapidly gentrifying community with a deep need for affordable housing.

Based on what you're hearing, would a site like that qualify for the capital funds?

COMMISSIONER VISNAUSKAS: Yes, we would love to see that site become affordable housing and have been looking -- watching it for a little while. So we would look forward to doing that there.

SENATOR BRISPORT: Thank you so much.

COMMISSIONER VISNAUSKAS: Yup.

CHAIRWOMAN WEINSTEIN: Assemblyman Gallahan.

ASSEMBLYMAN GALLAHAN: Thank you, Madam Chair.

Thank you, Commissioner, for your testimony today on this lovely Valentine's

Day.

COMMISSIONER VISNAUSKAS: I like your red shirt.

ASSEMBLYMAN GALLAHAN: Last July the Governor issued an executive order, No. 30, which you're familiar with I'm sure, which created the Pro-Housing Community program. And under this, several capital fund programs would give preference to municipalities that applied for such programs if they'd been certified by the Division of Homes and Community Renewal as a pro-housing community.

My question is, have municipalities raised any concerns or questions about the certification process or requirements?

COMMISSIONER VISNAUSKAS: I would say -- you know, as I mentioned before, we have 20 communities that have been certified so far, and we have about another hundred that we're working with. And I think to the extent they've raised questions, they've been in the context of a productive conversation we're having with them, either in a sort of webinar that we're running or an individual phone call. So we are trying to be able to help communities work through the process.

ASSEMBLYMAN GALLAHAN: Were there any really specific concerns that they had that you can share with us?

COMMISSIONER VISNAUSKAS: I don't know that we -- I would say the concerns were more questions about, you know, which forms, where to apply, where to put certain sets of data. And so we just help clarify things for people. I don't think we've gotten any concerns particularly.

ASSEMBLYMAN GALLAHAN: Okay. And did the Empire State Development, the Department of State or the Department of Transportation ask for their programs to become wrapped up in this certification at all?

COMMISSIONER VISNAUSKAS: I believe the decision was made by the Governor's office, in consultation with the agencies.

ASSEMBLYMAN GALLAHAN: Thank you.

And last week the Governor hosted a roundtable announcing those first 20, which you mentioned earlier, they've been certified. She referred to the state as being a partner and local governments don't want sticks, they want carrots to be encouraging the housing growth.

My question is, how many of the 933 towns, 62 cities, and 533 villages in New York do you anticipate applying to become certified? And how many do you anticipate would become certified?

COMMISSIONER VISNAUSKAS: That's a great question which we don't know the answer to. But we are basically ready, willing and able to work with all the communities that want to come forward who want to apply for the discretionary funds that are available and become certified as a part of that.

ASSEMBLYMAN GALLAHAN: Thank you.

And have any of the larger communities -- Rochester, Buffalo, Hempstead -- applied yet?

COMMISSIONER VISNAUSKAS: Yes. We are working with several of those and some other additional larger cities too.

ASSEMBLYMAN GALLAHAN: The programs

which are proposed to be subject to the pro-housing certification are the Downtown Revitalization Initiative, NY Forward, New York Main Street, Regional Council Capital Fund, the Market New York capital grants, Long Island Investment Fund, Mid-Hudson -- it goes on and on -- Modern Transportation.

When will these discretionary programs be considered -- be considering the Pro-Housing certification when reviewing the application?

COMMISSIONER VISNAUSKAS: So they will be for the round that comes out this year, which many of those will start sort of -- after budget season, those will start to -- the applications will start to roll out.

ASSEMBLYMAN GALLAHAN: Okay. And is the current Round 7 of the Downtown Revitalization Initiative and Round 2 of the NY Forward considering certification for their -- they're being considered for their awards?

COMMISSIONER VISNAUSKAS: I can't

remember which round we're on, but it would be for whatever round is going to be released this year.

ASSEMBLYMAN GALLAHAN: Okay. Thank you very much.

CHAIRWOMAN WEINSTEIN: To the Senate.

SENATOR KAVANAGH: Senator Salazar.

SENATOR SALAZAR: Thank you.

Good to see you, Commissioner.

COMMISSIONER VISNAUSKAS: Hi.

SENATOR SALAZAR: So I have a question about rent overcharge claims being processed.

Is the large backlog of rent overcharge claims or complaints that still need to be processed by HCR due to insufficient capacity at the agency or other causes that we should know about?

COMMISSIONER VISNAUSKAS: I would say a couple of things. We -- I have said here many times in the past it is hard to hire. And so we had had -- we'd had sort of a limited-head-count sort of pre-pandemic. We got much-needed relief from the Legislature, we got a big head-count jump right before we went into COVID when we had a hiring freeze and -- so it's been very challenging to hire.

We have been aggressively hiring for the last two years as a state agency. And as a part of our agency that has specifically sort of a lot of retirements all the time, too, it often feels like we are hiring to keep pace with our retirements even though we're trying to hire to actually add additional heads.

So we currently have probably for -- somewhere on the order of maybe 30 additional people that we're hiring for still to get our capacity up.

So to answer your question, part of the backlog is our need to keep expanding our hiring, and it's challenging in the civil service, and in general it's hard to hire.

SENATOR SALAZAR: What can we in the Legislature -- particularly, of course, through the budget process -- do to help address that backlog?

COMMISSIONER VISNAUSKAS: Short of coming to work at --

SENATOR SALAZAR: Yes.

COMMISSIONER VISNAUSKAS: It's a great question. We are trying to -- have been very focused on this for the better part of the last nine months and sort of coming out of COVID and other legislative changes to make that our -- getting the hiring completed as quickly as we can.

A key part, we've been working with Department of Civil Service to get changes there that we need to how the jobs are classified and the requirements that are needed for employees, sort of adjusting that to be more appropriate so that we get more applicants.

So I'm not sure there's anything the Legislature can do right now other than, you know, keep us on our toes that we're doing what we say we're going to do.

SENATOR SALAZAR: Thank you.

And while -- as you know, while waiting for a rent overcharge complaint to be processed, a rent-stabilized tenant can often be forced to move out before the claim is even determined.

What recourse is there for tenants in those situations if ultimately it is determined that they had a -- their claim was legitimate?

COMMISSIONER VISNAUSKAS: We try to do -- and we are also very appreciative when members of the Legislature sort of signal for us ways that we can jump in and assist.

But I would say, you know, we try to make sure that we are in contact with tenants as much as we can so that they understand what their rights are while they're there or if they leave. We'd be happy to sort of follow up with you on that if you think there's other ways and other things we can be doing.

SENATOR SALAZAR: Thank you.

CHAIRWOMAN WEINSTEIN: Assemblywoman Lucas.

ASSEMBLYWOMAN LUCAS: Thank you, Chair.

Good afternoon to everyone.

How are you doing, Commissioner?

COMMISSIONER VISNAUSKAS: Hi.

ASSEMBLYWOMAN LUCAS: I just wanted to ask two quick questions.

With the recent settlement by Mayor Adams on the community board preference, what is it that you think that the state and your agency can do to protect fair housing while protecting community members who negotiate each project in their communities?

Can you hear me? Okay, one-two, one-two. Can we stop my time? (Pause.)

How's this?

COMMISSIONER VISNAUSKAS: Much better.

ASSEMBLYWOMAN LUCAS: Okay. Can I have 7 seconds back, please?

(Laughter.)

ASSEMBLYWOMAN LUCAS: With the recent settlement by Mayor Adams on the community board preference, what is it that you think that the state and your agency can do to protect the -- fair housing while protecting the community members who negotiate each project in their communities?

COMMISSIONER VISNAUSKAS: I would say, you know, we are very committed to fair housing at the state. We last year published our Fair Housing Matters report that's up on our website and has a series of recommendations.

And we are working ourselves, we work with the Attorney General's office, we work with legal agencies across the state to make sure that fair housing is followed. We have a lot of wonderful changes to our processes to make sure that tenants have better access and rights when it comes to lotteries and things like that.

I think with respect to the litigation of the city-run community board preference, you know, we will follow the city's lead and coordinate for the case on the community board preference.

But we, you know, have other efforts in our marketing that make sure that we are reaching people in order so that they have access to our apartments. So we take fair housing very seriously.

ASSEMBLYWOMAN LUCAS: Yeah, it sounds likes we're going to have a longer discussion.

COMMISSIONER VISNAUSKAS: Sure.

ASSEMBLYWOMAN LUCAS: Also I know that you and your team are committed to building capacity with MWBEs that work with your agency with the renewal of 15-A.

What is it that your agency will be doing to advance this program while looking to build a future -- more capacity in the future?

COMMISSIONER VISNAUSKAS: So we've made a lot of changes to our programs to create better access for MWBEs to our programs.

And we will continue, you know, to do that to make sure that we can increase the number of projects that are going to MWBEs both in downstate and really across the state.

ASSEMBLYWOMAN LUCAS: Okay. And just for the record, I've been working with your office around -- as it relates to the

9 percent tax credit and diversity in the program. And I'd like to just make sure on record that we can continue that discussion about expanding diversity for that particular program.

COMMISSIONER VISNAUSKAS: Absolutely.

ASSEMBLYWOMAN LUCAS: Thank you.

SENATOR KAVANAGH: So we're going to go to Senator George Borrello.

SENATOR BORRELLO: Thank you, Mr. Chairman.

Commissioner, thank you for being here.

Let me start off by saying that I really appreciate the engagement with your agency in my district. You guys really are great communicators. We appreciate that.

COMMISSIONER VISNAUSKAS: Thanks.

SENATOR BORRELLO: But I want to talk a little bit about right now there's a report recently in Politico that since the end of the pandemic, New York has paid out $3 billion in rent assistance to tenants, and yet there are still hundreds of thousands of tenants that are in arrears.

Let's face it, the state did a pretty poor job of verifying whether these folks actually had a real hardship. I heard from property owners across my district that, you know, there was no hardship experienced by their tenants, they just stopped paying their rent.

You know, we have a huge hole there. What does the Governor think we should do to resolve this?

COMMISSIONER VISNAUSKAS: Look, I think what I can say is that I certainly hear that from a lot of our owners, that it's a very frustrating environment when tenants who can pay their rent don't pay their rent.

And obviously there's a lot of tenants who have hardship and can't pay their rent, and certainly I think our building owners -- and we see it -- a little bit of our portfolio feels stress, obviously economic stress from both rising costs and decreased revenues.

For our part, you know, we work really

closely with our owners and we're trying to provide them relief whenever we can, to make sure that they can stay economically viable. And as I sort of said before, I think we would make ourselves available to any sort of building owner that needed relief that we can provide in the forms of subsidy financing for capital repairs or other types of work to help them out.

SENATOR BORRELLO: Thanks. Let me move on to another question.

So workforce housing -- great concept. The idea that being able to ensure that people that are working on the low end of the income scale are actually able to have affordable housing near where they work.

The problem is I kind of think of it as a myth in our area. Every time we have a workforce housing project in my area, over the course of two or three years, the four years that it takes, inflation hits and the next thing you know, the application process that they applied for, it goes from workforce housing to affordable housing. And now we're not really accomplishing the goal of ensuring that people that want to work and live in the areas that they work in -- that might be otherwise unaffordable -- are actually getting that housing.

What's being done about that? Can't we put some type of inflation adjuster into these applications?

COMMISSIONER VISNAUSKAS: Sure. Are you saying that something that is sort of middle-income becomes low-income? Or something that's --

SENATOR BORRELLO: Yes. Yes. Yeah, exactly. Something essentially that -- you know, we just had one recently where a project in my district, they put it in a certain level and then over the course of four years, inflation was huge. Now all of a sudden that application -- that limit, income limit became -- went from being workforce to low-income housing --

COMMISSIONER VISNAUSKAS: I see.

SENATOR BORRELLO: -- which defeats the purpose.

COMMISSIONER VISNAUSKAS: Look, we have a couple of programs that allow for averaging, which is one tool that we use to allow for a variety of incomes to be -- and rents to be met on an average.

We also have a series of middle-income programs that specifically target those middle-income ranges so they're not low-income.

So I guess I'd be happy to sort of talk with you more specifically about whether there's certain AMIs that you're not to target because of our financing or other ways that we could make sure that happens.

SENATOR BORRELLO: Well, we can follow up on that. But I appreciate that. Thank you.

COMMISSIONER VISNAUSKAS: Yeah, okay.

CHAIRWOMAN WEINSTEIN: We go to Assemblymember Tapia.

ASSEMBLYWOMAN TAPIA: (Mic off; inaudible.) I represent part of the Bronx. And as we know, I mean one of the poorest boroughs in the whole State of New York. And one of the issues that I see every single day in my community is how and what steps are you taking in regards to ensure that landlords and property owners do not discriminate based on the source of income? And specifically when we're talking about voucher-holders.

And that happens many times that those people that are in shelters with families and that are waiting and looking like crazy for an apartment are negated the opportunity in discriminating by the landlords. And they -- many times they lose those vouchers and they have to start the program all over again, and they continue in those shelters with their families when they deserve and they've been approved.

And I would love to know what are we doing right now to prevent that and to make sure that that's not continue happening the way that it's happening.

COMMISSIONER VISNAUSKAS: It's a great question and certainly a topic that's of great concern to us.

Look, we're very thankful to the

Legislature for passing the source of income discrimination law that we have, and it's on the books as the law in New York State that you cannot do that. But nonetheless, we certainly are aware that it still happens.

We are -- this year in the budget you'll see, as a follow-up to last year, there is $2 million for fair housing testing. And we work with legal organizations across the state who are doing testing to root out where there is sort of consistent patterns of source-of-income discrimination. So that is one of our best tools.

We're also working with the Division of Human Rights to make sure that they are staffed up to make sure that they can address cases of source-of-income discrimination as well there.

So happy to keep working with you if there's other ways you think we can be working to combat that.

ASSEMBLYWOMAN TAPIA: I think so.

I also have this thing -- because, for example, my district is -- the median income is 39,000 and per capita is 18,000. And I just want to weigh in on what my colleagues from the Senate said. And now I have new buildings that started before I was elected. And they are -- the median income that they're offering for those buildings in that neighborhood, in those neighborhoods that are in my district is just starting at $107,000 for the lottery. And that is for a studio. That's the minimum that you have to work -- to earn.

And I wonder -- I mean, that's -- that's just -- that is fostering -- that is fostering gentrification. Because, I mean, who -- my -- my district cannot live there.

CHAIRWOMAN WEINSTEIN: Thank you.

Before we go to the Senate, just want to acknowledge we were joined a while ago by Assemblyman Meeks, who snuck in behind me.

Next we go to Senator Cleare.

SENATOR CLEARE: Thank you.

Good to see you, Commissioner.

And I'm going to just follow right up with what my colleague was just asking about.

Earlier you mentioned 20 percent of the housing is being planned for affordable -- for affordable living. And that -- this is a statement but also a question. That is not nearly enough. Over 50 percent of my district, even with the aggressive gentrification that's already taking place, over 50 percent of my district is paying more than 30 percent of their income in rent.

And this particularly affects the Black community in New York, where the average median income is only $43,000 in New York City and is only $53,000 in the state.

What is HCR, what is the state planning to do? What is the best approach? It's not about, in my view, just building more housing. It has to be more of a certain kind of housing. Because if we continue to build housing that people can't afford, all we're doing is displacing and continuing the exodus of people and particularly the Black community that has left in the hundreds of thousands that have been forced to leave New York State.

COMMISSIONER VISNAUSKAS: So I would say one of the things we see and have seen in the last, you know, five and more years is a real increase in rents and a real extreme increase in house prices. And that is making New York even more unaffordable.

And we know, and the data proves this, that when there is more supply, that the prices come down. So we are very focused on supply this year because every study has shown that the more housing that can get built, the more either price increase will slow or prices will -- that price inflation will slow down. And we have to have that, because there is not enough apartments, the apartments are there --

SENATOR CLEARE: I don't disagree that we need apartments. We need more housing. But we need more of a certain type of housing. Never has anyone walked into my office and said, Senator Cleare, you know what you've got to do, you've got to get us some more luxury housing.

(Laughter.)

COMMISSIONER VISNAUSKAS: So I would say, for our part, we spend every dollar that we get from the federal government on affordable housing. We cannot build any more housing than we finance at HCR, and the city is somewhat in the same position, because we get these two resources from the federal government in the form of tax credits -- that's the primary source that we use for new construction, and we are spending every dollar of it we get every year, and we can't do any more, so --

SENATOR CLEARE: They only give me a little bit of time.

COMMISSIONER VISNAUSKAS: Sure.

SENATOR CLEARE: So I have a bill -- I'd like to talk to your office about it, because I think the state should be providing -- developing and providing housing. We cannot continue to ask developers to create affordable housing. That's not what they do. They develop for profit.

And we have to find a way for us to -- the best housing is Mitchell-Lama, that we created. We need to go back to that model.

And I'll just ask these really quickly. What portion of the -- any of this housing is being dedicated to seniors, the fastest-growing population?

COMMISSIONER VISNAUSKAS: So we finance a large amount of senior housing in our portfolio. I don't have the exact number off the top of my head, but I can get that to you.

But we have a very strong supportive housing and senior housing portion of the work that we do.

SENATOR CLEARE: And if you could send this to me, I'd like more information on the first-time homeowners program, if we can get an update on how many people have been helped --

COMMISSIONER VISNAUSKAS: Sure.

SENATOR CLEARE: -- and are there plans to expand it.

COMMISSIONER VISNAUSKAS: Yeah, absolutely.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblywoman Levenberg.

ASSEMBLYWOMAN LEVENBERG: So thank you very much, Commissioner and Madam Chair.

In your testimony you refer to the proposed $500 million in capital funds dedicated to developing up to 15,000 housing units on state-owned property. Senator Kavanagh had asked about state-owned sites which might be considered for development.

If a municipality has a site which they'd like considered, can you explain what the process and criteria for HCR's evaluation of suitability and availability would be?

COMMISSIONER VISNAUSKAS: Sure.

I mean, we'd be happy to work with any municipality that has a site that they're looking -- from our parochial perspective for affordable housing, we'd be happy to work with them.

I think for the larger state fund, it is targeted towards state-owned sites, but I don't know that we have been approached by any municipality that wanted to talk about their municipally owned sites. Though I think we'd be open to having that discussion. We are really trying to get more housing built everywhere, so ...

ASSEMBLYWOMAN LEVENBERG: Just a quick advertisement, which is that hearing from everybody about infrastructure that is making communities suitable for building more housing, I think having both more money for AIM, Aid to Municipalities, as well as more money -- as well as consideration of a New York State Bank would go a long way to helping finance all of the needs that we have.

Also the Comptroller's just released report recommended that the state provide planning and logistical support to localities for review of zoning and other actions to facilitate development.

Feedback that we've received from Westchester Municipal Officials Association and others, and "we" being actually

Assemblyman Burdick and I, is that the lack of such support is a major hurdle. And I recognize that your department has considered this before. But could you please explain how such support might be provided other than these hard-to-secure planning grants?

COMMISSIONER VISNAUSKAS: So we have a -- in the budget there are some additional FTEs for us specifically for the Pro-Housing Communities. So we would anticipate that some of those additional staff could be liaisons for municipalities who need assistance.

ASSEMBLYWOMAN LEVENBERG: So to help them in the actual application process as well as --

COMMISSIONER VISNAUSKAS: Yeah, I would think -- I would say right now we are trying to help people in the application process actively. Currently I think if people need beyond that additional work we're happy to sort of take that in and figure out how we can help them.

ASSEMBLYWOMAN LEVENBERG: Okay, great.

All right.

And then finally, you know, just if there's anything in particular that expands funding for "missing middle" housing, which is something that we talk a lot about again in the suburbs. I don't know if you have any thoughts about that. And I know that Assemblyman Burdick's going to talk a little bit about some of our legislative ideas also.

COMMISSIONER VISNAUSKAS: Yeah, we want to continue to make sure that developers in places like your district are aware that we actually have a lot of resources for middle-income housing. We have a tax credit that supports it. We have a funding capital program that supports it and not everyone is sort of aware that that exists and they go right to some of the other funding programs.

So we are happy to continue working with you to make sure they're aware we have that and they can make themselves -- you know, use it for housing in your district.

ASSEMBLYWOMAN LEVENBERG: Thank you very much.

SENATOR KAVANAGH: So next we have Senator Jackson.

SENATOR JACKSON: Good afternoon, Commissioner, and to your staff. Thank you for coming and addressing the issues and concerns.

I have one primary big concern. I will mention it to you now, and I want to follow it with your staff. But the survival of the Amalgamated Housing Cooperative in the Bronx. I'm sure you know about that.

They're -- in my opinion are on the verge of bankruptcy, and they need all of the help they can get. So as the State Senator that represents them, I want to work with you and your team in order to help them survive.

COMMISSIONER VISNAUSKAS: Yes, we're absolutely happy to do that. And we are working with all of our Mitchell-Lamas that are having challenges. We're working very closely with them to make sure they can get stabilized.

SENATOR JACKSON: The 31st Senatorial District; Cordell, the 30th; and I think

Gustavo Rivera -- they are all under the average wealth of the community. In essence, the majority of the people are working, trying to survive.

And so my question to you is: Under the community-controlled affordable housing, would Amalgamated fall under that since it's basically people that have a limited amount of money invested into co-ops?

COMMISSIONER VISNAUSKAS: We have a Mitchell-Lama funding program, so that would probably be where we would most likely direct them to in terms of resources at our agency, is the Mitchell-Lama funding program.

SENATOR JACKSON: And would they be able to receive help under the homeowner's stabilization fund? I mean, I'm looking at every opportunity that they can borrow money or get grants in order to survive.

COMMISSIONER VISNAUSKAS: I would say we'll be happy to follow up with you on sort of the resources we have specifically for Amalgamated and how we can best get them the investment they need to make their capital repairs. We have been working with them very closely for quite some time.

SENATOR JACKSON: Now, good-cause eviction, there's been a bill that's been pending in the State Senate since basically we got into -- when I say "we," the Democrats took leadership of the Senate.

Do you support good-cause eviction that tenants should be able to renew their lease without being thrown out and have a good reason to evict them as the only way to have eviction?

COMMISSIONER VISNAUSKAS: I would say -- and, you know, the Governor has been very clear about this -- that we want to make sure that as we go into this budget season we are incredibly focused on housing supply. We were very focused on it last year, and we are back again talking about the importance of that to relieving pressure in the -- it's the absolute main tool that we need to relieve pressure in the housing stock.

And, you know, going back to the Housing Vacancy Survey and the level of production in the city has dropped from the lapsing of the tax incentives, and we just aren't keeping up also in terms of, you know, people moving into New York City and yet the housing that's available.

So I think we will -- you will consistently hear us talking about housing supply as our number-one issue for the budget season.

SENATOR JACKSON: Thank you.

COMMISSIONER VISNAUSKAS: Thanks.

CHAIRWOMAN WEINSTEIN: We go to Assemblyman Braunstein.

ASSEMBLYMAN BRAUNSTEIN: Thank you, Commissioner.

I want to talk about the RUSH program. So with the RUSH program, you're asking for $500 million over two years to be appropriated to UDC. UDC has statutory authority to use general project plans to override local zoning. Is the expectation for these state properties that UDC is going to use GPPs to override the local zoning?

COMMISSIONER VISNAUSKAS: Well, I'd

say a couple of things.

So GPP can be used for disposition only. It's not always used for rezoning. That would be the example in the Gowanus pilot that we were -- was in the news a bit this week where it was used just to provide a tax exemption only. So I would just distinguish that it isn't always for rezoning.

But to the larger question, I don't know that we have clarity yet across -- depending on which sites end up being the most appropriate, whether or not ESD would need to be involved for disposition or rezoning or whether they wouldn't need to be.

So I don't think we know the answer to that yet.

ASSEMBLYMAN BRAUNSTEIN: So I represent the Creedmoor site in Eastern Queens, and there's already a proposal that's been released. Is it anticipated that ESD is going to be using a GPP for that project?

COMMISSIONER VISNAUSKAS: I believe

they will use GPP for disposition. And I would -- yeah, I would think -- I think the plan is to use it for the rezoning framework there also.

ASSEMBLYMAN BRAUNSTEIN: Okay. So if we were to approve this funding for future unspecified projects, it's anticipated that the administration will use GPPs as well to override local zoning? Because you're doing it with Creedmoor, right?

COMMISSIONER VISNAUSKAS: Well, I think in Creedmoor it has to go through some process in order to get rezoned in order to get disposed of.

But I wouldn't say it's for sure that all the sites that are in the 15,000 would necessarily use a GPP or, if they did, that they would use it for rezoning.

ASSEMBLYMAN BRAUNSTEIN: If they were using a GPP moving forward, would the administration seek approval of local legislators to make sure that they and the community are comfortable with the project?

COMMISSIONER VISNAUSKAS: Yeah, I

mean, I don't -- I think the idea and the intent here is to make sure that -- and because the sites are so different and they're all sort of in different localities, that there has to be a conversation at the local level about what gets built there. So I think that is very much anticipated to be part of the process.

ASSEMBLYMAN BRAUNSTEIN: Okay. I mean, because in Eastern Queens we've -- we had a conversation that consisted of the community making recommendations, Zooms with ESDC. The community recommended a thousand units, various types of housing. ESDC came back with 2800 units, eight-story buildings, completely out of context with the rest of the surrounding community.

So, you know, having Zoom meetings and having people offer opinions is not the same as having an agreement with the local community.

COMMISSIONER VISNAUSKAS: Understood.

ASSEMBLYMAN BRAUNSTEIN: So given my experience with Creedmoor so far, I just have concerns about giving this authority for unspecified projects moving forward, and I imagine some of my colleagues would as well.

Thank you.

CHAIRWOMAN WEINSTEIN: Senate?

SENATOR KAVANAGH: Senator May.

SENATOR MAY: Hi, Commissioner, good to see you.

COMMISSIONER VISNAUSKAS: Hi. You too.

SENATOR MAY: Let me start just by saying that there's quite a bit in the Governor's budget about housing for New York City, but I hope that doesn't mean you're taking your eye off the ball on upstate.

Senator Cleare had a very strong and important message about the need for affordable housing in her district. We had a hearing in December about concentrated poverty in our upstate cities. And one of the messages we got is that if you build a hundred percent affordable, that actually contributes to more concentrated poverty. But if you can have mixed-income development, that is much better for shifting the character of the neighborhood.

So are there ways that the state can use its granting powers to help us with more mixed-income housing? Because what we are finding is there's not that much flexibility in the funding that's out there.

COMMISSIONER VISNAUSKAS: Yes, absolutely. And we'd be happy to work with you sort of more specifically on projects if you feel like they are -- need a little pushing to get sort of the income mix to be different than what it is. We're happy to work with you on that.

We have a series of programs, we have tweaked them over time to try to get at more middle-income housing. It tends to be -- you know, it's harder to finance. There's sort of like a box for low-income and there's a box for market, and the middle can be more challenging.

But we have tried, with our state tax credits and with our middle-income program and a series of tools to try to drive a little more of that where the market can support it and where it makes sense.

If there's other ways you think we should be looking at that, we're happy to work with you on that.

SENATOR MAY: Thank you.

And I guess in my office we're focused on trying to come up with ways to make it more affordable to develop housing, to reduce some of the regulatory barriers and just the costs of the lawsuits that come up when people try to do developments in certain areas.

So one of those is about reforming the SEQR process in housing. And I talked with the DEC commissioner about this. I don't know if your office is at all involved in that process of trying to shift it. I was hearing from the groups that are here today from the neighborhood development organizations that they're really in favor of that.

So can you say anything about where you are on that?

COMMISSIONER VISNAUSKAS: Yes. I'm sure you may have heard from the DEC commissioner they are starting to make some changes in their process that will occur during this year. And I think we look forward to that being the beginning of a series of changes that can get made to make it easier.

And the City of New York is also proposing some changes which will provide sort of a guide path also for other changes that we could make at the state level.

So we will continue to work with you I think on getting changes on that -- on SEQR as best we can.

SENATOR MAY: I look forward to it. Thank you.

CHAIRWOMAN WEINSTEIN: Assemblywoman Lee.

ASSEMBLYWOMAN LEE: Hi, Commissioner.

COMMISSIONER VISNAUSKAS: Hi.

ASSEMBLYWOMAN LEE: So earlier you mentioned the vacancies for the number of vacant units for rent-stabilized apartments was around 40,000, and that includes apartments that are offline in that.

COMMISSIONER VISNAUSKAS: So the thing that we track at HCR which is different than what's in the age for the city's HVS survey is landlords register with us, but the status of their apartment is on April 1st -- what the status is as of April 1st each year. And so, you know, at any given time on April 1st a certain number of apartments are in between tenants.

So we are back to historic norms for what we see as apartments registered as vacant on April 1st.

ASSEMBLYWOMAN LEE: Got it.

And that's 40,000?

COMMISSIONER VISNAUSKAS: I can get you the exact number of it. It's sub -- I believe it's sub 40,000.

ASSEMBLYWOMAN LEE: Okay.

In my district I have a large number of rent-stabilized and rent-controlled units, and I'm hearing from building owners that, one, it's just getting difficult to maintain their buildings because of higher insurance and property taxes, as well as bringing up older units that become vacant up to code.

And, you know, this is an important amount -- an important supply for my communities. Do you have some solutions for how we can help support getting more of these apartments online that already exist?

COMMISSIONER VISNAUSKAS: Absolutely. I mean, we certainly hear some of those same challenges. I don't know that they sort of are reflected in the data so clearly, but we certainly hear them anecdotally.

As you'll recall, the J-51 tax exemption was passed last year which does provide a tax exemption for owners in order to be able to make investments in their properties.

We also are passing a source of income for insurance bill this year, which there is -- people are seeing really big spikes in their insurance. We're hoping that will bring some of the cost down for insurance, especially buildings that have affordable tenants in them.

So, you know, we are trying with the tools that we have, that we can, to try to relieve some of that pressure. Again, as I've said before, I think people are certainly welcome to come talk to us about financing if they'd like to take out a loan from us that we can provide for them to make capital repairs on their buildings.

ASSEMBLYWOMAN LEE: Maybe a fund to help support improvements as well would be helpful.

I also have large ethnic communities in my district. I have a large Latino population and a large Asian population. These are, you know, households that are multigenerational and like to -- they want to live together. So the grandparents, the parents, the children.

And I'm hearing from builders that it's very difficult to get financing for buildings with multi-bedroom apartments. Studio and one-bedroom apartments are, you know, easy, buildings with lots of studios and one-bedrooms, but it's harder to get the financing when you have three-bedroom apartments and the like.

What can we do to help with that financing to support that? Not just studios and one-bedrooms. We need to be able to make sure that our families can stay in the neighborhoods where they are.

COMMISSIONER VISNAUSKAS: You know, it's interesting, I actually haven't heard -- you know, we don't do a lot of sort of market-rate financing. So I'm not as familiar with what maybe the banks might be saying to developers about that.

But happy to sort of do a follow-up and see where there's a way we could be helpful if we can.

ASSEMBLYWOMAN LEE: And it's for affordable housing as well.

COMMISSIONER VISNAUSKAS: Oh, for affordable. Oh, well, we certainly finance threes and fours. So we should follow up and talk about that.

ASSEMBLYWOMAN LEE: Thank you.

CHAIRWOMAN WEINSTEIN: Senate?

SENATOR KAVANAGH: Senator Comrie.

SENATOR COMRIE: Good afternoon, Commissioner.

COMMISSIONER VISNAUSKAS: Hi.

SENATOR COMRIE: Happy Valentine's Day.

Just to follow up, you mentioned hardship for folks that are in rent-stabilized units. Do you know what the total amount of vacant units are in the rent-stabilized stock?

COMMISSIONER VISNAUSKAS: So we track vacancies as of April 1st each year. landlords have to report to us the status of the apartment on that date. And we are back to roughly historic sort of pre-COVID norms for vacancy in the rent-stabilized stock.

SENATOR COMRIE: You don't know what that number is, though?

COMMISSIONER VISNAUSKAS: Oh, yeah, sorry. It's sub 40,000 units, which is where it has historically been for the system.

SENATOR COMRIE: Okay. I have a bill,

along with an Assembly companion bill, to work on the rent-stabilized units, S6352C, which would work on making sure that we could come up with realistic numbers for that.

Have you had a chance to look at that bill?

COMMISSIONER VISNAUSKAS: I haven't read it, but I'm familiar.

SENATOR COMRIE: You mentioned that you can do some help for people that are in that situation if they need to get loans. How many loans have you actually granted?

COMMISSIONER VISNAUSKAS: So as I was saying, we're happy to provide loans to rent-stabilized building owners who need low-cost loans to make building repairs --

SENATOR COMRIE: How many have you actually granted?

COMMISSIONER VISNAUSKAS: We have worked with the associations. We've not had a lot of interest from them in loans from us. So we have not done -- I would have to go back and check if we have done any. But they have not expressed interest in getting low-cost financing from us.

SENATOR COMRIE: You mentioned that you're having problems getting staffing up. Were you able to improve your technology over the last few years to be able to get better computer systems?

COMMISSIONER VISNAUSKAS: We have in some places and not in others. But we have active procurements in all the places where we are very behind and will be bringing on new systems this year.

SENATOR COMRIE: Okay. You mentioned you're creating and preserving 40,000 affordable homes. Do you have a breakdown on what was created and what was preserved?

COMMISSIONER VISNAUSKAS: Our number for the 40,000 is about -- a little less than 10,000 new. It's a little more than 20,000 preserved. And then the difference would be homeownership, but I can't do the math in my head that quick.

SENATOR COMRIE: And how many of those homes were done with minority developers?

COMMISSIONER VISNAUSKAS: We can get

back to you with that. We are trying to make great efforts to up the number of MWBE developers that we work with across our different programs. So be happy to circle back on that.

SENATOR COMRIE: Okay. Then also how much MWBE procurement or contracting have you done within your agency? Supplies and everything else.

COMMISSIONER VISNAUSKAS: Yup. So our -- you know, the state's goal is 30 percent. Our -- I think last year as an agency we were at 29 percent. We are generally one of the top agencies to meet the 30 percent goal. We will exceed it in procurement. I think we are north of 60 percent in our procurement on MWBEs. And happy to provide you more sort of detailed information if it's helpful.

SENATOR COMRIE: I only have 25 seconds, so I just want to concur with what Assemblyman Braunstein said about Creedmoor and making sure those numbers are right and fit the context of the community, and that the agency doesn't make a large shift from what they promised us in the beginning.

And also, with Senator Cleare, the need for the state to build housing directly is more important than ever. And I would hope that we can delve down, and I want to work with Senator Cleare to get back to a statewide Mitchell-Lama development plan. We can't have developers making affordable housing. They just can't afford it. The state can do it. We need to make it happen.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you, Senator.

We go to Assemblymember Chandler-Waterman.

ASSEMBLYWOMAN CHANDLER-WATERMAN: All right. Thank you so much, Chair.

Thank you, Commissioner. It's always a pleasure to work with you and your team. Thank you for the support on the ground in our community meetings.

I want to talk about Mitchell-Lama co-ops -- Vital Brooklyn Utica Crescent --

and faith leaders in housing development.

So does your agency have jurisdiction over Mitchell-Lama?

COMMISSIONER VISNAUSKAS: We do over some, and the city does over others. But yes.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Okay. So ERAP. So shareholders apply for ERAP, they're allowed to go through the process, payment goes to the management company, then they're told they don't qualify, money is taken back.

What can be done to rectify this and find a solution to assist shareholders in arrears and management to navigate?

And then also, what contributions are we doing for Mitchell-Lama as a whole, and how we're supporting them and making sure we are investing as we started, what we did prior.

COMMISSIONER VISNAUSKAS: Sure. So ERAP specifically, OTDA operates that program so I can't -- I don't know the specifics of how many Mitchell-Lamas have applied for that.

We certainly work really closely with our Mitchell-Lamas to make sure, you know, if they run into trouble -- they are privately owned and privately managed, and we are there to assist them when they need us. And especially when they need capital repairs, we want to make sure that they're -- they have support in that.

And we have $150 million in our Housing Plan that we haven't actually accessed yet. We will start -- we have been using old appropriations and we will now start to spend that down this year to help a series of Mitchell-Lamas that need help with capital repairs.

ASSEMBLYWOMAN CHANDLER-WATERMAN: All right. So I look forward to working with you with that.

Vital Brooklyn Utica Crescent, with the affordable project, that's now going to be built in two years in my district. The community preference, right, I know was 50 percent. It was changed due to the city settlement. Does that apply to that project, being it was done before the settlement came? Did the community preference change, the percentage?

COMMISSIONER VISNAUSKAS: My understanding is that the litigation would apply to anything that happens after the decision was made, so I believe it would apply. But we can get back to you on that.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Okay. Faith leaders. What plan for supporting faith leaders to be able to be at the table for building affordable housing?

We have a perfect project that's being done -- it's called Ebenezer -- in my sister colleague Nikki Lucas's district. We would like to see more of that with our faith leaders. How can you support or do you have a plan to help faith leaders to be part of development?

COMMISSIONER VISNAUSKAS: We work with faith organizations across the state, from Brooklyn to Buffalo, to develop property, their property for affordable housing. So we'd be happy to work with you if there's specifics in your district. It's certainly something we -- is a part of our work that we really are proud of.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Okay. And senior housing. I know that we're going to have some percentage of senior housing -- how much in that Utica Crescent project will be allocated to the older adults?

COMMISSIONER VISNAUSKAS: I don't have the exact numbers for that specific project, but happy to follow up with you.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Okay. Any other senior housing that you can discuss with us now?

COMMISSIONER VISNAUSKAS: So we have a program specifically for senior housing. So we fund it in New York City and in the rest of the state we have, in any given year, you know, a number of projects that are specifically for seniors. We'll be happy to get you that list of projects if that's helpful.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Okay. Thank you. And we did it in exactly 3 minutes. Thank you so much. Appreciate you.

COMMISSIONER VISNAUSKAS: Yup. Yeah, thanks.

CHAIRWOMAN WEINSTEIN: So there are no more Senators, so we're going to the Assemblymembers. Assemblyman Burdick, who will be followed by Assemblywoman Simon.

ASSEMBLYMAN BURDICK: Thank you.

Thank you for the great work that you're doing.

And I want to mention my agreement with Senator May in advocating for mixed-income housing, and also would like to add my support for good-cause eviction.

Further to the Comptroller's housing report it recommends that each local government should conduct a review of local zoning rules and other actions. And that recommendation seems to align with what the Governor wants to do. And as my colleague Assemblywoman Levenberg had mentioned, she and I are working on a package of housing bills, some of which already have been introduced. They do not include construction mandates but would require localities to take action, including assessing need, updating comprehensive plans if warranted, adopting an actual housing plan to address community need, and promoting climate-informed smart growth and transit oriented development.

We would welcome feedback outside of this hearing.

The New York City watershed regulations also -- and I think I've mentioned this to you -- are a hurdle for many localities that need to build out infrastructure. And of course we are keen on protecting, you know, precious water resources. But would really like to see your thoughts and your help on how we can meet both needs, and would appreciate your comments.

My only other question at this juncture is in a Zoom meeting we had with you and your staff, we had talked about how we might be able to increase the number of units under the five-year affordable housing plan. And you mentioned that some of those come from federal dollars, but others might be a possibility. Would appreciate it if you can identify what programs might be expanded.

COMMISSIONER VISNAUSKAS: Sure. Thank you for the question. And we're happy to work with both you and Assemblywoman Levenberg to advance legislation that increases housing supply across the state, as is very much our focus in general, and specifically for the next six weeks. So happy to work with you on those bills that you're proposing.

I think in terms of our ability to expand the work that we do -- and I have said this before -- you know, we spend every dollar we get from the federal government that is on our new construction --

ASSEMBLYMAN BURDICK: But are there any specific programs that maybe it's through state dollars that might work?

COMMISSIONER VISNAUSKAS: I think that

for -- two things. One is I think for new construction, we need federal dollars for new construction. They are incredibly valuable. And there is potentially movement at the federal level right now to get some increased capacity there, which we are excited about.

I think on the state funding programs, those would probably be more around investing in smaller homes or in smaller buildings and doing sort of more renovation and sort of capital improvement type work.

ASSEMBLYMAN BURDICK: Maybe if we could pursue that offline.

COMMISSIONER VISNAUSKAS: Yup.

ASSEMBLYMAN BURDICK: And on watershed regulations?

COMMISSIONER VISNAUSKAS: I don't have a lot of expertise in watershed regulations. I would defer to Commissioner Seggos for most issues around that.

But happy to continue discussion with you as those things overlap with housing.

ASSEMBLYMAN BURDICK: Thanks so much.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Senator Martins.

SENATOR MARTINS: Good to see you again. How are you?

COMMISSIONER VISNAUSKAS: Hi. You too. Good, thanks.

SENATOR MARTINS: You had mentioned earlier that there were a series of sites that needed statutory approval in their authorization; therefore, they're identified in the budget as potential sites for housing. They include some sites on Long Island.

To me, that means there are other sites that didn't require statutory approval. Can you speak to that, whether or not there is in fact a list of other sites across the state that are state-owned, MTA-owned or SUNY-owned properties that are being evaluated for housing?

And if that list exists, is it available for us to review?

COMMISSIONER VISNAUSKAS: So I think we'll get back to you on sort of the list available for review.

But I would say sort of writ large,

there is a long list of sites and we are working through which are most appropriate for housing, which have the least number of barriers in terms of how much infrastructure they might need to have housing built on them, so how quickly can we get them sort of housing-ready. And the RUSH funding that's in the budget is meant to pay for infrastructure or for -- you know, for roads, for water/sewer, for demolition, things like that.

We don't need statutory authority for most state-owned sites. The state has the ability to dispose of property through the UDC, and we would use ESDC for that.

So what you see in the budget around SUNY is really some -- a tweak to allow them to land-lease portions of their property.

SENATOR MARTINS: I understand -- no, I understand that. And that's precisely the point of the question, is that allowing the opportunity for our local communities and certainly us as representatives to understand which sites are being evaluated and frankly prioritized would be very helpful.

COMMISSIONER VISNAUSKAS: Yup.

SENATOR MARTINS: As you know, I represent a district on the North Shore of Nassau County, and so there are probably a series of areas that could be impacted. And certainly the sooner we know, the sooner we can prepare for those.

I share a great village with Assemblyman Ra that received a grant this year. Very happy to say they're doing wonderful work, built over a thousand units before the carrot -- didn't need the stick. But they're very happy to get that funding.

One of the themes that we get oftentimes is the lack of a quick response when these municipalities have a question, and therefore projects are delayed. And it's just more of a comment than anything else. I understand. If you can look into that, that is -- the turnaround time would make a huge difference in terms of getting projects in the ground and actually building the housing, and it really should be something.

And to piggyback on Senator Comrie, you know, we've mentioned quite often today the need to incentivize landlords to invest in making major capital improvements. We understand that the housing stock in many instances is not where it should be. And yet these low-interest loans are not getting people's attention. Why?

COMMISSIONER VISNAUSKAS: I mean, I think in general private landlords want to work with the private financial market, they don't want to take out loans from us. And given where interest rates are, I think that's challenging at this time.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblywoman Simon.

ASSEMBLYWOMAN SIMON: Thank you.

It's good to see you again.

So I have a couple of questions, and some of my colleagues have asked similar questions. And so one of the concerns we have is -- or at least I have -- is converting the commercial property to affordable housing where it's 80/20. Now, there is a subset that is lower. But one of the -- and I know you're focused on supply. But in my district we've had an increase of supply like crazy. Very little of it is affordable.

And I will tell you I have a neighbor who was in a converted building from factory to -- and 22 years later got an affordable unit.

And so the challenge really is the supply of the affordable units. It doesn't mean we don't need more, but we also need really to look at affordability. So I'm glad this year the Governor is talking about that, which is a big change from last year. But the real analysis is how much.

And the other is the types of apartments that are being built. We have a lot of studios and one-bedrooms. You can't keep a family -- if you have two kids, you're going to end up moving to the suburbs because you can't find a three-bedroom apartment. We really tried to control for that at Atlantic Yards. We got a few of those units.

As you know, they're still not built.

But what -- you know, this really is a critical issue in terms of people leaving. If they're leaving, they're leaving and going to Maplewood, New Jersey. I know that's where half of my district -- my neighborhood went, to Maplewood, New Jersey, because they had two kids.

So how can we change that approach? Because that affordability needs to be more permanent, and it needs to be deeper. And we need more of those units.

COMMISSIONER VISNAUSKAS: I've never been to Maplewood, but I agree that we want people to --

ASSEMBLYWOMAN SIMON: It's a lovely --

COMMISSIONER VISNAUSKAS: -- stay in Brooklyn, and we want them to stay in New York City and in New York State.

Look, I would say, you know, since we were together this week celebrating 18 projects that are going to start construction in the Gowanus area to create over 5,000 housing units, including 1400 very low, permanently affordable housing --

ASSEMBLYWOMAN SIMON: Yes. We have exceptions.

COMMISSIONER VISNAUSKAS: Well, I think that's sort of -- that's the map, right? We have this great example of, with a tax exemption in place -- or that was not in place, but with the ability to sort of replicate that through the process, so the Governor announced in July we are now going to create 1400 very low income, permanently affordable housing units in your district, and we want to be doing that everywhere we can to create the affordable units and to create the rest of the supply to help tamp down prices.

So, you know, I think we would hope to continue that conversation about how we need that in other areas of the city.

ASSEMBLYWOMAN SIMON: Well, we're getting a lot, but we need -- it's the mix. And that's the real challenge. Because we have plenty of luxury housing. That's what, you know, they want to build. People will move in, but we're displacing people.

And, you know, we've had a lot of displacement. In my district in particular, we lost most of the Puerto Rican community because they rezoned Fourth Avenue. Atlantic Yards we've, you know, displaced 25 percent of the African American community. So we need to be careful about how we do that. That's my concern.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblymember Taylor.

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

Wow, I just sound like a broken record here, so I don't want to do that. But there's this old saying: If you build it, they'll come to it. However, if you don't build it, they're going to get forced out. And I think that's happening across the state, especially in the city.

So I want to be wise with my time. There are three things that are really, really important to me in my district in particular. One, can we do more vouchers but increase the cost, the amount of the vouchers? That may be helpful. We certainly want to watch out for those that are discriminated against that.

The other one is Wilson Major Morris is a community center in my community that is available -- and I have this in the budget ask -- but they want to do housing. So that would be a great collaboration. If we could talk about that offline, that would be great.

COMMISSIONER VISNAUSKAS: Absolutely.

ASSEMBLYMAN TAYLOR: The other thing that I am just losing my mind about is Mitchell-Lama.

Esplanade Gardens, they had a $150 million investment in capital improvement, and the place looks like they've done diddly in there. I mean, it looks good in the area, you've got blue lights on top of the building, but you have no electricity in some places. You have boilers that are inadequate. You have water that looks like it's brown most of the time.

So the residents are at wits' end, coupled with the fact that they have these increases that they have to pay. They have a loan they have to pay back. And no one seems to care about them. That's my understanding. Why? Because during COVID the Governor allowed -- not this Governor, the previous Governor allowed the capital work to go on but no one watched what happened. It was deplorable the way the people had to live. And they have not been made whole.

These folks who are in here, this is their sunrise -- the sun is setting on a lot of their lives, and they can't even stay there anymore. And I see no help, no relief, and I am pissed to the highest. I just want to say that.

The other issue that I want to put out here really quickly is, is it possible that the state can consider bonds and let us build? When I say "us," get people to build. Because the folks that are doing it right now, there's a gain associated with it. And I think we have to just stop, look back.

There are a lot of things that they're doing well, but we can do more.

Essentially what my colleague just said. If we build three bedrooms, if we don't change that narrative, then we already know what we're going to get. It's a self-fulfilling prophecy. If you build it, that's what you're going to get: one bedroom. Who's coming? Single families. Single persons. But if you build it, you want to keep families, what New York has been the bread and butter of the world about? Keep building families. And that's what it's all about.

So I'll leave you time to -- oh, shoot. Sorry. We'll have to talk offline.

(Laughter; inaudible overtalk.)

COMMISSIONER VISNAUSKAS: Look, I would say sort of on the -- I'm not sure which thing to answer there.

But I would say on the Mitchell-Lamas, we continue to work with all the Mitchell-Lamas to make sure that -- you know, they are privately owned and privately managed, but we are there to support them to make sure they can get access to --

ASSEMBLYMAN TAYLOR: They need oversight, they need critical -- because right now it's almost criminal some of the stuff that's happened there. And everybody said, you know, they have ability to do -- they have not done a job well. They're not real estate people. They don't own. And I appreciate -- I apologize for cutting you off. But they don't know how to do the job. And no one's making sure that the job is done correctly. That's my bone to pick.

Can we talk afterwards?

COMMISSIONER VISNAUSKAS: Absolutely.

CHAIRWOMAN WEINSTEIN: Thank you, Assemblyman.

ASSEMBLYMAN TAYLOR: Thank you, Commissioner. I apologize.

COMMISSIONER VISNAUSKAS: That's all right.

CHAIRWOMAN WEINSTEIN: Assemblyman Meeks.

ASSEMBLYMAN MEEKS: Thank you,

Madam Chair.

Commissioner, thank you for joining us today.

I have a question or concern. I'm from Rochester, New York. And often we deal with the Tale of Two Cities. We've made some strides in the space of new housing, but I think we also need to keep in mind existing housing stock and the many in our community who are on fixed incomes, struggling to stay afloat, and need assistance sometimes with things as simple as a new roof or improved windows.

But with these new developments that come about, often mixed-income or low-income housing, I think we need to be mindful about the opportunities that we could provide our community. All too often we see majority white men come into the community, build these projects up, and then you have BIPOC communities that live there.

So it's like here is something new, something different for you all to live in. However, we don't afford these communities the opportunity to generate wealth in building these type of projects, and we continue to see the fact that we have communities such as three of the poorest top five zip codes in Rochester in my district.

And I think we need to capitalize on these opportunities. How could you support such an effort and be intentional when it comes to project labor agreements to assure that members of the community have an opportunity to generate wealth?

COMMISSIONER VISNAUSKAS: So I would say a couple of things, one sort of relate -- not so directly related and one directly related.

One is we launched the Homeowner Stabilization Fund, and we are going to be working in Rochester in areas of high homeowners of color, also high levels of housing distress, because we want to make sure that those historic neighborhoods in places like Rochester that have a lot of oftentimes elderly Black and brown homeowners, but who have a lot of distress in their houses, are getting assistance to be able to make repairs to roofs and boilers and any other type of sort of capital they need so they can stay stably housed in those communities.

So I think that's important for us too in your sort of Tale of Two Cities narrative.

I think on the other side, you know, we make sure -- we are -- have made changes to our programs to get more MWBE developers in them, to sort of your point about who's building the buildings we're talking about.

And we also enforce our MWBE in the contracting to make sure that the contracts that we are -- that are sort of by extension being let out through the projects that we're financing are going to MWBE contractors. You know, there are not as many -- in some parts of the state there are more or less MWBE contractors, so we are sometimes less or more successful in that effort, depending on where we're working.

But, you know, I would also say we'd be happy to work with you if you think there's other things we could be doing to get a bigger impact there.

ASSEMBLYMAN MEEKS: Yeah, I would love to work with you in that space, because there are things that we could do even as they relate to our high schools and educational opportunities to, you know, bring about like co-ops and training opportunities for some of our youth in the community as well as adults.

COMMISSIONER VISNAUSKAS: Great. I think the commissioner of Labor will be delighted to partner with us on that also.

ASSEMBLYMAN MEEKS: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblywoman Kelles.

ASSEMBLYWOMAN KELLES: Thank you so much for being here.

Just one thing I want to mention off the top, I see that HOPP, first-time homeowners and land banks were cut. I know this was a legislative add. I'd love for us to stop playing that game back and forth, honestly. We're a team. Let's be a team. I'd love to see these back in the 30-day amendments.

Next, how long does it take to build a new housing development?

COMMISSIONER VISNAUSKAS: That sort of varies, depending on the scale of the building.

ASSEMBLYWOMAN KELLES: A range.

What I'm reading is 47 years nationally. Does that sound about right to you?

COMMISSIONER VISNAUSKAS: For a construction?

ASSEMBLYWOMAN KELLES: Yup. No, for the process.

COMMISSIONER VISNAUSKAS: Oh. I -- some projects go faster and some take a very long time. It depends on --

ASSEMBLYWOMAN KELLES: I have one, for example, in my district: 10 years, still not done. It was going to be affordable. It's now luxury. Perfect example.

It takes two years, on average, to get through SEQR. This isn't a solution to the affordable housing crises that people are facing right now.

I just want to point out like we can talk about it, it's part of the process for sure. It is absolutely not a solution to people not being able to afford their --

So, you know, we're looking at -- the Comptroller right now just released a report -- I just want this on record: Cost burdens are the primary driver of housing insecurity. New York consistently ranks as one of the states with the highest cost burden. Rates of rental cost burdens have increased across all cost levels. Significant racial disparities among households suffering from household insecurity. Housing insecurity among New York's seniors exceeds the national average. Evictions have been higher in New York than the national average. New York's rate of homelessness, about five per thousand, was highest among all states.

Developing new housing is not going to address this crisis. It's just not. That is a now thing. If housing takes a couple of years, that will solve future problems. I'm totally with you, great. I'd love to see the faith-based housing also in this budget; that would be amazing. That's a Cunningham bill. But we do need those renter protections.

You talked about renter arrears, Section 8, that we're helping with Section 8. But I did want to give some statistics. Essex, which is one of our counties, their average wait time to get the Housing Access Voucher Program {sic} is 11 years. My town -- my district, three years.

Just, again, it's a problem. And that about 50 percent of those who get the Housing Access Voucher Program {sic} in New York City can't find a unit within the six months that they have to find it, and then they lose it and go back to the end of the line. It's not a solution in and of itself.

We have HAVP, the Housing Access Voucher Program, to supplement that. Do you support that, supplementing this?

COMMISSIONER VISNAUSKAS: Look, I definitely would say that -- I would, at the risk of disagreeing, say that we really -- this really is a supply issue. And we have to be focused on supply.

ASSEMBLYWOMAN KELLES: I hear you, but supply is years in the building. It's not going to affect those who are being evicted right now.

COMMISSIONER VISNAUSKAS: If we don't start building today, this problem is never going to go away.

ASSEMBLYWOMAN KELLES: We can do both at the same time. We can walk and chew gum at the same time. I really do believe that. We're really, really powerful as a state. And we're innovative.

COMMISSIONER VISNAUSKAS: I agree. Look at the case of vouchers. There would not be a place that a voucher-holder in New York City could even -- there's functional zero vacancy, right? So it's a --

ASSEMBLYWOMAN KELLES: Good cause, HAVP, TOPA. Love to see those -- love to see your support on them.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to the Senate.

SENATOR KAVANAGH: Yes, I think I'm the last Senator today for this witness.

So, first of all, thank you for your patience and your testimony and your thoughtful answers, and for all the walking and chewing gum you do all year round.

Just a couple of questions that some of my colleagues have asked that we do follow-up on.

First of all, the Homeowner Stabilization Fund, I understand there are 10 communities that have received that funding. Can you tell us which 10 communities?

COMMISSIONER VISNAUSKAS: I can't name them all off the top of my head, but they are going to our board for approval tomorrow. We've already funded Buffalo, and the other nine will go to our board tomorrow for -- but I'm happy to send you what the list is, I just can't recite them. I know it's Utica and Hempstead and Buffalo and --

SENATOR KAVANAGH: Presumably they'll be in the public -- they'll be public as of tomorrow and --

COMMISSIONER VISNAUSKAS: Yes, we can send it -- yes, we can send it to you today.

SENATOR KAVANAGH: One of my Senate colleagues was asking.

Just -- I want to circle back to the pro-housing conversation and just we -- you and I had -- again had a chance to have this conversation offline. But just for those present and for those listening, New York City is not currently an applicant for Pro-Housing status.

COMMISSIONER VISNAUSKAS: They have not applied yet.

SENATOR KAVANAGH: They have not applied, right.

So if we were to do what's in this budget, the expectation is that the City of New York would become ineligible for some of the programs that are referenced, like the Downtown Revitalization Initiative, unless they proceed to --

COMMISSIONER VISNAUSKAS: Yeah, they need to apply and get certified before that application program opened up.

SENATOR KAVANAGH: All right. So that's obviously a conversation I think some of us from the city should have with the city as well.

I also just want to, just for -- this has been talked about in various ways a couple of times, but just to make sure we're crystal-clear on the 40,000 vacancies. Forty-thousand vacancies is the number of apartments that were vacant as of April 1st of this year? That's the two thousand --

COMMISSIONER VISNAUSKAS: Of the --

SENATOR KAVANAGH: I'm sorry, forgive me, obviously not April 1st this year.

April 1, 2023. And that represents about 4 percent of the housing stock. And the longstanding standard in New York State for what constitutes a housing emergency is an excessively low vacancy rate that is below 5 percent. That's been the legal standard for a long time.

So to the extent we're seeing vacant apartments, based on your survey, it's a snapshot of units that most of which will be rented up promptly, they're just available for rent as of that moment, and that number is not out of the norm, does not reflect -- although there does seem to be some warehousing and there does seem to be some dilapidated apartments. And we've had proposals to deal with that.

But that does not represent any increase that we should be addressing of vacancies that's cropped up in the system over the last few years.

COMMISSIONER VISNAUSKAS: Correct. For us, it sort of aligns with the historic norm, so.

SENATOR KAVANAGH: Great.

Okay, thank you.

CHAIRWOMAN WEINSTEIN: And to close up this panel, for her second round, Assemblywoman Rosenthal.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

The first thing, I want to thank HCR and the Governor for working together with the Stop Croman Coalition and my office to --

well, he owes five hundred -- more than $500,000 in fines. And you did a great job investigating --

COMMISSIONER VISNAUSKAS: Thank you.

ASSEMBLYWOMAN ROSENTHAL: -- all of his misdeeds, but he continues to perpetrate.

I also want to shout out Mike Barrios, who's been a long-time employee who's just wonderful.

COMMISSIONER VISNAUSKAS: Thank you.

ASSEMBLYWOMAN ROSENTHAL: I want to get on the record that after we passed HSTPA in 2019, some landlords said: "We are going to let our apartments fall into disrepair." I just want to get that out there; it's a deliberate tactic by some landlords.

I want to know, how much affordable housing do you think we need? Because there's been talk about 800,000 units needed across the state, but there hasn't been delineation of how much of that needs to be affordable. And also by county, how much do you think? And at what AMI bands?

We can have a longer conversation, but

I wonder about your thoughts on that.

COMMISSIONER VISNAUSKAS: Look, I would say -- and you heard me say this before, right -- we take every resource we get and stretch them as far as we can get to make sure that we can finance as much affordable housing, whether that's new construction, preservation, investing in single-family homes, really -- providing mortgages to first-time homebuyers. Right?

We are across working in manufactured home parks sort of across the board trying to get at affordable housing in every -- you know, not just a multifamily rental building, but really other types of affordable housing that might not be as -- you know, sort of come to mind as quickly.

So we are doing that everywhere we can. We have always sort of a pipeline that's bigger than we can meet with the resources we have from the -- sort of the base resources we have from the federal government as it relates to new construction of multifamily housing. Until we get sort of relief from the federal government, that's sort of hard to increase.

I don't know that we have a number on what the right number is. Our projections are really looking at job growth and population growth and saying, you know, over the next 10 years if we do the same thing we did for the last 10, we could expect 400,000 units -- and we really need more like 800,000. We're already behind, right, because 421-a has expired --

ASSEMBLYWOMAN ROSENTHAL: Yes, but I mean --

COMMISSIONER VISNAUSKAS: It's expired, and we're not producing --

ASSEMBLYWOMAN ROSENTHAL: -- affordable. And there's not just one tool, which is relying on developers who are in the business of making a profit. And that's their business, but we overly rely on them to produce affordable housing. And, you know, we're sort of under the gun here with that.

Other question -- so in Congress there's a LIHTC bill to increase -- or a

LIHTC discussion and bill. How do you think the state would use all of those credits were we to get them?

COMMISSIONER VISNAUSKAS: So there's two pieces to it. One is an increase in our 9 percent low-income-housing tax credit. So we will -- if the bill passes, we will award more projects those credits and we will do more projects each year with that.

On the bond side, sort of similarly, we will -- it will increase our capacity to close more deals each year.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

So Commissioner, that is it for --

COMMISSIONER VISNAUSKAS: Thank you.

CHAIRWOMAN WEINSTEIN: As Senator Krueger says, we have not run out of questions, we've run out of members' time to ask questions.

(Laughter.)

CHAIRWOMAN WEINSTEIN: So thank you for being here. There may be a few times that you didn't have a full opportunity to answer questions, so we look forward to anything in writing from you so we can distribute to members.

And just continue to thank you for being here and look forward to continuing to work with you.

COMMISSIONER VISNAUSKAS: Great. Thank you very much.

CHAIRWOMAN WEINSTEIN: So we will now begin the nongovernmental portion of the hearing. People are -- the witnesses will be in several different panels. And we will be starting with -- the first panel is Panel A. And Assemblyman Burdick, why don't you talk to the commissioner outside.

We will start with New York State Association for Affordable Housing; Neighborhood Preservation Coalition; the Community Preservation Corporation; New York State Public Housing Authority Directors Association, and Pratt Center for Community Development on behalf of Basement Apartments Safe for Everyone.

And for those leaving the hearing,

please do so -- to the extent you want to have a conversation, please do that in the hallway so that we can continue on our long hearing and people can get home for Valentine's Day -- or Valentine's Night.

Can members take their conversation with the commissioner out in the hall so we can continue with our hearing? Thank you.

So if we can -- just a reminder, three minutes for presentation. Your remarks have been received, reviewed by members, posted on our websites.

And with that, if we could start with Jolie Milstein.

MS. MILSTEIN: Thank you.

Good afternoon, Chairs Weinstein, Kavanagh, Rosenthal, and other honorable members of the Legislature. I'm Jolie Milstein, president and CEO for the New York State Association for Affordable Housing. We represent more than 400 members statewide who play a critical role in the financing, construction and operation of affordable housing.

Thank you for the opportunity to testify regarding Governor Hochul's 2025 Executive Budget for housing.

We'd like to thank the Governor and the Legislature for previously enacting and continuing a $25 billion, five-year Housing Plan to create and preserve 100,000 new and preserved homes. NYSAFAH members have been employing these resources to help address the housing affordability and supply crisis across our state.

And despite our successes, pandemic-related consequences continue to significantly impair affordable housing property operations and financial stability. We ask that $250 million be approved for a new affordable housing relief fund to provide needed capital monies and debt restructuring to ensure at-risk properties remain available to tenants.

High interest rates, rising insurance costs and rent arrears have forced projects to absorb additional debt and placed them in severe financial and physical distress. Last year the 391 million that was included in the enacted State Budget for the payment of rental arrears for tenants in public housing -- including NYCHA -- and federal Section 8 voucher holders was appreciated, but we really need an additional $250 million investment in a new fund for at-risk properties that will complement the Legislature's prior-year commitment.

We also ask that you support the Executive Budget proposal to prohibit insurance-related discrimination against affordable housing, housing in urban areas where crime rates are higher, and against landlords that rent to Section 8 voucher holders.

Increased insurance premiums, combined with a lack of availability of property and casualty insurance are endangering affordable housing.

We further urge you to authorize a three-year pilot program that would carve out affordable housing from the Scaffold Law, to measure the impact lower insurance rates will have on affordable housing production. The existing Scaffold Law has contributed to skyrocketing insurance rates and has driven most insurance companies from the New York market, adding substantial costs to general liability coverage for affordable housing developments.

We ask that you amend the law to allow the State Historic Tax Credit to be sold to a different investor from the federal historic tax credit. This will increase the attractiveness of the State Historic Tax Credit and its value, bringing greater private investment to affordable housing projects.

And we ask that you enact an as-of-right tax benefit to replace the 421-a abatement.

Thank you for the opportunity to testify today and for your consideration of our budget request. I welcome your questions.

CHAIRWOMAN WEINSTEIN: Thank you.

Everybody else should pay attention to

the clock.

MS. MILSTEIN: Was that good? I practiced.

(Laughter.)

CHAIRWOMAN WEINSTEIN: Mark Streb, Neighborhood Preservation Coalition.

MR. STREB: Good afternoon.

First I'd like to start off by saying thank you to each and every one of you for your incredible support of the frontline not-for-profit housing workers during this housing crisis. It is your steadfast support of the Neighborhood Preservation Program that allows essential services to be provided. These boots-on-the-ground community leaders are often the difference between a family living in a home versus a shelter versus the streets. The incredible value of that cannot be overlooked.

For this year's budget, $18.34 million is requested to fund the Neighborhood Preservation Program. That is a 4 percent increase from last year's allotment. Additionally, the Neighborhood Preservation

Coalition seeks a carveout of $260,000.

This program was originally created as a response by the forward-thinking State Legislature to the recognition that Neighborhood Preservation Companies face significant challenges due to inadequate funding. These not-for-profit housing organizations play a crucial role in addressing the escalating demand for affordable housing community services. Their services range from housing counseling to home improvement and rehabilitation projects to food programs to eviction protection.

Unbelievably, Governor Hochul's proposed budget presents a concerning reduction of $4.8 million from last year's funding, lowering the NPP allocation to 12.83 million. This decrease will severely impact vital services provided. Cuts aren't carrots. Cutting funding for the frontline workers fighting the housing crisis is wrong and must be reversed. Families' and children's lives will be negatively affected if this draconian cut is instituted.

In addition to the program's human capital is the economic development investment of this program. By working with the community in leveraging other resources, this program's return on investment is over 13 to one. The money is put back into the neighborhoods. It's put into the communities.

In addition to this fantastic return on investment, the local not-for-profits must provide matching funds of 33 percent -- a true testament that this program is community-driven from the very neighborhoods that it serves.

The urgency of the housing crisis can't be overstated. Half of renters and a significant portion of homeowners in New York State are burdened by housing costs, with low-income households bearing the brunt of this burden.

In closing, I will repeat my request that the Neighborhood Preservation Program be funded at $18.34 million, with a $260,000 carveout for the Neighborhood Preservation

Coalition.

Thank you.

CHAIRWOMAN WEINSTEIN: Community Preservation Corporation.

MS. BURNS-MAINE: Thank you, Committee Chairs Rosenthal and Kavanagh and other distinguished members of the New York State Senate and Assembly, for the opportunity to speak today.

My name is Erin Burns-Maine, and I'm senior vice president for policy and government affairs at the Community Preservation Corporation. On behalf of CPC, I'd like to express gratitude to Governor Hochul's administration, Commissioner Visnauskas, and the Senators and Assemblymembers who continue to advance housing solutions here in New York State.

Today our affordable housing crisis is ongoing, and the impacts are being felt by all New Yorkers. Renters are pinched by the high rents and limited supply. Statewide, the percentage of renters who pay more than 30 percent of their income reached 51 percent last year. The recently released New York City Housing Vacancy Survey revealed the city's vacancy rate had fallen to 1.4 percent, as we've talked about today, and it's far below the range of 5 to 8 percent that signifies a healthy housing market.

The situation is bleak for buildings as well. As expenses have grown considerably while collections remain below pre-pandemic levels in a high-interest-rate environment, affordable and rent stabilized buildings have seen intensifying pressure on operations, leading to tightening debt service coverage, deferred maintenance, tax and water/sewer arrears and mortgage delinquency.

From CPC's work managing a large mortgage portfolio for affordable housing, we've seen delinquencies double over the last several years, dramatically increasing the amount owed. We've also seen per-unit insurance premiums increase an average of 17 percent a year since 2020, resulting in an over 50 percent increase on pre-pandemic rates.

Tenants and owners need help navigating these complicated times. And just as no one factor causes the housing crisis, no one solution will fix it.

We support the Governor's proposal to prioritize competitive programming funds for communities that can demonstrate their commitment to identifying and removing impediments to housing growth, thereby driving investments in communities that welcome new construction. The Pro-Housing Community program would reward communities and help to grow the state's housing supply.

We are also encouraged by the Governor's proposal to prohibit insurance carriers from raising premiums on property owners based on a tenant's source of income, the existence of affordable housing units, or the receipt of government assistance. We encourage the Legislature to pass this legislation to ensure that the criteria informing insurance underwriting decisions does not discriminate against affordable housing properties and their tenants.

We also are looking for the Legislature to help convene stakeholders and experts from across the housing field to work towards creative solutions to address the rising cost of insurance across the state that, absent meaningful action, will continue to plague affordable housing providers and developers.

But the single most important tool needed to facilitate the development needed to meaningfully increase supply is the restoration of an as-of-right tax incentive for multifamily housing development. We call on the Legislature to enact 485-x. 421-a was not perfect. However, this program has -- I will stop there -- has been improved.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

William Simmons?

MR. SIMMONS: Thank you. I come before you to discuss NYSPHADA's budget request for this fiscal year.

Over the last several years, NYSPHADA has worked closely with our partners in the state -- HCR, the Governor's office and the Legislature -- to urge public housing authorities to rethink how they rehabilitate public housing stock in need of modernization. Many of our authorities are considering RAD projects and pursuing innovative alternatives to repurpose their facilities.

NYSPHADA is very grateful for the Legislature and the Executive for their incredible support in the past several budget cycles to help modernize and rehabilitate our aging facilities. We are expecting more housing authorities to pursue major upgrades and Rental Assistance Demonstration projects in the years to come. Therefore, we respectfully request that the Legislature and the Executive set aside $150 million in this year's budget for public housing authorities outside of New York City for substantial and moderate rehab and/or the demolition and replacement through the construction of public housing authorities developments outside of New York City.

We have taken advantage of over $250 million in the last five years to help public housing authorities across New York State modernize their facilities. We want to continue that momentum for our public housing authorities and provide the highest quality of life for all of our residents. Several of our authorities have undergone renovations utilizing New York State tax incentive programs, including the following: Albany, Amsterdam, Auburn, Buffalo, Freeport, Geneva, Glens Falls, Greenburgh, Herkimer, Ithaca, Kingston, New Rochelle, New Hempstead, Rochester, Rome, Saratoga Springs, Schenectady, Troy, Utica, White Plains and Yonkers.

In addition to our budget request, we want to address an issue pertaining to insurance discrimination. Insurance discrimination is becoming an ever-growing issue in the affordable housing market. As public housing authorities continue to transition to RAD, we are more concerned about the growing threat of insurance discrimination.

Therefore, NYSPHADA strongly supports the passage of Senator Brian Kavanagh's bill to address housing discrimination practices by insurance companies for low-income residents. This bill prohibits insurance discrimination for affordable units -- as well as Assemblywoman Linda Rosenthal's bills that will address this issue as well, prohibiting insurance companies from requesting information on or discriminating against buildings for the use of rental subsidies in such buildings.

We therefore agree to support these legislations and hope that we can get some assistance with this unlawful discriminatory practice.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

And last, Sylvia?

MS. MORSE: Thank you.

Good afternoon, Chair Weinstein, Chair Kavanagh and all members of the Senate and Assembly here today. Thank you for the opportunity to address the fiscal '25 Executive Budget proposals on housing.

I'm Sylvia Morse, speaking on behalf of Basement Apartments Safe for Everyone, or BASE, a coalition of policy, legal services and community organizations dedicated to the safety and affordability of basement and cellar apartments in New York City.

We strongly support Education, Labor and Family Assistance Article VII, Part S, to enable New York City to create a program to safely legalize existing basement and cellar dwelling units.

Basement and cellar apartments are a critical part of the city's low-income housing stock, home to tens of thousands of New Yorkers, and concentrated in areas that are majority people of color and where rent burden and poverty rates are higher than citywide.

Yet because these homes are not legally recognized, there are no regulations or resources available to ensure their safety and affordability. Current law prevents upgrades to better protect tenants in the event of fire or the growing risk of flooding, as tragically shown by the deaths of 11 New Yorkers in subgrade units during Hurricane Ida. The city's only regulatory tool is a vacate order, which can result in immediate homelessness for tenants with few housing options, and destabilizing fines and loss of income for low- and moderate-income homeowners.

This legislation would grant New York City local control to establish safety standards for below-grade apartments and create a program to existing units into compliance. It would not automatically legalize any basement or cellar apartment.

This citywide program would build on the city's East New York basement conversion pilot program, which established eligibility criteria and safety standards agreed upon by a multi-agency task force.

Specifically, this legislation would make basement and cellar conversions feasible and affordable by addressing duplicative and outmoded regulatory barriers in New York State's Multiple Dwelling Law, or MDL. Under current law, basement apartments in two- and three-family homes would become subject to MDL upon conversion.

In two-family homes, the whole building may be newly subject to the MDL, requiring costly renovations unrelated to basement safety. In the East New York pilot, the MDL drove up conversion costs by prohibitive six-figure increases. This effectively barred two-thirds of pilot applicants from the program, and we estimate that the MDL may prevent much-needed safety upgrades in half of potentially eligible units.

There's precedent for this legislation. The Legislature has passed similar exemptions for loft conversions. And the proposed reforms to MDL are narrow but imperative for housing safety in New York City. Without regulatory relief, basement and cellar units will persist in the informal housing market and remain beyond oversight.

Homeowners will be prevented from making safety upgrades, and tenants will be left vulnerable to hazardous conditions, eviction, or to life-threatening disasters like Hurricane Ida.

The power to bring safety measures to New York City's basement and cellar tenants -- or leave them in unsafe conditions -- rests with this Legislature.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We'll go to Assemblywoman Rosenthal first, three minutes.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

I'd like to thank all of you for your wonderful work.

I'm wondering if you've had conversations with the Governor or her team about the needs that you've just talked about, and if there is some sense of understanding that we can't just rely on the Legislature to play that game every year to add funding for your necessary work.

MR. STREB: Thank you, Assemblywoman.

Yes, every year, you know, when the cycle starts, you know, back in November, December, we reach out to DOB, we reach out to our partners at HCR and have this conversation. Because it's too important of an issue to make everybody go back and forth.

The thought or the difficulty it puts on these people that are boots on the ground, providing these services, knowing that their funding may be cut -- and all they do is work really hard to provide services.

So we try every year and thankfully to everyone here, you guys see fit that this funding is recognized and important.

Thank you.

MS. MILSTEIN: Thank you for the question, Chair Rosenthal.

Yes, we start early, probably at the end of session last year, with reaching out to the second floor, to HCR, and bring our members. We've been meeting with the second floor and many of you over the last six months because we know that it's a lot to ask, and we want to make sure that we answer any questions regarding these requests. And we continually reach out to the second floor and to HCR staff to make sure that we're all on the same page with the necessity of providing this funding and are available to answer any questions.

ASSEMBLYWOMAN ROSENTHAL: Anyone else?

MR. SIMMONS: Yes. Thank you for the question.

We -- you know, as I recognized in my opening comments, we work very, very closely with HCR and have been able to get a number of great projects completed throughout New York State with the dollars.

It's been my understanding that there are some monies left over from the 250 million, but most of those dollars are spoken for. Buffalo and Syracuse, where I'm the executive director, we have large, transformative projects that will be looking for some future dollars in the near future and would not want that momentum to stop.

And so yes, we really have been working closely with HCR over the past five years and looking forward to working with them over the next five.

Thank you.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

One of the themes of this hearing has been the need for affordable housing with people who are homeless and people being priced out of the state. And so denying the groups in front of me enough funding to keep people housed is insane.

Thank you.

CHAIRWOMAN WEINSTEIN: Senate.

SENATOR KAVANAGH: So I'll just begin with a few questions, and a couple of my colleagues also have questions today.

So just for starters with the -- I guess just start with Ms. Milstein and your affordable housing relief fund. Can you just a little -- I think this is going to be new for some members of the panel, and perhaps others watching. Can you just talk a little bit more about, you know, you mentioned it's partly because of arrears that built up and other constraints during COVID.

Can you just talk a little bit more about how that would work and sort of why existing HCR programs are not adequate to address that?

MS. MILSTEIN: Yes, thank you for the question, Chair Kavanagh.

We have been working closely throughout the pandemic with our members and with HCR to do everything we can to triage the lack of revenue coming in to support these buildings because of delays in the ERAP program and people misunderstanding what their liability and their responsibility is to pay the rent.

At the same time, we have supply chain problems, we have rising interest rates, we have insurance costs and other operating and maintenance expenses going through the roof during the same time. So revenues are going down, expenses are going up. And in the best of times those revenues are fixed.

So we've been working with HCR -- and in fact NYSAFAH is just now drafting a term sheet for how this might all work -- to understand that for projects that aren't in line yet for recapitalization, which would typically happen with our stock at Year 15 or Year 30. These projects are newer than that, and they didn't anticipate in years past that they would need this influx of capital to maintain the building, to replenish reserves and to just keep the building from foreclosure.

So we understand that we would -- we've proposed that we would have a per-unit cap, a per-building cap. This isn't meant for substantial rehabilitation. This is meant to get these buildings that experienced problems during COVID to get through this period of distress, back on their feet and make it to the regularly cycled reinfusion of capital in 15 years.

SENATOR KAVANAGH: And this would be -- it would be a pool of funding, $250 million of capital funding, that then effectively HCR would come up with some kind of a program for people to articulate the particular needs for their building and --

MS. MILSTEIN: That's right. There would be -- HCR would establish the criteria to qualify for what we see as a forgivable loan over like 10 years. So, you know, we're really thinking with HCR about how to structure this so it makes sense, so we're not overspending, but we're really taking the buildings that are most at risk first and prioritizing the needs.

SENATOR KAVANAGH: Okay. And three minutes goes fast, so I'll just take a minute to thank our other four panelists. You know, we work very closely with each of your organizations. You know, thank you for your testimony today and for all the work you do.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblyman Epstein.

ASSEMBLYMAN EPSTEIN: Yeah, thank you all for being here.

Just for NYSAFAH and CPC, do you agree to a permanent affordability requirement to exceed 12 FAR, like MIH?

MS. MILSTEIN: It certainly makes sense to us. We're not a part of the conversation, but look, we really want to return autonomy to New York City over their land use, and we're in favor. And obviously we care about affordability, but we haven't really examined what the criteria would be to have that move forward.

MS. BURNS-MAINE: We'd be happy to be part of that conversation as well.

ASSEMBLYMAN EPSTEIN: So at this point do you have a public position on MIH exceeding 12 FAR?

MS. BURNS-MAINE: We're supportive of the current proposal on the FAR cap, but we'd love to be part of the conversation to work out those details.

ASSEMBLYMAN EPSTEIN: So just if I can turn our attention to 421-a. You'd even mentioned labor standards for 421-a, so I'm wondering what requirements or labor standards are you saying? The Governor didn't really put much in about labor standards, and it's been a long conversation about that as well as permanent affordability.

If you'd quickly -- I don't have a lot of time unfortunately.

MS. MILSTEIN: Anybody else want to take that one?

MS. BURNS-MAINE: There's a level of detail that needs to be worked out for the 485-x proposal. And I -- you know, and given the time allotted, I don't know that we can roll up our sleeves and dig into all of it.

But as was raised earlier, I think during budget, to make sure that we figure out the AMI levels to make sure that we get the financing to work, that it pencils, that we are creating the units that need to be created.

What I would say is I think throughout this hearing today we've heard time and time again about the low vacancy numbers. We know that 51 percent of HPD's pipeline last year was -- those were 421-a housing starts.

ASSEMBLYMAN EPSTEIN: And labor standards too, across-the-board labor standards?

MS. BURNS-MAINE: So again, so I -- I

can't get into the details of labor standards right --

ASSEMBLYMAN EPSTEIN: If it pencils out, it pencils out, basically.

MS. BURNS-MAINE: I would be happy to be part of that conversation. CPC's at the table, and we would love to engage and make sure it works.

ASSEMBLYMAN EPSTEIN: Great.

So just on the BASE, thank you for all your work as well.

So if we don't do this in the budget, what authority does the city not have and why do we need to do it in our state budget?

MS. MORSE: Right. So right now New York City, you know, the rules that are local that govern basement conversions are essentially the Housing Maintenance Code, Building Code, and zoning.

The East New York pilot really is what -- did what a pilot program is supposed to do, showed us what the barriers were. And what we've seen is that with the Multiple Dwelling Law, it's effectively impossible to convert basement and cellar units in two- and three-family homes.

So potentially with zoning reforms and other efforts at the city level, there could be a program that serves single-family homes. But tenants who are living in basement or cellar apartments would basically have different rights or opportunities to make their homes safe, depending on whether they're in single- or two-family homes.

ASSEMBLYMAN EPSTEIN: Great.

And just for NPC, clearly we've got to get the money back in for capital for New York City, as well as in New York City. I appreciate you pushing for that. We need to make sure that your capital dollars are with you. Thank you.

MS. MILSTEIN: Can I just say thank you for your leadership on the Martin Act.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate.

SENATOR KAVANAGH: There we go.

Senator Comrie.

SENATOR COMRIE: Thank you all for

being here.

I just wanted to follow from what you said -- you said right now with the regulations it's impossible to do ADUs for what categories?

MS. MORSE: So specifically for basement and cellar apartments in two- and three-family homes. It's prohibitively expensive and complicated.

SENATOR COMRIE: And what have your costs been estimated for the one-family homes?

MS. MORSE: That depends. I could share, potentially, follow-up data on the East New York pilot program.

But the costs for conversions in two- and three-family homes are double what they would be in single-family.

SENATOR COMRIE: My understanding is that there was only one successful conversion in that study. And can you tell us why?

MS. MORSE: So again, I can share in detail after this, if it's helpful, the interim report on the pilot program. There are a small number of homes going through.

But the reason that that program has not been able to reach more homes is because of the Multiple Dwelling Law, which is what we're advocating to reform today.

SENATOR COMRIE: Okay.

Different topic. The need for solutions to rehabilitate existing apartments and rent-stabilized units is keener than ever. And from what I'm told, the 15 grand cap is just not realistic.

Have you made any adjustments to come up with a realistic cap for that, or looked at our bill that I have with Assemblyman Burgos to look at how to make sure we can really get 10,000 units back online and rent-controlled, rent-stabilized units?

(No response.)

SENATOR COMRIE: Okay. Since nobody's answering that question, we'll go -- I'll keep going.

How many minority developers have you worked with in developing housing? Or rehab, rehabbed apartments.

MS. MILSTEIN: We have a program that fosters and mentors MWBE developers. And every year, in fact, we give an award to an MWBE developer that's done something innovative or new.

And we're very proud of the work we do. And CPC has been a leader here too in expanding the pool of qualified, capable MWBE developers in the state.

MS. BURNS-MAINE: Absolutely. So through CPC's access initiative, we've committed $40 million in capital to new up-and-coming BIPOC developers in New York State.

In addition to doing that, we've run now I think four or five cohorts of a very successful program that brings resources to the table, it's a training program, it's an incubator program that has a curriculum that gets folks up and going with their projects and also starts building a network.

SENATOR COMRIE: How much actually has been completed, completed projects that are --

MS. BURNS-MAINE: That's a great question. I'd be happy to follow up with you with the exact numbers of developers we've engaged and units completed. Happy to follow up.

SENATOR COMRIE: Thank you.

I think that's my time, so -- I could go longer.

(Laughter.)

CHAIRWOMAN WEINSTEIN: We go to Assemblyman Braunstein.

ASSEMBLYMAN BRAUNSTEIN: Thank you.

I want to talk to Ms. Morse about the basement apartments. I just want to share with you some of my concerns about the Executive proposal.

For one, it doesn't seek to reform the MDL, it just says "the MDL notwithstanding." So there's questions about what safety regulations would apply. Should we just not withstand the MDL?

The other concern I have is cost. We had Commissioner Carrión testify at a hearing in December, and he estimated to convert illegal apartments to make them up to code would be 300,000 to $500,000 each. And we're talking -- let's -- I don't know, can we expect people to be able to pay $300,000 to upgrade these units?

And I also have trouble with only illegal apartments, right? Like right now you're someone who's renting your apartment out illegally, you're probably not paying taxes on it, you're putting people in harm's way, and we're going to say to you now the city's going to give you a low-interest loan to upgrade your property?

Whereas the person who lives next door to you who's been following the rules all along, perhaps they wanted to move a family member into their basement -- they're prohibited from doing it under the Governor's proposal. It just seems -- that's troubling to me that someone who followed the rules can't do it, but someone who broke the rules is now getting subsidized so they can fix the apartment, continue to rent it out and collect revenue.

So it's -- the concerns I have is the notwithstanding the MDL and now knowing what safety rules apply, not having any kind of conversations with the fire department and those groups.

The cost. Right? If it's $300,000 to upgrade, $30 million will get you, what, a hundred units, right? And we've seen the challenges you had in East New York.

And then, finally, the concept of just -- how do you even prove -- like how do people prove that they're illegally renting their apartment? You know, people see this coming, should they start renting their apartment illegally so they can come out and say, Look, I've been doing this illegally, now pay for the upgrades?

The whole concept is something that I just -- I'm not comfortable with. And, I'm sorry, there's 40 seconds to respond.

MS. MORSE: Sure.

So on the first point, so the primary -- New York City's housing maintenance code, building code, that's really the primary way that New York City regulates the safety. The MDL is another layer on top of that that applies to multiple dwellings. So for single-family homes, for two-family homes that exist today, they're not subject to the MDL. So they are already governed by New York City's robust safety regulations. And that is what would govern the safety of these newly converted units.

In terms of cost, again, that cost is being driven up by the challenges of trying to interpret and comply with this additional layer of code that's in many cases duplicative of the MDL. And it is less than new construction.

And on the last piece, I would just say that it --

ASSEMBLYMAN BRAUNSTEIN: We'll follow up. We're out of time. You did well, though. You almost got it all in there. Thank you.

MS. MORSE: I tried.

CHAIRWOMAN WEINSTEIN: We ran out of

time.

Senate?

SENATOR KAVANAGH: Senator Cleare?

(No response.)

SENATOR KAVANAGH: I don't think we have any other Senators.

No other questions from the Senate.

CHAIRWOMAN WEINSTEIN: Assemblywoman Chandler-Waterman.

ASSEMBLYWOMAN CHANDLER-WATERMAN: All right. Thank you so much, Chair.

Thank you so much for all the work that you do to advocate for our landlords and our tenants.

So I just wanted to ask NPC, Mark Streb -- I appreciate working with you and your team, especially within my district, when it comes to landlord/tenant concerns, especially with the issue with -- the issue with ERAP issues with Mitchell-Lama. We had a great meeting a week ago about that: Sinking houses, infrastructure concerns due to overdevelopment in our community.

We wish it was all affordable, right,

the housing, but we can keep working together to reimagine housing. So I know there's like a nearly 5 million cut, right? What service or program would we lose if that cut is in effect? And are you able to leverage services with the dollars, you know, you receive now? How does that impact us on the ground? Because I mentioned the things that we are doing together. Are we losing that? Could you please --

MR. STREB: Thank you.

Right now each of the Neighborhood Preservation Companies -- you know, on-the-ground not-for-profit housing organizations -- receive roughly $129,723 for each organization. And that allows them to pay for staff, keep the lights on, keep the phone working. And that -- when somebody comes in, you know, a tenant or landlord that has a problem that they don't know how to solve or they need help with, that is what those staff, those organizations do.

So we're $30,000 per company, which the cut would be -- that equates to not quite a full-time staff person, but it equates to 20 to 30 hours of staff work a week, and that's direct people that wouldn't be assisted or helped when they come into the office.

So it's -- you know, and that is roughly a 33 percent cut, 34 percent cut in their funding. And during a housing crisis, we should be going the other way. Last year was the first year -- thank you again -- that we actually saw our funding increase to make up for decades of flat funding, which is a cut in funding based on the inflation from the last 20, 25 years.

So people -- services would not be provided. New York State HCR, we have a lot of good programs. But if we can't get the programs to the people, they're no good.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Thank you so much.

And with the basement apartments, we know that during COVID there was a lot of regulations with garages and basement conversions, and we know we're trying to be creative how we do affordable housing. I want to make sure as we make things legalized that the constituents are worrying about are they going to be overregulated now, is there going to be more stuff put on them, more burden, because now that it is -- become affordable -- how do you answer that?

MS. MORSE: So if this legislation were passed and New York City were able to create a basement legalization program, the only homeowners who would be subject to the new regulations would be those who applied and said, I want to bring my basement or cellar apartment up to code and provide housing.

ASSEMBLYWOMAN CHANDLER-WATERMAN: We'll talk offline. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblyman Burdick.

ASSEMBLYMAN BURDICK: Yes, thank you.

And thank you all for the work that you do in this space. It's incredibly important. You folks have been integral in increasing the supply of housing and particularly affordable housing.

I don't know if you were following the exchanges with Commissioner Visnauskas, but you may have heard that my Hudson Valley colleague, Dana Levenberg, and I are introducing a package of housing bills. We believe they complement the Governor's policies and would appreciate your looking at them and considering supporting them.

And we'd appreciate your letting us know offline the appropriate person we'd email them to.

And this next question I think is directed primarily to CPC, and that is that while we welcome the Governor's proposals to expand housing, we believe it would be helpful to have more that is statewide in scope. And certainly there are things there, but what more might you suggest that we do?

MS. BURNS-MAINE: Thank you, Assemblymember, for that question.

You know, I think that the approach that was laid out in the Pro-Housing Communities is something that we're very supportive of. I think we have to work across all levels of government, so there's also I think some federal housing resources that were raised a little bit earlier today -- we were talking about the affordable housing tax credit bill and the LIHTC expansion. These are things that would definitely support overall housing development in New York State and the provision of housing and subsidies flowing to the streets.

I'd be happy to speak further and explore that more.

ASSEMBLYMAN BURDICK: That would be great.

MS. BURNS-MAINE: We'd be happy to, yes.

ASSEMBLYMAN BURDICK: Any other on the panel who might add to that?

(No response.)

ASSEMBLYMAN BURDICK: Good. No, we'd be very interested in discussing that further with you offline. Thanks so much.

CHAIRWOMAN WEINSTEIN: Assemblywoman

Lee.

ASSEMBLYWOMAN LEE: This question is for Mr. Simmons and Ms. Milstein.

You know, last year in the budget we were able to secure $391 million statewide for public housing and Section 8 housing to fully fund the Emergency Rental Assistance Program. Can you talk about how that's being implemented across your developments and across your members' buildings and, you know, the benefits you've seen from that funding?

MR. SIMMONS: Well, in our case the program's been tremendous. It's helped out so many families. Because especially as you know, for those families who have to leave public housing with any arrears, they are no longer prohibited from participating in the public housing programs until those arrears are cleared up.

So initially, before the program was implemented, we had families that couldn't pay their rent, moved out of public housing and couldn't get into public housing nowhere else in the country, couldn't even get access to the voucher program.

But with those resources, it helped many families out tremendously. It even helped out the housing authorities. Obviously those dollars went to pay for sorely needed staff to maintain the properties, and for the physical upkeep.

And so in Syracuse we had probably $2.3 million in arrears. We were able to make a big dent in those dollars, and we're still getting dollars in. With your help and so many other Assemblymembers -- even the administration -- in flowing of the dollars and how they come to our properties, that process has been improved with the help of I know in particular Assemblywoman Chair Rosenthal helped out some of our public housing authorities.

Because oftentimes that resident had to accept those dollars when they came in, but many of them moved on and the housing authority still had that debt. And the New York State Assembly, in particular Assemblywoman Rosenthal, was able to help out the Ithaca Housing Authority, and so many received those dollars.

So it has helped out tremendously. And it -- naturally more would help, but yeah, it really was a great program.

MS. MILSTEIN: Thank you for your question. NYSAFAH was very involved in advocating for those funds. And we didn't stop once the funds were appropriated, we actually got involved with OTDA. We were like a concierge service for public housing and for affordable.

And it really -- all of the tenants who had some sort of subsidy were at the back of the line, and this money allowed many subsidized tenants who legitimately suffered through COVID, to receive those funds. And we helped OTDA understand, from the tenant and landlord side, what was going on. And we really intermediated there and got those funds delivered very quickly and efficiently to tenants, which went through to landlords.

And now that the money's all been spent -- there's some slight overhang because of timing -- we really need to make sure that those buildings can stay afloat.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblywoman Kelles to close for this panel.

ASSEMBLYWOMAN KELLES: Thank you so much.

First question for Mark, Neighborhood Preservation Coalition. Can you just -- you touched briefly, but can you give us a comprehensive list of the projects that you all do that help keep people in their homes?

MR. STREB: Thank you. And thank you for your support.

The programs that our organizations provide run the entire gamut. Not every organization provides the exact same programs, but we -- you know, when somebody comes in and says "I don't have any heat" or "My landlord's going to evict me" or, you know, "A tree fell through my roof" or "I don't have any hot water" -- you know, the list goes on and on and on.

ASSEMBLYWOMAN KELLES: So you're the

catchall, really, for people to keep them in their homes, get them in their homes.

MR. STREB: When people need help, they come to us and we help them.

ASSEMBLYWOMAN KELLES: Is there any other entity in the state that does that?

MR. STREB: You know, we have a sister organization, you know, the Rural Preservation Coalition, the Rural Advocates. Great organizations. You know, we do more of the urban and suburban; they do more of the rural -- hence the name.

ASSEMBLYWOMAN KELLES: They're your counterparts, so it's the --

MR. STREB: Yes.

ASSEMBLYWOMAN KELLES: -- the rural and the neighborhood.

MR. STREB: Right.

ASSEMBLYWOMAN KELLES: But there's no other entity that does that work.

MR. STREB: No. I mean, there are other housing not-for-profits that do not participate in the Neighborhood Preservation Program, so those are great organizations also. So --

ASSEMBLYWOMAN KELLES: Okay, so there's some.

MR. STREB: But there's a subset that participate in this specific program. And, you know, we all provide different services.

Because when somebody comes in, even if we don't provide it, we don't say, Oh, sorry, we don't provide that service. We say: Let's find out how we can help you.

ASSEMBLYWOMAN KELLES: So there are organizations -- you all support each other, you're a network, but you create a foundation. I understand there's 60 RPCs. How many NPCs are there?

MR. STREB: We're at around 134 right now. They opened it up --

ASSEMBLYWOMAN KELLES: Okay, so we've got these 200 organizations that provide this work, we've got others that do this as well. You've got an over $10 million cut between the NPCs and the RPCs in this budget. This is used for operating funds, correct?

MR. STREB: Yes. This is to allow the

doors to stay open -- the heat to be on, to pay for administrative costs. This is a very unique program that allows them to provide services.

ASSEMBLYWOMAN KELLES: So it will prevent you from being able to expand any of those supports and potentially lose staff.

MR. STREB: Right.

ASSEMBLYWOMAN KELLES: Okay. I just wanted to get a sense of what the impact would be across the entire state if we allowed for this 10 million cut.

And the other -- really quickly, and I apologize for this, I can't get to everyone. I love that you are all here. Thank you so much. The 150 million for the public authorities, can you describe a little bit what all of that would be used for around the state?

MR. SIMMONS: Sure.

Well, as I'd mentioned before, as the executive director for the Syracuse Housing Authority, we have a transformational program that takes some 675 units of public housing, repurposes those, and adds on its footprint a total of 1,400 of mixed-income and market-rate units to deconcentrate poverty and repair these units.

And so we'll be doing this over a 10-year period of time. And I think Buffalo has the same type of a project. And there are a number of other upstate organizations that need to repurpose their properties as well.

ASSEMBLYWOMAN KELLES: Thank you so much.

CHAIRWOMAN WEINSTEIN: Thank you.

I want to thank all of the witnesses in this panel.

And we move on to Panel B: Legal Services New York City, Jay Inwald; Legal Services Access Alliance, Erica Zimny; Center for New York City Neighborhoods, Christie Peale; Right to Counsel Coalition and Community Action for Safe Apartments/New Settlement, Randy Dillard; and Tenant Political Action Committee, Michael McKee.

Mr. Burdick, can you please take your

seat so we can begin?

Jay, you can begin.

MR. INWALD: Thank you so much.

Jacob Inwald from Legal Services NYC, director of litigation for economic justice. I'm here to talk today about the Homeowner Protection Program. Most of you are familiar with it.

I am not going to actually read my testimony because I think you've all really heard all the particulars. I want to just seize on a couple of things that the commissioner said and address some of those things.

Regrettably, this is an annual exercise. I know we're a couple of weeks past Groundhog Day, but it really feels like that. I do this every year. I got a Facebook memory generated this morning, Here's a memory from seven -- oh, and it was a press conference that we held in support of restoring funding for HOPP seven years ago to the day.

So if I'm expressing a little bit of a

tone of irritation, it is not directed at the Legislature. The Legislature has -- I have nothing but gratitude to the Legislature that has restored our funding for really more than a decade. But I am a little bit grumpy about it because there are better things that I could be doing with my time than trying to prevent us from being defunded.

And the annual threat of our defunding is not without -- it's not just the irritation of having to do the advocacy. It has real consequences. These are long, complex cases. And when there's a cloud of uncertainty about whether we continue to have funding come July, we cannot take new cases. Right? It inhibits our case acceptance. There are people who lose their homes because of that.

It causes staff attrition, right? Because there are staff who are at risk of losing their jobs, and there are other opportunities that they -- so it is not just, you know, this game of football without any consequences.

And it was startling to hear the candor of the commissioner to just say, well, it was a legislative add. That to me is not a satisfactory policy response for why the Governor does not value this program. So I think you're entitled to know why it is that the Governor doesn't think that this is worthy of funding.

I want to also mention the subject of deed theft. The commissioner mentioned that there are provisions in the budget addressing deed theft. And I want to point out that as recently as November 14th the Governor signed important legislation addressing deed theft surrounded by two of our clients -- who we restored their titles to -- and she sang the praises of Brooklyn Legal Services, only to two months later propose defunding the agency that restored over -- almost a decade's worth of litigation, that homeowner's -- those homeowners' homes.

So all these protections are great, but if there are no advocates to actually vindicate those rights, that's really a problem.

I know I only have a few seconds left, but I also just want to mention this is an issue of racial justice. The mortgage default rate for communities of color is twice that of what it is for white homeowners. And if you are talking about depriving homeowners in need of these services, you're talking about depriving, you know, a few communities in particular. So that's also hugely problematic. And the need is still really egregious. We've doubled the number of clients that we've served over the past year.

So thank you, and I think I got the main points in.

CHAIRWOMAN WEINSTEIN: Thank you.

Erica?

MS. ZIMNY: Good afternoon, Senator Krueger and Assemblymember Weinstein, Senator Kavanagh, Assemblymember Rosenthal, and members of the Legislature and staff here today. Thank you for the opportunity to submit testimony regarding Governor Hochul's fiscal year 2024-2025 Executive Budget as it pertains to housing.

My name is Erica Zimny, and I'm a deputy director at the Legal Aid Society of Northeastern New York. Our executive director at LASNNY is Nic Rangel, and she is a board member of the Legal Services Access Alliance.

The Legal Services Access Alliance represents the seven largest providers of free civil legal services outside of New York City and includes Neighborhood Legal Services, Legal Assistance of Western New York, Legal Services of Central New York, Legal Aid Society of Mid-New York, the Legal Aid Society of Northeastern New York, Legal Services of Hudson Valley, and Nassau Suffolk Law Services. We collectively serve every county outside of New York City and employ nearly 1,000 legal services workers.

We have two main budget requests we'd like to present to the committee for consideration.

First, continue support for legal

services for evictions. We are grateful for Governor Hochul's continued support of $35 million in funding in the Executive Budget for the Legal Representation for Eviction Services Program. This program is also commonly referred to as the Eviction Defense and Housing Stability Program, and it was created to provide legal services and representation for eviction cases outside of New York City.

Last year the Legislature appropriated an additional $15 million to further expand this program to New York City and other areas throughout New York, for which we and our partners are incredibly appreciative.

The Office for Temporary and Disability Assistance administers this program, and this funding has been critical to assisting struggling New Yorkers. OTDA, with expertise in providing services to those with housing instability, has been an excellent partner in implementing this program and serving the public. With this state support, the alliance members and partner organizations have helped countless individuals navigate through their eviction crisis.

This funding has been transformative for eviction services in New York. With this state investment, all the alliance members and subcontracting partners' eviction programs have grown, as have the number of staff who can provide these legal services throughout New York. We have increased the network of eviction legal services and expanded representation in underserved areas, including city, town and village courts in our rural counties, and all other underserved tenants.

Additionally, the alliance is continuing to develop our partnerships with local law schools to recruit and train new lawyers, which will help to create a diverse and robust pipeline of civil legal service providers in New York. We have also hosted several statewide training programs, attended by hundreds of legal services attorneys, to help build out best practices in providing eviction representation in New York.

Lastly, with this state support, alliance members have obtained a federal Technology Initiative Grant to develop a statewide online intake portal to increase access to legal representation, and also created a toll-free hotline that tenants can call to be directed to.

Thank you.

CHAIRWOMAN WEINSTEIN: Next?

MS. PEALE: Good afternoon. My name is Christie Peale, and I am the CEO and executive director for the Center for New York City Neighborhoods.

I would like to thank Chairs Krueger, Weinstein, Kavanagh and Rosenthal for today's hearing and the opportunity to testify.

I'm here today to call for the full restoration of the Homeowner Protection Program, also known as HOPP, at the level of the previous budget number of $40 million. And I'd just like to take a moment to add to some of Jay's comments.

So you probably know that the HOPP

network not only has amazing legal services partners, as you just heard from, but also high-quality housing counselors who serve every county across New York State. We serve 15,000 families every year, and over the course of the decade-plus that we've been around, we have served 120,000. We've helped these New Yorkers avoid homelessness, crushing debt and displacement.

Just another piece of Jay's point, 43 percent of our clients across the state are BIPOC New Yorkers. In New York City, that percentage is 75 percent.

We save New York State over $1.2 billion in value preservation, property-value preservation, property taxes and other costs every year. So while this is a significant investment in this incredible network of service providers, we help the state maintain value, and we help the state maintain property tax revenue. Every million dollars invested in HOPP yields a return of over $5 million in tax and property cost savings.

If the HOPP funding is not restored, we lose a huge number of assets, as you heard from Jay, including the statewide toll-free hotline, representation at mandatory settlement conferences. And again, I keep mentioning property tax payments because I think it's a really huge issue across the state, and the HOPP network has been really significantly impactful in making sure that municipalities, school boards, every taxing entity got paid through the Homeowner Assistance Fund over the past two years, to the tune of $53 million. So we are maintaining revenue and returning revenue to the state.

To that point, we are also calling on the state to find additional funding for direct financial assistance for homeowners. We're asking for $50 million to help all of the homeowners who couldn't get assistance through the Homeowner Assistance Fund. They weren't eligible due to federal restrictions, or we weren't able to get to them. We served 18,000 families, in partnership with the state, but there are many others who we weren't able to help.

And on the revenue side, I just wanted to highlight Chair Rosenthal's vacancy registration and tax bill. This is an opportunity to generate revenue. In addition, the End Toxic Home Flipping Act could also generate revenue. We could look at affordable title insurance. We have a lot of ways that we can generate the revenue that we need to save New York families.

CHAIRWOMAN WEINSTEIN: Thank you.

Randy Dillard.

MR. DILLARD: Yes, I'm Randy Dillard. I'm with the Right to Counsel Coalition, and I'm also with Community Action for Safe Apartments.

I'm here today because I had an attorney, I went to court in 2013 for nonpayment, which money I did not owe. Section 8 did an inspection on my apartment, and my apartment didn't pass inspection, so my landlord took me to court.

I'm a single parent with five kids. I

was in court for two and a half years. And if I didn't have an attorney, I wouldn't be able to testify for rights for tenants so they can get an attorney today, after the suffering that me and my kids went through.

My landlord was a police officer who harassed me and my family. My daughter dropped from As and Bs to Ds and Fs because she was afraid of going to a shelter. We started the Right to Counsel Coalition in 2012. We won; it took us three years, we won it. After we won it, 84 percent of the tenants got to stay in their homes because they had legal representation. Evictions went down 40 percent, and landlords stopped suing, taking tenants to court by less than 30 percent.

Over 20 cities, states and counties have passed RTC laws since we won in 2017. Westchester County passed RTC last year.

Right now over 175,000 tenants statewide are facing eviction right now.

We have a solution. We have a solution. We are now working with over 100 statewide partners to pass statewide right to counsel for all New Yorkers. Our bill is S2721, introduced by Senator May, which would guarantee the right to a free lawyer for all tenants facing eviction across the state. We're asking for $260 million in funding this year to begin implementing the right to counsel.

Two hundred sixty million is going to enable a wholesale change in our courts. It's going to allow tens of thousands more tenants to be represented. It is going to equip attorneys to fully litigate their cases and help ensure long-term housing stability for tenants. It's going to transform the workplace conditions for legal providers and help us to compete nationally, attracting the next generation of civil legal talent to New York State. It will support organizers who are working hard to ensure tenants know what their rights are.

CHAIRWOMAN WEINSTEIN: Thank you.

And just a reminder, everybody, your full remarks -- your written submitted testimony is available on the websites. So not to worry if you run out of time.

Next, Michael McKee.

MR. McKEE: Good afternoon, and thank you for the invitation to testify. My name is Michael McKee, and I'm the treasurer of the Tenants Political Action Committee.

I want to talk about three things. First, I want to commend a new bill to you. Just recently Senator Cordell Cleare and Assemblymember Emily Gallagher introduced a bill to create a new social housing development authority. This will be a new state agency to create and manage and maintain genuinely and permanently affordable housing. It is a chance to change the conversation, to get away from the tired narrative that the only way we can build housing is to bribe the private sector to do it and to give them subsidies to build market-rate housing, and in return we get a little bit of supposedly affordable housing.

For 25 years I have heard Andrea Stewart-Cousins, including before she was elected to the Senate, when she was a member of the Westchester County Board of Legislators, say "We need a new Mitchell-Lama program." Well, this is it.

And we urge you to take this bill seriously. It is not pie in the sky. It's a very serious piece of legislation, and I want to commend Senator Cleare and Assemblymember Gallagher.

Secondly, I want to talk about the housing package that is being cooked up at a leadership level, supposedly to go into the budget. From what we have learned about it, this housing package is totally unacceptable. I am speaking not only for Tenants PAC, I am speaking for the entire statewide tenant movement, including Housing Justice for All.

Number one, the bill includes apparently an unacceptable version of good-cause eviction.

Number two, it includes another iteration of the failed 421-a program with yet another numerical moniker, although it looks to me like the Governor might be running at the end of the alphabet.

Finally, and most egregiously, it includes the CHIP/REBNY vacancy reset bill, which is a new form of vacancy decontrol. It is not about the 10,000 apartments that landlords are holding off the market, claiming that they cannot afford to renovate them. It would put a target on every rent-stabilized tenant's back who has been in occupancy for 10 years or longer. It took us 25 years to repeal vacancy decontrol; we are not about to sit silent while it gets reimposed.

Finally, I want to call your attention to problems with the implementation of the ETPA-Upstate New York. Kingston and now Newburgh have opted into the system. There are other municipalities in the pipeline. What happened in Kingston was a disgrace. In my written testimony I have a reference to the chronicle I wrote about this called "Lessons from Kingston, New York." It's on our website. I urge you to read it. And I urge the two Housing Committees to do oversight hearings about what's going on here.

Thank you very much.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblymember Rosenthal.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

And thank you all for all your great work in keeping tenants in their homes, homeowners in their homes, and just eking every -- using every penny that you get. And we're going to fight hard to get more for you.

I wanted to ask Mr. McKee if you could elaborate about the bill that you mentioned earlier.

MR. McKEE: The vacancy reset bill?

ASSEMBLYWOMAN ROSENTHAL: Yes.

MR. McKEE: Yes. This bill was drafted by CHIP, the Community Housing Improvement Program. It's lately been taken over by REBNY, the Real Estate Board of New York. I mean, REBNY has a lot more credibility in Albany.

It's a very dangerous bill. It would

reimpose a form of vacancy decontrol. It's a wolf in sheep's clothing -- it's a classic wolf in sheep's clothing. And as I said, it would apply not just to New York City and the three suburban counties, it would apply to any future municipality that opts into ETPA-Upstate New York.

This bill would put a target on the backs of long-term residential tenants, anyone who's been in occupancy for 10 years or longer. We saw this during the 25 years that vacancy decontrol was in effect when landlords had an incentive to get people out. They had an incentive to harass people and evict them because they could get a deregulated apartment.

This would allow them to do the same thing. And it's simply not thinkable that the Legislature would really be thinking about going down this road.

ASSEMBLYWOMAN ROSENTHAL: I took a quick look at it earlier. You know, we saw a lot of abuse with MCIs and IAIs over the years that we mostly fixed in the 2019 HSTPA.

But isn't there part of this bill that calls for doing this but with very little oversight?

MR. McKEE: Yes. I mean, if you were going to consider as part of a package increasing the amount that owners could spend on renovating an apartment upon vacancy, that would be one thing as long as you were doing it within the framework of the rent recognition regulation system.

If you want to amend the individual apartment improvement formula as part of an overall package that would give a greater allowance to landlords who want to fix up those vacant apartments, as long as that's done within the framework of the rent regulation system and it does not allow landlords to reset the rent at market, then that would not be as objectionable.

ASSEMBLYWOMAN ROSENTHAL: Okay, that's very helpful. Thank you.

CHAIRWOMAN WEINSTEIN: To the Senate.

SENATOR KAVANAGH: Thanks.

Just I guess to continue -- I'll start

where my colleague left off, just to say, you know, I think we've all seen the advocacy agendas of many organizations this year and last year, including, you know, CHIP and REBNY, the ones that you mentioned. But, you know, there's not, to my knowledge, any particular bill that's being cooked up right now that includes, you know, the package that you mentioned that is being -- you know, I think "cooked up" was your term at the --

MR. McKEE: We only know what we hear, Senator. We don't -- we're not privy to what's going on behind closed doors.

SENATOR KAVANAGH: Okay. I'm just -- since that has been articulated on the record here, I'll just articulate my perspective, which is there is not at this point a bill that's being cooked up that I'm aware of that includes the elements that you referred to. But -- which I guess should be comforting to you.

I think -- you know, just to say -- I'll just -- in the interests of time I'll just say I agree very strongly that we should not have a process where we fight for large amounts of money for really essential services for homeowners and tenants and then in January it's announced that those numbers are zero and then we spend about 80 days or so returning to the previous numbers. And then you all have to wonder if that cycle will be successful each time.

It is odd, particularly this year with respect to HOPP, because the Executive Budget had started having a baseline of $20 million previously. So -- but just where -- you know, we are very attentive to the issues that arise from that process. And we're going to be working to ensure that we, you know, fully fund these programs.

But -- and just thank you all for being very effective at using that money for its intended purpose. We really appreciate it. But I'll stop there.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblywoman Chandler-Waterman.

ASSEMBLYWOMAN CHANDLER-WATERMAN:

Thank you, Chair.

I appreciate your advocacy for the most vulnerable population, especially Black and brown communities, seniors, individuals living with mental health conditions.

But Jacob, Legal Services New York City. Deed theft, right, with our Black and brown and our older adults. Seniors experience deed theft and the burden of proof falls on the seniors to prove that the person who scammed them and the person who acquired the property unlawfully were in collaboration -- like they knew each other, they knew about it.

In your expert opinion, what needs to be done or is currently in place to support our older adults who are being preyed on? Because I know you mentioned deed theft.

MR. INWALD: So these are really tough cases. There was some legislation that was passed and signed, which I referenced that the Governor signed at the end of last year, that makes some improvements to the process. But all of these cases first of all represent situations where someone was trying to avert foreclosure. Right? And had they reached members of the HOPP network, they would never have fallen for these scams. So that's the most important thing.

And then this is also the network that actually represents those homeowners to restore their title. But these are very resource-intensive and difficult cases. So every case -- every fact pattern is different, and the scams are constantly evolving. So I can't necessarily, you know, talk about the burden of proof in one particular type of instance because they're constantly, you know, changing in light of what's going on and --

ASSEMBLYWOMAN CHANDLER-WATERMAN: We can talk offline more about it.

MR. INWALD: Sure, I'd be happy to talk to you more about that. Probably more than you would ever want to hear.

(Laughter.)

ASSEMBLYWOMAN CHANDLER-WATERMAN: Okay. Legal Aid Services -- that's Legal Aid

Society, right?

MR. INWALD: Legal Services NYC. And we serve all five boroughs.

ASSEMBLYWOMAN CHANDLER-WATERMAN: So I'm talking about Legal Services Access?

MS. ZIMNY: The Access Alliance.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Alliance, right. That's -- the Legal Aid Society falls under you, or no?

MS. ZIMNY: So Legal Aid Society of Northeastern New York is a member of the Access Alliance.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Okay. And do you all deal with mental health supportive housing and support of those who are going through that process?

MS. ZIMNY: I'm sorry, I couldn't hear you.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Mental health supportive housing, do you have jurisdiction or support in that area, of helping community members fill out the application to get support, like Form HRA 2210E? You know, family members are having a lot of issues, when their loved ones are in a mental health facility, getting that form filled out because they think it's too much paperwork in the hospitals.

So we're trying to figure out what support can be given or have you been giving to those particular families and those living with mental health conditions?

MS. ZIMNY: We have many different member programs, and so I'd love to talk to you more offline about that.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Okay, thank you so much.

And we want to make sure that they are getting the supportive housing that's needed, and how we could build a plan to make sure that families are included in anything. Because, you know, in order for them to really recover, they need that support from their families. And family members need to know how to advocate, especially when they're hospitalized. And they need to have sustainable housing. If you don't have housing, you don't have food, you don't have shelter, how can you really thrive in the community?

So thank you all so much for your work, and I look forward to working with you, especially on these topics. Thank you.

CHAIRWOMAN WEINSTEIN: Senate?

SENATOR KAVANAGH: Senator Jackson.

SENATOR JACKSON: So first I want to thank you all for coming in. You are extremely important for all of the people that are in court and having attorneys represent them. Right to counsel should be for everyone going into the courts.

And so to the young man who fought the system and you're still alive and strong, let me just say that you have a lot --

MR. McKEE: Flattery will get you everywhere, Senator.

(Laughter.)

SENATOR JACKSON: You have a lot of people behind you in order to -- for what you're doing.

So I want to ask Mike, Mike, what do you consider the definition of good-cause eviction?

MR. McKEE: A definition of good-cause eviction?

SENATOR JACKSON: Yes. Because I asked the commissioner about did she support good-cause.

And so I'm asking you, what is your definition as a housing expert?

MR. McKEE: First of all, all it is, ultimately, is a defense. It is a defense to an unfair eviction or an unfair rent increase. If a tenant is brave enough -- an unregulated tenant is brave enough to stay and fight.

And we know from experience -- I mean, organizers are always telling tenants: Do not self-evict. And unfortunately, many of them do because they just either are too afraid or they can't get a lawyer or they don't understand their rights.

So to have the real estate lobby characterize this as universal rent control or "lease for life" is so hypocritical and so nonsensical.

But the version that we understand is being discussed -- because the Governor has strongly opposed this bill ever since she became Governor -- and the Legislature has for five years in a row failed to pass it, leaving half the tenants in this state living in unregulated apartments with no defenses of any kind to unfair evictions or unfair rent increases.

A valid form of good-cause eviction must be mandatory, not local option. It's absurd to expect that upstate municipalities are going to have to do this by local option. And this whole formula that some staff member cooked up last year about a portfolio size -- that, you know, a landlord who owns fewer than X number of apartments would not be covered by good-cause -- is a loophole so big you could drive a truck through it.

Those are unacceptable provisions. It has to be mandatory, not local option, and it has to be for specific units. Our bill, which is sponsored by Senator Salazar --

SENATOR JACKSON: I want to get in one

more question. Thank you --

MR. McKEE: -- would exempt one and -- two- and three-family homes --

SENATOR JACKSON: I need to get one more question in.

MR. McKEE: -- owner-occupied.

SENATOR JACKSON: So, Jacob, you represent Legal Services of New York. Do all of the tenants going into court have counsel, yes or no? And what can we do to make sure that they get it?

MR. INWALD: I'm talking about --

SENATOR JACKSON: Talk into the mic, please.

MR. INWALD: I'm sorry, I can't speak -- I'm talking about the homeownership services we provide, so I'm not talking about tenants.

But it's a continuum of services. So some cases we'll represent them for the settlement conference phase. Sometimes we'll just be helping people put in an answer so that their defenses are preserved. And in some instances we're taking on full-on representation defensively in a foreclosure case, and in other cases affirmative litigation.

SENATOR JACKSON: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblywoman Kelles.

ASSEMBLYWOMAN KELLES: I wanted to thank you all. Thank you for coming, committing to this. And Randy, thank you so much for sharing your story.

It seems -- and there's another piece that irks me a bit about this, is that we have a pilot. It has been proven to be successful. And now not providing it to the rest of the state is the ultimate in inequity. And it is, I think, inhumane and unconscionable, since we already have the data that it works.

So thank you so much for coming.

MR. DILLARD: Thank you.

ASSEMBLYWOMAN KELLES: And I just wanted to add, thank you so much, Michael, for the definition for good-cause.

The one thing that I wanted to add

that bothers me about -- as it seems to bother you -- is that it is being used to say that now no one can evict for any reason. It has nothing to do with that. It is about, you know, the raising -- the unrealistic raising of rents, right, like evicting without cause.

If someone breaks their lease by doing something in that lease agreement that they agreed not to do, that is still cause to evict. And those are being conflated, and I despise that. So thank you so much for saying it.

I just wanted to give you an opportunity, though, to talk a bit about the -- your comments about a new Mitchell-Lama program, social housing. I want to take that phrase back, because it is so important that we create diversity of housing. We talk about it all the time. Why would we not allow for social housing so well, since it has worked so astoundingly well throughout the world. And there's this amazing bill, as you described, from Cleare and Gallagher.

Can you talk a little bit about the proponents -- the pieces of it that you think really stand out that are so critical?

MR. McKEE: Well, thank you, Ms. Kelles.

And I just want to -- I think this is perhaps the first time we've seen each other since we were in Vienna together.

ASSEMBLYWOMAN KELLES: I think so too.

MR. McKEE: And both chairs of the Housing Committee were with us.

ASSEMBLYWOMAN KELLES: Blew my mind.

MR. McKEE: We spent a week in Vienna studying their social housing. I would urge any member of the Legislature -- maybe it's time to organize another trip to Vienna with more of you joining us. It was amazing what we saw. I mean -- beautiful --

ASSEMBLYWOMAN KELLES: Forty-four percent of the community --

MR. McKEE: -- public housing built more than a hundred years ago, still in operation. And still run by the City of

Vienna. And 62 percent of Viennese live in some form of social housing. Rents are low, even market rents. The private landlords have to compete with the social housing, so market rents tend to be fairly low.

I mean, 600 euros is a normal rent in Vienna. That's like, what, $650? Something like that.

ASSEMBLYWOMAN KELLES: And this bill is modeled after that, what we --

MR. McKEE: Yeah. I mean, and it's mixed-income. Only the most affluent Viennese are not eligible for social housing. This is one of the reasons it's so popular. It's like Social Security: Everybody gets it. This is why the Republicans have not been able to do in Social Security.

So I strongly believe in mixed-income housing as long as the balance is correct and you have enough housing for really low-income people who need it the most.

CHAIRWOMAN WEINSTEIN: Thank you.

To the Senate. Brian, you have anybody else?

SENATOR KAVANAGH: Next we have Senator -- Senator Brisport's up next.

SENATOR BRISPORT: Thank you, Mr. Chair.

And thank you to our panelists for being here today.

I have a couple of questions for Mr. Inwald and also Mr. McKee from Tenants PAC.

Mr. Inwald, first up, do you come across any tenants in 421-a apartments who are being overcharged on their rent, despite the state subsidizing the real estate sector?

MR. INWALD: So I'm not the right person to answer questions about tenants because the practice that I oversee is really all about representing and preserving homeownership. So --

SENATOR BRISPORT: Okay. Okay. I only have questions for Mr. McKee, then.

(Laughter.)

SENATOR BRISPORT: Thank you.

Mr. McKee, on brokers' fees, could you tell us a bit more about the impact of brokers' fees on tenants? In New York City we hear horror stories from our constituents all the time.

MR. McKEE: I assume you're talking about your bill that would prohibit landlords from passing brokers' fees on to tenants?

SENATOR BRISPORT: Yes.

MR. McKEE: I mean, this is a peculiarity of the New York City rental market. It is absurd that tenants who are looking for an apartment have to pay a broker who's hired by the landlord.

And there was an article in the New York Times, what, three days ago, four days ago? Something like that. The average cost of moving into an apartment now, including the broker's fee and one month's rent and security deposit, is like $10,000. I mean, that's just a huge impediment to people who are looking for a place to live. And it's unfair. It's just absurd that tenants should have to pay a broker unless the tenant hires the broker. Period.

SENATOR BRISPORT: Yeah. Period.

And on the good-cause eviction bill, could you please describe what happened in the City of Kingston after they opted into ETPA and what the problems were with the lack of enforcement --

MR. McKEE: Oh, thank you for asking that, Senator. I could go on forever. I urge you all to read my chronicle, "Lessons from Kingston."

Once Kingston opted in -- we were not prepared for this. We should have been, but it was a good lesson. We should have started tenant education months before. Because once the City of Kingston opted in, there was mass confusion for three or four months. Landlords went wild with, you know, misconduct. Even though rents were legally frozen until the new Kingston Rent Guidelines Board was constituted and could vote on rent adjustments, landlords were demanding that tenants sign illegal leases and pay illegal rent increases.

Tenants at a seven-unit building who should have been protected by ETPA were evicted, and the building was emptied by a speculator who bought it and told the tenants he was going to flip it for a million dollars. And they were evicted even though they were technically protected by ETPA as well as the Kingston good-cause eviction law, which at that point was in full force and effect. And they were evicted because they couldn't get a lawyer. They couldn't get a lawyer. And all seven families -- six of them Black -- are gone. One of them is now in a shelter, one's in a Section 8 building, and one moved to Albany. I don't know what happened to the others.

We're seeing the same kind of illegal behavior in Newburgh, where we're seeing tenants reporting that landlords -- even though Newburgh rents are frozen, landlords are hitting them with demands for signing leases with a big rent increase.

And the agency, DHCR, does nothing. There's no enforcement at all. Which is why I'm suggesting that the two Housing Committees have an oversight hearing about this.

It's going to be the same problem in every other future municipality that opts in.

SENATOR BRISPORT: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblyman Brown.

ASSEMBLYMAN KEITH BROWN: Thank you, Chair.

Just one quick comment. I just appreciate all your help with the Homeowner Protection Program. I'm from Suffolk County. Our county is one of the hardest-hit when it comes to foreclosures. And in particular, Touro Law School has a clinic to help support your efforts. So I just wanted to say thank you.

MR. INWALD: Thank you. And Touro is actually part of the HOPP network.

ASSEMBLYMAN KEITH BROWN: Yes. Thank you.

CHAIRWOMAN WEINSTEIN: Back to the Senate.

SENATOR KAVANAGH: Senator Salazar.

SENATOR SALAZAR: Thank you.

Michael, could you speak more about specifically -- you know, you talked about a loophole, right, so large that you could drive a truck through it. What is the risk? Like what is actually lost? If you don't mind elaborating.

MR. McKEE: No.

SENATOR SALAZAR: Failing to protect the integrity of the bill.

MR. McKEE: Right.

Well, your bill defines it the way it should be. Your bill would subject every unit, every rental unit in the state that is not rent-regulated in some way -- public housing, Mitchell-Lama, whatever -- to the good-cause eviction law. And you would exempt two- and three-unit owner-occupied buildings, which is appropriate.

But some staff member last year cooked up a formula that a landlord who owns fewer than X number of apartments would be exempt from the law. I mean, this is the kind of things landlords -- some landlords are really good at manipulating. And with the Governor now making the LLC registry not available to the public, it's going to make it harder for tenants to even know who their landlord is.

So the correct way to do this is the way it's done in your bill, to specify specifically that it's going to apply to these units.

SENATOR SALAZAR: Thank you.

And then I have a very different question for Christie. You mentioned the End Toxic House Flipping Act, S1569A -- thank you, I appreciate that -- in the context of potentially generating revenue.

How else could that bill help alleviate and address problems that are impacting the housing market in communities in New York City?

MS. PEALE: Well, certainly first from a preservation perspective, if we can deter purchasers who are just looking to, you know, slap a coat of paint on a property and flip it for, you know, 100, 200 percent profit, thereby evicting families from affordable rental units, you know, we certainly save a lot in preserving owner-occupant and their tenants that are most likely receiving below-market rents through an owner-occupant landlord. So that's one piece.

And then I think that what we'd like to see is if there are short-term flips, that a percentage of that upside be returned to the community, either in the form of, you know, what we're all dreaming about, new affordable homeownership, whether that's through Mitchell-Lama or other multifamily affordable home ownership, such as subsidized co-ops, community land trusts. I imagine those would be a piece of a social housing approach.

But we're really interested in creating new affordable homeownership supply, as a part of the fact that we know we've lost tens of thousands of BIPOC homeowners across the city through the foreclosure crisis, through gentrification, through a lot of speculative pressure and all the deed theft schemes that Jay mentioned.

So there's a lot that we're fighting

against and we're really optimistic about the way revenue could help us address it.

SENATOR SALAZAR: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblywoman Levenberg.

ASSEMBLYWOMAN LEVENBERG: Thank you so much to all of you for your testimony and for all of the good work you do.

And Mr. Dillard, thank you for all your struggles and your testimony as well. I appreciate hearing that.

I just wanted to agree with the idea of going to Vienna, number one. I think that sounds great. And I appreciate your clarifying some of the social housing pieces from the Gallagher legislation.

I did want to just follow up with some of the questions about good-cause to some of the legal services teams because, you know, out of curiosity. You know, we hear a lot of pushback obviously about what would happen in the legal processes because of good-cause. I do support this legislation, but I'm wondering, again, what the other, you know, perspective is in terms of just taking a lot of time to get through the process.

And if you could clarify some of that for us, I think it would be helpful, because I'm hopeful that it's not the lengthy process that we're hearing about from the other side, I guess you could say.

MS. PEALE: Again, you have a lot of folks here that spend a lot of time defending against the state process of foreclosure in the State Supreme Court. So I would love Jay to recommend some resources.

MR. INWALD: What I can say is my colleagues who work with rental housing, I'd be happy to connect you offline and I don't want to sort of overstep my bounds and sort of, you know, go beyond my lanes, which is sort of outside of my expertise.

So -- but I'd be happy to connect you. We have a huge amount of resources on that subject. It's just that I'm not that resource, so --

ASSEMBLYWOMAN LEVENBERG: I gotcha. I gotcha. Okay.

I guess -- I guess that's -- I mean, I don't know, Mr. McKee, if you wanted to comment on it then, you know, from -- from what you know. Mr. McKee?

MR. McKEE: Well, I don't think it would have a huge impact on the court system. What it would do is give unregulated tenants, which is roughly 1.6 million tenants statewide -- including tenants in rural areas, who are never going to have access to a lawyer, and where landlord/tenant cases are often heard by justices of the peace who know nothing about landlord/tenant law.

It gives people a defense. And if you're brave enough to stay and fight and say, No, I'm not going to pay that rent increase, or No, you can't evict me for no reason, that tenant will have a defense that they don't now have.

I mean, it's essential to give people the right to counsel. That's huge. And it's very important. But if you don't give people an affirmative defense, all a lawyer's going to be able to do is buy some time.

ASSEMBLYWOMAN LEVENBERG: Yeah. And shout out to --

MR. McKEE: You know, Kathy Hochul says we've got more tenant protections in New York State and therefore we don't need any more. Well, I'm sorry, half the tenants in this state live in unregulated apartments, and they are not protected in any way.

ASSEMBLYWOMAN LEVENBERG: Thank you very much. Appreciate it.

SENATOR KAVANAGH: Senator May.

SENATOR MAY: Thank you.

And thank you, all of you, for the great work you do and your advocacy. And Randy, for your work on right to counsel. I'm proud to carry that bill.

I wanted to say first to Mike, if going to Vienna is too far, we should go to Montgomery County, Maryland, and see the public developer model at work there, because they've done some really great work with mixed-income housing that people love living in. And so I would love to have a trip down there with you.

But on right to counsel, what I keep hearing is that we don't have enough lawyers to actually do the work that would need to be done statewide. So I want to pick your brains about how do we ramp up that pipeline of attorneys who can be -- who can make a program like that actually work statewide.

MS. ZIMNY: I think specifically from the legal services point -- oh, sorry.

Thank you for the question.

And specifically from the point of the Access Alliance, we are actively working with all of our law school partners across the state to create internships and fellowships with law clerks, to get them interested in the work that these organizations are doing so that when they come out of law school they're excited and ready to work within these organizations.

Additionally, across the state we've had to look at raising salaries to attract qualified candidates. And so I think the issue comes back to funding and to exercise those relationships early within the law schools.

MR. INWALD: And if I could just jump in on that, sweeping funding from IOLA is not going to help. I know that's beyond the scope of this committee. But, you know, there is a huge problem with pay parity for legal services, so resolving that would be really helpful.

MR. DILLARD: And that's why we're asking for $260 million, because it would help pay lawyers and to bring lawyers in. And it would help pay organizers. And it would help pay the office that we're getting ready to open up to get started.

SENATOR MAY: Yeah, I was wondering about that too, if there is an administrative level that needs to be funded --

MR. DILLARD: Yes.

SENATOR MAY: -- and supported in addition to just having enough attorneys to do this. Everyone's nodding. Make the record. Record, everybody is nodding. Okay, great.

Thank you so much. And again, thanks

for your leadership on all of these issues.

CHAIRWOMAN WEINSTEIN: Assemblyman Burdick.

ASSEMBLYMAN BURDICK: Thank you, Chair Weinstein.

And I want to thank each of the panelists for the terrific work that you're doing.

I should mention to Erica Zimny that we really appreciate the coalition that you've put together of legal services statewide, and the Westchester County delegation is certainly extremely supportive of Legal Services of the Hudson Valley, which I know is part of that alliance. So thank you for that work.

I'm just going to ask the same question I asked of the previous panel. I don't know whether any of you had heard the exchange with Commissioner Visnauskas about the work that my Hudson Valley colleague Dana Levenberg and I are doing about trying to do something more on a statewide basis, and if any of you might have any comments about it.

(No response.)

ASSEMBLYMAN BURDICK: Maybe you didn't hear it.

MS. PEALE: I'm sorry, doing more --

ASSEMBLYMAN BURDICK: So, you know, it's really to try to -- it does not have construction mandates. Instead, it provides that municipalities need to come up with something. They have to come up with a housing plan. They have to assess need. They have to take a look at mixed-use housing along the income range and require something.

In a housing hearing back in December, New York City said they're fine in putting together a plan. They do that anyway. So it seems that this can be done statewide, it doesn't have to be centered in just New York City or just upstate.

And so we would welcome your thoughts and would be happy to provide that to you and would appreciate your feedback and whether you might support it.

Thank you.

SENATOR KAVANAGH: Senator Cleare.

SENATOR CLEARE: I want to thank all of you for being here today and the work that you're doing ongoing.

Mike McKee, I am a huge fan of all the work that we've done together over the years.

This is a comment question. I don't know if you were here when you heard about my testimony. My district which I represent, which includes Harlem and East Harlem and El Barrio, aggressively gentrified. You know, I feel like I'm fighting for the very soul of my community, the exodus of Blacks out of New York State, not just the city -- that have left the state not because they wanted to, but because they could not afford to live here. And it's continuing across the city.

I would like to know if there's more that we can do. And losing HPD, losing the community preference battle a couple of weeks ago, I just want to know what we can do to preserve and protect and allow us to maintain a diverse population in New York City. And also for the work that you do.

I chair the Aging Committee. Very concerned about our seniors who are getting defrauded. And I think it's a despicable crime. I think it's horrible. I sadly think more people get away with it than don't. And I'd like to know what we can do legislatively to help those cases that are so long and so arduous and take so much time and so many resources -- as well as allow us to even look back longer, and what can we do where there are cases where this has happened?

Seniors, they don't have the strength to fight. You don't even have to be a senior. These cases wear people out. Even in landlord/tenant court, they will wear you out. When Mike McKee talks about folks in Kingston, you know, not having a lawyer, that makes a difference. Because even just to take off from work to show up -- they know that they can show up more than you.

What can we do?

MR. INWALD: Well, with one minute and 6 seconds --

SENATOR CLEARE: You can call me.

MR. INWALD: I would say, first of all, preserving existing homeownership, which is one of the reasons why I'm here, is really, really key. Right?

There's no reason to lose the -- all the talk about, you know, increasing the housing stock and everything, when our clients, if they're not represented by us and they lose their homes to foreclosure, that is the loss of affordable housing on several -- in several respects. And it actually feeds gentrification, right? Because the people buying these properties at auction are private equity and speculative investors who are not maintaining these as, you know, community --

SENATOR CLEARE: I'm looking forward to a conversation later, with recommendations legislatively that we can --

MR. INWALD: Yeah, I'd be happy to have a -- yeah.

SENATOR CLEARE: Yes, please.

MR. McKEE: I would recommend that you put the 300,000 or so apartments that were lost to vacancy decontrol back under regulation. And which, for some reason, were not included in the Housing Stability and Tenant Protection Act. That's a substantial chunk of the New York City and three county housing stock, and it was not reregulated for some reason.

SENATOR CLEARE: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Senate?

SENATOR KAVANAGH: I think we have no further questions.

CHAIRWOMAN WEINSTEIN: Oh, we still have -- that's just the Senate. We have a couple of Assemblymembers.

Assemblywoman Lee.

ASSEMBLYWOMAN LEE: Thank everyone for being here.

Just a question for Mike. You know, there have been conversations around including good-cause in the budget, but more including it in intention but maybe not naming it as good-cause. Does it make a difference as long as protections are there?

Do you care that the name is there or not?

MR. McKEE: It depends on the kind of protection.

I mean, the formulation that we've been told that is being pursued by -- at a leadership level, whether it's true or not, that's what we are being told -- is unacceptable. It's unenforceable. It would not -- it would leave out 85 percent of tenants in upstate New York. It would leave out a substantial number of tenants living in smaller buildings in New York City and in the suburban counties. They would be without any protections.

And we're simply not going to accept a watered-down good-cause eviction. If you can't give us a real good-cause-eviction bill, no bill is better. We don't want a screwed-up, watered-down bill that is not going to work just so some legislators can say "We passed good-cause."

I'm sorry, that may sound very blunt, but I tend to be a very blunt person.

ASSEMBLYWOMAN LEE: But if it is in

its totality but not named that, that's okay, is what -- you're okay with that?

MR. McKEE: (Sighing; chuckling.)

ASSEMBLYWOMAN LEE: Okay. And then this is just more of a comment, because I represent a district that has a lot of -- a large Asian community. And there's certainly a lot of misinformation about what good-cause is, and it gets propagated through, you know, the Asian property owners and things like that, when there are a lot of vulnerable Asian tenants who would benefit greatly from good-cause.

So just something that I'd like to say, I'd like to just reemphasize for anyone providing legal services, we need -- and language services that are culturally competent, please come to our communities. We need that. And we need strong organizing as well so that we can build that groundswell of support for the tenant protections that really do help so many vulnerable members of the community -- but they get drowned out or lost because of, you know, the language and other issues.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

And to close out this panel, Assemblyman Manktelow.

(Audio echo.)

ASSEMBLYMAN MANKTELOW: Thank you, Chair.

Jacob, I want to say thank you for everything HOPP does. I'm from the 130th District, Wayne County, up near Ontario County, and you've done a lot of good work there through your organization, so thank you.

My second question, to Michael, if you have a few minutes. I appreciate you being blunt. I think you'd make a great Assemblymember being blunt.

(Laughter.)

ASSEMBLYMAN MANKTELOW: So you talked a little bit about social housing. So a few years ago I was in New York City; I've seen housing in NYCHA, the city housing authority. I've been overseas, I've seen housing, social housing in different countries. I want to go see Vienna.

When you talk about social housing, how is that going to be different than some of the housings that I've seen around the world, and including New York City? What are you going to do to make sure that doesn't happen with this type of housing?

MR. McKEE: This is a very long conversation, and we would have to go back to the 1930s and what the federal government did in establishing public housing and some of the restrictions they put on it, including how much you could spend to construct it. Which is why so much of it is badly constructed and has maintenance problems.

Social housing in other countries, including France and Germany, is much different: It's beautiful, it's well-constructed, it's constructed at the highest standards of construction. They hire top architects to design it. It doesn't all look like projects. It's a very different approach.

And that's what we're talking about. We're not talking about, you know, monolithic, you know, buildings that are all red brick and badly built and where the government does not meet its obligations in terms of funding for maintenance. I mean, these are low-income people. You can't -- you can't run a building on the rent rolls in public housing. You've got to have subsidies.

And, you know, government at every level, especially the federal government, you know, just doesn't do what they should be doing.

ASSEMBLYMAN MANKTELOW: So I'm glad you brought up Germany. I spent three years of my life there, and I've been in a lot of that housing. And I agree with some of the things you say, maybe not all of them.

But I'd love to spend a little time with you on the side where we can spend a few hours and really talk about this in depth, because I want to see where you think we can go, how we're going to fund it -- but more so, how are we going to help the tenants that are in those homes, in those rental units, make that last long-term for them? Because we can't constantly throw state or federal dollars at that. We have to give them the ability to work and to help self-fund the rent.

So I'm in full support of talking with you. I want to go to Vienna. Let's go see these places and let's talk.

So thank you for your testimony, and thank you all for being here this afternoon.

PANELISTS: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you. While we plan our field trip, I want to thank you all for being here.

And I'm going to call on Panel C: New York Building Congress; New York Housing Conference; American Institute of Architects New York; 32BJ SEIU; and Open New York.

(Pause.)

SENATOR KAVANAGH: So whenever you're ready.

MS. WYLIE: Good afternoon,

Chairs Weinstein, Kavanaugh, Rosenthal and members of the Senate and Assembly.

My name is Megan Wylie, and I am the director of government relations at the New york Building Congress. And I want to thank you for allowing us to speak today regarding the Legislature's efforts to create a comprehensive plan in the FY 2025 budget to address our state's current housing affordability crisis.

The New York Building Congress represents over 500 constituent organizations comprising over 250,000 skilled tradespeople and professionals dedicated to the growth and prosperity of New York City and State.

With the lack of adequate affordable housing stock, one of the biggest obstacles to these goals, we applaud the Legislature's eagerness to shape a housing package that incorporates the diverse priorities of labor, property owners and developers, third-party stakeholders, the 46 percent of New Yorkers who rent their homes, and those currently struggling to find a place to call home.

The Building Congress has already committed to working with a broad coalition to take much-needed action once and for all.

We echo Governor Kathy Hochul's proposal in the Executive Budget to extend eligibility for the recently expired tax incentive program and enact a newer and more robust one to reinvigorate the development of affordable housing.

We also support the Governor's proposals to remove antiquated restrictions on the FAR cap that hinder development, streamline environmental reviews on affordable housing projects, boost the conversion of unused commercial space into residential units, and incentivize new opportunities for homeowners and tenants like accessory dwelling units.

We respectfully request that you consider these items to be included in any plan put forth by the Legislature. We believe the dire current statistics outlined in our recent Construction Outlook Report underscore this request.

New York's housing crisis went from bad to worse when we lost the number-one driver for residential housing development in decades. While the program had its critics, when 421-a expired in 2022 we saw a dramatic drop in the construction of new residential affordable housing. In New York City alone, our annual projections for new units dropped from 30,000 to just over 11,000. This situation is unsustainable, and we are counting on the Legislature to ensure a home for every New Yorker.

In the Governor's Executive Budget she introduced 485-x, a replacement program for 421-a. We believe this proposal has the potential to provide a much-needed shot in the arm for our statewide housing stock and will address criticisms of previous incentive programs.

485-x would allow the Department of Housing Preservation and Development to determine updated affordability indexes, and includes extending the completion deadline for vested projects that qualified for 421-a benefits but failed to start construction prior to the June 2022 deadline. This would save over 33,000 rental units currently in the pipeline. Extending the deadline is appropriate to account for delays and construction challenges due to the pandemic.

Furthermore, the Building Congress is most importantly committed to supporting the stipulation that makes the program dependent on the Building and Construction Trades Council and the Real Estate Board of New York agreeing to a memorandum of understanding.

With member organizations across both labor and development we are ready, willing, and able to use our unique position to help guide this program towards success. We have the opportunity in the FY 2025 budget to improve the lives of all New Yorkers, and we owe it to our great state to meet this crucial moment.

Thank you again for the opportunity to testify. Sorry.

SENATOR KAVANAGH: Thank you.

I just don't want Assemblymember

Weinstein to hear that, you know, once she left the room bedlam broke out, so.

(Laughter.)

MR. PASTREICH: All right. Thank you, Committee Chairs Rosenthal, Kavanaugh and Weinstein.

I'm here today because what I am is -- and very proud to be -- is the representative of nearly 100,000 working New Yorkers, members of SEIU Local 32BJ who call New York home. They're not just the heart and soul of the largest property service union, they're also the working people, the essential workers who are struggling to find affordable housing within a reasonable commute to their jobs.

That's the common thread you've heard many times today, you will hear in coming weeks from other labor leaders -- like DC37 and the hotel trades -- and you'll continue to hear until a new housing paradigm is established. Right now we have too few units of affordable housing too far away from where people work.

In years past, addressing the crisis may have been too big a mountain to climb, but I'm optimistic that if we take a different route, a middle ground, that we can collectively reach our common goal of reaching a set of policies that works for both tenants and workers.

First, we must recognize the problem. New York City's housing crisis didn't appear overnight. It's a result of years of new housing construction failing to keep pace with population and job growth. And it's a problem that unfortunately has grown more acute since the expiration in 2022 of 421-a, the program which spurred a majority of the new housing production in recent years.

From 2010 to 2020, New York City's population increased by approximately 630,000 residents. The city gained a million new jobs while its housing stock increased by only 200,000 units. That discrepancy between job growth and housing production meant that for every job added, less than one in five units of housing was created. That's literally the definition of demand overwhelming supply.

And as the New York Times said, the housing availability is at a 50-year low. And the result is exactly what you'd think: Not enough housing to go around, and workers being forced to travel long distances, sometimes two hours, to live in the only neighborhoods they can afford.

We need to produce hundreds of thousands of housing units to meet the projected half-million shortfall, and to do that we need to create and reinvigorate policies so we have tools to meet and maintain the housing needs of working people and all the residents.

Specifically, we believe there's a few key actions that should be taken. The first is to extend the project completion deadline for 421-a and create new tax abatements for rental housing construction. It's been proven to increase supply, increase affordability, and have labor standards to ensure jobs and pay a living wage for workers.

Second, we need to authorize tax incentives benefits for converting unused commercial property to affordable housing.

Third, we should lift the 12-FAR cap to allow for greater housing density.

Fourth, we should enact strong tenant protections to prevent arbitrary evictions, including the ability to renew leases at reasonable rent.

Fifth, we should establish a Housing Access Voucher Program to provide immediate rental assistance to avoid homelessness.

And sixth, provide a right to counsel.

SENATOR KAVANAGH: Thank you.

MS. DONOHUE: Good afternoon. I am Bria Donohue, senior manager of government affairs at AIA New York. We represent more than 5,000 architects and design professionals committed to positively impacting the physical and social qualities of our state.

Thank you, members of the joint legislative budget committee, for the opportunity to participate in today's hearing.

To avoid being repetitive, I'm going to focus my testimony today on office-to-residential conversions. In order to maximize the opportunity in front of us, there are three key barriers that need to be addressed to create a feasible pathway for office to residential conversion.

First, AIA New York supports ELFA Part Q to authorize New York City and the New York State Urban Development Corporation to allow for denser residential development. Since 1961 there has been a cap on floor area ratio in New York City which limits the size of residential buildings to 12 times the size of the lot on which they are built.

This presents a challenge for conversion projects, because the FAR cap only applies to residential buildings. Many commercial buildings, however, are greater than 12 FAR, so this cap serves as one of the first impediments to office-to-residential conversion projects.

Second, AIA New York supports ELFA Part R to authorize tax incentive benefits for converting commercial properties to affordable housing.

Without government incentives, conversion projects with affordable units are effectively impossible. Conversion projects are expensive to start with, and adding on affordable units without government assistance to offset costs is not feasible.

In this current economic climate where interest rates and construction costs are high, a new tax incentive program is essential to producing housing in New York City and creating an opportunity for the inclusion of affordable units to be a realistic option.

Third, AIA New York recommends amending the date conversions are permitted in the Multiple Dwelling Law from 1961 to 1990. By extending the date, approximately 120 million square feet of office space will be eligible for conversion. This proposal is needed to open the full-scale opportunities for conversion projects.

Additionally, one of the many challenges with conversion projects is that buildings are often not entirely empty and it's often too costly to buy or wait out tenants' leases. For buildings built before 1961 this is not an issue, and conversions can begin with tenants in units. However, for buildings built after 1961, the Multiple Dwelling Law prohibits conversions beginning with a single tenant in place. Therefore, the date extension is essential to remedying this roadblock.

Additionally, AIA New York is supportive of the policies to create a replacement for 421-a, extend the completion date for 421-a projects, and create a pathway to legalize basement apartments included in Governor Hochul's Executive Budget, as well as legislation to encourage transit-oriented development and legalize accessory dwelling units.

Thank you again for the opportunity to testify today and for your consideration of

AIA New York's budget requests. Our full testimony has been submitted for your review, and I welcome any questions you may have.

SENATOR KAVANAGH: Thank you.

MS. FEE: Good afternoon. I'm Rachel Fee, executive director of the New York Housing Conference. Thank you for this opportunity to testify.

Last year I spoke in support of statewide zoning action to boost supply and improve affordability. We still believe New York needs to adopt a housing supply framework including transit-oriented development, tax incentives to spur development, and rental assistance to prevent homelessness.

New York's housing vacancy rate has dropped to the lowest in decades. Finding an affordable home in New York City and in much of New York State is nearly impossible. The Legislature should pass a budget with policies to encourage housing supply and with support for the lowest-income renters. All policies requested by the City of New York to help them address the city's housing crisis should be granted.

Without a 421-a replacement, the city's local zoning authority is undermined and affordable housing development is only viable in the lowest-income neighborhoods, letting wealthy, resource-rich communities off the hook.

Projects that went through public review and were negotiated by New York City's City Council are also undermined. And Mayor Adams' City of Yes citywide zoning text amendment to add housing in every neighborhood is also undermined without a new rental tax abatement. And the City of Yes won't add much rental housing at all.

We support replacing 421-a with a tax abatement that requires affordable housing with rents affordable to low-income New Yorkers. We support a state Housing Access Voucher Program to prevent homelessness and help New Yorkers afford rent. We support linking aid to renters to adding supply, to ensure housing access. For example, 485-x could require low-income housing in the highest-rent neighborhoods, where it could be cross-subsidized. And it could allow setting rents affordable to voucher-holders to give them access elsewhere.

Outside of New York City, the Governor's Pro-Housing Community designation can be used to reward communities that add housing with a formula that increases HAVP.

While we need to build more housing, we must also ensure continued investment in our housing stock and support for renters falling behind in rent, including in public housing. Arrears in affordable housing continue to be significant. A third of renters in affordable housing owing more than two months in rent were identified in a sample of 52,000 units of affordable housing we analyzed.

Limitations for improvements in rent-stabilized buildings should be revisited. With high interest rates and rising operating costs, it's important that this housing stock remains financially sound and in good repair.

We're pleased Governor Hochul has taken the first steps towards regulating discriminatory practices in insurance, but more must be done.

While addressing housing policy is challenging, the divided Congress just passed an expansion for the Low-Income Housing Tax Credit in the house, so we think here in New York the Legislature and the Executive can find compromises to our housing crisis.

Thank you.

SENATOR KAVANAGH: Thank you.

MS. GRAY: Thank you, Chairs Kavanagh and Rosenthal. My name is Annemarie Gray. I'm the executive director of Open New York, an independent grassroots pro-housing nonprofit with hundreds of volunteer members across the state.

New York's housing affordability crisis is rooted in the fact that we simply do not build enough homes. Displacement, exclusion, tenant harassment and homelessness are all exacerbated by our dire housing shortage. Homeownership is out of reach for everyone but the wealthiest. Landlords know that renters have far too few options.

Frankly, your landlord should always be aware that you can find another apartment. We have the opposite. Nearly 1.4 percent of apartments, as many people have said, in New York City are vacant and available for rent. That is the lowest in over 50 years.

Not only are workers from doormen to janitors to architects to carpenters seeing their industries impacted by the lack of construction, but working people across the state don't have enough options to live near jobs and spend hours commuting to work -- or just leave New York entirely.

The proposals in the Governor's Executive Budget are positive steps to introduce new incentives for pro-housing communities, advance housing projects on state-owned land, and revive tax incentive tools in New York City to build mixed-income housing in well-resourced communities.

However, these proposals do not go nearly far enough.

We need an "all of the above" approach to housing. We need incentives, we need subsidies, we need vouchers, we need tax tools, we need tenant protection measures to help people facing pressures right now. And critically, we need state-level zoning and land use reforms that ensure that all corners of the state are building more homes.

Unlike many other states, New York allows local governments absolute power to ban housing growth, which perpetuates patterns of segregation and exclusion and worsens our housing crisis each year. The Legislature must come to the table with strong solutions. This will require a multiyear commitment from all levels of government, but we can take meaningful steps this year to build the foundation and clear away major hurdles to building housing in a more affordable way.

The Faith-Based Affordable Housing Act, which empowers religious organizations to develop affordable housing on their properties and includes proposals to reform environmental review practices and single-stair building design, is an important start that we can do this year.

We need our state leaders at every level of government to pass reforms that build more homes of all types this year, next year, and every single year for the foreseeable future.

Thank you.

SENATOR KAVANAGH: Thank you.

So we're going to begin with Senator Myrie.

SENATOR MYRIE: Thank you, Mr. Chair.

And thank you to the panel for your patience in waiting today.

My first question is directed at Manny. Firstly, congratulations on the new commercial cleaning contract.

My question is, you know, because we have this discussion about the needs and we're all clear about what the facts are, and at times we divide forces that could be easily coalesced. And they do this with labor as well. So I'm asking from a labor perspective: Are you aware of how much of your members' wages they spend on rent?

MR. PASTREICH: Yeah, thank you for the question, Senator.

So our members in New York City range -- our commercial members and residential members are on the higher range of our members. And I would say, you know, our members are very much like working-class New Yorkers. And I think the stat roughly for working-class New Yorkers is that 50 percent of New Yorkers spend a third of their salary on rent, and a third of New Yorkers spend 50 percent of their salary on rent.

And I think our members are not that different from that reality, from our better-paid members to the workers who've been most recently organized at airports and other places.

So the rent burden and the increases in rent have been a real stress for our members and a major concern for us.

SENATOR MYRIE: Thank you for that response.

And in line with that, I would ask the entire panel -- and you don't have to give an extensive answer, but it was alluded to in several of your testimonies. We have been told that we can either do a lot on the supply side, we can do a lot on the zoning, or we can do a lot to protect tenants.

And I want to know from each person on the panel whether or not you think it is feasible for us to do all of those things and tackle them at the same time -- not perhaps to completion in every single area, but to not be paralyzed by not being able to accomplish every one of those things.

MS. FEE: Thank you. I'll start.

So I would just say that we know we have a housing supply shortage, especially for affordable units. So as we're building, we have to keep creating incentives and other tools to create affordable housing.

But building takes a long time, and

people can't pay their rent today. So we strongly support the Housing Access Voucher Program to make sure that we have more resources to help people stay in their homes and afford a home.

MR. PASTREICH: I'll just add that I think the answer is a simple yes. I think that when you look back over the past couple of years, I think there's been a lot of good ideas. And I think now is the moment. And we're very optimistic that we can put together key elements of capping rent so that tenants are not gouged -- but, as many people have said on this panel, ensuring that we have the supply that we need as well.

MS. GRAY: I'll also jump in and say a hearty yes. You're speaking my language, Senator.

But we -- you know, tenant protections and supply really go hand in hand, and we need all of the above. And it's very possible.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblywoman Kelles.

(Pause.)

ASSEMBLYWOMAN KELLES: All right, I found all my notes.

So thank you all. Like the balance of, as you heard me say earlier, being able to walk and chew gum at the same time and be able to address the crisis today, which is that we have housing that's not affordable, and build at the same time -- so thank you for confirming -- for confirming that.

I would love -- Annemarie, we've spoken about this before, but I want to hear you talk a little bit more about the research between incentivizing the development of housing versus having a mandatory program across the state that requires that everyone participate. Create diversity, but it's mandatory participation.

MS. GRAY: Yes, thank you.

So this was a big topic of conversation last year. But all of the academic research is quite clear that an incentives-only approach doesn't work. Right? There are a lot of -- New York has some of the most exclusionary zoning in -- across parts of the state. And frankly just incentives and sort of asking some places to build more housing, it's just proven to not be the only way we can do things.

So -- which is why our organization, we're really, we're really advocating for -- of course you need incentives. There are a lot of things we can do. We also have to just be honest that we absolutely need the state to use all of the tools that it has to keep all parts of the state just accountable to fair housing and to really being part of the solution, that we just need more homes.

ASSEMBLYWOMAN KELLES: Great, thank you. It does seem that having a program that is flexible enough so that communities can still decide how they want to participate, but that they simply have to participate, would be a great balance. So I think that housing compact kind of got there a little bit. I mean, I think it did a good job on a lot of it. So thank you on that.

Another question: You've been

advocating for the Faith-Based Housing Act. Can you talk about the components of it, how this will help with our supply?

MS. GRAY: Yeah, absolutely.

So the Faith-Based Affordable Housing Act empowers religious organizations who have deep connections to their local communities to develop mixed-income and 100 percent affordable housing on their land across the state.

So this is actually something that has passed in other states. It's really making sure that we're both kind of using all of the powers of the state to, again, keep everyone accountable and just get rid of sort of outdated zoning restrictions that slow down -- something that a lot of religious organizations already want to do by serving their communities and their constituents with more affordable housing on land that they already have.

ASSEMBLYWOMAN KELLES: So has a lot of support been from the faith-based community?

MS. GRAY: It is. We're working with

a whole coalition of faith leaders.

ASSEMBLYWOMAN KELLES: All right. It seems like wonderful low-hanging fruit. So if they -- we so rarely have people say, Please let us help, let us be part of the solution. We've got a group that's saying, Please, please, let us do it. It just seems very strange to not prioritize it.

So thank you so much, appreciate it. Thank you, everyone, I really appreciate it.

CHAIRWOMAN WEINSTEIN: Senate?

SENATOR KAVANAGH: Senator May?

SENATOR MAY: Thank you.

And thank you all for your advocacy. I -- and Annemarie especially for keeping the term "zoning" on the table. Because I think just because local officials went nuts about it last year isn't a reason we need to table that.

In my city of Syracuse we know that as soon as you get outside the boundary of the city, there's almost no land that is zoned for multifamily housing.

And the very term "affordable housing"

seems to trigger so much opposition in local communities that it's just almost impossible to build -- to overcome the zoning restrictions.

So I guess I -- this is partly for Bria. I feel like part of that is people don't have a vision of what can be beautiful, attractive, affordable housing that works, that, you know -- and especially mixed-income housing that creates communities and helps contribute to walkable, desirable neighborhoods and that kind of thing.

So I'm just wondering, is there -- have you all worked on like literature or a tour or something that helps us raise the profile of that kind of housing to something that communities might be able to imagine?

MS. DONOHUE: Yeah, absolutely. Our members are a hundred percent committed to the whole built environment. It's not just about creating strong design, it's about incorporating it into the larger community and the public realm element of it.

Which is why office-to-residential

conversions is something that we are really passionate about and supportive of, because it does not interrupt the character and the integrity and the connection to the neighborhood.

We're adaptively reusing existing buildings. And there's also a lot of sustainability benefits to it that I wasn't able to touch on in my testimony, but it's in my written comments. So it's about the larger connection to the city and to the state as a whole. And so we're trying to figure out and advocate for different ways to do that.

SENATOR MAY: Great. Thank you.

And then, Annemarie, I'm wondering -- how much do you think about not just changing the zoning itself, but changing who is doing that? I feel like really trying to promote having young people on zoning boards who have a desire for walkable communities, for example. Or people who have a vision for the future rather than people who are just protecting their vision of the past.

Is that something you're thinking about? Is that something we can help with?

MS. GRAY: Yeah. So Open New York, we're a grassroots membership-based organization, so we have hundreds of members. A lot of them are on their own community boards. They kind of go together to meetings to really like be proponents of new housing directly in their backyards. So we think it's a model, and we've expanded across the entire state.

So it's really, really, really important. This is a -- you know, we got into this mess over decades, and it's going to take us kind of everything to get out of it and everyone really organized.

CHAIRWOMAN WEINSTEIN: Thank you.

SENATOR MAY: Thank you.

CHAIRWOMAN WEINSTEIN: We go to Assemblymember Grace Lee.

ASSEMBLYWOMAN LEE: Good afternoon. Thanks for waiting patiently to testify.

And I want to thank especially our labor unions here for being a good reminder of all the great men and women who keep our city running and who also are struggling with housing.

So this is for Manny. I see many 32BJ members who work in big buildings in my district in Manhattan. What are their commutes like? And how does their access to affordable housing impact their commute?

And can you tell me how many of -- you know, more specifically, how many of your members are traveling more than an hour to get to their jobs?

MR. PASTREICH: Yeah. No, thank you, Assemblymember. The -- so approximately 80,000 of our members work in New York City. And of those, 13,000 live outside the city and 6,000 live outside the state. So I think it's a fair assumption for those 13,000 that their commutes are over an hour.

We know that a few hundred of our members live in Pennsylvania because that's where they can afford to live, so they have at least a two-hour commute each direction. So it is a real stress in the realities of it.

You know, it varies. We could have a discussion about the MTA. But the reality is 13,000 are clearly over an hour commute in each direction.

ASSEMBLYWOMAN LEE: Great. Thank you.

MR. PASTREICH: Thank you.

SENATOR KAVANAGH: Senator Martins.

SENATOR MARTINS: Good afternoon, everyone. Thank you for your patience.

I happen to represent one of those urban districts that everyone is concerned about, with zoning and the like. I have about 45 villages in my district in Nassau County outside of New York City.

And, you know, I love the term "exclusionary zoning," especially when it's used by someone who doesn't live in a suburb or in a village, because it means villages make decisions for themselves and those communities get to decide what's permissible or, alternatively, what's excluded. We like to consider the possibilities.

So as a Mineola guy myself -- and we

built probably 1500 units or so in the last 10 years in the village, based on downtown revitalization efforts. I guess I'm concerned because I know other communities that are socioeconomically challenged who are telling us: "Don't build any more low-income housing or affordable housing here, we have enough. We want to see market-rate housing, because we want people to build market rates in our downtown."

So there seems to be a disconnect -- socioeconomically challenged communities that feel that they have too many affordable units in their downtowns, and they want market-rate because they want the activity that comes from that market-rate housing.

Do we support that? Should we support that? Because I think all kinds of housing should be an imperative here, and not a one-size-fits-all approach. Because there are communities out there that are asking us precisely for that.

So, Annemarie, what do you say?

MS. GRAY: Yeah, our organization --

we support all types of housing, very explicitly. We support market-rate housing, we support affordable. Frankly, I think you need a diversity of sizes of housing that serves different family structures. You need people to be able to upsize, downsize.

And frankly, we are -- we need all of it so badly, we just need to make sure that everyone is kind of taking that approach and being part of the solution.

But we're very much for that.

SENATOR MARTINS: Yeah, look, I happen to agree. I love housing diversity. I love the fact that people can buy a house when they're young, move into the suburbs if they choose to, and as they're older they can stay in the community where they live.

I'd just love to see us use an all-tools approach -- I think we heard that before from some of my colleagues -- about how we should put everything on the table and not emphasize one as opposed to others as a tool.

So I thank you all for your testimony

today. Looking forward to working with my colleagues in trying to figure out how we incentivize not only landlords to maintain apartments and make them livable and spend money in revamping them and not just looking at them as -- in a negative light, but also incentivizing our local communities to use their zoning laws. Because I do think the carrot works -- more likely to get a better result than that stick.

So thanks again.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblywoman Chandler-Waterman.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Thank you so much for all the hard work you do around housing.

And this is going to go to Manny, of 32BJ. Yeah, we're asking you a lot of questions today.

So we talked about your union members, how hardworking they are, essential to buildings, essential workers. And they're working in housing facilities that they could probably never afford to live in.

And then we have a community preference percentage change that was made with the mayor, the settlement, right, that changes that for affordable housing from 50 percent to I think like 15 percent. How does that impact your members?

MR. PASTREICH: The thing that we're pushing for is to ensure that we get increased supply and that we use all the levers we can to ensure that with that increased supply there's a level of affordability.

And I think when we go through the affordability levels, I think as a number of people just said, we need different levels of affordability. Obviously for union members in New York City that affordability is a little higher than in other areas. And addressing the affordability levels that meet the needs of 32BJ members, hotel trades, public-sector groups is incredibly important.

But obviously, as others have said, we have to meet the needs of all New Yorkers up and down the income ladder.

ASSEMBLYWOMAN CHANDLER-WATERMAN: And there needs to be more local community too, what their median income is for that particular community so they go for it to live there.

And for interfaith housing, what does it -- what can it look like to really include our faith leaders in part of development? Is there a plan that you may have? That would be great. Or is there one that we can work towards that's going to really have the faith leaders at the head of development in their communities, the Black and brown communities especially.

MS. GRAY: Yeah, I would love to sit down and talk more directly.

So this is a bill that just basically puts -- it gets rid of some red tape that stops faith-based organizations who want to use their land to build housing. It just makes it easier for them and makes it faster for them. They're in the driver's seat.

There's also some components to the

bill that allow some technical assistance programs and support, just to make sure that you know how to navigate some of the process with all of -- with different partnerships.

ASSEMBLYWOMAN CHANDLER-WATERMAN: And especially the financing part of it.

MS. GRAY: Exactly.

ASSEMBLYWOMAN CHANDLER-WATERMAN: To make sure they get the loans --

MS. GRAY: Exactly.

ASSEMBLYWOMAN CHANDLER-WATERMAN: -- and remove the red tape as well, and get assistance throughout the whole process.

MS. GRAY: Exactly.

ASSEMBLYWOMAN CHANDLER-WATERMAN: So I appreciate definitely talking with y'all. I appreciate -- anybody want to add anything else -- we're talking about true affordability -- that we have not mentioned here? I have 30 seconds. Anybody want to say anything?

MS. FEE: We're supportive of funding for LISC NY that is looking to provide that technical assistance to faith-based organizations and build affordable housing. And that's part of our budget request as well.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Thank you so much.

Twenty seconds. Anybody else?

MS. WYLIE: Oh, thank you. I included this in our written testimony as well, but the Building Congress is also in support of faith-based housing. But additionally, increasing as-of-right opportunities for areas where less than 10 percent of the housing in the area, in the units, are below market rate. And we think these will create affordability.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Thank you all for your support. Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Assemblywoman Rosenthal.

ASSEMBLYWOMAN ROSENTHAL: Hi. Thank you all for your testimony.

So everybody here is basically supporting what the Governor put in her budget, and then you've mentioned some other things you support.

Last year there were 213,000-plus filings for evictions across the state, 135,000 of them were in the city. So they weren't all evicted, but they were all brought to court. So how do you think we deal with that situation in the contexts of building, converting commercial to residential -- and hopefully not a Fifth Avenue type, but a mixed-income commercial conversion -- and yet tenants don't have access to attorneys in the city because there's not enough of them and they don't have the right across the state?

So heavy on supply solutions, but less on keeping people housed and at decent rents.

MS. GRAY: Yeah, I'm happy to start.

That we -- you know, our policy platform very much believes that the root issue here is that we have -- we've had decades of underbuilding and lack of supply of all types, but frankly in the near term you need to make sure that you're keeping tenants in their homes and that these really go hand in hand. And this is how it's also played out in other states.

So we're supportive of the good-cause eviction bill and of generally just making sure that you're really thinking about this holistically, both in the near term and who's suffering right now, but then also just taking a hard look at the root cause and making sure you're really addressing the fact that frankly right now landlords -- it's really easy to take advantage of tenants because they don't have other options. And we should switch that.

MS. FEE: I would just add that the eviction filings, we're really concerned because that number is growing. And the number of households that are actually being evicted has I think more than doubled in the last year.

So, you know, I think right to counsel has been proven to be really effective. We're certainly supportive of an expansion.

We're also supportive of rent arrears across the state. An emergency one-shot program has been effective in keeping people in their homes in New York City, and that could go beyond New York City as well.

And then, you know, the Housing Voucher Program also is really critical. And I had mentioned our analysis of arrears and affordable housing where a third of tenants are still struggling. We have this left over from the pandemic, where renters --

ASSEMBLYWOMAN ROSENTHAL: I want to get other people, thank you.

MS. FEE: Yeah, sure.

MR. PASTREICH: I'll go quickly.

I mean, I think that in -- we strongly believe we need to set -- have some kind of rent cap so people don't get evicted for unreasonable rent increases. I think we need a right to counsel. And vouchers also are -- I think need to be a key component as well to ensure that people can stay in their housing.

ASSEMBLYWOMAN ROSENTHAL: Anyone else?

MS. DONOHUE: Again, I'll just say quickly, AIA New York strongly supports just adding as many tools to the toolbox as possible, to giving as many people an opportunity. But again, supply is really what we think is the core problem here.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

SENATOR KAVANAGH: I think we're good.

CHAIRWOMAN WEINSTEIN: Okay. So thank you to this panel for being here.

And we're going to go to Panel D: Association for Neighborhood and Housing Development; Interfaith Affordable Housing Collaborative; Enterprise Community Partners; Thurgood Marshall Institute, NAACP; Community Voices Heard; and Make the Road New York.

And if you're part of Panel E, which is our last panel, I might suggest that you make your way to the front of the room so people could get home for Valentine's night.

(Laughter.)

CHAIRWOMAN WEINSTEIN: It's musical chairs today.

MS. GOLDSTEIN: Yeah, right.

CHAIRWOMAN WEINSTEIN: So we'll go in the order that I said, so Emily Goldstein first.

MS. GOLDSTEIN: Good afternoon. And thank you for the opportunity to testify and for sticking around through this long hearing.

My name's Emily Goldstein. I'm the director of organizing and advocacy at ANHD, which stands for the Association for Neighborhood and Housing Development.

There are a number -- there's a lot in my written testimony, so I'm just going to do highlights and try to keep it short.

First of all, we want to thank you for your support of the Displacement Alert Project and ask you to continue that support. We want to maintain the important data work that we're doing that provides our elected officials as well as community members with resources that they need to understand the housing situation and displacement risks in their communities.

Second, an initiative that's been highlighted a number of times by others who have testified but is really crucial for our nonprofit developer members in particular, is we really need emergency preservation funding to address the unmet needs of rental arrears in nonprofit and in general affordable housing.

A lot of affordable housing never got ERAP, was not served by the money that was provided last year. We supported, you know, both those programs. We certainly don't ever want to be pitting different forms of affordable housing against each other. A lot of last year's money went to public housing, which was absolutely a necessity, but it means there are a lot of affordable buildings that are still carrying arrears from during the height of the pandemic when, you know, through nobody's fault, no one could pay.

This is particularly unsustainable for nonprofit mission-driven developers that operate on incredibly slim margins, because they underwrite their buildings to maximize affordability and they're always putting resources back into community programs. So this is becoming -- you know, this has been an issue. It's hitting a crisis point where we're either going to see buildings start to fail or tenants start to get evicted, and we desperately don't want either of those things to happen.

Third, we support -- along with others -- both the legislation and the Governor's recommendations around addressing discrimination on insurance premiums in affordable housing. This has likewise become a huge challenge for our members.

Fourth, we absolutely need to pass and fund right to counsel statewide. We support good-cause. We agree with the BASE campaign and supportive of that campaign on passing legalization for basement and cellar apartments and allowing the city to address those housing needs.

And finally, I'll just say, unlike many of the others who have spoken here, we are not supportive of the -- what we've seen so far of proposals to replace 421-a. The numbers and letters keep changing. At its core, this still seems to be primarily use of public resources for primarily market-rate housing, and we don't think that's the right priority for public resources.

CHAIRWOMAN WEINSTEIN: Thank you.

Rashida Tyler.

MS. TYLER: Hi, thank you. My name is Rashida Tyler. I'm the project manager for the Interfaith Affordable Housing Collaborative and the Partnership of Faith-Based Affordable Housing and Community Development, a/ka/a "the Partnership." I am also the deputy executive director of the New York State Council of Churches.

The Partnership is comprised of the New York State Council of Churches, Interfaith Affordable Housing Collaborative, and the Interfaith Assembly on Homelessness and Housing and Bricks and Mortals.

And so these organizations were begun to help faith-based organizations respond to housing and homelessness crises in their communities by providing them access to technical assistance and predevelopment funds to utilize their properties to help develop housing that stabilizes and strengthens their communities.

Although it is well-known that New York State has been in a housing crisis for many years, post-pandemic this crisis has been deepening at an alarming rate. According to the Fiscal Policy Institute -- and again, we all know these numbers, so I'm not going to go too in-depth -- but 40 percent -- housing prices have increased 40 percent in the three years since the pandemic.

According to the Point-In-Time housing survey, our homelessness count, New York State is second in the nation for the number of homeless individuals. And last year there were 212,000 eviction filings in New York State, according to the Eviction Dashboard.

So these numbers are worsening. And it should come as no surprise that our faith-based institutions are being impacted in unprecedented ways, particularly with the loss of population of over 100,000 people since last year.

And so post-COVID, faith-based organizations are facing economic pressures, with over 50 percent of some pastors citing negative impact on their congregations. Attendance at religious services is decreasing. And although giving remains stable, operating costs are rising and many houses of worship are in economic distress.

So we favor the Faith-Based Affordable Housing Act, which allows faith-based organizations to utilize their properties to develop affordable housing. Outside of New York City, you can build up to three stories; inside of New York City, up to five stories. It's based on population.

The reason we favor the Faith-Based Affordable Housing Act is that it allows communities to determine and work with their institutions of faith to find the type of development that works best for them.

The housing crisis really can be seen as three crises in one -- a lack of vacancy, a lack of affordability, and a lack of will. Many faith-based institutions have the will to develop, but there are many things such as zoning restrictions that actually hamper their ability to develop. So we urge a comprehensive housing plan that is pro-development, such as the Governor's Pro-Housing Communities plan, and also policies that help prevent homelessness, such as the Housing Access Voucher program and the right to counsel, which helps keep people housed.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

Next, Enterprise Community Partners.

MR. BOYLE: Hi. I'm Patrick Boyle, senior director with Enterprise Community Partners. Thank you for the opportunity to testify here today.

A number of issues, some of which were reflected in the Governor's budget and a few other additional ones we just wanted to highlight quickly today.

First is the Housing Access Voucher Program. We are co-conveners of that coalition, which has been growing. It's really been growing in membership around the state. I think coming out of the pandemic, in terms of what we've seen around rental arrears and housing insecurity and homelessness, you know, more important than ever. And we certainly thank the Senate and the Assembly for their historical support of that proposal.

On insurance, you know, Enterprise is spending a lot of time thinking about insurance and convening about insurance lately. It really is a significant crisis in the affordable housing world. So we support the Governor's language in her Executive Budget around closing some of the discrimination loopholes -- and, you know, thank our Housing chairs for kind of beating the drum about this issue for a while now.

So that's an important first step. But we want do want to stress that that is a first step of what we think are a number of necessary steps. You know, it's going to be important to close the discrimination loophole, but it doesn't address root causes.

There's going to be funding relief that's needed here, and there's going to be sort of a number of, you know, regulatory and legislative solutions that we hope to partner with the Legislature on moving forward over this session.

The Fair Housing Testing Network and Opportunity Program out of HCR, this launched last year, $2 million to fund six full-service fair housing testing organizations around the state. That's gone a long way. That has grown out of an Enterprise pilot program called EBNY {ph}, is where that -- where this program was sort of seeded from. It needs more funding support.

So it's $2 million, and that's allowed these organizations to do a lot, but there's a lot of unreached areas around the state in terms of fair housing deserts. There's a lot more these organizations could be doing. There's a lot that they do that's not covered under the parameters of the program.

So we would like to request an increase to $8 million annually for that program. There's still a tremendous amount of source of income discrimination that goes on around the state, and we'd really like to see a funding increase there to match the need.

We support the Supportive Housing Network and their ask for $32 million to bolster the State Supportive Housing Program initiative and bring those up to ESSHI levels of funding.

And we support the Rural Housing Coalition and their ask for $25 million around USDA 515 housing preservation. So, you know, this is a lot of housing units around the state that's coming up to the end of their sort of affordability regulatory periods, over 20,000 units around the state. And so, you know, that's a great preservation need that's going to become more apparent in the years and decade ahead.

So thank you for your consideration.

CHAIRWOMAN WEINSTEIN: Perfect timing.

Thurgood Marshall Institute.

DR. KAJEEPETA: Thank you.

Good afternoon. My name is Dr. Sandhya Kajeepeta, speaking on behalf of the NAACP Legal Defense Fund. Thank you for the opportunity to testify in support of good-cause eviction legislation, which has been discussed already today.

My testimony will focus on my original research on racial disparities and evictions in New York State and the ways in which good-cause can help promote racial equality in the state.

In 2022, New York landlords filed nearly 200,000 eviction filings. That's almost triple the number in 2021. About 20 percent of these filings are for holdover evictions, those initiated for a reason other than nonpayment of rent. The concerning reality is that many New York renters live in their homes at the whim of their landlords, and they can be evicted for reasons that are no fault of their own.

New research from LDF's Thurgood Marshall Institute, where I am senior researcher, documents that New York's eviction crisis has a disportionate impact on Black renters. We analyzed housing and demographic data from the census and the Statewide Eviction Dashboard.

We found that, first, Black New York residents are significantly more likely to be renters than homeowners. Two of every three Black households in the state are renters, while two of every three white households are homeowners. As a result, tenant protections are particularly important for the hundreds of thousands of Black renter households in New York.

Second, Black New Yorkers are 4.6 times as likely as white New Yorkers to report being threatened with eviction.

And finally, we found that New York counties and neighborhoods with higher Black renter populations face higher rates of total and holdover eviction filings. A 10 percentage-point increase in the percent of Black renters in a county was associated with a 55 percent increase in the rate of total eviction filings and a 33 percent increase in the rate of holdover eviction filings. We observed the same pattern at the zip code level.

The findings from our analysis provide evidence that Black communities in New York face a disproportionate risk of eviction, including holdover evictions where the renter is keeping up with rent payments.

Enacting good-cause-eviction protection in New York has the potential to reduce the rate of holdover evictions, help renters stay in their homes, and limit the negative impacts of housing instability. We anticipate that good-cause will significantly benefit renters in predominantly Black neighborhoods that currently face a disproportionate risk of total evictions and holdover evictions.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

And Community Voices Heard.

MS. WILLIAMS: Good afternoon, and thank you for having me this evening.

My name is Barbara Williams. I am a

member of Community Voices Heard, and I live in public housing in Washington Heights.

I've lived in public housing for 33 years. I've also been the president of my resident association for two terms. I'm here today because of the living conditions that I'm seeing in public housing.

I've been in apartments with no kitchen. I've been in apartments with no walls. I've looked into closets where you couldn't see the ceiling because of black mold. I've smelled mold and mildew so strong that I almost passed out. I've opened kitchen cabinets infested with roaches. I've seen bathroom ceilings fall on my neighbors. And we've been going through these same issues for three decades. Three decades. No one should have to live like that.

The development where I live, the Polo Grounds, was constructed in 1968. In 56 years, the piping has never been updated. Just Band-Aid fixes. And while all of this is going on, 800 people in Polo Grounds are likely to be evicted for rent arrears because public housing residents were not covered in the pandemic aid. That's not right.

But this isn't just an issue in Polo Grounds or in NYCHA. Lack of repairs and evictions is a problem statewide. CVH members living in Newburgh public housing face the same issues. Their buildings are falling apart.

Nearly 600,000 people live in public housing across the state. Public housing is one of the largest sources of affordable housing. In the middle of a statewide housing crisis, the state can't afford to lose more public housing because of disinvestment. We depend on the state to protect us and provide us with healthy homes.

We voted you into office because we felt you would do the right things for people in public housing. I'm here on behalf of Community Voices Heard members from across the state to ask you to commit $4.5 billion for public housing capital repairs to preserve 40,000 public housing units.

CHAIRWOMAN WEINSTEIN: Thank you for

your -- thank you for your oral testimony.

As I said earlier, all the written testimony is posted on the Assembly and Senate websites.

And to end this panel, Make the Road New York.

MS. HERNANDEZ: Yes. Thank you for allowing me to testify. My name is Jennifer Hernandez, and I'm a staff member at Make the Road New York, a 25-year-old organization building the power of immigrant and working-class communities.

New York faces an out-of-control housing and affordability crisis. Rents and basic costs have risen dramatically. Wages and government support have stagnated. Meanwhile, millions of people remain unjustly excluded from tenant protections and key safety-net programs like health insurance and unemployment.

Families are being pushed out of their homes and neighborhoods. We now have the highest homelessness level since the Great Depression, the consequence of decades of inaction to ensure safe, affordable housing for all.

Governor Hochul continues to cater to real estate tycoons who see our homes as ATMs, raising rents, refusing to make basic repairs, and displacing us. She has no plan to address this crisis. We do. All New Yorkers deserve the freedom to stay in our homes -- affordable, comfortable and safe homes where we can watch our kids take their first steps, gather around the kitchen table to share meals, and unwind after a long day of work.

The Legislature must stand up to the Governor and prioritize the needs of Black, brown and immigrant families. We must give unregulated renters protections against unreasonable rent hikes and retaliatory or discriminatory evictions by passing a statewide good-cause eviction program, as introduced by Senator Salazar and Assemblymember Hunter.

We must create a statewide program that provides low-income New Yorkers who are homeless or at risk of homelessness with money to pay their rent. Let's pass the Housing Access Voucher Program, as introduced by Senator Kavanagh and Assemblymember Rosenthal. And we must invest in the future of all New Yorkers by enacting the Invest In Our New York tax proposal to raise tens of billions of new public dollars for vital services by ensuring the wealthiest New Yorkers and big corporations pay what they owe in taxes.

These concrete policy steps can ensure that every tenant in New York gains the same basic protections. But you must stand up to the Governor and her real estate friends who will continue to try to take away our homes and even chip away at the rent-stabilization laws we have already fought so hard to strengthen.

Without action now, more and more families will find themselves on the streets or unable to live in our state. Our written testimony will lay out our additional policy priorities to ensure all New Yorkers have the freedom to thrive.

Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

For our first questioner, we go to Assemblymember Chandler-Waterman.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Thank you, Chair.

I appreciate the advocacy. I appreciate all that you all have been doing, not only for yourselves, but advocating for others and our most vulnerable population, Black and brown communities. So I agree that we need to ensure community voices -- no pun intended, I'm saying just involvement with community members -- is at the table in a true way.

And we know this is a multilayer issue that requires a multifaceted approach. So creating a pathway for faith leaders to develop is one. As we know, they create more. We talk -- I talk so much about that. But tenants are not really being part of the discussion.

So unfortunately, individuals going

through heartbreaking experiences -- like what you said, Barbara; like what you're saying, Jennifer -- don't always know where to go, right? Or what to do or how to access, right? We know we need so much more, but what we have -- sometimes we don't even know what exists.

So educational awareness, in what ways can residents be more informed about the complex dynamics of housing -- you know, what they're going through and how to get support. The initiatives, the workshops. What do you think we could do more of, even as legislators or just in agencies, just to make sure that people are more aware of what access is out there and what support?

And I could -- Make the Road. I don't know if Community Voices Heard wants to start with that, especially the experiences you just talked about.

MS. WILLIAMS: Well, I feel that public housing has been being disinvested in ever since 1998. And each year, it's less funds with the expectation to do more.

We need funding. The funding is what allows the necessary work to be done. Capital projects are major. Where I live -- as I mentioned, this development came up in 1968. The piping has never been changed. According to law, it should be changed every 20 years. So we're way past that year.

It's time that those things be done, those types of repairs.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Gotcha. Thank you.

MS. WILLIAMS: Mold, mildew.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Thank you so much for that. And --

MS. HERNANDEZ: Yeah, I mean, your question was around education. I mean, you know, as a community organizer, we do a lot of that education in the community, right? Obviously, one of the things that you could do is, you know, continue funding organizing, fund organizers organizing even more, right?

But also give us the tangible solutions that we can teach people about. Right? A lot of the times folks come to us with a rent hike, with an eviction for no cause, right, and they come to us with -- in need of solutions. Right? Sometimes they don't even know that they don't have protections against rent hikes. Right?

And we like have to sit there and say to them: The most we can do, if you can find a lawyer and right to counsel, right, because -- you know, because of the -- so many cases, right, it's -- right? Like you might be able to delay your process of eviction, but we probably won't be able to stop your eviction. Right?

And so they ask questions, right? Where am I -- where else am I going to go? What apartments can I rent. Right? We don't have those tools.

CHAIRWOMAN WEINSTEIN: Thank you.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Thank you.

CHAIRWOMAN WEINSTEIN: We go to the Senate.

SENATOR KAVANAGH: Just I guess the first question for ANHD.

We had NYSAFAH here earlier talking about the -- what did they call it? I'm sorry, there's a -- NYSAFAH was also pushing for a $250 million fund to stabilize existing housing, which sounded a little bit -- quite a bit like your emergency preservation fund.

I'm just trying to figure out, are these sort of distinct asks for distinct sets of housing? Or is there a consensus among ANHD and NYSAFAH and perhaps others that a new $250 million fund would be what we'd be looking for this year?

MS. GOLDSTEIN: I think there's consensus that we're looking for funding for affordable housing. I think probably there's still some working out of the details of exactly how would the program work, who qualifies. You know, what types of -- yeah, the details.

SENATOR KAVANAGH: Okay. But just so there's not --

MS. GOLDSTEIN: It's the same $250 million.

SENATOR KAVANAGH: That's what I was

getting at.

MS. GOLDSTEIN: I think there's still some sorting out of exactly how should it be distributed, what are the qualifications and criteria for prioritization.

SENATOR KAVANAGH: Right. And in response to questions earlier NYSAFAH said, you know, there would be, you know, an application process and some details to be worked out with HCR. I would, just for practical purposes in the next five weeks or so --

MS. GOLDSTEIN: It's the same -- it's the same pot.

SENATOR KAVANAGH: I think you should also come up with the same name for it, just so -- because it's going to be hard -- I think it's going to be hard for -- like people have trouble processing all the things that are being asked for. So it would be helpful if it's -- if there's a single kind of ask.

The -- there's -- you know, we've -- a lot of us have been advocating for a long time for money for public housing, for capital. I really appreciate CVH's role in bringing, you know, the voices of people most affected by this to Albany over the course of many years now.

I just want to -- since there's only a few of us here now, one of the arguments we often get when we talk about putting more money into public housing capital is that public housing authorities, particularly the New York City Public Housing Authority, don't manage their capital particularly well. That they don't -- they haven't -- you know, they have management operational challenges. They don't spend the money they have.

Can you just, as someone who's advocating for $4.5 billion over the next five years, which is something I support, can you just talk a little bit about, you know, how your advocacy for additional money fits within that argument?

MS. WILLIAMS: Well, I can't offer how the money is spent. I'm not on that level. I am not -- I'm not an employee of public housing. I live in public housing, and I feel that my home should be as good as anybody else's home. And everybody who lives in public housing has the right to a safe and healthy home.

And that's the responsibility of those that we put in place, to protect that. Poor management, on city and state -- if the money is not being used correctly, those people answer to those agencies, not to residents.

So I feel that -- put people in place that check. I live in public housing. When I first came in, there were superintendents that came behind the workers to make sure that the work was done that they were allotted to do. That's not happening anymore.

There were two apartment inspections yearly to make sure that what was needed in those apartments was done and the residents who lived there were doing their part to upkeep that apartment. That's no longer done.

There's a lot of things that --

that -- I cannot go through the list here, it would just get too much time.

SENATOR KAVANAGH: I'm going to get in trouble if I let you go any further.

But thank you. That was very eloquent, though. We appreciate it.

CHAIRWOMAN WEINSTEIN: Thank you.

And, you know, again, there's opportunity later today to be able to submit in writing -- if these conversations have brought other issues to your thoughts, that you can submit additional information to the committees that will be posted as part of the official record.

We go to Assemblyman Manktelow.

ASSEMBLYMAN MANKTELOW: Thank you, Madam Chair.

Barbara, if I could ask you a question, please?

MS. WILLIAMS: Yes.

ASSEMBLYMAN MANKTELOW: And thank you all for your testimony, and thank you for all your comments.

I believe you gave us the number of

$4.3 billion to fix up the housing, is that correct?

MS. WILLIAMS: 4.5 billion.

ASSEMBLYMAN MANKTELOW: 4.5 billion?

MS. WILLIAMS: Yes.

ASSEMBLYMAN MANKTELOW: So if you don't mind me asking, where did that number come from?

MS. WILLIAMS: That came from a lot of research into public housing. Getting to the necessary people to give us what the costs would be. And that is well published in NYCHA works. This is where we got it from. That's their numbers, saying what it would cost.

There are other areas that I didn't even mention. But --

ASSEMBLYMAN MANKTELOW: Well, Barbara, before you go on to that, just -- I want to finish. I don't mean to interrupt you, but I'm running out of --

MS. WILLIAMS: No, no, go right ahead.

ASSEMBLYMAN MANKTELOW: So is it safe to assume that you live in NYCHA housing, then, is that correct?

MS. WILLIAMS: I live in NYCHA housing. Yes, I do.

ASSEMBLYMAN MANKTELOW: When is the last time, where you live -- when is the last time that has been updated?

MS. WILLIAMS: Updated?

ASSEMBLYMAN MANKTELOW: Mm-hmm. Like a change of paint. You know, we talk about lead poisoning in our water -- has all those lines been checked in your unit? Those are some of the questions we have.

You talked about every 20 years it should be updated. I just want to know where that number came from as well.

MS. WILLIAMS: Well, that's also part of NYCHA's literature. And what is needed, we have something called the Tenants Handbook to give you information.

ASSEMBLYMAN MANKTELOW: Mm-hmm.

MS. WILLIAMS: We get that information. We didn't all throw it away. It is something that was given out, like, when these developments first came up. Rules and regulations and what needs to be done and when it should be done.

Painting used to be done every three years. If you don't request it now, you don't get it. And then when you do, you might get one room. The entire apartment is not done at the same time.

There's a lot of things that's not being done that should be done. So this is why we need this. But we need people who are taking the time to manage this.

ASSEMBLYMAN MANKTELOW: Mm-hmm.

MS. WILLIAMS: That money can go wherever it needs to go if it's managed properly.

ASSEMBLYMAN MANKTELOW: Okay. Because I know just in our Governor's proposed budget, we're going from 229 billion to 233 billion. Well, there's your $4 billion, or almost where you need to be.

And you're absolutely right, we throw dollars at a lot of different things at the state level and a lot of it doesn't get followed up on, to make sure those dollars are spent wisely.

So I want to thank you for your testimony. And I totally agree with what you're saying. Your property should be updated. It should be taken care of. And you should have some pride in that home.

So thank you for your testimony.

MS. WILLIAMS: And thank you.

CHAIRWOMAN WEINSTEIN: To the Senate.

SENATOR KAVANAGH: Senator May.

SENATOR MAY: Thank you. And thank you all. Ms. Williams, for telling us really specifics about what some of the issues are that tenants confront.

Mr. Boyle, I wanted to ask you a couple of questions about source-of-income funding and what the Governor put in her budget, what you think about what's in her budget, and how we can further eliminate source-of-income discrimination.

MR. BOYLE: Sure.

So the HCR testing program as it exists is really successful for the amount of money that's put into it. It's $2 million.

It funds six full-service fair housing testing organizations that operate around the state. That money has allowed them to hire new staff, it allows them to do testing, it allows them to do enforcement work and negotiate settlements with landlords, which is really a good outcome.

I think what we're looking for is not just punitive damages against landlords that get -- you know, that a tenant is turned away and then down the line there's sort of a punitive damage, but the tenant hasn't been housed.

A model that's been sort of increasingly popular and which we're very supportive of is sort of negotiated -- you know, when there's a tenant that's discriminated against, there is a quick action that's negotiated between the landlord and when there's a settlement, that landlord will have to put aside several units for voucher-holders for the future, and there's oversight of that.

And the Governor in her budget has a

new unit between Human Rights and HCR that would staff some additional people to kind of help facilitate some of that up-front quick-action enforcement work. And so we are supportive of that new unit that the Governor has announced in her State of the State.

The Attorney General also has a pot of money, and that's intended to fund nonprofits in some fair housing deserts around the state that don't currently do fair housing work but that might have the capacity if they got some extra funding.

So what we're asking for is extra money specifically into that HCR Fair Housing Testing program, which is really kind of the best current state-supported vehicle for rooting out SOI. But which is just kind of, you know, based on what we've seen around the state, is really kind of in need of some extra support.

SENATOR MAY: Thank you.

And just quickly, Ms. Tyler, the faith-based affordable housing bill, I was part of writing that but then we realized this really mostly affects New York City, and so we wanted a New York City sponsor for that.

But I'm wondering if you're seeing pushback. Are there -- what do you expect to be the barriers to making that work?

MS. TYLER: Well, I think that most communities want to make sure that the development that is proposed is specific and unique to their community.

So I think the Faith-Based Housing Act is flexible in that way. So far we've had conversations with faith leaders across the state, and we've been working with the coalition to hold forums, and so we haven't had a lot of pushback.

One of the things that has come up is around labor and prevailing wage, which we know that we want to make sure that there is space and room to have those conversations and make amendments to the bill, because we ultimately want to make sure that labor and prevailing wage are -- are included.

SENATOR MAY: Great. Thank you.

MS. TYLER: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

So thank you to this panel for being here with us today and being able to answer some of our questions. Thank you.

So we move on to our final panel of this hearing: Rural Housing Coalition of New York, Adirondack Foundation, and New York State Rural Advocates.

MR. BORGES: Can you hear me? There it goes. Okay.

Oh, good evening. Thank you for having me. I'm Mike Borges. I'm the executive director of the Rural Housing Coalition of New York. We represent rural housing nonprofit organizations and community development organizations that serve rural communities throughout the state.

I first want to thank the Legislature for really stepping up last year and supporting increases for a number of housing programs that serve rural communities. Kudos to you guys for really helping us and doing the things that unfortunately the Governor didn't.

This past November the Rural Housing Coalition commissioned a Marist poll that showed 73 percent of New Yorkers believe housing affordability is a major concern in their communities and 71 percent believe the state is not providing enough resources to address this problem.

Given this overwhelming concern about housing availability and affordability, we had really high hopes that the Governor's Executive Budget would convene housing stakeholders from around the state to develop consensus proposals to address this housing crisis. The Executive Budget did not include that. Instead, the Executive Budget actually cut funding for a variety of housing programs, many of which serve rural communities.

As you know, funding was cut to RESTORE, which assists seniors with emergency housing repairs so they can remain in their homes. Funding was cut for Access to Home, which assists the disabled with accessibility modifications like wheelchair ramps, handrails, so they can remain in their homes. Funding was cut to the Rural Preservation Program, which funds a network of nonprofit housing community development organizations that serve rural New Yorkers by repairing, rehabbing, and building housing for low-to-moderate-income New Yorkers. Funding was eliminated for the Small Rental Development Initiative, which funds affordable rental projects of 20 units or less that are more suitable for less densely populated areas with little to no infrastructure.

Lastly, we just released a report yesterday about the state of our USDA 515 programs. This was all emailed to all the legislators, and we released it to the media. Again, it documents a great need in rural communities. If you're not familiar with it, the USDA 515 program was created by Harry Truman back in 1949 or so. And in New York State we built thousands of these affordable rental projects in the 1980s and

1990s.

Their mortgages are expiring now. And as those mortgages expire, they lose their affordability protections as well as their rental assistance. So thousands of New Yorkers in rural communities -- about 15,000 households -- potentially could lose their homes because they can no longer afford to stay where they are. These properties are in great disrepair.

We're looking for an investment of about $25 million, as Enterprise's Patrick Boyle mentioned ealier, to similar -- like with the Mitchell-Lama program. You know, there was about $50 million in the State Budget last year to preserve and rehab the Mitchell-Lama housing. And so we're looking for something similar that serves rural New York.

Again, thank you for your support, and we appreciate it.

CHAIRWOMAN WEINSTEIN: Thank you.

Adirondack Foundation.

MS. BELLINGHAM: Sure. Hi. Thank you

for the opportunity to testify.

My name's Lori Bellingham, and I'm vice president for community impact with Adirondack Foundation. The foundation seeks to improve lives and expand opportunities for the people in our region by working with partners to identify and address challenges such as housing.

I'll share a brief description of our year-round residents. Approximately 44 percent of the population are ALICE individuals and families. Nearly 60 percent struggle to earn enough income to access stable housing, reliable transportation, childcare and the like.

To compound our challenges, seasonal housing constitutes 24 percent of housing units, and in some communities it's as high as 70 percent.

Perhaps more critical, though, is that the housing affordability gap is growing. In Clinton and Franklin counties, 50 percent of families live in rent-burdened households. And income has not kept up with housing prices. Median household income increased 15 percent between 2015 and 2020; however, median home prices increased by 28 percent -- and now we've heard 40 percent from elsewhere.

Until the gap between wages and affordability of housing comes into balance, our economy will be constrained. The gap and our region's unique scale are two of the most important points I'd like to make.

We noted in written testimony that our communities are, quote, truly rural -- meaning there's rural and then there's the Adirondack region. While we are book-ended by population bases in Plattsburgh and Lake George, the majority of the more than 100 communities in between are home to fewer and often far fewer than 3,000 people. In these communities, housing projects of 12 units or less for people making at least 120 percent AMI make a significant impact on the schools and the economy.

Unfortunately, as we've heard, the Executive Budget fails to invest in proven programs such as the Small Rental Development Initiative, Rural Preservation Program, and the Adirondack Community Housing Trust. We encourage the Legislature to fully support these programs, as they are some of the few that meet the unique needs and scale of our region.

In addition to these programs, our community has developed new ideas that can pilot public-private partnerships targeted at addressing the housing shortage in the North Country at first. With the state investment of 3.3 million and the partnership of foundations and municipalities, we can establish targeted resources to address the need for technical assistance and predevelopment support. Using state dollars to leverage private philanthropy can maximize and target our investments.

The housing crisis -- you know this -- is a workforce crisis. It inhibits our region's economic development. Our residents seek to improve their rural communities by ensuring that teachers, first responders, and municipal workers can live, work, and welcome visitors to the North Country.

Thank you for the opportunity.

CHAIRWOMAN WEINSTEIN: Thank you.

New York State Rural Advocates.

MR. SEBASTIAN: Thank you so much for the opportunity to testify this afternoon. Thank you for persevering through yet another marathon day. And happy Valentine's Day.

My name's Blair Sebastian. I'm with New York State Rural Advocates. Rural Advocates submitted written testimony that focused on some of the economic and demographic challenges that impact housing in New York's rural communities. We also offer our thoughts about some of the ways our not-for-profit community can contribute to addressing these challenges.

At the top of our list is the Rural Preservation Program. It's at the top because RPP provides the platform from which we deliver a whole array of state and federal housing and community development programs. RPP funds pay for the research and the planning. It pays for the community building work that precedes every grant. It pays for the writing of the grants and for the reporting that comes at the end of a program.

When New York invests in rural preservation, it's buying powerful and flexible organizational capacity. We've often spoken of the ways these locally governed organizations are able to tailor their work programs to the specific needs of communities. That same flexibility and resourcefulness positions RPCs to respond to unforeseen events.

I can't tell you how many RPCs we have worked with who have responded to floods -- big floods, little floods, tornadoes, ice storms, hurricanes, and fires. They are able to bring their general housing and community development skills to bear to focus resources and mitigate these crises because you have invested in their basic capacity, and for that we and the communities we serve thank you.

In the FY 2024 State Budget you were

able to return RPP borrowing power to the level that it had back at the turn of the century, back in 2000. The revised funding levels allowed Rural Preservation Companies to begin catching up and rebuilding old capacity.

Unfortunately, and quite predictably, the Governor is proposing to return the program to historic funding levels. We're here to ask you to find a way to sustain those levels of funding.

We understand the difficult budget decisions you face. We also understand that our funding comes through some kind of funky streams. But we are grateful for your past support, and we ask for your continued support and to fund RPC at $7.86 million this year.

Thank you.

(Overtalk.)

CHAIRWOMAN WEINSTEIN: Thank you.

MR. SEBASTIAN: It's the end of the day. We're the last slot.

(Overtalk.)

SENATOR KAVANAGH: Senator May.

SENATOR MAY: Thank you.

And thanks for your testimony. And I want you to know, as chair of the Legislative Commission on Rural Resources, we are fighting to put these programs back in the budget. I'm very concerned about many of the cuts that you highlighted.

I also want to say last year I think was the first time I ever heard the term "rural homelessness," and at first I thought it was an oxymoron. But it is a real thing. And you didn't mention that, but is -- would you -- how large a problem would you call that?

MR. SEBASTIAN: It's a large problem, and it's invisible. You know, I ran Rural Preservation Companies in Western New York. We encountered folks living in barns, living in -- there was a sawmill up the road from our office that knowingly left boards flapping on the back because there were a handful of local fellows who were living in the mill at night and wandering the streets during the day.

And they're a particular challenge because they're -- often you find folks who are not particularly comfortable living in traditional sort of living environments.

SENATOR MAY: Sure.

MR. SEBASTIAN: So we offer housing, and it isn't particularly attractive to folks. So some of this is imagining ways to allow particularly rural homeless people who have kind of this independent streak that comes with characters like that to be comfortable.

It is a big problem. Families -- we did a -- years ago in the Adirondacks we were looking at census data with the folks from one of the RPCs up there, and there were these anomalies that nobody could figure out, why we had more families than housing units. We found mobile homes with partitions through the middle of them --

SENATOR MAY: Wow.

MR. SEBASTIAN: -- with a front door and a back door.

SENATOR MAY: So let me interrupt for the last minute and ask about mobile homes, because we had a conversation earlier about the idea that maybe instead of replacing mobile homes, if people owned the land -- building actual brick-and-mortar homes would be a better way to proceed because it would help people build equity.

Do you want to, in 30 seconds, comment on that?

MR. BORGES: Well, I think, you know, there are like 1800 mobile home parks in the state. And I think there's like over 100,000 manufactured housing, making up 10 percent of the housing stock in rural communities. So mobile homes and mobile home parks are an essential affordable housing option for owner-occupied residents.

So, yes, the cost of replacing a mobile home now has risen to the point where it's $150,000, $180,000. Which is why we have a bill with Senator Mannion in the Senate, and I think it's Assemblywoman Barrett, Didi Barrett in the Assembly, to replace that program and raise the amount that could be used to replace the mobile homes from $100,000 to $200,000.

So yeah, modular homes or mobile homes or stick-built homes -- we need all kinds of housing in rural communities, and we need you to do more. The state needs to do more to preserve the housing stock that we do have, because we have very old housing stock and dilapidated housing stock.

SENATOR MAY: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

We go to Assemblywoman Rosenthal.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

And thanks for sticking around.

I know a lot of what we talked about sounded like it centered on the city, New York City. But, you know, as a city person I have been educated by all of you over the past year and really believe that you need many more resources.

We can't forget about you, you're all struggling there to maintain your home in New York State and contribute to society. And we can't leave you in the lurch, so we're going to fight for more funding for all of you.

And thank you.

PANELISTS: Thank you.

CHAIRWOMAN WEINSTEIN: Thank you.

So thank you to this panel for being here.

So just before we conclude the Housing hearing, I just want to thank my cochair, Senator Liz Krueger, for all of the budget hearings; my cochair today for the Housing hearing, Senator Kavanagh; and our ranker on Ways and Means, Assemblyman Ra, and Senator O'Mara.

So this concludes the -- not only the Housing budget hearing, but all of the budget hearings for the '24-'25 Executive Budget, until Senator --

SENATOR KAVANAGH: And I would be remiss if I did not also thank our Ways and Means Chair Helene Weinstein, who I had the pleasure of serving with for many years in the Assembly, for all of her work over many of these hearings -- and everybody who testified today. We really appreciate your input.

CHAIRWOMAN WEINSTEIN: Thank you.

(Whereupon, the budget hearing concluded at 5:26 p.m.)