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

JOINT LEGISLATIVE HEARING

In the Matter of the
2025-2026 EXECUTIVE BUDGET
ON HOUSING

Hearing Room B
Legislative Office Building
Albany, NY

February 27, 2025
12:14 p.m.

PRESIDING:

Assemblyman J. Gary Pretlow
Chair, Assembly Ways & Means Committee

Senator Liz Krueger
Chair, Senate Finance 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 Brian Kavanagh
Chair, Senate Housing Committee

Senator Pamela Helming

Senator Rachel May

Assemblyman Edward C. Braunstein

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PRESENT: (Continued)

Senator Jabari Brisport

Senator Robert Jackson

Assemblywoman Dr. Anna R. Kelles

Assemblyman Demond Meeks

Assemblyman Chris Burdick

Senator Cordell Cleare

Assemblywoman Grace Lee

Assemblywoman Dana Levenberg

Assemblyman Brian Manktelow

Senator Shelley B. Mayer

Assemblywoman Monique Chandler-Waterman

Assemblywoman Nikki Lucas

Assemblyman Steven Otis

Assemblywoman Chantel Jackson

Assemblywoman Emérita Torres

Senator Mark Walczyk

Assemblyman Michael Novakhov

Assemblyman Lester Chang

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CHAIRMAN PRETLOW: Good afternoon.

I'm Gary Pretlow, chair of the New York State Assembly Ways and Means Committee.

Today is the 14th and final in a series of hearings conducted by the joint fiscal committees of the Legislature regarding the Governor's proposed budget for fiscal year '25-'26. These hearings are conducted pursuant to the New York State Constitution and the Legislative Law.

Today the Assembly Ways and Means Committee and the Senate Finance Committee will hear testimony concerning the Governor's budget proposal for Housing.

I will now ask my Senate counterpart to introduce her members, since I've not been given a list of my members yet.

CHAIRWOMAN KRUEGER: Okay. I see Senator Brian Kavanagh, our Housing chair; Senator Brisport; Senator Cleare; Senator Mayer; Senator Jackson; Senator May.

And in the absence of Tom O'Mara, I will allow Senator Helming to introduce the

Republicans.

SENATOR HELMING: Thank you, Senator Krueger.

Joining me is Senator Mark Walczyk.

CHAIRWOMAN KRUEGER: I think that covers the Senate.

CHAIRMAN PRETLOW: And we have the chair of the Housing Committee, Assemblywoman Rosenthal. We have with us Assemblypeople Burdick, Jackson, Lee, Levenberg, Meeks, Torres, Braunstein and Assemblyman Otis.

And Assemblyman Ra will introduce his members.

ASSEMBLYMAN RA: Good afternoon. We have with us our ranker on Housing, Assemblyman Novakhov, as well as Assemblymembers Chang and Manktelow.

CHAIRMAN PRETLOW: Okay, have to do the legal stuff.

These hearings are conducted pursuant to the New York State Constitution and the Legislative Law. Today the Assembly Ways and Means Committee -- oh, I did that.

CHAIRWOMAN KRUEGER: That's okay.

CHAIRMAN PRETLOW: It's been a late night last night. We were here till -- we did a 12-hour day.

Time limits. Governmental witnesses have 10 minutes for their testimony, and the chairs of the relevant committees have 10 minutes for questioning. All other members of the relevant committees have three minutes.

I want to call everyone's attention to the clocks that are visible to both members and testifiers. Those clocks are going to be strictly enforced. When you see the yellow light flashing, that means there's 30 seconds left on your time. Please sum up your question -- or if you're answering the question, please rush through it. If you're asking a question, you're not going to get an answer if you don't finish before the buzzer goes off.

With that, I want to start this hearing with our commissioner -- (pause).

COMMISSIONER VISNAUSKAS: Hi, good

afternoon.

CHAIRMAN PRETLOW: Oh, okay. I was going to give your name, but go for it.

COMMISSIONER VISNAUSKAS: Oh, sure. Sorry.

Good afternoon, Chairs Krueger and Pretlow and members of the Legislature. I am RuthAnne Visnauskas, commissioner and CEO of New York State Homes and Community Renewal, and it's an honor to testify today on Governor Hochul's 2025-2026 Executive Budget.

As we continue to address the housing crisis in New York State, Governor Hochul has once again put forth a series of proposals that demonstrate her commitment to addressing this problem and giving more New Yorkers the chance to succeed and to concentrate on doing more than just making ends meet.

This year's proposals build upon last year's momentous achievements when we passed a budget and a package of reforms that included new property tax incentives to stimulate housing production across the state; $500 million to build up to 15,000 homes on state-owned land; and an enhanced Pro-Housing Communities Program to help ensure municipalities that share our housing goals were given exclusive access to more than $600 million in state discretionary funding.

And in New York City -- even before they became the "City of Yes" -- the state's efforts to spur affordable housing development in the five boroughs were boosted by last year's budget. This included approval of the 421-a extension, which resulted in 71,000 units in stalled projects applying for the benefit, and creation of the new 485-x property tax abatement.

Before I get into the details of the Governor's 2026 plan, I want to provide updates on some of HCR's programs that address the need for housing and community investment.

I'm pleased to report that the Governor's five-year Housing Plan has surpassed the halfway point: We've created and preserved more 55,000 affordable homes toward our goal of 100,000. Included in this number are 4,200 homes with support services so that vulnerable individuals can live independently. It also includes 5,700 mortgages that we made to first-time low-income homebuyers.

We made our first awards under the Vacant Rental Improvement Program, which will provide $40 million to help restore vacant units and underutilized buildings into affordable housing outside of New York City.

We expanded our Resilient Retrofit Program by making an additional $17 million available to homeowners so they could make proactive flood mitigation and energy-efficiency improvements. This nearly doubled the program's initial $10 million allocation as part of our pilot in 2023.

And as of today, our Pro-Housing Communities Program includes 277 certified municipalities across the state. Last month the Governor announced more than $100 million in state investments for projects located in certified Pro-Housing Communities, part of a total $123 million allocated through the latest round of the state's Regional Economic Development Council initiatives.

Thanks to you and our partners, I could spend a significant amount of my time allotted here celebrating what we've accomplished over the past year, and I'm proud to talk about that. But for today, I'll put the focus on looking forward and how to keep up our momentum.

Governor Hochul's 2026 budget proposals build upon her commitment to increase affordability by addressing the housing shortage. She is proposing new tax incentives to put homeownership opportunities within reach of many more people and taking strong actions to increase housing security and ensure affordability for more New Yorkers.

Embedded within the Governor's budget are creative new ideas to spur home developments, including additional funding for Pro-Housing Communities; new models to drive down costs in home construction; and down-payment assistance for first-time homebuyers.

I'm excited about enabling more development upstate with a new revolving-loan fund for mixed-income rental housing, and expanding the availability of the state Low Income Housing Tax Credit to help us fund thousands of additional homes.

To protect New Yorkers from economic abuse, we're proposing legislation to ban rent-fixing collusion; we're extending security deposit protections to rent-regulated tenants; we're reducing the tax burden for Mitchell-Lamas; promoting reduced insurance costs for affordable housing landlords; and expanding programs that help homeowners impacted by storms.

And we must ensure that homes for sale will be available for everyday New Yorkers. Owning a home has long been the foundation of the American dream -- providing stability, opportunity and the chance to build a better future for generations -- but for too many people that dream is out of reach.

We've seen examples of large investors making instant cash offers that take homes off the market before anyone else has a chance to even bid. The Governor's proposals will level the playing field by instituting a 75-day waiting period before institutional investors can make offers to buy one- and two-family homes.

I believe we're primed for growth and prepared to battle the headwinds to come. People are feeling very anxious about what lies ahead, and I want to assure the members of this committee that despite the turbulence, we are not making changes to our day-to-day services and operations or abandoning our work.

Should any federal action impact our vital mission, we will take our cues from the Governor and the Attorney General. They are front and center defending New York's funding streams, our laws, and our programs.

In closing, I can confidently say that the Governor's initiatives, as expressed in her Executive Budget, cover our nextgeneration ideas for meeting the housing needs of New Yorkers. I'm fortunate to travel the State listening to what New Yorkers have to say, attending meetings, seeing our work firsthand, and best of all, welcoming people to their new homes. Each encounter makes such an indelible impression, and I take heart in all that we continue to accomplish.

I'm grateful to work with a Governor, a team at HCR, and members of the Legislature who recognize that housing is a basic human right. By continuing to work together, we can transform lives by increasing the supply of quality homes, developing new pathways to homeownership, and investing in the types of programs that benefit individuals, families, and entire communities far into the future.

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

CHAIRMAN PRETLOW: Thank you, Madam Commissioner. Four minutes left on your time; I'm impressed.

Assemblywoman Linda Rosenthal, for

10 minutes.

ASSEMBLYWOMAN ROSENTHAL: Thank you. Maybe I can have those extra four minutes.

(Laughter.)

CHAIRMAN PRETLOW: No.

(Laughter.)

ASSEMBLYWOMAN ROSENTHAL: You know, first-time chair, full of power. Thank you, Assemblymember Pretlow.

And good to see you, Commissioner.

COMMISSIONER VISNAUSKAS: Thanks.

ASSEMBLYWOMAN ROSENTHAL: So I have many questions, and I only have 10 minutes. So hopefully we can have a good dialogue.

At the last hearing, last year, I inquired about staff hiring for upstate New York TPUs. And I know there were staff lines in the budget last year. Can you elaborate on -- are there like six TPU offices? Or what the status is, outside the city.

COMMISSIONER VISNAUSKAS: Sure. I'm actually happy to say we also have a new head of the TPU division. Our prior head left, and we recently had someone start about two weeks ago who came from Brooklyn Legal Services, and we're very excited to have new leadership at TPU.

ASSEMBLYWOMAN ROSENTHAL: And what's the name?

COMMISSIONER VISNAUSKAS: Her name is Jooyeon Lee.

We are -- per your question about sort of upstate, we are opening an office in Poughkeepsie. We secured some space there. We have been having staff go up there and work both from ORA and TPU with communities up in that area.

But obviously having the office space there will make that happen even more. Now that we have an office space, we will hire a director that will be based up there. But we've just been having staff go up there very frequently to do the work that needs to be done.

ASSEMBLYWOMAN ROSENTHAL: Okay. And other offices, like any others across the state?

COMMISSIONER VISNAUSKAS: No, the office in Poughkeepsie will cover all the communities surrounding --

ASSEMBLYWOMAN ROSENTHAL: So Buffalo, for example?

COMMISSIONER VISNAUSKAS: We do not have an office in Buffalo, no.

ASSEMBLYWOMAN ROSENTHAL: No, no, no, I'm saying if people have questions and need help in Buffalo. They would just call --

COMMISSIONER VISNAUSKAS: I'm sorry, we do have a -- HCR has a Buffalo office, yes. And we have a Syracuse office and an Albany office.

ASSEMBLYWOMAN ROSENTHAL: Okay. Well, that's good to hear.

Last year HPD distributed $18.3 million in LIHTC over 11 projects to create 875 units. Is there any way to forecast what steps we can take to manage the potential lack of funding on just that LIHTC for next year?

COMMISSIONER VISNAUSKAS: Sure. Sorry, the stats you gave, did you say they were for HPD?

ASSEMBLYWOMAN ROSENTHAL: It was HPD distributed 18.3 million last year.

COMMISSIONER VISNAUSKAS: Sure. So we get --

ASSEMBLYWOMAN ROSENTHAL: And also what's in the budget.

COMMISSIONER VISNAUSKAS: Sure, yes.

So as the state we receive around $45 million in 9 percent Low Income Housing Tax Credit allocation to the state, and we suballocate to the city, and the HPD takes that portion, as you just mentioned.

And then we run a process to distribute the rest throughout the State of New York. We're actually just about 30 days away or so from making the awards that we'll make through our portion of those funds.

ASSEMBLYWOMAN ROSENTHAL: Okay. In terms of Mitchell-Lamas, the Governor's budget includes a reduction to just 5 percent for shelter rent tax. Can you tell us a breakdown of Mitchell-Lama developments based on the tax exemption level they receive? And I don't expect you to recite it, but that would be interesting to see.

COMMISSIONER VISNAUSKAS: Sure. So there are about -- and you can tell me if this is what you're looking for. But there's about 200 Mitchell-Lamas in the state that are -- have supervised -- both New York City and New York State have supervisory responsibility over them.

There are -- I think about 160 of them have Article 2 or Article 4 tax exemptions. Otherwise, many Mitchell-Lamas -- a subset of them have separate tax exemptions. So this proposal, which we're very excited about, to reduce the shelter rent from 10 to 5 would impact over 160 Mitchell-Lamas. That's if it's adopted by the localities.

ASSEMBLYWOMAN ROSENTHAL: Okay. And I'll send you more extensive questions about Mitchell-Lamas.

But we know that, you know, a lot of them are in precarious, I'd say, financial conditions. So what do you think about the state investing more money in trying to stabilize them so they don't turn into public-housing type where they're built and then people walk away and then they deteriorate and then we are in trouble?

COMMISSIONER VISNAUSKAS: We care very deeply about our Mitchell-Lama stock, as I know that you do, and as I said are very excited about actually the tax exemption relieving pressure on both maintenance and rent increases for those buildings.

We also, through our joint efforts in our five-year Housing Plan, invest 50 to $100 million of capital each year into Mitchell-Lamas. We work with sort of a series of them each year, having them do physical needs assessments and making sure that we can provide funding for large capital investments that they need to do to -- exactly as you say, to make sure they can maintain their buildings up to the quality standards that we want them to.

So we look forward to continuing to do that work.

ASSEMBLYWOMAN ROSENTHAL: Okay. Last

year's budget included language allowing landlords to claim larger IAIs. Have any applied for above-30,000 IAIs? And where would those be?

COMMISSIONER VISNAUSKAS: We opened up that program in October of last year so landlords could start the application process. We've received a few hundred applications, which is --

ASSEMBLYWOMAN ROSENTHAL: A few hundred?

COMMISSIONER VISNAUSKAS: Mm-hmm. Which is about on track for where we were sort of historically with IAIs.

ASSEMBLYWOMAN ROSENTHAL: And were they all approved or you're still going through them, or how is that working?

COMMISSIONER VISNAUSKAS: No, they're -- they're -- these would just be the applications that have been submitted.

ASSEMBLYWOMAN ROSENTHAL: Okay. For the -- okay, so we imposed a hefty fine on landlords and building owners that did not do their yearly registration of rent-regulated apartments. So from what I understand, that's been wildly successful.

And I wonder if you'd describe the difference between last year and this year, et cetera, in terms of registrations of stabilized apartments.

COMMISSIONER VISNAUSKAS: Yes. Would certainly thank the Legislature for that increased enforcement power that we had.

We saw many more on-time registrations than we had in previous years. And also recently we launched a sort of dashboard that's now sort of an online tool that people can see the registrations. And previously people could just register a year or two or three years late, and so the fine really helped us to get 100,000 or 200,000 more apartments to be able to be -- to register on-time, which is great.

ASSEMBLYWOMAN ROSENTHAL: And what -- so what will happen if they don't right now?

COMMISSIONER VISNAUSKAS: There have been some that have not, and we have levied fines and are going through that process.

And that will continue to be a process as people don't register year over year.

ASSEMBLYWOMAN ROSENTHAL: And can you estimate from that or from any other source how many vacant apartments -- because I continue to hear that there are vacant apartments.

COMMISSIONER VISNAUSKAS: Yes, there absolutely are vacant apartments in the stock. Right? There are about a million regulated apartments in the City of New York.

We see, through our data, landlords register the status of the apartment as of April 1st each year, vacant or occupied, and we see in the data that the level of vacant apartments on April 1st of this year is back to what we would say would be historic norms from prior to the pandemic.

There was a little bit of a spike in the pandemic over reported vacancies, but we are back now to the same level of vacancy in the system that we've had historically.

ASSEMBLYWOMAN ROSENTHAL: Can you extrapolate from this year's registration that an apartment that is listed as rent-stabilized was not registered for the past, let's say, four or five years? And why that was, and are there actions that HCR can take to say: Wait a minute, if you didn't register it, maybe you were charging a market rate, which you shouldn't have.

COMMISSIONER VISNAUSKAS: What we saw more in the data was that as people registered for this year, if they had missed last year, they went back and registered last year, not really gaps in registration but catching up in that registration.

So the tool I think helped us both to get people to register on-time and also, if they had had a lag from the prior year, they did both.

ASSEMBLYWOMAN ROSENTHAL: And what about more than one year?

COMMISSIONER VISNAUSKAS: The same. You know, we had people, I think, who caught up. But we -- so I think it encouraged people to fix their registrations year over year.

ASSEMBLYWOMAN ROSENTHAL: Mm-hmm. But maybe we can see -- could DHCR check what the rent is? Because perhaps during those unregistered years the rent was higher than it should have been.

COMMISSIONER VISNAUSKAS: Most certainly, as you know, the TPU unit looks at the registration data and uses that as a resource to look for anomalies or inconsistencies in registration, and then investigates those. So for sure.

ASSEMBLYWOMAN ROSENTHAL: Okay. I'll ask you a question that's on everybody's minds in terms of every area.

In the event that HUD no longer administers project-based, Section 8, any kind of Section 8 vouchers, any kind of help in terms of subsidies, grants -- and I know you mentioned in your testimony you will take the lead of the Governor, et cetera.

But how can DHCR tell people out there "Don't worry, you won't be kicked out on the street if the federal government ceases to perform its duties"?

COMMISSIONER VISNAUSKAS: Certainly, in addition to our day jobs -- I'm sure it's for all of you as well -- we spend an enormous amount of time planning for large-scale changes at the federal level in HUD and in other agencies where we receive -- from which we receive resources.

There is no great answer to if the HUD ceases to exist or the programs go away. These are -- the Section 8 program, for example, right, has been in existence since 1978 and it covers a large number of people in the State of New York. And we would rely on the federal government to continue to fund that program.

CHAIRMAN PRETLOW: Thank you, Madam Commissioner.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Housing Chair Senator Brian Kavanagh, 10 minutes.

SENATOR KAVANAGH: (Mic off.) There we go. Thank you.

It's great to have you here today.

Thank you for your testimony.

I'm just going to ask a few -- a lot of colleagues here you'll get, I think, a lot of detailed questions about a lot of these items. I'm just going to ask a few kind of, I don't know, overview questions about the budget to start.

First, the biggest item -- it's mentioned in your testimony, the biggest item, the biggest new item in housing is the City of Yes. It's 1.025 billion dollars of capital to support activities in New York City. That was announced around the approval of the City of Yes by the Mayor and the City Council.

Can you just talk a little bit about sort of plans for that? You know, there are a couple of broad categories that are mentioned in the budget that it would be used for. Just can you talk a little bit about how -- the expectations that that will be used?

COMMISSIONER VISNAUSKAS: Yes. We're very excited to be able to have additional resources to invest in the City of New York. The demand is great and the need is great.

As we sort of outlined in the appropriation language, we would predict that we would work closely with the City of New York to fund new construction rental, home ownership, preservation of existing housing, Mitchell-Lama, public housing, really sort of what is essentially the suite of things that we often are funding in New York City. And we will work closely with the city on their priorities to get that money out the door and into buildings.

SENATOR KAVANAGH: And do you expect that those conversations will come to some fruition during the course of our state budget process, or is it that sort of deciding how to divide that money up would be something subsequent, later in the year?

COMMISSIONER VISNAUSKAS: Well, I can't divine what will happen in the rest of the budget process, but I would say that we work very closely with the City of New York on sort of their priorities and funding priorities.

So I don't think -- how that sort of funding source works out, we will really just take it upon us to make sure it gets out the door and spent.

SENATOR KAVANAGH: Okay, great.

Another item that's new is a significant commitment to a mixed-income revolving loan fund. Can you just describe a little bit about how that works, what the criteria would be for accessing that money?

COMMISSIONER VISNAUSKAS: Yes. So we've heard from sort of going around the state and talking to people that there are a lot of projects that don't pencil out that are mixed -- there's a lot of mixed-income rental, a lot of rental projects, because interest rates are high and the capital needs are really great and capital's very -- equity's very expensive.

And so in order to sort of unlock what we think is sort of stalled development that would help the housing supply and also ease what -- the housing sort of crisis around the state, we proposed what would be a construction loan, sort of second a mortgage that would allow projects that aren't penciling out right now to get into construction. Then, once complete, that funding would come back and we would fund additional projects.

We're really excited about this. It's not -- you know, as an agency we generally are funding 100 percent affordable projects, and these would be sort of more mixed-income. So it's sort of a new line of work for us, but we think really necessary to get housing jump-started.

SENATOR KAVANAGH: And I think Senator May is here and probably will have some follow-up questions on this.

But just briefly, so it's a revolving fund so the money's in the budget this year, it's allocated to projects, and then it returns to the fund. Can you talk a little bit about the time frame? Like if $50 million is in this year's budget, is some of that available in next year, next fiscal year, or is there a longer time frame?

COMMISSIONER VISNAUSKAS: Yeah. I mean, I think you never know how quickly it's going to go until we launch it and see what the sort of demand is for it. But our anticipation would be it would take us sort of post-budget at least sort of six months for money to actually get out the door as projects come in and submit underwriting.

Generally new construction projects take about two years to complete and convert to permanent financing. So we would expect the dollars would come back sort of every 24 months. If they could come back sooner, that would be great. And some may take longer. But that it would revolve at about that pace.

SENATOR KAVANAGH: So if we were to fund it this year and fund it next year after that, we might just be working off the same funding recurring.

COMMISSIONER VISNAUSKAS: Yeah. I mean, we would hope that it would be a great success, it would really revolve and provide a lot. But -- so we'll see.

SENATOR KAVANAGH: We'll see how it goes.

And the Governor's proposal excludes New York City. In your experience, might this be a useful tool in New York City as well, were it funded?

COMMISSIONER VISNAUSKAS: Yeah. I mean, look, New York City -- since last year we passed 485-x, which as we heard from many developers in New York City, was the key to sort of unlocking rental development there, and the rest of the state doesn't have that same -- we passed 421-p last year, which is a mixed-income tax exemption available to upstate cities, but not very many have taken it up.

So we really saw this as a tool that would help sort of jump-start rental housing outside New York City.

SENATOR KAVANAGH: Great. I want to talk a little bit about the Lead Abatement Program, which is something that I know you worked to create a few years ago.

The budget includes $20 million for abatement for the capital costs. It's run jointly with the Health Department, which manages this inspection program.

Can you talk a little -- do you have kind of information on how many units -- how many housing units have been affected by that, either in the past year or over the course of the program?

COMMISSIONER VISNAUSKAS: So we work with both counties and nonprofits to get that funding out into the landlord -- into the stock to get the units abated. We have signed contracts to commit all of the funds, but it is sort of in the process of being spent down.

I could get back to you with sort of exact numbers of where we think we're going to be. But we certainly haven't spent a large portion of the dollars yet since --

SENATOR KAVANAGH: And the original program required that there be a cyclical -- basically that over the course of three years units be inspected. There's an implementation date that's sometime in the fall of this year.

COMMISSIONER VISNAUSKAS: Mm-hmm.

SENATOR KAVANAGH: Afterwards the Health Department's supposed to report on the status of that program.

Do you have any sense -- has there been any progress in inventorying how many units might be in need of abatement in -- you know, again, the program deals with high-impacted zip codes as defined by the Health Department.

COMMISSIONER VISNAUSKAS: I don't think we have a clear picture on that yet, but I think we will as maybe we get closer in the fall and we get a little further in the process.

I'll be happy to circle back with you on that as well.

SENATOR KAVANAGH: Thank you. Any data you can make available would be appreciated. We can follow up.

There's a series of items that were in the adopted budget last year that were not in -- that are not in the Executive Proposal this year. I think that often is, you know, the way this process works, and I think there may be some expectation that the Legislature will be coming forth with some proposals for capital on certain items.

But just to go through a few of them, there -- last year there was $215 million for public housing capital. I guess with each of these I just want to know, you know, is -- it may be that you're not putting new money in because the existing money is still available or it may be that you've spent the existing money and, you know, you could use some more if the Legislature and the Governor were to allocate it.

But just on public housing capital, I guess the question is, is there kind of an ongoing need that's not met by existing funds? And would you have a capacity to move money out the door if we were to allocate that?

COMMISSIONER VISNAUSKAS: Yes. We work with public housing authorities across the state and have a -- certainly this year I think we have Buffalo, Schenectady, Syracuse, White Plains all lined up to get funding from us.

So we continue to spend that money as it gets put in by the Legislature and very much well put to use in what is a very old housing stock across the state.

SENATOR KAVANAGH: Okay. And the same with New York City Housing, NYCHA, which I know goes through a slightly different path, but --

COMMISSIONER VISNAUSKAS: Yes, it goes primarily through DASNY, not through us.

SENATOR KAVANAGH: There were two new programs that we funded last year, the Infill Housing Program and the program that became V-RIP, which we have to work on our acronym creation in New York.

But can you just talk about -- it was 40 million for each, I think we've had quite a bit of activity getting these up. Can you just talk about the status of those and, again, whether there might be some use if there were more capital?

COMMISSIONER VISNAUSKAS: Yes. I would think for both of those -- and this is true for many of our programs that have sort of legislative adds -- is that we consider it a sort of startup program.

So for -- in the case of V-RIP, it was $40 million last year, I believe, and we have fully contracted all that money out to the organizations and they will begin to -- they have two-year contracts to spend those funds down. So we will continue to sort of monitor spending there. But they're fairly early in their spend.

SENATOR KAVANAGH: Okay. But if you -- I mean, there's quite a bit of -- I think more than $40 million worth of response. Presumably they're -- if there were an additional round, would you expect there would be some additional ability and desire to spend that money around -- in various parts of the state?

COMMISSIONER VISNAUSKAS: Yes. I mean, I think for better or worse we are generally oversubscribed in many of our programs, which is, you know, a good thing and a bad thing.

So we generally can deploy funds into communities where the demand is. So yes.

SENATOR KAVANAGH: And Senator Hinchey is not a member of this committee and is not here today, but I'll just -- I'll ask -- the Small Rental Housing Development Initiative, which is a great program that funds smaller buildings in rural and village areas, it was $7 million last year.

Is that a program where the money is moving along, and might there be some capacity to spend additional money on that?

COMMISSIONER VISNAUSKAS: Yes. We love the Small Rental Program. It is a tool that small developments can access, it doesn't require tax credits, doesn't require bonds, it's -- you know, they don't have to be giant projects. It really is tailored to smaller places that are doing five- and 10- and 15-unit housing developments.

So we also really appreciate the

support on that program and I can get an update to you as to where we are in our spending, but we generally have a good uptake in that project -- program as well.

SENATOR KAVANAGH: And just more generally, you mentioned that we're in the midst of a five-year plan -- I've got 36 seconds left. But the -- the majority of those units are now kind of in process, and many completed.

Do you track kind of starts and completions by program? You know, we have myriad capital programs here. Do you track internally, like how many units have started, how many have completed, what the sort of remaining capital is available in those programs?

COMMISSIONER VISNAUSKAS: Yes. Absolutely.

SENATOR KAVANAGH: Okay. Is that data you could share by program?

COMMISSIONER VISNAUSKAS: Mm-hmm.

SENATOR KAVANAGH: And I'm not going to ask you now, but --

COMMISSIONER VISNAUSKAS: Yeah.

SENATOR KAVANAGH: Okay, thank you.

COMMISSIONER VISNAUSKAS: Absolutely.

SENATOR KAVANAGH: That's my time, so I appreciate it.

CHAIRMAN PRETLOW: Thank you, Senator.

Assemblymember Novakhov, for five minutes.

ASSEMBLYMAN NOVAKHOV: Thank you.

Welcome, Commissioner.

COMMISSIONER VISNAUSKAS: Thank you.

ASSEMBLYMAN NOVAKHOV: Thank you.

I have a number of questions about the City of Yes. So the Executive Budget proposes to contribute 1 billion to New York City's new City of Yes housing program. How many units does the city plan to build, and how many will utilize state funding?

COMMISSIONER VISNAUSKAS: Well, the City of Yes, which was passed by the City Council, I think it was projecting to add 80,000 units through all the measures that they -- I think I have that number right -- through their efforts. I think this -- and that's all types of housing.

The funding in the billion dollars in the budget is targeted towards affordable housing, so that would go towards new construction of rental housing, new construction of homeownership, preservation of existing housing, like Mitchell-Lamas or senior buildings or public housing. So it would go to sort of the spectrum of the types of housing that we generally finance at the state agency, but for all affordable.

ASSEMBLYMAN NOVAKHOV: But there's no particular number of square footage or units to be utilized for the $1 billion, right?

COMMISSIONER VISNAUSKAS: No. It's just meant to be a flexible source of funds to be able to get affordable housing produced.

Both the city and the state have -- we run programs that have term sheets that have per-unit amounts and, you know, unit size restrictions on the things you're talking about. So we would presume it would follow those same rules.

ASSEMBLYMAN NOVAKHOV: Okay, thank you. And do you know how much has the city committed to spend on City of Yes?

COMMISSIONER VISNAUSKAS: I believe the city committed $2 billion as part of the overall -- but they would be able to answer that better than I can.

ASSEMBLYMAN NOVAKHOV: Mm-hmm. What types of housing units will be built?

COMMISSIONER VISNAUSKAS: Through the $1 billion?

ASSEMBLYMAN NOVAKHOV: Yeah.

COMMISSIONER VISNAUSKAS: We would expect they would be funded as we do sort of typically in our projects for all affordable buildings that could be rental or home ownership or preserving Mitchell-Lamas or preserving, you know, other types of existing rental housing.

ASSEMBLYMAN NOVAKHOV: Will the state be attaching any requirements for the city to utilize these funds?

COMMISSIONER VISNAUSKAS: We would anticipate that the spend would align with the types of term sheets that we have now, which require income testing to live in the apartments, it requires long-term regulatory agreements so those apartments stay affordable far into the future.

So yes, we would expect that the funding would follow our typical procedures.

ASSEMBLYMAN NOVAKHOV: Can the state trust that the 1 billion will be properly spent considering existing uncertainties at City Hall?

COMMISSIONER VISNAUSKAS: Yes, we would expect that the funding would follow all the typical program guidelines that we have at the state, and we stand behind those.

ASSEMBLYMAN NOVAKHOV: And can the state trust that the new mayoral administration would continue with the City of Yes and that state funding would be necessary?

COMMISSIONER VISNAUSKAS: I mean, I can't really speak to the city administration and how it will be, but I would assure that the funding that comes through the state that goes into affordable housing in the city will absolutely be spent well.

ASSEMBLYMAN NOVAKHOV: And will the state require the city to build units in any particular boroughs or neighborhoods despite objections from neighborhood residents or local community boards?

COMMISSIONER VISNAUSKAS: No. I would say that we -- generally both the city housing agency and the state housing agency have a very long pipeline of projects that have local approvals that are looking to get financed. And so I would expect that the first projects that would, you know, sort of come through a funding source like that would be ones that have approvals.

ASSEMBLYMAN NOVAKHOV: And will the Governor be considering construction of units through the City of Yes as a part of the five-year affordable housing and homelessness initiative housing goals?

COMMISSIONER VISNAUSKAS: I mean, this funding would be incremental, since the prior housing plan was already sort of approved.

So we would think it would create additional housing.

ASSEMBLYMAN NOVAKHOV: How will the state provide this funding? Will it require the city to apply for reimbursement from the state, like the current process for reimbursement for migrant-related costs?

COMMISSIONER VISNAUSKAS: No, we would expect that funding to flow through the state housing agency directly into projects in the city.

ASSEMBLYMAN NOVAKHOV: And the city has been pretty slow to request those reimbursement funds. Would the city delay in the same way with the City of Yes funds?

COMMISSIONER VISNAUSKAS: We would expect the funding to flow through the state housing agency into projects, directly into projects in the city.

ASSEMBLYMAN NOVAKHOV: All right. Thank you so much, Commissioner.

COMMISSIONER VISNAUSKAS: Thanks.

CHAIRWOMAN KRUEGER: Thank you.

Senator Rachel May.

SENATOR MAY: Thank you.

Thank you, Commissioner, for being here. And special thanks for including the revolving loan fund in your budget proposal.

I am hoping to beef that up so that we may be able to add some of that as the Legislature. But I would love to hear your ideas about what is the capacity for that and how many projects would you expect could be funded with 50 million if we put -- if we doubled that or even did 200 million and included the City of New York? How much could be done with that?

COMMISSIONER VISNAUSKAS: We're really excited about it also. And thank you for being a sort of thought partner on that front.

I would say that we have talked to, as I'm sure you have as well, different developers in different parts of the state. And there are kind of projects of all shapes and sizes. So I think that the exact unit count we would get would sort of depend on who's sort of most ready and how quickly we can get the money out the door and get it back.

And we would very much, obviously, like to revolve as quickly as we can so that we can sort of keep this going. We feel, as I know you do too, an enormous amount of pressure in upstate to get housing construction started so that people who are coming to all the jobs that have been created have a place to live.

So we don't have an exact sort of unit count yet. Certainly if we doubled the funds we would -- ideally we would double the amount of production that we had.

SENATOR MAY: So you think there is capacity for more?

COMMISSIONER VISNAUSKAS: Yes. Yeah.

SENATOR MAY: Okay, great.

On the affordable housing preservation, the 4 percent tax credits were disallowed. Is there another source of funding for that? I know in Syracuse this is a big issue.

COMMISSIONER VISNAUSKAS: Yes, so

we've been working with owners who want to access tax-exempt bonds to have them utilize conventional financing, and then we've been providing state low-income housing credits and subsidy to sort of make up the difference of what would otherwise have been available in the tax-exempt bonds, so we can then do new construction with tax-exempt bonds and do the preservation projects with these other resources so that we can get both done.

So we continue in Syracuse to work with a series of owners on those approaches.

SENATOR MAY: Wonderful.

And finally, the 50 million for modular housing. Can you just sketch out how that's going to be used? Are you looking at multifamily as well as single-family housing? Or any cost estimates --

COMMISSIONER VISNAUSKAS: Yes. So we are very much looking to drive down the cost of infill housing, of small home development. It is very expensive for us to subsidize home ownership, but we would like to do more of that.

We recently ran a pilot to get modular homes on three Land Bank sites upstate, and we are sort of hoping that will provide a gateway to us understanding sort of a cost to get a modular home sited on a Land Bank or otherwise sort of small infill site.

So we would ideally use this funding to really drive that process and get to scale.

SENATOR MAY: Just single-family homes, though?

COMMISSIONER VISNAUSKAS: Ones, twos, threes. I mean, we're thinking of it as sort of in smaller infill sites.

SENATOR MAY: Okay, great. Thank you.

CHAIRMAN PRETLOW: Thank you.

Assemblywoman Grace Lee.

ASSEMBLYWOMAN LEE: I thought I was last on the list, okay. I have a bunch of questions, so let me go really quickly.

Just for some context, DHCR approved the sale of Knickerbocker Village, a historic rent-regulated housing complex in my district, a sale from Cherry Green Property to L+M Fund Management last April.

And through that development project it was promised that tenants would receive capital improvements alongside annual rent increase caps at 2.5 percent. We've heard from numerous -- along with some capital -- $50 million of renovations and capital improvements.

So we've heard from numerous Knickerbocker Village board members that L+M has had poor communication with tenants regarding the scheduling of capital improvements in individual units, and in many cases contractors have shown up unannounced, causing confusion and disruption for residents.

Additionally, there are no quality checks on the contractors' work, leaving many tenants with subpar repairs and no clear way to request corrections.

How is DHCR overseeing the planned $50 million in capital improvements to ensure these improvements are completed with high-quality standards and proper oversight?

COMMISSIONER VISNAUSKAS: Thanks for the question.

We were -- as you I'm sure know, that project was sort of a very long time in the sort of process of getting transferred to new ownership so that renovations could be made, investments could be made, and also a lot of Section 8 could be brought into the project to keep rents at levels affordable to the tenants.

Certainly we stand behind all the transactions that we do. I would be happy to meet with you separately and talk about sort of the ins and outs. We'd be happy to bring the owner in --

(Overtalk.)

ASSEMBLYWOMAN LEE: Can you just tell me about the oversight, what you've done --

(Overtalk.)

COMMISSIONER VISNAUSKAS: So we approve -- when Mitchell-Lama housing companies take mortgages for capital improvements or take loans, we have oversight of that and we are approving looking at scopes of work. Again, if -- as --

ASSEMBLYWOMAN LEE: Are you checking in on the progress of that work --

COMMISSIONER VISNAUSKAS: We --

ASSEMBLYWOMAN LEE: -- on a regular basis?

COMMISSIONER VISNAUSKAS: Go ahead, sorry, I didn't mean to interrupt.

ASSEMBLYWOMAN LEE: Yeah, that's the question.

COMMISSIONER VISNAUSKAS: We worked -- in the case of that building, they also have I think a first lender in place also, so we would coordinate both our funding and the first lender and the owner.

So again, if things are not being done up to par, we would certainly be happy to sort of -- to step in and talk to the owner and meet with the tenant association and make sure we can get to resolution.

ASSEMBLYWOMAN LEE: Okay, great.

The board has numerous concerns regarding oversight, and there is a BRD hearing scheduled for April 1st. The

Knickerbocker Village Board was only given $6,000 to hire an outside accountant to represent them.

This $6,000 is not -- does not give them a lot of ability to hire someone at a market rate who has experience. So do you think $6,000 is an appropriate number? How did it come about? And is there ability to expand that allowance?

COMMISSIONER VISNAUSKAS: Yeah, I'd be happy to talk to you about that. I don't know the details of what the scope is that they want the outside counsel to do, but happy to talk and make sure we can get to a good outcome.

ASSEMBLYWOMAN LEE: Okay, great.

And then -- well, that's all my time. thank you.

CHAIRWOMAN KRUEGER: Thank you.

Ranker -- Acting Ranker Senator Walczyk.

SENATOR WALCZYK: Thank you, Madam Chair.

You mentioned the institutional

investor proposal in your testimony. How many single- or two-family homes are owned by institutional investors currently?

COMMISSIONER VISNAUSKAS: So there's not really a database to track it, and I think people sort of are following this. The issue is a much bigger one in the sort of Sun Belt cities where sort of nationally there's been a huge growth in investor-owned single-family homes.

SENATOR WALCZYK: So we don't know. Can you ballpark it?

COMMISSIONER VISNAUSKAS: Yeah, well, I was -- yeah.

So we, however, have spoken to mayors in Albany, mayors in Rochester, and mayors in other cities who say that they definitely have investor owned -- have had institutional investors come in and buy hundreds, scales of hundreds in each of those cities, of investor homes, and have told us that those homes are often the ones that have the highest code violations, they have more sort of 911 calls than the sort of average --

SENATOR WALCZYK: So maybe in the thousands statewide?

COMMISSIONER VISNAUSKAS: Could be, yeah. I don't think we have a great data set on it.

SENATOR WALCZYK: Do you have any data on how often those homes are on the market before they're picked up by an institutional investor?

COMMISSIONER VISNAUSKAS: So we have talked to many individuals, New Yorkers, who are trying to buy homes who find that when a building goes on MLS, it is gone either same day or one day later and they don't have the opportunity to go look at the house, to get an inspector, do the things a normal homeowner would do.

So we wanted to do this 75-day window to kind of level the playing field and let homeowners have a chance to go have the opportunity to buy the house before an institutional investor would buy it same day.

SENATOR WALCZYK: How about on the seller end, are the sellers generally -- are these vacant properties that are sellers that are absentee? Are they New Yorkers? Do they stay in New York after they're selling this property to an institutional investor? Any concept there?

COMMISSIONER VISNAUSKAS: I think it probably runs the gamut.

SENATOR WALCZYK: Okay. In ELFA Part H, an algorithmic device is defined (reading) as any machine, device, computer program or computer software that on its own or with a human assistance performs a coordinating function.

Are we talking about a calculator? Could that be a calculator?

COMMISSIONER VISNAUSKAS: I think we were talking about software that can figure out when a house comes on MLS in a day, that it fits the right categories for an institutional investor, and they make an all-cash offer that day. I think that is what that is referring to.

SENATOR WALCZYK: So computer software -- are you talking about Excel?

COMMISSIONER VISNAUSKAS: I am not a computer software expert, so I wouldn't -- I wouldn't assume it is Excel. I would think it's a piece of software that's --

SENATOR WALCZYK: Would the algorithm at Zillow count under this definition?

COMMISSIONER VISNAUSKAS: I think this would be about an investor using a software of their choosing. I don't know what they would use.

SENATOR WALCZYK: If a real estate agent or a leasing agent suggests to a new property owner their market rent should be -- is that considered a coordinating function under that definition?

COMMISSIONER VISNAUSKAS: I'm not sure. I'd have to get back to you on that answer.

SENATOR WALCZYK: Okay. Is the intention of the legislation essentially to prohibit people from using information out in the market to determine what prices should be?

COMMISSIONER VISNAUSKAS: I think the

intent of the legislation is to give New Yorkers who want to buy a home the opportunity to do that and not to have houses that come up on MLS get sort of cash offers same day and turn into rentals, and then people who want to buy and live in those homes don't even get the chance to take a look at them or walk inside.

SENATOR WALCZYK: Okay. Insurance rates, as I understand it, have gone up pretty significantly in New York City when you look at rent stabilization and rent increase caps from good cause eviction and those kinds of things that we've placed.

How many -- how can owners mitigate the costs of those increases and improve their property?

COMMISSIONER VISNAUSKAS: Well, obviously in the case of private owners they can do that as they choose.

In the case of owners who own rent-stabilized properties, they would utilize either the MCI, for a major capital improvement, or IAI, for an individual apartment, if they want to make investments in the building and recoup a return.

SENATOR WALCZYK: Are good-cause eviction laws causing small property owners to remove homes from the market or shift to short-term rental?

COMMISSIONER VISNAUSKAS: I have not heard that.

SENATOR WALCZYK: So there's a proposal for $1 billion for the Yes program, I think you mentioned it in your testimony. Is that for building new units?

COMMISSIONER VISNAUSKAS: It could be either construction of new units or preservation of existing affordable housing.

SENATOR WALCZYK: How many units do you think we'll bring online under $1 billion in the Yes program?

COMMISSIONER VISNAUSKAS: So we would coordinate with the City of New York on whatever the needs and sort of demand were across new construction and preservation, so I think that --

SENATOR WALCZYK: Can you give me a

ballpark number how many we can expect?

COMMISSIONER VISNAUSKAS: I think it would really depend on how the funding gets spent in terms of preservation and new construction, so I don't think we could give --

SENATOR WALCZYK: How short on units is New York City right now?

COMMISSIONER VISNAUSKAS: I believe the mayor announced that he wants to build 500,000 units in 10 years, is his moon shot.

SENATOR WALCZYK: And how short is the Adirondacks on units right now?

COMMISSIONER VISNAUSKAS: I don't know that the Adirondacks have published a number that they're short on. But I -- there are housing pressures across the state for sure in every community.

SENATOR WALCZYK: Are they -- would the Adirondacks be eligible for the Yes program?

COMMISSIONER VISNAUSKAS: The funding for the City of Yes is going to New York City.

We certainly at HCR have funding sources that we make available to every community in the state.

CHAIRWOMAN KRUEGER: Thank you.

Senate -- excuse me. Assembly.

CHAIRMAN PRETLOW: Assemblyman Ed Ra, five minutes.

ASSEMBLYMAN RA: Thank you.

Commissioner, I want to follow up on something you discussed last year with Senator Martins. You know, we have another round of funding for housing on state-owned properties. And, you know, since that discussion last year, obviously some of the statutory language kind of fell off the table in the final budget, but the funding was there.

So can you give me an update with regard to that program? And in particular, what is being done to at least have some coordination with the surrounding municipalities where the state is pursuing building housing on state-owned lands.

COMMISSIONER VISNAUSKAS: And are you

referring to the RUSH funding, is that what you're referring to?

ASSEMBLYMAN RA: Yes.

COMMISSIONER VISNAUSKAS: So the RUSH funding is administered by ESD, so we -- it doesn't come through my agency.

We do work closely with ESD on projects -- on all housing projects that are developed on state-owned land, and where there is infrastructure need, ESD has a process they go through to get that funding to the projects so that the infrastructure is not the reason why the housing can't get built. And then we are generally coming in behind that with housing subsidy.

ASSEMBLYMAN RA: Okay. So -- but I believe what you had told us last year was, right, there were those provisions for a few specific sites because a statutory change would have been needed to allow that to happen, but in most instances on state-owned land there wasn't a need for any type of statutory change.

COMMISSIONER VISNAUSKAS: In terms of

sort of zoning, I think the state, the -- ESD is using the general project plan process where they need to make certain changes on a state-owned site to facilitate either residential or commercial, whatever type of development is appropriate.

And they continue to do that on several sites that have come out since I was here last year.

ASSEMBLYMAN RA: Okay. And you did at the time, though, indicate that perhaps, you know, there might be some type of list of places that were targeted. And I would reiterate if such a list exists of a place that is being looked at, if that is shared I think it would be helpful to both legislators and local municipalities.

I understand, you know, they're not subject to their zoning, but I do still think it's important that they're aware if a site is going to be developing housing.

COMMISSIONER VISNAUSKAS: Absolutely. I mean, my understanding is that ESD does reach out locally when they're doing RFPs.

It takes quite a while to get an RFP in place and in process. But certainly happy to continue that.

ASSEMBLYMAN RA: Okay. Another thing that -- again, I understand that this is being looked at within a different agency, but it certainly very much deals with housing.

There's a proposal in the Department of State to mandate sprinkler systems in new one- and two-family homes. Does your division have any opinion on that and what impact it might have on the development of housing?

COMMISSIONER VISNAUSKAS: We certainly would defer to the Department of State as the lead agency on that.

I would say, sort of more writ large, we are always looking to both make sure housing is safe and as safe as it can be, and also as affordable, and not adding unnecessary construction costs. I suspect this is an issue that challenges both of those.

ASSEMBLYMAN RA: Yeah. I mean, we're hearing from a lot of, you know, developers that are saying that it's going to slow or hinder their ability to build housing because of the added expense that comes along with it.

And obviously safety is paramount; we want, you know, our codes and everything to keep safety paramount. But I don't know if this is the best way to get it at it for, you know, single-family homes and two-family homes.

With the minute and a half I have left, Pro-Housing certification. I know I've spoken to some of my local villages who have been denied certification. Is there a process where, you know, a municipality who has expressed an interest in becoming a Pro-Housing Community but gets denied for whatever reason -- to work with them to figure out what they need to do? Or is it just, you know, starting from scratch like they're a new applicant trying to do it for the first time?

COMMISSIONER VISNAUSKAS: So we haven't denied any applications because it's really just a rolling process that once you submit all the information to us, you get certified.

I think we had one locality withdraw its application. But we -- and I really sort of earnestly -- we work very closely with all localities that are applying. We want the process to be accessible and achievable. We want as many Pro-Housing communities as we can get, so we aren't trying to make this something that people can't achieve.

So would be happy to follow up with you also to -- if there's ways that we can make the process easier for localities, we want them to be certified. We want them to have access to funds because we want them to build housing.

ASSEMBLYMAN RA: Okay. I'm running out of time, but maybe I'll follow up offline regarding some of the other issues.

Thank you.

COMMISSIONER VISNAUSKAS: Okay.

Thanks.

CHAIRWOMAN KRUEGER: Thank you.

Senator Jackson.

SENATOR JACKSON: Thank you.

Good afternoon, Commissioner. How are you?

COMMISSIONER VISNAUSKAS: Good, how are you doing?

SENATOR JACKSON: Good. I have three questions to ask you.

What is the relationship, working relationship with HCR and HPD?

COMMISSIONER VISNAUSKAS: We have a great working relationship with the city housing agencies. We cofund a lot of projects together. We, you know, generally are deferential to them as they're looking to achieve their housing priorities in the city. And we finance a number of projects in the city as well.

So we work really closely with them.

SENATOR JACKSON: In looking at MCIs, major capital improvements, that goes to your office, is that correct? As far as verification and/or if someone wanted to appeal the MCI because it's not really what the landlord is saying, is that within your office or HPD?

COMMISSIONER VISNAUSKAS: That's HCR, and we review and approve MCI applications.

SENATOR JACKSON: And would you -- if I put in a freedom of information or ask you for how many have you had within one year, would you be able to be give me that information?

COMMISSIONER VISNAUSKAS: I don't have it off the top of my head, but we could certainly get it to you.

SENATOR JACKSON: Yeah, I'm talking about not now, yeah.

COMMISSIONER VISNAUSKAS: Absolutely.

SENATOR JACKSON: And then also I wanted to ask you about Amalgamated Housing in the Bronx. It's like I'm getting my hair all gray about the issues and concerns that they have there.

And I don't -- I was wondering why, in my opinion, that you, meaning your office, doesn't, you know, help them to stand on their two feet overall? Can you make them do something, or do you have to ask them can they do it?

COMMISSIONER VISNAUSKAS: We have supervisory authority over the Mitchell-Lamas, but they are privately owned and privately operated.

And so we act as a support function for them as it relates -- especially for something like capital improvements and trying to make sure that they have access to consultants if they need to get banks on board, if they need to do capital needs assessments.

In the case of Amalgamated, we have been working with them very closely for quite some time to make sure that they can get a series of repairs that are, you know, very much needed in that building. And I think we've come a long way from where we were a year or two years ago on that. And, you know, hopefully those investments will get made soon and some of that gray hair will --

maybe will come down a little bit.

SENATOR JACKSON: The billion dollars that -- the billion dollars that you're investing -- as far as a loan to Amalgamated, could that come out of the money that the state is allocating?

COMMISSIONER VISNAUSKAS: Yes. We see the City of Yes funding as very flexible and that it could go into Mitchell-Lamas, it can go into 202s, it can go into existing rental housing. And so absolutely.

SENATOR JACKSON: Thank you. I'll follow up with your team.

COMMISSIONER VISNAUSKAS: Okay, thanks.

CHAIRWOMAN KRUEGER: Assembly.

CHAIRMAN PRETLOW: Assemblyman Steve Otis.

ASSEMBLYMAN OTIS: Thank you, Commissioner. Thank you for all you're doing and your frequent visits to Westchester when we have projects there. Appreciate that very much.

One issue that's been a challenge

certainly since the pandemic has been municipal housing authorities, and I'm especially asking about municipal housing authorities outside of New York City. I have a few in the district that I represent that have been in discussions with the state association.

What is the state of play in terms of the financial issues, still issues with arrears? And I know we in last year's budget drove some additional money towards those housing authorities. But if you could give us some update on that, that would be great.

COMMISSIONER VISNAUSKAS: Yes, I would certainly thank the good leaders in Westchester for being very pro-housing and supportive. We really have done an enormous amount there over the last five years.

And as with housing authorities, we have done a lot of work in Yonkers, in White Plains and many of the -- with many of these housing authorities in Westchester.

Our primary interaction with them is around capital and making sure that we can facilitate investment into roofs and boilers and mechanical systems that are often very old in those buildings.

And so year over year we probably have four or five or six different Mitchell-Lamas that -- I mean public housing authorities that we're working with to make those investments, and that would continue I think for the ones in your district as well.

ASSEMBLYMAN OTIS: That's great. Well, just want to make sure that the upstate authorities are paid attention to.

And, you know, on the individual level, a few years ago we had one of those boiler situations in one of the ones in the City of New Rochelle, and your folks were of tremendous help. And so we got that solved, and it really in a sense saved the authority and the residents there their pocketbook, because we found a good solution through your staff. And appreciate that very much.

Thank you.

COMMISSIONER VISNAUSKAS: Thank you. Thanks.

CHAIRMAN PRETLOW: Senate?

CHAIRWOMAN KRUEGER: Senator Helming.

SENATOR HELMING: Good afternoon, Commissioner.

COMMISSIONER VISNAUSKAS: Hi.

SENATOR HELMING: In talking about the Pro-Housing Communities -- and I mentioned this at the first Senate Housing Committee meeting of this year -- I have pro-housing communities that can't build housing because there's a lack of electric capacity.

What's being done to address that issue? Is there -- do you recognize that that is an issue in upstate New York? And are we going to back off of the all-electric mandates so that we can build these homes that we need.

COMMISSIONER VISNAUSKAS: We absolutely acknowledge that there are challenges in your district but also in others across the state and in New York City, frankly, where the power grid is not sufficient to handle development.

So I would say two things. We

certainly are, you know, supporting communities to get housing built, and ideally through our -- through an electrification platform. But if they can't, we will still continue to work with them.

We also -- there is $100 million this year in the budget for Pro-Housing Communities, and we would love for that to go towards infrastructure upgrades that can actually make that happen.

SENATOR HELMING: Commissioner, I don't mean to be rude; I only have three minutes.

But I understand there's $100 million. In the Governor's press release about that, she called out specifically water and sewer infrastructure. I think we need to make it very clear that that is also available for electric capacity.

And I'm also worried about that $100 million. One of my builders was told that to bring electric in for 186 homes, it was going to cost $3.2 million. So I'm not sure how far that 100 million is going to go.

And just for clarification, I understand we have a lot of funding for the City of Yes, there's funding for NYCHA. What is in the Governor's budget that's before us right now for our upstate public housing authorities?

COMMISSIONER VISNAUSKAS: So we still have funding in our five-year housing --

SENATOR HELMING: Just -- how much?

COMMISSIONER VISNAUSKAS: Oh, we have, I think, over $100 million still in our budget to spend on public housing authorities.

SENATOR HELMING: Okay. And that's a line item that's in this budget proposal.

COMMISSIONER VISNAUSKAS: It's in our five-year Housing Plan. It would be -- you'd see it as reappropriated funds I think in the budget.

SENATOR HELMING: Is there anything new?

COMMISSIONER VISNAUSKAS: No, because we still have money to spend.

SENATOR HELMING: Okay. And then we

talk about all of these programs, these aggressive measures were taken, we're spending billions of dollars on housing initiatives. Yet in the comptroller's January report he calls out how our homelessness in New York State is greater than any other state in the entire nation except for Hawaii.

Something that's really important to me -- and troubling to me, too -- is that in 2024 the number of veterans suffering homelessness is just -- again, it's the highest in the entire nation. How can that be when we're spending so much money on housing?

What is in this budget specifically to address the issue of veterans' homelessness?

COMMISSIONER VISNAUSKAS: So we still -- and similar to my prior answer -- in the supportive housing budget that we have from our original housing plan, we had $1.2 billion. We are still spending down that.

I agree with you, it is hard to be

spending money on supportive housing all the time and there is still a lot of homelessness --

SENATOR HELMING: I just have to, real quick -- so also in the Comptroller's report, and he calls this out year after year, is that we need more transparency and accountability. We need to be able --

CHAIRMAN PRETLOW: Thank you, Senator.

SENATOR HELMING: -- to show people what we're --

CHAIRWOMAN KRUEGER: Thank you.

Assembly.

CHAIRMAN PRETLOW: Assemblyman Chang.

ASSEMBLYMAN CHANG: Oh, it works here.

Thank you very much, Commissioner. Thank you for being here. Several questions.

And a math question here is in your testimony you tried to lower the cost, initially tried to lower the cost of construction in housing. So how can we lower the cost if our costs of labor are going up and minimum wage going up, plus increasing construction costs? Now we have to compete for the same material as in Los Angeles, which is, as you know, devastated -- we have to compete for those material costs.

And recently the -- in the past year, an increase in legislation on meeting environmental standards, which on record I voted against.

So with the math, how can we lower those costs as well? All those costs are increased. So what's the idea, based on your testimony?

COMMISSIONER VISNAUSKAS: Yeah, so the funding that's in -- the capital funding that's in the budget is to try to expand the production of modular housing, which is something we have seen costs less than other types of construction in New York State.

And so we want to use this funding as a way to drive down costs by expansion of modular housing.

ASSEMBLYMAN CHANG: But modular doesn't help in New York City, which most of the budgets we are allocating for are New York City. So how to do it with modular buildings in New York City, which is not possible.

COMMISSIONER VISNAUSKAS: Well, there is some modular. There's also some manufactured -- like pieces of buildings are starting to be sort of pre-factory built. And so I think we want to try to push the envelope; where we can drive down those costs through those types of innovations, we want to make sure we're doing that.

ASSEMBLYMAN CHANG: Who will use that? I mean, which developer? I don't know of a developer in New York City that does modular. If you can --

COMMISSIONER VISNAUSKAS: Happy to help. There are definitely examples of manufactured and modular housing that gets built in New York City, and we can send you some examples.

ASSEMBLYMAN CHANG: Another math figure here is what's the ideal goal of reaching market point of affordability in housing? What is the availability of housing between New York State and New York City?

COMMISSIONER VISNAUSKAS: I'm sorry, can you say that again?

ASSEMBLYMAN CHANG: I mean, what's -- when we say about shortages, at what point is where the shortages doesn't really become shortages, they just become more de facto? At what point?

COMMISSIONER VISNAUSKAS: So when we did our research last year on what we thought, based on job growth, we needed to be doing on housing, our projections were that we had built 400,000 units of housing over the last 10 years. We thought if everything stayed the same, we would build 400,000 units over the next 10 years.

But based on job growth in the State of New York, we needed to about double that production, which is very hard to do, to get to about 800,000 units.

So I think we feel like until we really see substantial increases in production, that sort of supply and the pressures on housing are going to exist.

ASSEMBLYMAN CHANG: Again, a math

question here. The population of New York State is barely 20 million, probably less than that. In the past 10 years we lost a half a million people to Texas and to Florida. We might be in danger of losing those jobs because of proposed tax increases for millionaires and all that, so that would drive away potential growth. How do you -- how do you project this job growth?

(Time clock sounds.)

CHAIRWOMAN KRUEGER: Thank you.

We have Senator Brisport.

SENATOR BRISPORT: Thank you, Madam Chair.

And thank you, Commissioner.

I had a question about the language for the waiting period for institutional investors. Because I do support it and want to make sure it's as strong as possible.

I bring this up because deed theft is a huge issue in my district especially. It's rapidly gentrifying, and primarily older black homeowners are targeted and oftentimes their home is stolen from them by some of these institutional investors, often by way of an LLC.

I'm looking at some of the language in the way it's defined, and I see things such as owning 10 or more residences, having $50 million in assets. I'm just concerned if an LLC could get around this definition by creating a new and separate LLC that's fresh, for the purpose of acquiring a home. And if so, was that the intention?

COMMISSIONER VISNAUSKAS: I think we wanted to protect small business owners who might own 10 homes in an upstate community and operate that as a business, and we didn't see that as a threat the way we saw institutional investors, people buying, right, with other people's funds and who are buying all cash offers, day of. Sort of a different business model.

So the intent of the language was really just to distinguish large institutional from maybe sort of smaller businesses. But happy to work with you to make sure it's strong enough.

SENATOR BRISPORT: I would appreciate that.

And then just to throw out -- my second question is on the City of Yes, the $1 billion. I have a very large development happening in my district along Atlantic Avenue, part of the City of Yes proposal.

In terms of what is the process already -- is it in place already for how certain developments will acquire this funding or apply for it?

COMMISSIONER VISNAUSKAS: Well, that still has to get approved through the budget process, so it's not in place yet.

And we would -- we really see this as a way for us to work directly with the city on their priorities and where they most need this investment to go in the City of New York. And so that's why it's sort of written in a flexible manner.

SENATOR BRISPORT: Okay. Thank you.

COMMISSIONER VISNAUSKAS: Yup.

CHAIRWOMAN KRUEGER: Assembly.

CHAIRMAN PRETLOW: Assemblywoman Emérita Torres.

ASSEMBLYWOMAN TORRES: Thank you, Commissioner.

I'm really concerned about skyrocketing insurance rates and their effect on the ability for our multifamily affordable housing units to stay afloat. I read in a New York Housing Conference Report that the average cost is $1700, and that's gone up, over four years, 103 percent.

I know that -- I think your office has been at least alerted to this. What's the dialogue been with DFS? How are -- what are we doing to try and control some of these insurance costs?

COMMISSIONER VISNAUSKAS: It's challenging for sure, right? It's a real private market issue, and it's impacting, for us, owners downstate, upstate, small buildings, large buildings, public housing authorities across the board.

We are trying to work with our owners to stabilize their buildings to allow them to make capital investments so they can drive down their sort of risk profile as it relates to insurance providers.

There has been a captive that was created in New York City so, to the extent that our owners want to join that, we want to work with them if they need to make capital investments in their property to be eligible.

So it's a hard issue really sort of nationally, and we are sort of taking the approach that we are working certainly with all the owners in our portfolio to get them on steady footing so that they can try to drive their costs down.

ASSEMBLYWOMAN TORRES: Because that is -- it's been a real challenge, especially in the Bronx. Affordable housing developers have been refused, they've been told that they can't reinsured. So hopefully it's something that we can work on.

The other issue I want to talk about is the toxic flipping. We have in the Bronx single-family, multifamily homes, and the elderly in particular have been targeted.

I'm wondering, on your end, are there any resources, educational or otherwise, protection particularly for elders who are being attacked, pretty much like targeted, attacked?

COMMISSIONER VISNAUSKAS: Yes. I mean, we'd love to work on that with you. Last year we did some -- what we thought were really meaningful strengthenings to the deed theft provisions in the law to make sure that that could help be a deterrent to that.

I think to the extent that there's other things we can do from an outreach or communications or statutory perspective, it's -- we are as troubled by the issue as you are, and be happy to work with you on it.

ASSEMBLYWOMAN TORRES: Awesome.

And then with my couple of seconds of time, another issue that's come up in the -- the extent the state is involved is, you know, we have a lot of affordable housing units in the Bronx, right? Affordable, quote, unquote.

And what I notice and some of what my

constituents tell me is, oh, well, these are studios, or these are one-bedroom apartments. I don't see that we're building for families in the Bronx.

And I don't know what the dialogue is like with the city, but I'd love to learn more about how we are determining the unit types, how we're working with developers to determine the unit types and how we're building for the future for families and children.

COMMISSIONER VISNAUSKAS: Absolutely. We also take priority in making sure that we have family-size units in the buildings that we develop.

We also want to get as many units built as we can. And there's a need for ones as well twos and threes, so -- but happy to talk to you more how we could make sure we're meeting your needs.

ASSEMBLYWOMAN TORRES: Thank you.

CHAIRWOMAN KRUEGER: Senator Cleare.

SENATOR CLEARE: Good afternoon, Commissioner. Good to see you.

In the case of state-owned land, which is a precious, scarce resource, especially in my district -- and specifically, you know I'm talking about the Seneca project -- is there a way to use the City of Yes funding, to use any other funding to ensure that this project, when it is built, will be truly affordable? Not at the current rate of basically upwards to 44,000 a year for a unit in a community that the average income is $55,000 a year pretax income.

How can we make affordability a reality on state-owned land projects like this?

COMMISSIONER VISNAUSKAS: Thanks for the question. I think we're happy to continue to work with all the legislators on where there is state-owned land, because we don't have an enormous amount of it in New York City or the rest of the state. So where we do, we have to make sure we are getting affordability that meets the needs of the community.

So certainly happy to continue to work

with you on that.

SENATOR CLEARE: Thank you. And also New York State is the fourth largest population of seniors, and growing. What are we doing to factor in enough housing for older New Yorkers?

Currently I'm hearing upwards to seven years waiting lists for people to get into senior housing. If we are able to put more money into the budget for capital, can DHCR commit to more affordable housing for our seniors?

COMMISSIONER VISNAUSKAS: I mean, I think we certainly have a good track record so far of financing and building new construction of senior housing.

I think we would also love to work with you on how we make sure that seniors who are currently housed in apartments that may not be suitable for them can also stay housed. I think that's sort of an all-hands-on-deck approach because it's probably hard for us to build as many senior units as we need in the time we have.

So happy to work with you on that and think creatively about other ways to get at it.

SENATOR CLEARE: Thank you. I look forward to that.

I just want to -- something that was mentioned earlier about TPU. Are they looking back proactively, or does it have to be generated by a tenant complaint?

COMMISSIONER VISNAUSKAS: No, we really take in -- we intake suggestions from you all, we take it from the local community, people can call us. And then we proactively look at the data to look for inconsistencies, and we are on our own bringing cases in that also.

So sort of all of the above.

SENATOR CLEARE: And last, Project 145 in my district, which we do want to see deeper affordability. A project like that built to market can tip the scales and really, really contribute to the great exodus of Black families out of the community.

How can DHCR be helpful? HCR, I'm

sorry, be helpful?

COMMISSIONER VISNAUSKAS: That's okay.

I don't know the ins and outs of that project, but I think we are always happy to be talking about affordability and projects built in the City of New York.

SENATOR CLEARE: I would like to follow-up with your team. Thank you.

COMMISSIONER VISNAUSKAS: Yup.

CHAIRMAN PRETLOW: Assemblywoman Chantel Jackson.

ASSEMBLYWOMAN JACKSON: Thank you, Chair.

Hi, Commissioner. Always good to talk to you and your team.

I want to start with the Governor's proposal to reduce property taxes for Mitchell-Lamas for more than 5 percent. What's the estimated amount they pay now?

COMMISSIONER VISNAUSKAS: So many of the Mitchell-Lamas in New York City and the rest of the state pay 10 percent shelter rent. It's sort of a formula. And so this bill would drop that 10 percent to 5 percent automatically; in New York City, allow New York City to drop it further should they so choose; and the rest of the state has to opt into the change.

ASSEMBLYWOMAN JACKSON: Okay, sounds good.

Part of my problem -- because you know I live in a Mitchell-Lama, advocate often for them -- is that we let the property deteriorate for, you know, a long period of time. And I know you guys do a yearly needs assessment. But what enforcement do you have to make sure that people take care of the issues that you see come forth?

COMMISSIONER VISNAUSKAS: I mean, the Mitchell-Lama stock is privately owned and privately managed. And so we really try to make sure that year over year, as people are working with us and sending their materials to us, that we are pushing them to do capital needs assessments so that they understand what repairs are needed and what those repairs cost.

And then we are happy to work with

them on financing to get that work done. But we do need the owners and the housing companies to be doing those capital needs assessments so we actually know what their capital needs really are.

ASSEMBLYWOMAN JACKSON: Okay. So it doesn't sound like there's much to the enforcement part. Like you tell them what should be done based on the assessment, but there's no guarantee that people will do what you said for them to do.

COMMISSIONER VISNAUSKAS: I mean, in the case of the co-ops, they are homeowners; it is their decision what they do in their buildings.

ASSEMBLYWOMAN JACKSON: I think part of the program, though, is that the board has a lot of control about what gets done and what doesn't get done, along with the management company.

And so residents may not even know that these problems are occurring and it should be why their, you know, maintenance may have to increase for these projects.

But I'll move along. Is there a list of state-owned property that we can maybe find on the website?

COMMISSIONER VISNAUSKAS: I can ask ESD, sort of the holder of all that, as to whether they have anything published. I know they have released a series of RFPs for state-owned land over the course of the last year; I think there's been five or six that have gone out.

I don't know what else they have coming out after that, but we can certainly talk to them about it.

ASSEMBLYWOMAN JACKSON: Okay. So ESD may hold that information.

COMMISSIONER VISNAUSKAS: They are the ones who are doing the RFPs for the state-owned land, yeah.

ASSEMBLYWOMAN JACKSON: Got it.

And then the 25 million for NYCHA, part of the City of Yes, we've been putting capital funding into NYCHA since I've gotten elected and the drawdown is always an issue.

Is there anything that's going to

enforce the drawdown for this 25 million in capital?

COMMISSIONER VISNAUSKAS: I'm not sure if it will end up going through the -- normally it goes through DASNY, the reimbursement, so we'll have to see how the process goes and if this follows that same process or not.

ASSEMBLYWOMAN JACKSON: I don't like the process, but okay.

Eight-point-eight million for the Blue Buffers voluntary buyout program. Never heard of it before, good to see it. However, what percentage of this is actually spent down? How many homes are impacted?

COMMISSIONER VISNAUSKAS: So we have just begun to do outreach to communities that want to participate? And, you know, it's a complicated thing, obviously, to have your home, if you're in a sort of constant, repeated flood area, to have your home bought out, both for the municipality and for the community.

So we have just begun to do outreach.

We've engaged an organization who's going to go around the state to talk to impacted communities about this.

ASSEMBLYWOMAN JACKSON: Thank you.

CHAIRMAN PRETLOW: Thank you.

Senator Tom O'Mara.

SENATOR O'MARA: Thank you, Chairman.

Good afternoon, Commissioner. Thanks for being with us today. I've just got a couple of follow-up questions here.

On the City of Yes program, it's very vague to me, from what I've seen. Is there any specific match or commitment of the City of New York to be matching this billion or in any kind of ratio?

COMMISSIONER VISNAUSKAS: So I believe the City of New York put in $2 billion into the City of Yes.

And I know that the Governor put in $1 billion. The billion that is coming from the state budget is specifically for housing, so we would anticipate that would go -- sort of to your comment about the language -- into the types of uses that are in the appropriation language.

SENATOR O'MARA: But there's no -- as I understand it from the questioning today and what I've read in the budget, there's no real detailed outline of how this billion dollars for the City of Yes is to be spent. That's correct, at this point?

COMMISSIONER VISNAUSKAS: It's flexible in terms of new construction, preservation, Mitchell-Lamas, NYCHA. Both the City of New York housing agency as well as we at the state have programs, so we would anticipate it would go through our sort of programmatic channels. And there are some standards in all those programs.

SENATOR O'MARA: Of those spending areas that you outlined there, Mitchell-Lama, NYCHA, preservation, where do you prioritize the spending need?

COMMISSIONER VISNAUSKAS: Yeah, I would say we would work -- happy to work with you all, happy to work with the city on what the priority is for that. I think there's need across all those categories.

SENATOR O'MARA: It is concerning to me, with the lack of detail, and it frankly should be to everybody in the Legislature on these kinds of dollars.

You know, the Governor has in her budget the Sustainable Futures Program, which is for energy -- again, no detail, another billion dollars, on where that's going to go.

We heard from Senator Helming about certainly our concerns upstate with energy capacity and access to that for new housing projects. We see it in any economic development project we have in upstate New York, the inability to get the power that's needed for new manufacturing, for whatever, housing included.

So we really need to get more details on these programs. And I'm certainly not asking you about Sustainable Futures. But on the City of Yes program, is it the intention of the Executive to be negotiating that kind of detail in this proposal throughout the next month for us to get to a final budget so that detail is in there and it's not just a flat 1 billion dollar lump sum to New York City?

Because to my understanding, there is no specific funding proposal out there for the rest of the state.

COMMISSIONER VISNAUSKAS: I would say I would imagine it would be part of the discussions that happen from now till the end of the budget process.

But I would also say that we have at the state various funding programs, three or four new construction, four Mitchell-Lama, four preservation. And so we would anticipate that the funding would get spent the same way we spend capital dollars that we get from the Legislature for our other programs in those same sort of buckets of affordable multifamily new construction and so forth, so.

SENATOR O'MARA: Okay, thank you.

COMMISSIONER VISNAUSKAS: Yup.

CHAIRMAN PRETLOW: Assemblyman Chris Burdick.

ASSEMBLYMAN BURDICK: Thank you,

Commissioner, and for the work that you're doing. I was very pleased to see so many initiatives there and the progress on the five-year plan and the 100 million in the Executive Budget for pro-housing development and community projects. And I had mentioned to you before the hearing that, working with colleagues, we'd like to increase that.

I have a question regarding certification. And let's take a municipality that submits the required documents. Would you feel that if the community does that and completes a housing needs assessment and housing plan, would the pledge to carry it out, would that meet certification?

COMMISSIONER VISNAUSKAS: I think we would be happy to work with you if we need to evolve the program to meet more needs of more communities.

I think our -- so our two paths right now are sort of an affirmation that's passed locally, right, and building -- and actually building. So I think if we think that we need to be up a new path.

ASSEMBLYMAN BURDICK: I have a different question.

I asked one of my communities the obstacles to getting certification, and the reply was: "I think it is more that I can't see what the benefit would be. What we need is funding to improve infrastructure, to accommodate more housing, or grants to go directly to support, incentivize more housing where we can already do it. Not, quote, potential opportunities for grants after the fact."

So, you know, you've got sort of a double green light. You first have to get the certification, which is going to cost money, planning money and so forth. But then you have to apply for the grant, which you may or may not get. And I'm wondering what kind of reply we have for her.

COMMISSIONER VISNAUSKAS: I mean, I think we feel very proud about the fact that there are $650 million available in the budget, and hopefully this year even more that's available exclusively -- while it would have been to all 1500 localities across the state, it's now available to 278, who --

ASSEMBLYMAN BURDICK: No, I saw that.

COMMISSIONER VISNAUSKAS: -- can be eligible, right? I think that's really showing those communities that are -- want to be pro-housing that we want to meet them where they are, we care, we want to give them investment.

And the funding is intended to be, as you -- for infrastructure and other things that allow --

ASSEMBLYMAN BURDICK: For infrastructure. So -- sorry to interrupt, but -- so a lot of those programs are not necessarily directly infrastructure-related. And I'm wondering if you've been giving any thought to expanding the programs that might provide grant funding and the kind of funding that is mentioned here in that text.

COMMISSIONER VISNAUSKAS: So we heard two things this past year. One is: We need technical assistance, we need grant dollars so that if we want to do a rezoning or we want to do an electric -- an e-file permitting system -- and so we have funding in the budget this year to give the localities, to do master plans and zoning, grant dollars.

And then secondly we heard infrastructure dollars, whether that's water and sewer or electricity, as the Senator said. We have that.

ASSEMBLYMAN BURDICK: So the dollars for technical would include grant funding for doing planning?

COMMISSIONER VISNAUSKAS: Yes, definitely.

ASSEMBLYMAN BURDICK: They would.

COMMISSIONER VISNAUSKAS: Yes.

ASSEMBLYMAN BURDICK: So it isn't just from HCR, but it would also be potentially to give grants.

COMMISSIONER VISNAUSKAS: Yeah, grants for planning, absolutely.

ASSEMBLYMAN BURDICK: Super. Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Senator Shelley Mayer.

SENATOR MAYER: Thank you, Chair.

Hello, Commissioner.

COMMISSIONER VISNAUSKAS: Hi.

SENATOR MAYER: You know, I'm very interested in development of co-ops and condos as an affordable form of home ownership, and the state seems, frankly, quite a bit behind in considering this as the way to enhance affordable housing.

Last year there was 75 million for the Housing for the Future homeownership plan. There's nothing in I think, this year, the Executive Budget. Did you spend any of that? And were any new co-ops or condos begun under that program?

COMMISSIONER VISNAUSKAS: So we have a funding line called Affordable Housing Opportunities Program. That is our primary homeownership funding source. It had $400 million in it that we funded two years ago. I can come back to that.

But to answer your specific question, for the Housing for the Future, our term sheet is up. We haven't gotten any applications to use that funding, to date. But we do continue to fund homeownership through our Affordable Housing Opportunities Program. We had $400 million. We are well in -- we have committed a majority of that funding.

We didn't have it in our first housing plan, just in our second, so I would acknowledge --

SENATOR MAYER: Just as a question, have any new co-ops or -- particularly co-ops started with that funding?

COMMISSIONER VISNAUSKAS: Yes. With our affordable housing opportunities program, yes, we have funded co-ops with that. We can send you a list.

SENATOR MAYER: Yes.

Secondly, you know, in the suburbs many municipalities have these set-asides for affordable housing with the creation of new market-rate rental, which is completely unaffordable to the vast majority of my constituents.

Do you provide any guidance on what is deemed affordable? And I don't mean percentage of AMI, I mean whether they're entitled to lease renewal, whether they're entitled to rent protection. Because the concept of affordable is a very shady one, frankly, in some of these municipalities.

COMMISSIONER VISNAUSKAS: I'm not sure if this is answering your question, but I think I would say that last year when we passed the good-cause provisions in the process, that that provides municipalities who opt into it with sort of that rent-gouging kind of protection --

SENATOR MAYER: It doesn't apply --

COMMISSIONER VISNAUSKAS: -- for tenants.

SENATOR MAYER: Just as -- it doesn't apply to new buildings, so that --

COMMISSIONER VISNAUSKAS: Yes, it would apply in municipalities that had an existing stock, that is true.

SENATOR MAYER: Lastly, on resilient and ready, which I know you've worked on funding for flood preparedness, again, it didn't include co-ops and condos in the prior iteration.

Is there any way you could extend that? Because in many communities, including mine, where flooding has been a disaster, co-ops and condos had all these costs associated with rebuilding, and none of it is covered through this program.

COMMISSIONER VISNAUSKAS: Yes, let's continue to talk about that.

SENATOR MAYER: Okay. Thank you very much.

COMMISSIONER VISNAUSKAS: Mm-hmm.

CHAIRWOMAN KRUEGER: Thank you.

Next is Assemblywoman Levenberg.

ASSEMBLYWOMAN LEVENBERG: Thank you so much, Chair.

And thank you, Commissioner, for your testimony.

I wanted to just follow-up on some of my colleagues' discussions about the Pro-Housing Communities Program outside of -- obviously outside the city. I'm really glad to hear there's 278. How many are in the process above and beyond that?

And also, how much of the money has actually gone out the door to those communities? And where are we with the beginnings of actually seeing building taking place?

COMMISSIONER VISNAUSKAS: So we have, I would say, another 150-ish localities that have submitted letters of intent, and they were working with them. It could be closer to 200.

We made some first awards, I think it was 100 or $125 million of the first set of -- that were just announced I think in the last month or so. But we could follow up and get you a detailed list.

And -- what was your third question?

ASSEMBLYWOMAN LEVENBERG: I forget.

(Overtalk.)

ASSEMBLYWOMAN LEVENBERG: How much money --

COMMISSIONER VISNAUSKAS: Oh, how many units, how much of the housing has started building.

ASSEMBLYWOMAN LEVENBERG: You just answered that question, the money's just getting out the door.

COMMISSIONER VISNAUSKAS: Yes. And I think in terms of housing happening -- or the problem with housing, right, it sort of takes a long time to get there. And so we -- I don't know that we can see yet, we're like a year and a half in, whether the program is -- but we -- it's our goal and we're going to keep being transparent about what's happening so we can see it.

ASSEMBLYWOMAN LEVENBERG: And just a follow-up, I think we are hearing also from communities about needing more money for the planning and for comprehensive plans for the housing action plans and housing needs assessments.

So, you know, we've definitely advocated for more money specifically for -- you know, for the entire program that's also specifically for that planning money. I think that that's really necessary.

And I wanted to just find out a little bit more about how is good-cause working? I think you just mentioned a little bit about it to my colleague Senator Mayer. But how is it working outside the city? How many communities have you seen opt in? And, you know, it seems like it may need a little bit more help outside the city.

COMMISSIONER VISNAUSKAS: There are about 10-ish communities that have opted in. We can circle up with all the names as we know them as of today.

And I think that it's early, I think. Right? I think so. I don't know that we know yet whether it's sort of working or not working or what's working about it.

ASSEMBLYWOMAN LEVENBERG: Okay. And then just to underscore the need for infrastructure, money is really, again, what we hear from so many communities saying, you know, all of this stuff is sort of -- whether it's an unfunded mandate or we're not going to be able to build anything if we can't get drinking water and stormwater infrastructure in place.

So, you know, there is legislation out there to actually help get the drinking water grants out the door. I think I mentioned to you in a T&C that's really -- could really be helpful for engineering planning grants to actually help the communities, because a lot of that money is just -- it isn't getting out the door. And a lot of these communities, again, need the planning money to get the engineers --

COMMISSIONER VISNAUSKAS: Yup, understand --

ASSEMBLYWOMAN LEVENBERG: -- someplace to get the grants.

COMMISSIONER VISNAUSKAS: Okay.

ASSEMBLYWOMAN LEVENBERG: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

I believe I'm the last Senator for the first round, so I'll take my 10 minutes now and then I'll continue through the Assemblymembers. Thank you.

So we've put $4.5 billion into a five-year Housing Plan. The questions I keep getting are -- because I think it was supposed to be 10,000 supportive housing units within that plan. Where are we on that schedule? People are desperate, desperate, desperate for more supportive housing units in my city.

I have business groups begging me to move this faster. They say there's 250 million for specifically supportive housing that groups are trying to get, and they're not allowed to.

So help me understand where we are on all this.

COMMISSIONER VISNAUSKAS: I don't know what that "not allowed to" would be referencing.

But we -- the 10,000 units is 7,000 new units and 3,000 units of preservation of supportive housing. We are sort of well on track, I don't know the exact number -- but we can get it to you -- of the 7,000 where we are halfway through. But we track about halfway on everything.

We do an enormous amount of supportive

housing. It's in almost everything that we finance across the state, because the need -- whether it's seniors or youth aging out of foster care or vets, right, across the board -- people in their communities are including it.

So happy to follow up with you on our supportive housing. We are certainly meeting our commitments there.

The preservation of supportive housing has been harder for us. I think those buildings are more challenged, and we are really trying to -- we want that money to get out the door as fast as it can because the buildings need it. So that's an area we've worked with SHNNY to try to get more production.

CHAIRWOMAN KRUEGER: And why would preservation be harder than building new?

COMMISSIONER VISNAUSKAS: I think that it's hard for organizations who are running buildings to sometimes sort of stop and have capacity to hire a consultant, get a contractor, figure out the needs, take the whole building through a construction process. You know, preservation is disruptive.

So I think those projects have been a little harder to get started. But we're very committed to them and meet with SHNNY very often to talk about getting those dollars out the door.

CHAIRWOMAN KRUEGER: And you'll be able to get us some breakdown data of the money that's been spent.

COMMISSIONER VISNAUSKAS: Yeah. Absolutely.

CHAIRWOMAN KRUEGER: Thank you.

And you mentioned it already, but the other issue for me, senior citizens who are being priced out of the homes -- the apartments they have lived in -- I'm Manhattan -- their whole lives. And no matter what we do, we simply can't come up with the math to make those apartments affordable for them.

So is there any housing model that you are investing in specifically to help seniors stay in their communities?

COMMISSIONER VISNAUSKAS: I would say a couple of things.

We certainly finance a lot of housing that is sort of investing in existing housing to make sure that where we need to be doing modifications to apartments, as with the Department of Preservation, so that people can stay in houses that weren't built with -- or in buildings that weren't built with -- to accommodate seniors.

But we produce a lot of new construction for senior housing, as I've said to the Senator, right? Not as much as the demand, but that is true across all categories, I think.

And so I think we'll -- happy to sort of continue to work with you, think there's other creative ways we can make sure we can keep the senior population stably housed.

CHAIRWOMAN KRUEGER: Okay. And you answered a question earlier about the private investment funds buying up single-family homes. I have to tell you, I think the numbers are much larger in New York State than you think.

I mean, based on national data, we've gone from a thousand houses owned by private equity companies about 20 years ago to nearly a million in the last report coming out of Congress -- in a very short time frame. It's sort of startling. And it's impacting affordability of housing throughout the country. So I just know it's bigger than you and I both think.

So I'm glad the Governor has in her budget a longer time frame for them to have to I guess wait before they can make the buy --

COMMISSIONER VISNAUSKAS: Offer, yeah.

CHAIRWOMAN KRUEGER: But I have a bill that would actually limit their buying them, because I would put a significant tax on them and use that tax revenue to help build more affordable housing. And if they want to sell off that housing so it goes back to being the private housing it's supposed to, that would lower their tax bill.

What do you think of my bill?

COMMISSIONER VISNAUSKAS: I think we looked across the state at what other -- I mean across the country at what different states were doing. As I said before, we really heard about the sort of buying first day as a real problem, and houses coming off of MLS as soon as they are listed.

So I think we felt really -- felt very strongly that the 75-day waiting period was a way to get people a chance to actually buy a house. And, you know, we worked with other parts of the Executive on the other piece of the bill, which is about removing the deductions available to institutional investors that single-family homeowners can take, and removing those as a way to make the -- the investing in that business sort of less lucrative. And we felt that was the right approach.

CHAIRWOMAN KRUEGER: Again, I'm not opposed to the Governor's proposal, I just think these companies are way more sophisticated than we are as private buyers, and they will just figure out to how to play out the 75-day clock without any impact on the numbers being purchased.

So I don't want us to have false hope that that will actually change behavior significantly.

So today, even though this is an energy question, everything we're talking about with energy overlaps with housing. One of my colleagues said there's not enough electricity in a certain part of her district to build more housing.

I just came across this article today that the city's model to put electric heat pumps into public housing -- and they piloted at a specific Queens public housing -- so I don't know if anyone's here from Queens right now --

SENATOR KAVANAGH: In Woodside.

CHAIRWOMAN KRUEGER: Yes, in Woodside, thank you.

-- and that the results were phenomenal. We're talking about -- sorry, where's my numbers -- something like

87 percent lowering of the costs. And it was much cheaper to insulation than imagined. It was much quicker. And now it's basically going to save everyone who lives there and public housing an enormous amount of money.

And I'm asking you, what kind of programs are we doing in coordination between our energy agencies and our resources to support these models and you? Because you're the one who knows where all this housing is and what it needs all over the state.

And I am just -- you know, NYCHA doesn't necessarily get that many big applause rounds, but I'm just blown away at how effective this whole storyline was. And I live in a city of 8.5 million people, most living in giant multi-dwelling buildings.

So what do we know? What can we do together?

COMMISSIONER VISNAUSKAS: Yes, I totally agree with everything you said. And we, as you know, switched sort of all of our production on the new construction side to all-electric several years ago, a little bit ahead of the curve, but on the heels of the CLCPA.

We paid for that to sort of prime the industry to make sure that there are products that can do that downstate, upstate, multifamily, small houses, all the things that we touch. And also that there's a workforce that can fix them and maintain them.

We work really closely with NYSERDA. We get some funding from them, and we work really closely with them on our initiatives to make sure from like a technology perspective -- but we have our own team at HCR. We have a set of sustainability guidelines that we use for our new construction and our preservation projects.

To the extent that NYCHA is something that is leading the way, we are happy to work with them on adapting that technology for the buildings that we finance too. I think that was sort of the intent of NYCHA's buying power, was actually to get the market to respond in a way that most other owners can't get, to create new technologies.

So I think hopefully this is paving the way for more of that work performed to multifamily buildings in New York City.

CHAIRWOMAN KRUEGER: I think when you answered a question earlier we were also saying there was 100 million left for upstate public housing. And I gather, because -- perhaps harder to get some of that money spent, I don't know. But I would urge you to maybe take a look at this model for these facilities also, because they're older.

COMMISSIONER VISNAUSKAS: Yes.

CHAIRWOMAN KRUEGER: And so the potential -- again, I'm a huge supporter of geothermal, but the -- but it's not just private houses. You can do amazing things with retrofits of geothermal in big, older buildings. Because let's face it, it's not like the NYCHA complexes were in such fabulous shape that made it easier. And the fact that it's worked so well, so quickly, with such enormous savings, is just like -- we shouldn't forget about the win/wins we have.

COMMISSIONER VISNAUSKAS: Absolutely.

CHAIRWOMAN KRUEGER: Okay. I also have a bill to deal with a land lease crisis in New York City for -- I think it's estimated to be over 100,000 units in buildings throughout four of the five boroughs.

And I'm wondering whether, even if you can't comment on my bill, you've got a better answer. Because these people are basically middle-class people who ended up in co-ops that are land leased and suddenly, because of the skyrocketing value of land, they're literally sitting in buildings where the landowners are saying, I'm going to go up 10 times your rent and you're not going to be able to stay here.

Got an answer?

COMMISSIONER VISNAUSKAS: It's a very challenging issue. We've been working on it for multiple years with members of the Legislature.

I -- we have not found a way that we

thought was the most legal way to get at what is a challenging issue. It also crosses us not just on a policy issue but also into our -- on the rent stabilization side of the house, just some of the impacts there.

So we would be happy to continue to work with the Legislature. We agree it's a really important issue.

CHAIRWOMAN KRUEGER: So Linda Rosenthal and I carry a bill together. We've modified it, so I'm urging you to take a look, because we think we have an answer now. And we need to come up with an answer.

So thank you. My 10 minutes are up. Oh, and I'm playing Assembly also.

So to continue, Assemblymember Kelles.

ASSEMBLYWOMAN KELLES: Fantastic. Wonderful to see you.

So a few questions. The first one, just getting a sense of timeline, you know Ithaca's crisis, housing crisis. We've actually had a 50 percent increase in homeless children in the last two years. It's been an increase of 274 percent in the last 14 years in homeless children.

So my concern is I guess, first, what programs you have, affordability programs, to address this need.

COMMISSIONER VISNAUSKAS: So thank you for the question. It's a terrible stat. You are lucky in Ithaca that you actually have a handful of really tremendous housing organizations that support especially low-income New Yorkers.

We work really closely on a lot of supportive housing projects in Ithaca and the surrounding area, and many of those are serving sort of vulnerable populations where there is a lot of childhood poverty as well.

I think to the extent that we're not meeting -- I'm not sure we can meet the need statewide because the need is great, but I think happy to sort of partner with you on new things we could do.

ASSEMBLYWOMAN KELLES: Absolutely.

I just -- how long does it usually take to get a project -- my concern, I guess -- I have a couple of things. The

Low Income Housing Tax Credit is one project -- way overprescribed {sic}. We can't do half -- not even half the projects in my districts alone that are trying to get -- I have projects that have been applying for three, four years, can't get it. So I have that concern. But then it takes three or four years to develop. We can't really tell kids, be homeless for three to four years, wait, we'll get you into a house then.

So anything to do more short-term?

COMMISSIONER VISNAUSKAS: So we a couple of years ago significantly increased the breadth of the things that we offer as an agency in terms of capital reserves for projects that can get done outside of our tax credit and bond pipeline, exactly for that reason.

So we have, as we talked about a little before, the Small Rental Development Initiative, we have a homeownership program, we have a series of other programs that can create housing in communities outside of our bond program. They are generally for smaller projects, which is oftentimes more appropriate and great for sort of an upstate-scale redo.

ASSEMBLYWOMAN KELLES: The Small Rental Development Initiative too is very overprescribed {sic}, correct?

COMMISSIONER VISNAUSKAS: It's sort of a rolling 7 million sort of dollar program. So we --

ASSEMBLYWOMAN KELLES: Right. I think you had, though, 13 projects, you were only able to fund how many of those, of those 13 projects?

COMMISSIONER VISNAUSKAS: I think we probably funded a little over half last year of what we got in.

ASSEMBLYWOMAN KELLES: So we could use 14 -- we could use 14 million, probably, in that project. That gives me a good sense of it.

I saw, too, there are projects -- the RESTORE and Access to Homes, those are significantly overprescribed {sic} currently as well.

COMMISSIONER VISNAUSKAS: Those are wonderful programs we've had for a very long time. They kind of in some years sort of go up and down in terms of their -- in terms of the demand. But we can always use additional funding in those.

ASSEMBLYWOMAN KELLES: I'm just seeing across the board a tremendous need for housing. Everything is overprescribed {sic} and underfunded, generally.

But thank you so much.

CHAIRWOMAN KRUEGER: Thank you, Assemblywoman.

Next is Assemblywoman Chandler-Waterman.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Thanks, Chair.

Commissioner, thank you for your testimony today.

So in the Mitchell-Lamas in my district and throughout -- I'll say throughout my whole entire district as a whole, community members are aging in place.

And I appreciate my colleagues because they mentioned a lot about the older adults aging in place and, you know, they're suffering because there's not enough affordable, stable housing.

So I want to clarify -- I believe a similar question was asked. What is the funding amount used to help our older adults age in place? Did you say an amount that was being used for this?

COMMISSIONER VISNAUSKAS: We had, I think, $300 million, but I could go back and check, for our senior program in our five-year Housing Plan. We've probably spent at least half of that.

To date, we're a little -- halfway through the program, so we'll continue to spend those. That's to create new senior -- construction of new senior units.

We also have multifamily preservation dollars, which was -- I think it was two or $300 million from a couple of years ago that we are spending down that also goes for what is often like naturally occurring sort of senior housing even if it's not -- wasn't that at the get-go.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Okay, I got you.

And I also know we talked before about technical assistance when it comes to Mitchell-Lama, their executive board and their members. Where are we at with that program?

COMMISSIONER VISNAUSKAS: So we just released an RFP recently to provide technical assistance to Mitchell-Lamas. It will be available to the boards to help with governance and financial guidance and legal and sort of other needs that they have.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Okay. And also, as you know, throughout the state -- and I know you're working hard on this, with the flooding and sinkholes. So what is HCR doing to address the issues of homeowners being impacted by the floods and sinkholes?

COMMISSIONER VISNAUSKAS: So we had funding last year, and there is now new funding in the budget this year for two different -- one is sort of a resiliency program and one is kind of an after-storm funding to go to help people repair their home.

So we have two sort of dedicated funding sources in this year's budget to help storm-impacted areas and houses.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Okay. Is there RFPs for that, for nonprofits?

COMMISSIONER VISNAUSKAS: Yes, they will -- it will get administered, right, by nonprofits sort of regionally where the storms hit.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Okay. And an RFP is not out yet, right?

COMMISSIONER VISNAUSKAS: Well, the funding for -- that's coming through this year's budget will have to get approved first, and then it would --

ASSEMBLYWOMAN CHANDLER-WATERMAN: Okay. And then the other question I have is for Neighborhood Preservation Programs. I know there's major cuts that will reverse the state's response to services such as evictions, home buying, counseling, housing preservation. How do you think this will ultimately impact those things, the cuts by the Governor?

COMMISSIONER VISNAUSKAS: We work really closely and always want to support all the organizations around the state who, you know, many times are implementing all the work that we do.

So, I think, happy to follow up with you if you want to talk about certain funding programs or organizations.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Okay. And I think that we don't have really time really to address that, but I know you said you work with the city, and it's more of a comment. It's like how do we help with all of these applications that we have out for housing, especially with NYCHA, where there's a lot of vacancies, but then like to transition people into -- that's waiting for housing.

So what is that city/state kind of relationship to help move that process along?

COMMISSIONER VISNAUSKAS: Yeah. I mean, I'd say we really try to get people into our apartments as quickly as we can, and I think happy to follow up on that.

ASSEMBLYWOMAN CHANDLER-WATERMAN: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assemblymember Lucas.

ASSEMBLYWOMAN LUCAS: Good afternoon, everybody.

So in 2024 New York State Homes and Community Renewal, HCR, created a historic 500 million capital fund to create 15,000 new homes on state land, 600 million in new funding to boost housing supply statewide, and a $1 billion commitment to support New York City's goal of 80,000 new homes.

What percentage of those new homes are being considered for East New York, particularly the 60th District, which is mine? And what can be done to position aspiring homeowners to take advantage of this effort?

COMMISSIONER VISNAUSKAS: So for the billion dollars for the City of Yes, so we would anticipate working with the City of New York on priorities for that funding.

And we would anticipate that it would go through our traditional funding programs, which would include homeownership as well as rental housing as well as preserving existing housing throughout the city. And we would coordinate with the city on the spending of those funds.

ASSEMBLYWOMAN LUCAS: Specifically in East New York, in the 60th, do you have that data?

COMMISSIONER VISNAUSKAS: I mean, I think the budget has to pass with the funding in it first, and then we would engage with the city on getting the money out the door.

ASSEMBLYWOMAN LUCAS: Okay. Well, congrats on also putting in place a 75-day waiting period, right, before institutional investors can make offers to buy one- and two-family homes.

How is this effort being policed? And is there an estimate on how many more families might be impacted by this measure?

COMMISSIONER VISNAUSKAS: So we have to get the proposal through the budget process first, so it's not in place right now. It would become -- as part of the budget process, it would become the policy and the law going forward. So it hasn't impacted anyone yet.

But we have seen and heard from mayors in upstate cities that hundreds of houses in their localities are being bought by -- and to the prior Senator's question, that could be, you know, five or ten times that amount that we don't know.

So I think to the extent that it defers and prohibits that activity to happen, it will assist thousands and thousands of New Yorkers to be able to --

ASSEMBLYWOMAN LUCAS: Right --

COMMISSIONER VISNAUSKAS: -- access homeownership.

ASSEMBLYWOMAN LUCAS: I hate to cut

you off, but are there any projects in my district that will be impacted by the five-year, $25 billion Housing Plan?

And based on the federal tariffs -- three in one -- lumber and steel have probably gone up significantly with that. And the Housing Plan may be affected by those tariffs.

How many housing units will we lose as a result of that?

COMMISSIONER VISNAUSKAS: So we can send you a list of what we've financed so far in your district. Happy to do that so you can see how the housing plan has played out.

I think we are as worried about the tariffs as everybody else is in terms of it impacting construction costs, but we have to see when and if they get implemented and how that impacts -- affects the plan.

ASSEMBLYWOMAN LUCAS: I'll email you the rest of my questions.

Thank you.

CHAIRWOMAN KRUEGER: Thank you.

And, sorry, our last first round in

the Assembly is Senator Manktelow -- is that correct?

ASSEMBLYMAN MANKTELOW: Assemblyman. Thank you, Senator.

CHAIRWOMAN KRUEGER: Assemblyman Manktelow.

ASSEMBLYMAN MANKTELOW: Good afternoon, Commissioner, you're doing a great job.

In the Executive Budget the Governor proposes $50 million for capital funding of modular homes and starter homes. How will those -- if that ends up in the budget, how will those funds be distributed across New York State?

And the reason I ask is in our rural districts, that's a lot of money that could do a lot of help for some very poor families. So just the question.

COMMISSIONER VISNAUSKAS: Yes, there's obviously a -- there are manufactured homes and modular homes throughout the state, but certainly a lot of it in -- you don't have to drive too far into upstate New York to see them. And we are -- we actually have a series of programs, not just that 50 million, that are really trying to get at an upgrade of those homes.

This $50 million we hope will be -- sort of spur more construction of that factory-built kind of housing that we want to see that will help drive down costs. And so we work on a demand basis, but we feel that once we get the word out that this is the type of funding we have available, that developers and modular construction companies will come to us. And our funds generally go out as construction loans.

ASSEMBLYMAN MANKTELOW: So it will be first come, first served, pretty much, or --

COMMISSIONER VISNAUSKAS: I think we will work sort of regionally with where the demand is, yeah.

ASSEMBLYMAN MANKTELOW: Okay.

And I apologize for my next question; I did have the number.

But what is your total budget number, out of curiosity?

COMMISSIONER VISNAUSKAS: Our capital or operating?

ASSEMBLYMAN MANKTELOW: Capital.

COMMISSIONER VISNAUSKAS: Well, we have a $4.5 billion capital budget that was approved by the Legislature three years ago, and then there have been a series of add-ons since that.

I would just remark we -- obviously we have spent some of that, but we over the course of the five years will spend north of $3 billion.

ASSEMBLYMAN MANKTELOW: How much, 3 billion?

COMMISSIONER VISNAUSKAS: Over the five-year period.

ASSEMBLYMAN MANKTELOW: Okay. My question is veterans' housing. I have a lot of questions about female veterans' housing, disabled veterans' housing. Of that total number, what percentage of that goes towards our veterans?

COMMISSIONER VISNAUSKAS: I could get you that. We do fund veteran housing.

There's a series of great organizations that serve veterans around the state that partner with our housing agencies. So we can send you a list of the veterans' housing that we finance in the state.

We can always do more, but we do do a fair amount of it.

ASSEMBLYMAN MANKTELOW: I would very much like to see that. Please send that to me; that would be great.

COMMISSIONER VISNAUSKAS: Mm-hmm.

ASSEMBLYMAN MANKTELOW: And my last question, in my last 50 seconds, I know there's talk about the sprinkler mandate in houses. And I know we're trying to push new housing across the state, getting homes available for people.

One of our concerns in our rural areas is with this mandate, will that slow the process down, especially where we don't have public water?

COMMISSIONER VISNAUSKAS: I think that we -- as I sort of said earlier, we have definitely heard, when we've gone across the state, that infrastructure is a real impediment to this. And it's why we have this $100 million in the budget, to really get at unlocking some of that infrastructure, whether it's water, sewer, electric.

And so we want to work with communities that are willing to be able to get those investment dollars to them. And I think if they -- if we don't get it through a program we have now, we should work together to figure out how to do it.

ASSEMBLYMAN MANKTELOW: I look forward to talking to you about that later.

COMMISSIONER VISNAUSKAS: Okay.

ASSEMBLYMAN MANKTELOW: Thank you for your time this afternoon.

COMMISSIONER VISNAUSKAS: Yeah.

ASSEMBLYMAN MANKTELOW: Thank you, Senator.

CHAIRWOMAN KRUEGER: Thank you.

And we missed one Assemblymember, Assemblymember Meeks.

ASSEMBLYMAN MEEKS: Thank you, Commissioner.

I have a question pertaining to the technical support for Pro-Housing Communities. Would sound barriers fall under that particular funding?

COMMISSIONER VISNAUSKAS: The thing that we heard from localities that they needed funding for was things like doing master plans or updating their rezoning or taking paper maps and making them, you know, electronic and available, wanting e-permitting or e-filing systems.

So we want to be flexible and meet communities with what their needs are. Those are the types of things we heard so far that we would imagine the spending would be for. But happy to talk about other things.

ASSEMBLYMAN MEEKS: Thank you.

Regarding the Blue Buffers voluntary buyout program, is that oceanfront property, or would it also include lakes, rivers as well as creeks?

COMMISSIONER VISNAUSKAS: It's really anywhere that has consistent and sort of persistent flooding. So it doesn't have to be waterfront, for sure.

ASSEMBLYMAN MEEKS: Okay. And looking at the proposed 2.8 million increase for OTDA regarding homeless housing, is that -- will any of that money be geared towards individuals living with HIV and housing for those individuals?

COMMISSIONER VISNAUSKAS: I don't -- I'm not as familiar with OTDA's program. But we certainly cofund a lot with them in housing projects where there are, you know, very vulnerable populations like the one you mentioned that are included in the overall.

So I can't speak to that specifically, but we certainly do fund housing with that population.

ASSEMBLYMAN MEEKS: Okay. Because that's part of like ongoing treatment, like having quality housing and consistent housing.

And then we're seeing -- I'm from Rochester, and we're seeing a number of -- doing some great projects in the communities there. But one of my major concerns is we're seeing more mixed-income housing, low-income housing developments, but all too often we're not seeing individuals in those communities afforded an opportunity to generate wealth by helping with the buildouts.

Are there any plans in place to work with even our educational system to prepare individuals to take on these opportunities?

COMMISSIONER VISNAUSKAS: We do have -- you know, operate sort of as other agencies do with MWBE requirements that we attach to our construction projects, which can oftentimes sort of, by extension, lead to sort of community hiring and -- but it isn't probably as explicit as it could be.

I think we would be happy to work on initiatives that would allow for more local community participation in our local community development projects. So happy to talk more about that with you.

ASSEMBLYMAN MEEKS: Yeah, it's truly needed. And I look forward to working with you.

And I would also like to see what the

numbers are currently as they relate to MWBEs.

COMMISSIONER VISNAUSKAS: Okay.

ASSEMBLYMAN MEEKS: All right, thank you.

CHAIRWOMAN KRUEGER: Okay, thank you.

I am now going to go to three-minute follow-ups from chairs.

Senator Brian Kavanagh.

SENATOR KAVANAGH: Thank you.

Thanks for the couple of hours now of great enlightening testimony.

So a few topics that we have written testimony from several witnesses who are going to raise the question of support for existing 100 percent affordable developments that may be in distress. You've had some opportunity to talk about this in the past.

But can you just talk a little bit about the need there as you perceive it and to what extent -- you know, there's a proposal that we're going to hear about in a moment with some capital as well as some operating money behind that. Can you just talk a little bit about how that -- you know, the need and whether there might be something we should be addressing?

COMMISSIONER VISNAUSKAS: Yes, absolutely.

So we care very much about our existing portfolio of affordable buildings. And there is a lot of stress in the market. There is a lot of -- you know, labor costs have gone up and insurance costs have gone up and utility costs have gone up. And since the pandemic we have seen collection rates lower than they were pre-pandemic, and many tenants are not -- cannot or are not paying their rent. And so it's providing a lot of stress.

We stay in close contact with our owners. We want to support them. We want to provide capital if there are sort of repairs that are driving up their operating costs. We want to make sure they have reserves so that they can access funding when they have sort of shortfalls.

We are sort of trying to consistently

work with them, and I think to work with you to make sure that we can shore up that part of the housing stock, because we understand there is a lot of stress in it.

SENATOR KAVANAGH: Okay. You mentioned insurance, a good segue to the next question. There's a lot of talk about a captive insurance. I know that the Executive has actually proposed providing several agencies with the authority to create captive insurance companies, but not HCR or any of your sort of subsidiaries.

So I gather you're not trying to create a captive insurance company, but what more could the state do to promote that as a solution? Is that -- is that a viable solution? I know we have -- Milford Street Associates is up and running, but is that a viable solution for addressing insurance needs for housing? And what more can the state be doing to try to facilitate that?

COMMISSIONER VISNAUSKAS: Yes, we were obviously very happy when the Milford Street captive was up and running. It serves as a great test case for affordable owners to continue to join that.

And so we have -- would like to sort of work with the Legislature to figure out how to provide resources to owners so that they can join the captive, whether that's making investments in their buildings or whatever types of capital needs they might have, so that that can provide an alternative to private market insurance and help them drive their costs down.

SENATOR KAVANAGH: And some have suggested and I think will suggest in a moment to us that there's also a need for additional kind of analysis of the market and how that would work, how the funding would work, what parts of the state it might be used -- that might be an effective model.

Is that -- is it your sense that kind of we need to know more kind of analytically about where this would work or how it would work, recognizing we have one model that's up and running in one part of the state?

COMMISSIONER VISNAUSKAS: Yeah, I mean

I think it would be great to get a little more sort of time under our belt with the one we have to figure out sort of what works and doesn't work and who's in and who's not and why.

But, you know, we are always searching for more answers on the question of insurance costs, so.

SENATOR KAVANAGH: Great. So that's my time. Again, thank you very much for today and for all the work you do all year round. Thanks.

COMMISSIONER VISNAUSKAS: Thanks.

CHAIRWOMAN KRUEGER: Thank you.

Chair Linda Rosenthal.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

So I have three minutes, so I'll ask you very quickly.

I looked at the website where you check on apartment registrations. It says it's still in beta form. And it says the year in which the building registered its units but not how many units per building. Is that envisioned for the future? It would be very helpful.

COMMISSIONER VISNAUSKAS: I think that we want -- we very much and the Governor wants us very much to be transparent, and we want to be transparent with data.

We also want to make sure, in the case of building data and rent data in the City of New York, that it isn't used for any sort of negative reasons as people are looking to buy buildings or trying to figure out just how many rent-stabilized tenants might be left in a building.

So I think we are -- and to your point about a beta version, we put this out there, we're very happy to be able to be transparent, but I think we want to test whether there's any ways that the data would be used sort of in a way that we weren't anticipating before we go to sort of the next step of additional data.

ASSEMBLYWOMAN ROSENTHAL: Okay. For PARs and other MCI overcharge things, applications from different tenant groups, how can HCR speed up the processing within the agency? Some take, you know, two, three years to get through and tenants pay while their question is being researched.

COMMISSIONER VISNAUSKAS: Yes. So PARs take varying amounts of time, because each one is very case-specific and fact-specific. And as you know, most -- for all of those, both landlords and tenants can have two or three time extensions, so that does in fact, you know -- which is I think a good part of the process in many ways -- does make that longer.

I think to the extent that there are things that we could -- if you think there's ways that we could make it speed up, I think sometimes they're complicated by court cases that are going on --

ASSEMBLYWOMAN ROSENTHAL: Yeah, but not just for PARs.

COMMISSIONER VISNAUSKAS: It's not our intent to make them take a long time for sure.

ASSEMBLYWOMAN ROSENTHAL: But it would be great if they could be sped up and so -- I mean, this was a longstanding problem before you. But maybe you could clear it up.

And my last question is about not-for-profit and for-profit owners of multifamily housing properties. Many of them are distressed and getting in worse shape -- not able to pay mortgages, a lot of tenants are still behind in their rent.

And while we helped rescue, you know, regular landlords and we gave some to NYCHA, we didn't give very much to those -- to that sector. I think they're in real trouble.

How can HCR address that issue?

COMMISSIONER VISNAUSKAS: So we -- as I've said before, you know, we care very much, obviously, about the buildings in our portfolio and we try to work owner by owner to give them relief where we can on rents, on expenses, on capital grants to fix up their buildings. And we will continue to do that because we want the stock to be well invested and stable.

ASSEMBLYWOMAN ROSENTHAL: Well, Senator Kavanagh and I have a bill about a loan fund for these kinds of properties. But I think we have to do more. Because so many people live in these subsidized buildings and apartments, and we may lose them.

Thank you.

COMMISSIONER VISNAUSKAS: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

So I have three minutes. I'll try to not even take three minutes.

So I feel like my whole life we've talked about some landlords never file with HCR about having rent-stabilized apartments. And we changed the law in 2019, and so there should be more motivation not to not file and motivation to file.

Have we gotten better or do we still have those problems? Because I'm hearing we do.

COMMISSIONER VISNAUSKAS: Do you mean on rent-regulated apartments registering?

CHAIRWOMAN KRUEGER: Yeah.

COMMISSIONER VISNAUSKAS: Well, the fines -- thank you to all of you -- that through the -- that got passed last year, that gave us more enforcement, has been great.

We had more on-time filings than we've ever had before. And we had people go back and register apartments that -- you know, people could register a year or two years later. There wasn't really a penalty.

So the fine has drastically changed the number of buildings and apartments that register on time, and it's great. And now it's more transparent and we have it up on our website and people can see the year over year. So thank you.

CHAIRWOMAN KRUEGER: And are we able to see whether there's a reduction in the illegal deregulation of buildings? Is there a way to track that?

COMMISSIONER VISNAUSKAS: I mean, I think that is something we do more through TPU, where we -- especially now that we have actual sort of on-time registering, we can spend less time tracking down people who just aren't registering their buildings and more time actually looking at the patterns in the buildings that are now all registered about where rents are and where registrations are.

So it will make TPU much more strategic in its efforts.

CHAIRWOMAN KRUEGER: And when buildings are going through transition -- so I'm thinking, today's world, moving from gas to electric, which we want them to do -- there seem to be more opportunities for landlords to somehow change the rules of the road on apartments or even try to bill the tenants for the transition, even though it will probably be cheaper when it's electric than when it's gas.

Is there like something -- some kind of new thing we should be watching or doing to make sure that doesn't happen?

COMMISSIONER VISNAUSKAS: Yes, absolutely. I think if there's a cert that would get filed, I think, with us, whether there was sort of a service sort of overcharge and people were switching.

We also need to manage that in the rent-stabilized stock, right? It is a big --

there's 40,000 buildings. If they are going to switch from gas to electric, we have to have sort of a standardized way.

So we have been working for quite some time on how to manage that, and we'll certainly come and talk to the Legislature when we have sort of a proposal I think to share on how we might manage through that transition.

CHAIRWOMAN KRUEGER: Because obviously I want the buildings to transition, and it's a win frankly for the whole building and the costs. But I also don't want people to get exploited or --

COMMISSIONER VISNAUSKAS: Yup.

CHAIRWOMAN KRUEGER: -- the math not to work at the end of the day.

COMMISSIONER VISNAUSKAS: Absolutely.

CHAIRWOMAN KRUEGER: All right. So I was the last person allowed to ask you any more, so I'm now going to officially thank you very much for being with us.

COMMISSIONER VISNAUSKAS: Thank you.

CHAIRWOMAN KRUEGER: Thank you and to

your agency for all the work you're doing every day. You've been around a while now, haven't you?

COMMISSIONER VISNAUSKAS: Oh, come on.

(Laughter.)

COMMISSIONER VISNAUSKAS: Just not here.

CHAIRWOMAN KRUEGER: Well, I feel like I've been around for a while. I feel like you have too.

(Laughter.)

COMMISSIONER VISNAUSKAS: Thank you.

CHAIRWOMAN KRUEGER: So I'm actually now going to excuse you and remind all legislators if you attempt to grab the commissioner to talk to her, do it in the hallway outside, not in this room, so that I can call up the next panel -- take the clock with her.

No, that's her business, once she gets in the hallway and she has staff that she can assign to do things.

But I'm calling up six people: The New York State Association for Affordable

Housing; the Neighborhood Preservation Coalition; the Community Preservation Corporation; the New York State Public Housing Authorities Directors Association; and the Local Initiatives Support Corporation of New York.

So we'll get them all down here. We need just one more chair. Oh, you're right, it's only five. I started with 2. Sorry.

(Off the record.)

CHAIRWOMAN KRUEGER: And apparently I can't count, because it was five groups that I was inviting down. And we're still missing one. Okay, I see someone coming down maybe. No? No.

All right, well, tell you what. What you need to do is each introduce yourselves so the people in the booth back there know who you are when they put your name up with your face. So we'll do that first, and then we'll start testimony.

So Jolie, would you -- thank you.

MS. MILSTEIN: Is this on?

CHAIRWOMAN KRUEGER: No, it's not.

The green light. There it is.

MS. MILSTEIN: Oh, now it's on.

CHAIRWOMAN KRUEGER: Now it's on.

MS. MILSTEIN: I'm Jolie Milstein from NYSAFAH.

CHAIRWOMAN KRUEGER: Thank you.

MR. SIMMONS: Bill Simmons, executive director for the Syracuse Housing Authority and president of NYSPHADA.

CHAIRWOMAN KRUEGER: Thank you.

MS. BURNS-MAINE: Good afternoon. Erin Burns-Maine, CPC.

MR. STREB: Mark Streb, Neighborhood Preservation Coalition.

CHAIRWOMAN KRUEGER: Great. Okay, so I see we are missing LISC. Does anybody from LISC want to wave their hand fast and go "Oops, I meant to be down here"? Nope.

That happens. Not to worry.

So shall we start with Jolie?

MS. MILSTEIN: Yes.

CHAIRWOMAN KRUEGER: Oh, I'm sorry. Each of you gets three minutes.

We only get three minutes. There's no

second rounds, there's no respect for chairmanships, this is just the people's process.

And also the reason you don't see my Finance chair or my rankers is because there was a conflicting event this afternoon that we were all supposed to be at. So I drew the good straw to stay here and listen to Housing testimony, and they drew the short straws to listen to a bunch of really boring economists. And I just didn't say that, did I?

(Laughter.)

CHAIRWOMAN KRUEGER: Never mind. Not all economists are boring, I'm sorry.

Okay, Jolie, let's go with Housing.

MS. MILSTEIN: Okay. Thank you, honorable members of the Legislature, for the opportunity to testify regarding the fiscal year 2026 Executive Budget on housing. I'm Jolie Milstein -- we know that.

Critical to NYSAFAH's work are the resources and policies advanced each year at the local, state and federal level. Our successes have been made possible thanks to the commitment of Governor Hochul and you, the New York State Legislature, as well as the talented staff of New York State HCR.

With your support, we look forward to another year of progress towards creating and preserving 100,000 new affordable homes under the state's 25 billion -- is that right? -- five-year Housing Plan.

However, we know that commitment is hardly enough. This year's state budget represents an opportunity to make further progress to address our affordable housing crisis. This need is evidenced by the Governor's pledge to provide a billion dollars in state resources to advance Mayor Adams' City of Yes housing opportunity rezoning plan.

However, the affordable housing crisis has no geographic boundaries, and neither should the solutions. We're therefore asking the Legislature to support a billion-dollar "State of Yes" Housing for All plan. This would include $150 million for an affordable housing relief fund to support preservation and for many properties that have not recovered from COVID financial losses and now lack the financial stability to remain affordable.

These units are at risk of being lost to expiring affordability agreements and deteriorating physical conditions. Every unit lost to a lack of preservation only increases the need for more new construction and adds to our losing ground to this crisis.

We support the Governor's proposal to double funding for the State Low-Income Housing Tax Credit Program, SLIHC, to $30 million annually for the next four years. Currently there is a limit to transferring the credits only once to a potential investor, which limits its value in the financing process. We're asking for transferability for more than once to help increase this value and provide private investment in affordable housing projects.

We also need to address escalating insurance costs. The Milford Street captive was formed by NYSAFAH members to provide insurance for multifamily affordable housing properties in New York City. We're asking the Legislature to provide $500,000 in funding for a statewide feasibility study for other potential captive insurers to evaluate growth throughout the state.

We're also asking for $3 million to help smaller not-for-profit projects with up-front capital costs to fund loss reserves.

Additionally, we urge the Legislature to prioritize improving the State Historic Tax Credit Program, increase funds for the Homeless Housing Assistance Program, and update public housing authorities, as well as increasing ESSHI rent subsidies beyond what the Governor proposed and applying those increases to existing properties.

And we thank you for the opportunity to testify today and for your consideration for our budget requests. I welcome any questions and comments.

CHAIRWOMAN KRUEGER: Thank you.

MR. SIMMONS: Good afternoon. I come

before you today to discuss NYSPHADA's budget requests for this year.

Over the last several years NYSPHADA has worked closely with our partners in the state government -- NYCHA, New York State HCR, the Governor's office and the Legislature -- to urge public housing authorities to rethink how they rehabilitate the public housing stock in need of modernization.

Many of our authorities are considering rental assistance demonstration projects, and pursuing innovative alternatives to responsibly repurposing their facilities.

NYSPHADA is very grateful to the Legislature and the Executive for increasing their support in the past several budget cycles to help modernize and rehabilitate our aging facilities, including last year's $75 million. Over the last several years, 30 to 40 of our members have utilized this funding to pursue modernization projects. We are expecting more housing authorities to pursue major projects in the Rental Assistance Demonstration project in the next two years to come.

Therefore, we respectfully request that the Legislature and the Executive set aside an additional $75 million in this year's budget for our substantial and moderate rehabilitation and/or for demolition and replacement through the new construction of our public housing authority development outside of New York City.

This allocation would be the second half of last year's requested 150 million. We think that by every measure, this public housing modernization has been a huge win for all of New York State. 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 our residents. Several of our authorities have undergone renovations utilizing the New York State tax incentive programs, and there are a list of over 20 housing authorities that have done so in our report.

In addition to our budget requests, we want to address the issue pertaining to the rising cost of insurance for public housing authorities. This is a major issue, crippling our public housing authorities. Many of our authorities have seen a 40 percent increase in insurance costs. I've included a graph in our presentation.

And we are very encouraged to see that the Governor has included funding for technical assistance for affordable housing premiums. NYSPHADA strongly supports this initiative.

In addition, we are partnering, as NYSPHADA, with other industry partners to ask for $500,000 in funding for the captive program.

Thank you for the opportunity today.

CHAIRWOMAN KRUEGER: Thank you.

Hi. Next?

MS. BURNS-MAINE: Hi. Thank you, committee chairs and other distinguished members of the New York State Senate and Assembly, for the opportunity to speak today.

My name is Erin Burns-Maine. I'm the senior vice president for external affairs with the Community Preservation Corporation.

Over the last 50 years, CPC has invested over 15 billion to finance the creation and preservation of more than 230,000 units of housing through our lending and investing platforms, many across New York State.

Of note to the earlier conversations, CPC is currently administering the state's Climate Friendly Homes Fund, which includes $250 million to electrify 10,000 units across the state, which includes high-efficiency heat pump projects. And public housing projects are eligible.

On behalf of CPC, we'd like to express our gratitude to the Governor's administration, Commissioner Visnauskas and all of HCR, and the Senators and

Assemblymembers who continue to advance housing solutions across the state.

In particular, we applaud the administration for the ongoing success of the Pro-Housing Communities Program. We're hopeful this program will continue to grow, thanks to the additional funds in this year's Executive Budget, to assist with building out the infrastructure and the planning capacity needed for municipalities across the state.

We're also very supportive of the $1 billion commitment to help fund the necessary infrastructure upgrades needed to ensure the success of New York City's recently passed City of Yes zoning text amendment. As we begin to build a little more housing in every neighborhood of New York City, this financial support will help ensure that the city's infrastructure will be ready to meet the new demand.

Despite these successes, our state's housing crisis is still very much ongoing. For far too many New Yorkers affordable, quality housing is either unsustainable or unattainable, leaving our neighbors housing-insecure or, worse, on the brink of homelessness.

From our work managing a large construction loan and mortgage portfolio for affordable housing, including a portfolio of loans on behalf of the New York City Common Retirement System and now a portion of the rent-stabilized multifamily portfolio formerly held by Signature Bank, we understand the cause of the housing crisis -- and it boils down to two main things: Challenges to preservation, and barriers to production.

Efforts to preserve existing housing are hamstrung by how increasingly difficult it is for existing affordable housing to maintain cash flows needed to ensure physical quality and financial stability. Within the former Signature Bank portfolio, comprised of just under 35,000 units, 80 percent of which are rent-stabilized, about half to two-thirds of the portfolio are experiencing some form of financial or physical distress. Often these two go together.

We're worried that the realities of this portfolio are a harbinger of what's to come for the city's larger rent-stabilized stock. When building cash flows are constrained to the point of financial infeasibility, the conditions and quality suffer, and ultimately the tenants are the ones who come to bear the costs of failing buildings.

Given this, we do encourage the Legislature to explore options for shoring up the financial and physical conditions.

I'll stop there. Thank you.

CHAIRWOMAN KRUEGER: Sorry, we make you stop.

MS. BURNS-MAINE: Thank you.

CHAIRWOMAN KRUEGER: Hi, Mark. Three minutes.

MR. STREB: Mark Streb, Neighborhood Preservation Coalition.

First of all, I'd like to say thank you to each of you for your incredible support of the not-for-profit frontline 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.

Now my ask. For this year's budget, 18.8 million in requested to fund the Neighborhood Preservation Program. This reflects a 6 percent cost-of-living increase from last year's final budget amount of 17.63 million, to cover two years of flat funding and inflation.

Additionally, the Neighborhood Preservation Coalition seeks a $350,000 carveout to continue providing technical assistance, training conference, educational webinars, research and communication.

The Neighborhood Preservation 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 and community services, those services ranging from housing counseling to home improvement and rehabilitation projects, to food programs, to eviction protection.

Unbelievably, Governor Hochul's proposed budget presents an incredibly concerning reduction of 4.8 million from last year's funding level, lowering the NPP allocation to 12.83 million. This decrease will severely impact the vital services provided. 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 investment in human capital, the economic development investment of this program is incredible. By working with the community and leveraging other resources, this program's return on investment is 10 to 1.

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 cannot be overstated. In closing, we request the Neighborhood Preservation Program be funded at 18.8 million, with a $350,000 carveout.

CHAIRWOMAN KRUEGER: Thank you.

Our first questioner is Brian Kavanagh.

SENATOR KAVANAGH: Thank you. I didn't know I was first.

Thank you all for your testimony. It will be a quick three minutes here.

Just starting with Jolie from NYSAFAH, can you talk -- you have a $150 million proposal for a affordable housing relief fund. I'd asked the commissioner about this a minute ago. But can you talk a little bit about how you arrived at the proposal of $150 million?

MS. MILSTEIN: Yes. And you'll know -- you'll remember that two years ago I asked for I think it was $2 billion --

SENATOR KAVANAGH: Yes indeed.

MS. MILSTEIN: -- on the heels of COVID.

The need has not lessened. We've rightsized our ask because we think as a pilot program it's a good place to start. But you've heard almost everyone testify that the portfolios are at risk, and I think we're seeing more and more problems. So we are asking for the 150 million half in capital, half in operating expenses, to run a pilot program in the first year and really take in RFPs to see how big the need is.

It's hard for us to rightsize the need. We're working with NYU right now and the agencies to try and get some good data. We have a lot of anecdotal information; we're not sure how big the problem is. I suspect it's big. Bigger and getting bigger. Especially with all of the noise at the federal level, I think we're going to have increasing numbers of problems.

But we thought $150 million, in working with the agency, was a good place to start with a pilot to really assess the broader need beyond the pilot program.

SENATOR KAVANAGH: Great. Second question. You are proposing transferability of SLIHC.

MS. MILSTEIN: Yes.

SENATOR KAVANAGH: I actually have a bill, as I think you know, that would accomplish that. But let's talk about -- a little bit about, for folks that may not know, how that would work and why it's needed.

MS. MILSTEIN: Right now -- several years ago we were successful in bifurcating and certificating the state credit, which means that while most projects have federal and state tax credits in them, it was previously required that there be one buyer for both sets of credits, even if the federal tax credit buyer didn't have a state tax liability. By separating the two, we can have two separate buyers.

The problem with not having more than one transfer for the state credit means that if your state tax liability in New York changes, you can't resell that. I likened it to buying Taylor Swift tickets and not being able to sell them if you got sick. You've got this investment, you know it's valuable, but unless you're allowed to sell it to somebody else, you're going to hedge your bets when you originally purchased the asset.

So we think that if you're able to transfer this tax credit somewhere during the 10 years, it will increase the value at the onset and increase the resources.

SENATOR KAVANAGH: I'm not going to ask you who in their right mind would sell a Taylor Swift ticket once they had one --

MS. MILSTEIN: I know. Maybe it's not a perfect analogy.

SENATOR KAVANAGH: Just you -- you're also pushing us to facilitate the creation of captive insurance entities and companies. There is a $2 million -- I think it's a loan, a low-interest loan that ESD did to the existing captive. Can you talk about just -- does that meet the need? Do we need -- is there more we need?

MS. MILSTEIN: Am I allowed to say anything?

CHAIRWOMAN KRUEGER: You're not allowed, sorry.

MS. MILSTEIN: I can't answer.

SENATOR KAVANAGH: If there were time during somebody else's questioning and you want to shed light on that --

MS. MILSTEIN: If somebody else wants to ask me about the 2 million versus our 3 million, I'm happy to answer.

CHAIRWOMAN KRUEGER: Fine, thank you.

Assembly. I'm sorry, I have to tell you who.

Linda Rosenthal, chair of Housing.

ASSEMBLYWOMAN ROSENTHAL: Thank you

very much. Yes, I only have three million as well -- sorry. Three million? Three minutes.

Okay, quickly, I want to ask -- first, thank you all for your testimony. I agree with you. I hope the commissioner hears what you said and that the Governor hears what you said. Because, you know, you ensure that there's affordable housing and that people can own and rent in decent, affordable housing. So we need to rescue a lot of your funds.

For Mark Streb, your NPCs/RPCs are basically oversubscribed, is that true?

MR. STREB: Yes. The request that we get from the community, the individuals, the families in the community, we can't address all of them fast enough.

ASSEMBLYWOMAN ROSENTHAL: And what is at risk if you can't help them?

MR. STREB: It's the whole gamut. You know, a veteran not being able to get his roof fixed. A senior not having power. A family not being able to have an after-school program. The list goes on.

ASSEMBLYWOMAN ROSENTHAL: Okay, thank you.

And Ms. Milstein, 2 million versus 3: You get half a minute.

MS. MILSTEIN: Yeah, yeah. The 2 million is to backstop the loss pool in the Milford -- the Milford captive.

Our 3 million is a statewide ask so that we can enable others to have the capital to participate. So the 2 million is specifically for Milford; our 3 million, along with the actuarial study for 500,000, will enable these kinds of things to grow and flourish across the state.

ASSEMBLYWOMAN ROSENTHAL: Okay. And I wonder if you'd just go into a bit more about the dire need. I did, you know, speak -- as you are -- to the commissioner about that, and she said there are programs to assist. But really, if you could expand on what you need.

MS. MILSTEIN: The relief fund.

ASSEMBLYWOMAN ROSENTHAL: Yes.

MS. MILSTEIN: What we need is to help projects that are newly built, something before the 15-year recapitalization that happens with preservation deals. So there are projects that were built during COVID, rented up, and some of these projects have no cash flow from some of the tenants that were prequalified and we know they could pay, but they don't.

There also has been more homeless set-asides in projects around the state, so those tenants are coming with little or no services and really need support. And when they move out of a unit, the units aren't in shape where they can be re-rented. And the projects haven't been online to have enough relief funds -- enough reserve funds, rather, to put those units back online.

So it's a lot of COVID overhang. It's a lot of damage caused by the increased number of homeless housing placements without sufficient support funds. There's a whole host of reasons why the units, before they're recapitalized, need more money.

ASSEMBLYWOMAN ROSENTHAL: Thank you.
CHAIRWOMAN KRUEGER: Thank you.
Senator May.
SENATOR MAY: Thank you. And thank you all for your testimony.
I want to start with Mr. Simmons. Welcome from Syracuse to Albany.
I appreciate your request for money for modernizing the public housing. Talking about the Syracuse housing authority, how much money already has gone to SHA for that? How much would you appreciate of the money that you're asking for for the oldest housing project in the state that you oversee?
MR. SIMMONS: Yeah, as you know, for Syracuse we're getting ready to launch our transformative project that's going to demolish 600 units -- well, yeah, about 600 units of public housing. Pioneer Homes is one of the first in New York State, built in 1937 --
SENATOR MAY: I'm hoping for a quick answer here, so --
MR. SIMMONS: Oh, sorry.

SENATOR MAY: -- how much of the money --

MR. SIMMONS: Well, it's probably -- because we're going to be doing it in phases, we're probably looking at about 30 million in the first couple of phases.

SENATOR MAY: Okay. So as you're well aware, there's a lot of turmoil around what's going on. As I talk to the residents there, they know they're going to have to move. You know, the highway's coming down, they know the project is going to be rebuilt. But they don't have a timetable. They're really anxious about it.

Are you even at the point of having a timetable to create a timetable that can let them know what to expect?

MR. SIMMONS: Yeah, the -- we're in a process where we work through all the issues with the Department of HUD. So if there are some financial commitments and a number of four or five dates that have to be worked through with HUD for final approval, because what HUD will do is give them the tenant protection vouchers.

Some of the residents are planning to leave now because --

SENATOR MAY: So are you giving clear answers to the residents now?

MR. SIMMONS: Yeah, absolutely.

SENATOR MAY: Okay, good.

My other question is for Erin Burns. You know that we're proposing a revolving fund for building new housing. I would like to hear your thoughts on the feasibility of that, on what kinds of projects you would like to see.

MS. BURNS-MAINE: Yeah. We're very excited to see the proposal for the revolving loan fund for multifamily housing. CPC's absolutely excited about it, we think it's a very strong proposal. We are standing at the ready for any sort of planning work that needs to go underway.

But I think it's something that's necessary as we think about spurring a production that needs to be spurred. But we're very supportive of the proposal.

SENATOR MAY: I didn't hear that last thing.

MS. BURNS-MAINE: We're very supportive of it.

SENATOR MAY: No, just before that.

MS. BURNS-MAINE: Oh, that it's going to spur the production that is very much needed in terms of multifamily housing.

SENATOR MAY: I see. And are you aware of developers who want to create those kinds of projects?

MS. BURNS-MAINE: Yes. Yes. I could see that being a program that would quickly be stood up and the demand would be shown.

SENATOR MAY: And 50 million -- we want to put a lot more in that. You think that there's demand?

MS. BURNS-MAINE: Yes.

(Laughter.)

SENATOR MAY: Okay, thank you.

MS. BURNS-MAINE: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Next we have Assemblymember Lucas.

ASSEMBLYWOMAN LUCAS: Good afternoon.

This question is for Ms. Milstein.

What strategies have the New York State Association for Affordable Housing used to promote MWBE initiatives that strengthen and increase the participation of minority- and women-owned businesses in the affordable housing world?

MS. MILSTEIN: Thank you for the question.

NYSAFAH has a longstanding commitment to MWBE programs. We have a committee that meets regularly to vet the various programs that the state comes with. We partner with HPD and HCR and run technical trainings. We've worked with CPC to run mentorship programs.

Recently we were asked by the state's MWBE program administrators to bring people in to vet a new program they were considering. So we have a whole classification of membership within our organization for MWBE firms. And at our annual conference we usually run a track or at least a panel on discussing MWBE procurement and business-building kinds of ideas.

ASSEMBLYWOMAN LUCAS: How would they access some of this information regarding the programs --

MS. MILSTEIN: Well, it's a membership program. We're a 501(c)(6) not-for-profit membership organization. So those are all programs and activities that are available to companies that join NYSAFAH as MWBEs.

ASSEMBLYWOMAN LUCAS: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Excuse me. Senator Cleare.

SENATOR CLEARE: Good afternoon, everyone. Thank you.

My question is mainly -- but it may relate to others -- but to CPC.

This revolving loan fund, would that be useful in New York City?

MS. BURNS-MAINE: I believe the current proposal is outside of New York City, but it absolutely would be another -- if it was something to be made statewide, there would absolutely be demand there.

I believe the current proposal is outside of New York City.

SENATOR CLEARE: It is outside. I just wanted to know, you know, would it be useful in New York City?

MS. BURNS-MAINE: Absolutely. And I also think, to the earlier question, I think the dollar figure is absolutely a great starting place, but you could be oversubscribed very quickly given the need.

SENATOR CLEARE: Provided that type of a fund was available in New York City, could it address what I find is just these not-affordable affordable units? Especially in communities like mine, of Harlem and West Harlem, East Harlem -- predominantly Black communities where the income is $55,000 a year, average, and housing costs are 44,000, 50,000 -- impossible amounts for that community to pay.

And in light of the recent New York Times report, thousands, hundreds of thousands of Blacks are leaving the state because they cannot afford to be here.

Would a fund like this be helpful in building housing that they could afford to live in?

MS. BURNS-MAINE: Yes. Unequivocally, yes. Increasing supply, increasing tools to build multifamily mixed-income housing will spur production. And by increasing supply, you will be able to help with the housing affordability crisis, absolutely.

SENATOR CLEARE: But targeting supply. Because, you know, no one has ever walked up to me in my decades of public service in this community and said, you know what, Cordell, you've got to get some more of that luxury housing. You know, get on it.

MS. BURNS-MAINE: And I believe we're dealing with -- currently the vacancy rate's still around 1.5 percent, which is really low. So you're absolutely right.

SENATOR CLEARE: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assemblymember Burdick.

ASSEMBLYMAN BURDICK: Thank you. And I want to thank each of you for the work that you do to promote housing in the state, particularly affordable housing.

And this is a question for NYSAFAH and Jolie Milstein.

And you may have heard the exchanges with Commissioner Visnauskas regarding the Pro-Housing Community Program. And as you may recall, my colleague to my right here, Dana Levenberg and I are working on legislation to try to enhance that program.

And I wanted to get your thoughts on the bills that we have to provide more housing needs assessment and development of a housing plan by municipalities, and whether NYSAFAH supports that as well as the proposal to increase by 50 million the Executive Budget figure of 100 million for Pro-Housing Community development.

MS. MILSTEIN: Well, thank you for the question. And thank you both for your support for affordable housing.

We certainly endorse increasing by $50 million the fund for infrastructure investment in communities. I think at least

$50 million more.

We see communities all across the state that want to build and are stopped dead in their tracks because of the cost of building out the infrastructure, including electricity. I thought that was a very good point too. We have a task force looking at the inaccessibility of infrastructure for electricity too, to build out new homes around.

And I think any affordable housing that gets built with state or federal funding has to have a needs assessment. So I think getting communities to start that process early and to require that to become a Pro-Housing Community, I think is just very smart.

ASSEMBLYMAN BURDICK: So you feel those would be positive --

MS. MILSTEIN: Yes.

ASSEMBLYMAN BURDICK: -- legislative proposals.

Also, have you given thought to how that program in HCR might be improved, might be made more accessible, might enable more communities to be certified and to get the resources that they need in order to do the infrastructure and so forth?

MS. MILSTEIN: You know, I live in a community -- I live across the river from Kingston, and I think that they are doing a very good job at outreach. And I think it will just -- as more communities join and the success of the program becomes known, I think more publicity about the successes and all of the positive things that are happening in those communities, and the sense of community from communities coming together to talk about these issues, really is spurring community-building I think just having the program.

So I think more publicity for the successes would be highly welcomed.

ASSEMBLYMAN BURDICK: Great. Thanks very much.

MS. MILSTEIN: Thanks for your question.

CHAIRWOMAN KRUEGER: Thank you.

I'm sorry, next is Senator Walczyk.

SENATOR WALCZYK: Thank you, Madam Chair.

Do we need more public housing?

MR. SIMMONS: Absolutely. Affordable housing and public. And certainly -- well, you need all housing in New York State and throughout the nation. And we've been working in Syracuse to do a model that is mixed-income housing, and we're going to increase our stock from 600 to 1400 in a particular area which will have market rate, affordable, and returning of the public housing families that are there currently.

SENATOR WALCZYK: Is that the East Adams Neighborhood Transformation Project that you're referring to?

MR. SIMMONS: Yes.

SENATOR WALCZYK: How much does that cost?

MR. SIMMONS: Well, it's going to be an eight-phase project, probably close to 800 million when it's all said and done.

SENATOR WALCZYK: Eight hundred

million?

MR. SIMMONS: Yes.

SENATOR WALCZYK: And your request, because you're here on behalf of the association, was for 75 million across the state, is that right?

MR. SIMMONS: Correct.

We requested 150 million last year; we were able to get 75. We've come back for 75 more.

It's my understanding about 25 million of the previous dollars are left, and Syracuse, Schenectady and Buffalo have big projects that are coming up this year.

SENATOR WALCZYK: So how much of that 75 million would end up in Syracuse for your project in the 15th Ward?

MR. SIMMONS: We, as I pointed out earlier, will be doing it in phases. And of that 75 million, we'll probably have close to 30, maybe 25 million in that first couple of years.

SENATOR WALCZYK: So in your testimony that's the -- you talked about demolition and replacement. That's specifically what you were talking about, is projects like the East Adams --

MR. SIMMONS: Correct.

SENATOR WALCZYK: -- Neighborhood Transformation Project?

MR. SIMMONS: Yes. We recently won a $50 million competitive revitalization grant from HUD this year, which will go towards demolition and a number of those kinds of expenses that you really can't get from the NYSPHADA program.

So while HCR has done a great job of prioritizing our transformation plan with the housing component, you know, we're working with the city and county for infrastructure, putting in new pipes and streetways, making neighborhoods safer. But we did get a $50 million grant from the HUD department for the relocation of families, demolishing the buildings, and helping clean up some of the land.

SENATOR WALCZYK: And your housing authority is committed to that project?

MR. SIMMONS: Absolutely.

SENATOR WALCZYK: So when we talk about affordable housing in the State of New York, we -- generally, as a rule of thumb, 30 percent of your income is used. But we qualify "affordable" as 80 percent of the average area income, or AMI.

How are we helping the middle class afford homes in the State of New York?

MR. SIMMONS: Well, in Syracuse, that's the beauty of the transformation project, because we currently have 600 public housing units and we're going from 600 to 1400, creating more housing for market rate and affordable in Syracuse.

CHAIRWOMAN KRUEGER: Thank you.

Assemblymember Lee.

ASSEMBLYWOMAN LEE: Good afternoon.

This question is for Mr. Simmons.

You know, two years ago we worked very hard to secure funding in the budget for the Emergency Rental Assistance Program. Can you just talk about the impact that has had on the public housing authorities that are under

NYSPHADA?

MR. SIMMONS: Yeah, we've had some 20 housing authorities that are included in my testimony that have done work. And as you remember, I came to HCR about six years ago when the previous -- Governor Cuomo gave 200 million to NYCHA for their roofs. And I said, "Well, wait a minute, what about us? You know, we're getting cut back from the federal government, and we could use some roofs as well."

Well, going through the process, and a long story short, HCR said, Look, you know, you guys have got to take advantage of this Rental Assistance Demonstration Program where you're transforming your properties in a holistic way, and so you're not coming to us every year for a roof and a window.

And we've been doing that for the past five years, using up most of the $250 million. And we've been getting additional dollars -- 75 million last year. We hope to get -- your colleagues have been successful in putting in another 75 for us this year, and it's worked out tremendously to really help public housing and affordable housing maintain itself in New York State and upstate New York. Thank you for your help.

ASSEMBLYWOMAN LEE: That's right. And to keep people in their homes as well.

MR. SIMMONS: Absolutely.

ASSEMBLYWOMAN LEE: It's quite a shame that the Governor at the time excluded public housing residents across New York State from that program.

MR. SIMMONS: Yeah. And, you know, not only has the Legislature been helpful with monies to repurpose our properties, but also you've been very, very helpful with the rental assistance for so many families who couldn't pay their rent during the COVID time. So I want to thank you again.

ASSEMBLYWOMAN LEE: Thank you.

For Jolie, just in the last minute here, I wanted to understand better the insurance and the $2 million backstop. That seems like a very small amount of money, given -- if you're thinking about a portfolio of a number of buildings that are going to be insured by this captive insurance fund.

Can you talk more about that?

MS. MILSTEIN: Yes. Our proposal is asking for $3 million for the -- for outside Milford. ESD's giving 2 million to Milford.

We think that that will help -- every company that becomes part of this cooperative insurance effort has to put some money in. There's some less-well-endowed not-for-profits than others, and the 3 million is a stopgap, really, intended to help more companies participate in Milford-like captives.

So it's not meant to underwrite the entire loss pool, it's meant to supplement. We have other ideas about how we can expand support for insurance costs that are rising to all the businesses around the state, and we're part of a federal workgroup to do the same.

ASSEMBLYWOMAN LEE: Okay, great. Thank you.

CHAIRWOMAN KRUEGER: Okay, thank you.

Our next is Assemblywoman Levenberg.

ASSEMBLYWOMAN LEVENBERG: Thank you all so much for all the good work that you're doing to retain and improve all of the housing statewide, especially our affordable housing stock.

I am curious -- first of all, I just wanted to say yay, I love that $1 billion State of Yes idea. That sounds phenomenal. As long as we actually understand how it's going to play out, just the way everybody wants to know how City of Yes is playing out.

Also, I am curious for all the work that's been done around electrification. If you're looking at climate-resilient building -- and I don't know if Erin, you wanted to take that a little bit. I'm just going to throw out all the questions and whoever can get to any of them.

Nobody really talked at all about the Housing Access Voucher Program. Maybe that's not really in your bailiwick, I don't know. But it's something that, you know, we've talked a lot about and seemed like something that would have been really, really helpful. Okay, you guys are going to be talking about it. But in case you had any thoughts about that.

And finally, I wanted to know a little bit sort of about the Mitchell-Lama or any of the affordable housing, after it's recapitalized, if there's any oversight after modernization that the buildings are actually keeping up with their promises that they made to get that recapitalization.

Go.

(Laughter.)

MS. BURNS-MAINE: I can talk electrification --

MS. MILSTEIN: It's one of my favorite topics, but you guys are in the weeds.

MS. BURNS-MAINE: I didn't get there, but we actually in the submitted testimony are very supportive of an HAVP program or any sort of state voucher program to look for, and have continued to support that year after year that we've considered it.

We know that it's expensive to

consider a statewide housing assistance voucher program, but we are very supportive of that in our priorities.

As it pertains to climate resiliency, it's definitely a priority of CPC's. We've been looking at any opportunity we have in terms of the resources available to build those into our lending tools.

In addition to the electrification and the work that we're doing through the Climate-Friendly Homes Program, we are working with a number of different developers on climate resilient programs. This is something as we consider the insurance premium crisis and all of the work ahead, that we also need to consider from an insurance perspective kind of rising costs as we face more and more climate-related disasters. There's a lot of work to be done.

I'll hand it to Jolie I think next on this.

MS. MILSTEIN: Thank you.

Look, all the new affordable housing that gets built, public, affordable, mixed-income, is all electric across the state. I think our big challenge on electrification is retrofitting.

So, you know, we are running webinars, we're working with CPC and other lenders, we're doing everything we can in the larger picture about infrastructure and making sure the grid is resilient and we can actually electrify all these buildings. Because let's be honest, there's not enough grid capacity to electrify all of New York City, and the state has problems where -- that are different but also very challenging.

So we're working holistically with the state, with the city, with other small cities, and with federal resources to make sure we're ahead of the game.

ASSEMBLYWOMAN LEVENBERG: Thanks. I'll follow up with the recapitalization question.

CHAIRWOMAN KRUEGER: Thank you.

Assemblyman Mank-telow. I'm trying.

ASSEMBLYMAN MANKTELOW: Perfect, Madam Chair.

William, a question for you.

I think your ask was again 75 million this year in the budget.

MR. SIMMONS: Yes.

ASSEMBLYMAN MANKTELOW: And it was 75 million last year as well?

MR. SIMMONS: Yes, correct.

ASSEMBLYMAN MANKTELOW: How much of that goes to actual admin costs, of the 75 million? Or is that total project money?

MR. SIMMONS: Yeah, most of that is capitalization, utilizing the Low Income Housing Tax Credit Program, the 9 percent and the 4 percent program. That's where those dollars go.

Very little to none goes to operational costs.

ASSEMBLYMAN MANKTELOW: So if you had to take a wild guess, how much goes to admin?

MR. SIMMONS: Again, I think all of it -- all those dollars are capital, committed to the capital --

MS. MILSTEIN: They're capital expenses, and they have some over -- you know, project administration fees built into the LIHTC construction program. So it's less than a market-rate project would usually see in terms of project oversight and things like that. It's pretty tight.

ASSEMBLYMAN MANKTELOW: So if most of that money goes there, where does the funding go for you? Or how do you get paid?

MR. SIMMONS: I get paid because I'm a member of the Public Housing Authority. And so we get our money from the federal government.

They pay -- we have a contract with the federal government for the maintaining of --

ASSEMBLYMAN MANKTELOW: Okay.

MR. SIMMONS: And so we're building out new and affordable housing or repurposing our existing housing, but my salary is paid for by the Department of Housing and Urban Development.

MS. MILSTEIN: It's not a capitalized expense as the industry is.

MR. SIMMONS: No.

ASSEMBLYMAN MANKTELOW: I was just wondering, because every dollar that we can put out there on the ground is a dollar well spent. And I'm not saying spending money on you is not well spent, but I like to see the projects.

And I believe your association was very instrumental in the St. Francis apartments in Geneva.

MR. SIMMONS: Yes.

ASSEMBLYMAN MANKTELOW: And I just wanted to give you a shout out on that. I followed that project. I live in Lyons, just a little ways north, and that project was really, really well done. So I just want to give you kudos to a great job, because that was good to see and it's good to see those dollars go there into something that's really, really useful for the community.

So thank you for what you've -- however you helped that project, thank you.

MR. SIMMONS: We have a lot of hardworking public servants who are very, very committed to public and affordable housing. Thank you.

ASSEMBLYMAN MANKTELOW: Thank you for the time, and I'll yield the rest of my time, Madam Chair.

CHAIRWOMAN KRUEGER: Thank you.

Senator Steve -- Assemblymember Otis.

ASSEMBLYMAN OTIS: Thank you very much.

A question for Mr. Simmons. Thank you for being here.

Could you give us a sense for the outside of New York City housing, municipal housing authorities? How's the financial health and physical health compared to a couple of years ago, where there were some real stress points?

MR. SIMMONS: In my testimony today there's about 22 housing authorities that have used the state funding for the tax credit program, along with the money that they had from the Department of Housing and Urban Development. Many of them have spent anywhere from 10 million to $20 million revitalizing their properties, and many of these properties prior to getting involved with New York State were really just dying the death of a thousand cuts because the Department of Housing and Urban Development really wasn't funding to the level for the capital needs of public housing.

So many of them are doing great, and there's quite a list more of housing authorities that are utilizing the program now. It wasn't easy in the beginning because many of these housing authorities were getting their federal funds from HUD and getting an allotment and they would just apply it to their repairs as much as they could do, but getting involved in tax credits is a lot more complicated -- lawyers, developers, architects, engineers -- and it took a little bit of work to change the paradigm for so many of these housing authority members and their boards.

But we got there, and it's been working out great.

ASSEMBLYMAN OTIS: We need to keep the money flowing. We need to keep that continued work a reality.

MR. SIMMONS: Yup. Yup.

ASSEMBLYMAN OTIS: Thank you very much. Thank you for what you do.

MR. SIMMONS: Thank you.

CHAIRWOMAN KRUEGER: Senator -- you know, I'm in a pattern of I call the Senators and an Assemblymember calls the Assemblymembers, so I keep rolling it wrong, I apologize.

SENATOR KAVANAGH: I'm willing to jump in, though.

(Laughter.)

CHAIRWOMAN KRUEGER: No, we don't get anymore, sorry.

(Laughter.)

CHAIRWOMAN KRUEGER: Assemblymember Novakhov.

ASSEMBLYMAN NOVAKHOV: Thank you.

So Neighborhood Preservation Coalition and the Community Preservation Corporation -- my question is to Erin and Mark. How are you going to preserve New York City private-houses-only communities and neighborhoods from the City of Yes? So how can I avoid a 10-story building next to my two-story house? And how much money is intended for that cost?

Thank you.

MR. STREB: So Neighborhood Preservation Coalition, our companies are not-for-profits on the ground. We utilize the tools of the toolbox. The tools are all the great programs that HCR runs and you guys fund, because each instance is a unique challenge of its own. So the goal is to make sure we maintain people living in their homes. If that's making sure that their boiler works or there's a hole in the roof or whatever type of service that they need, our companies are the ones that will help identify that, work with that constituent, and make sure they can stay in that home.

MS. BURNS-MAINE: And CPC is a construction lender. We also have permanent mortgage products. We absolutely will be working with any sort of new developments to advise City of Yes.

We're excited to see New York City neighborhoods embrace a little bit more housing in every district, and we're grateful to the state for their commitment to build the infrastructure to allow those neighborhoods to embrace it.

ASSEMBLYMAN NOVAKHOV: So there's nothing -- because I'm coming at it from the name of your organizations. So there's nothing to preserve the community or neighborhood and to protect it from the larger developments of the City of Yes program?

MS. BURNS-MAINE: I don't think I understand the question.

ASSEMBLYMAN NOVAKHOV: I mean, for me, preserving the community and preserving the neighborhood is exactly, you know, the opposite of the City of Yes. Right?

MS. BURNS-MAINE: Understood. Sure.

ASSEMBLYMAN NOVAKHOV: Are your organizations doing anything to preserve those communities and neighborhoods?

MS. BURNS-MAINE: So CPC has been

around for 50 years. Our preservation is really looking at housing and affordable housing as a precious resource, which it is in New York City.

We absolutely are committed to preserving affordable housing, rent-stabilized housing. Our investments into the signature portfolio I think speak to that, as well as, you know, our 50-year history in the rent-stabilized stock.

We see investing in new construction and a little bit more housing in every neighborhood as something that we need to do to preserve the City of New York. So absolutely, that's part of our commitment to preservation.

MR. STREB: Every home, every apartment building that we can make sure stays in good working order or every small landlord or every landlord can maintain that property, I think that is a step in the right direction.

CHAIRWOMAN KRUEGER: Assemblymember Meeks.

ASSEMBLYMAN MEEKS: Thank you.

I think this question can go across the board.

Are you meeting state MWBE regulations or guidelines that are set forth? And what are you doing to meet those regulations or those standards?

MR. SIMMONS: From the Syracuse Housing Authority standpoint, our goals are 30 percent participation. Not only do we meet the goals in terms of our capital improvement programs, but for our vacant apartment prep turnaround program from operational monies, the vast majority of our contractors are MWBE.

We meet and exceed the goals all the time. We do constant outreach for contractors and promoting of our programs. And what helps us out tremendously is that many of our vendors get paid on a biweekly basis. So if I'm a contractor and I do work with the federal government or state government, I may have to wait 20, 30 days. Syracuse Housing Authority, we pay you in two weeks. And so guys love to work and they keep coming back.

So we run a very active program, been doing it for years.

ASSEMBLYMAN MEEKS: Thank you.

MS. MILSTEIN: All of our developers that build affordable housing are required, because of the public/private partnership, to meet a minimum threshold -- maybe you know it. I think it's 30 percent of the workforce is required to be MWBE certified by the city or the state, depending upon the funding mechanism.

And those funds are overseen and checked on. And NYSAFAH, for our part, runs forums where developers who are hiring and contractors who are hiring, we have job forums where we bring together vendors and MWBE companies with those who are seeking to hire those companies as part of their public/private contract financing, so.

ASSEMBLYMAN MEEKS: So what percentage would you say you're meeting as it relates to MWBE?

MS. MILSTEIN: Everyone is required, to get funded -- I believe it's 30 percent.

ASSEMBLYMAN MEEKS: We're familiar with what the requirement is, but we know that often that's not met. So are you --

MS. MILSTEIN: Well, in our program they have to be met or you don't get paid. So if you don't have certified and checked and vetted 30 percent compliance, you won't get -- the funds won't flow.

So for those public/private partnerships -- I don't know what happens on other projects, but for all of our projects, it's nonnegotiable. I mean, if you don't meet the requirements -- there are huge fines if you don't meet the requirements and stay certified.

ASSEMBLYMAN MEEKS: Thank you.

MS. BURNS-MAINE: That's right. I would add to that it's the same answer I think for CPC's portfolio.

And I would also add we understand that the real estate industry has a very high threshold for entry, so we've been doing a tremendous amount in the last few years to invest in -- we've been providing technical assistance and training through our ACCESS Incubator program to -- I think we're in our fourth cohort of new, up-and-coming developers, many of them are led by people of color, to develop their own small businesses and their own real estate projects, building the industry up. We've invested $40 million of CPC's money in that program.

ASSEMBLYMAN MEEKS: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

All right, with that, thank you all for your participation and your testimony today, and your work on behalf of New Yorkers every day.

We're going to excuse this panel, and we're going to call up Panel B: Legal Services for New York City; Center for New York City Neighborhoods; Center for Public Enterprise; Strong Economy for All Coalition.

(Off the record.)

CHAIRWOMAN KRUEGER: I think we only

have two of the four representatives.

(Off the record.)

CHAIRWOMAN KRUEGER: Is Charles Khan, Strong Economy for All, here? I actually know he was at the earlier hearing this morning, so maybe there was just a little confusion.

So hi. Because, let's see, there's only one of you -- but there's one, two, three, four, five, six on the next panel -- please start.

You have to press it to green -- oh, there, you had it. Oh, there you go.

MS. BLACK: Good afternoon. I'm Rosalind Black. I'm the Citywide Housing Director of Legal Services NYC, the nation's largest provider of free civil legal services --

CHAIRWOMAN KRUEGER: Pull it a little closer so people can hear. Thank you.

MS. BLACK: I'm the housing director at Legal Services NYC, the nation's largest provider of free civil legal services to low-income households.

Thank you for allowing me to speak today about the innovative Housing-Public Benefits Initiative built with the funding allocated to legal services for representation for eviction, starting in 2023.

In 2023 we were very pleased to receive $10 million administered by OTDA and presented as a renewable three-year grant to provide eviction prevention services. We knew this funding could have a huge impact on tenants facing eviction if we could figure out how to break the eviction cycle by increasing income and rental subsidies for those coming before us.

So we built this Housing-Public Benefits Initiative. We now have 40 public benefits advocates who partner with our housing attorneys. Here's an example of our work.

Mr. A is a 65-year-old disabled veteran who was living in a rent-stabilized Manhattan apartment for 15 years. His landlord sued him for $33,000 in back rent.

His SSD income was too low to afford his rent. A public benefits attorney immediately partnered with our housing attorney. Using legal strategy we won a $4,000 reduction in the rent owed. We increased his income by getting him on food stamps at 230 a month. We got him a CityFHEPS rental subsidy that paid the arrears of $29,000, and now he has an ongoing rental subsidy from CityFHEPS of $550 a month.

Given this disabled veteran's serious health issues -- he had been hospitalized for five months with a leg infection and faces amputation -- losing his home would be devastating. Fortunately, our team's tenacious and holistic advocacy allowed him to remain in an affordable home and gain long-term financial stability.

This is just one of the thousands of examples of how we've been able to expand our work. We can now evaluate every one of the many thousands of tenants who come to us at risk of eviction to make sure they receive every cent of benefits and rent subsidies they qualify for -- from the Medicaid savings plan to food stamps, FHEPS, CityFHEPS, and SCRIE/DRIE rental subsidies and benefits.

With our help, tenants get the income and rental subsidies that all of you in the Legislature have fought so hard for.

From the program's inception in October 2023 through 2024, our organization handled over 7,000 cases. We went from handling 690 benefits cases in all of 2023 to over a thousand cases every quarter in 2024, which is more than a 480 percent increase.

Crucially, the number of cases where we get back-rent money from public assistance or charities is going down relative to the number of more permanent affordability solutions like FHEPS or CityFHEPS or SCRIE/DRIE.

While we received 10 million the first year, our funding was reduced to 4 million the second year as other providers were brought in to share a $10 million pool.

(Time clock sounds.)

CHAIRWOMAN KRUEGER: Thank you.

Senator Robert Jackson.

SENATOR JACKSON: First, thank you for staying the course.

MS. BLACK: Absolutely.

SENATOR JACKSON: And Legal Services of New York City, that only deals with housing or it deals with other aspects of legal services?

MS. BLACK: Well, our organization is -- you know, we provide all legal services. I'm here as the housing director speaking on behalf of the funding that we receive in particular from the state that funds the Housing-Public Benefits Initiative that we have.

SENATOR JACKSON: And you said that your request was $10 million, is that what you said earlier?

MS. BLACK: Yeah, I didn't quite get to finish. We received $4 million this year, so we're requesting that we receive 10 million and that the overall pool, which for New York City right now is at 10, be increased to 30 million, and the other providers doing this work be similarly proportionally increased in funding.

SENATOR JACKSON: So the 10 million is not only for housing, it's for the entire New York City legal services? Or is the 10 million for only housing?

MS. BLACK: The $10 million is going towards the innovative project that really supports the housing, that gets the people the public benefits that they are entitled to in order to prevent their eviction and provide them with long-term affordability. So yes.

SENATOR JACKSON: Well, let me thank you, as I said earlier, for staying the course. Obviously you and your team that you supervise down in New York City are doing a great job. I mean, the needs are great and as attorneys working in order to help people stay in their home and/or whatever the problem is, it's so, so important.

And I want to thank you on behalf of all of the constituents no matter where they live at -- my district is in Northern

Manhattan in the Bronx -- but anywhere, it doesn't matter. You're doing a good job.

And I want to just ask you about that. How many people under your jurisdiction as the citywide housing director are dealing with housing?

MS. BLACK: How many housing staff do we have?

SENATOR JACKSON: Yeah.

MS. BLACK: Over 200. I mean, it's been amazing to be able to grow the size of our staff and have -- you know, with the resources mostly from the city, right -- that we are engaging in right to counsel and engaging in affirmative tenant work, yeah.

SENATOR JACKSON: And last year, what was in the budget?

MS. BLACK: Last year New York City received $10 million.

SENATOR JACKSON: You received the 10 million, you said?

MS. BLACK: New York City got 10 million, yeah.

SENATOR JACKSON: And is that what

you're asking for, the same thing?

MS. BLACK: We're asking that -- well, right now -- right now it's not in the Executive Budget at all, it's in the -- I believe it's in the Assembly budget and it's in the Senate budget. It's in I think the Senate at 10 and the Assembly I think at 30.

We were asking that it be, you know, part of the state budget at 10 and we are asking for an increase overall to 30 so that our org would get 10 and the other orgs would get I think 10 and 10 as well.

SENATOR JACKSON: Okay, thank you. I'll follow up with you later.

CHAIRWOMAN KRUEGER: Thank you.

MS. BLACK: Thank you, Senator Jackson.

SENATOR JACKSON: Thank you.

CHAIRWOMAN KRUEGER: Assemblywoman Rosenthal.

ASSEMBLYWOMAN ROSENTHAL: Thank you very much. And thank you for your work.

Have you seen good-cause eviction cases during the past year?

MS. BLACK: Yes. I mean, good-cause eviction is having a huge impact in a lot of very positive ways. It's giving, you know, tenants defenses and reasons to be able to stay in their homes.

It's also impacting our work in the sense that housing eviction defense is becoming more complicated and more time-consuming because the law -- there was a lot of vagueness in the law, right? I'm sure, you know, intentionally left that way that will be resolved through litigation. Right? Like what is a small landlord who owns this building, so the litigation coming out of that is making Housing Court cases much more complex.

ASSEMBLYWOMAN ROSENTHAL: I mean, in my office I found tenants who live in a good-cause-eligible apartment building often do not get those lease riders where they need to be informed if they are or are not subject to good cause, and the increases are much steeper than 8.84 allowed. Have you seen that as well?

MS. BLACK: We -- the people who come to us, there have been a few who have been in that situation. We've been able to clear it up, obviously. Right?

And so we hope that more people continue to contact us with their questions, right, who come to us proactively who say I didn't get the notice, is my building subject to good cause? And you really need a lawyer to navigate it. It's almost impossible on your own to be able to do the investigation to uncover whether you qualify.

So we are available as a legal services provider to engage on those issues.

ASSEMBLYWOMAN ROSENTHAL: But, you know, more case law is being developed on this matter?

MS. BLACK: Case law is being developed every day. Yes, absolutely. You have to give a notice, and when, and we're litigating all those meaty issues, absolutely.

ASSEMBLYWOMAN ROSENTHAL: Yeah. Well, hopefully we can fix some of that and make it better in the future.

I carry the bill with Senator Kavanagh establishing the Housing Access Voucher Program. Since you mentioned the other voucher programs, I wonder if you'd just say a few words about the necessity for a statewide voucher program.

MS. BLACK: Yeah, absolutely. I feel that, you know, the tenants who are lucky enough to qualify for the limited voucher programs -- we fight really hard to get them in, but most of the people who come to us are not qualifying for it, right? They don't have a way to afford their apartments and have them -- be able to have rents that they can sustain.

You know, if there were to be such a program, what we're doing here will go really nicely hand in hand to support it. Right? We can make sure people qualify for it, make sure people have it at the right level, fight for all those things. So absolutely. It couldn't be more crucial to have those kinds of vouchers for tenants.

ASSEMBLYWOMAN ROSENTHAL: Okay. Thank you, and thanks for your work.

MS. BLACK: Thank you.

CHAIRWOMAN KRUEGER: Senator Brian Kavanagh.

SENATOR KAVANAGH: I'll try to be brief here.

Just -- this is partly just to clarify what the ask is and what happened in response to some of the questions from my colleague Senator Jackson.

So just -- this is your -- you're talking about the funding that has been added over the last few years by the Legislature for legal assistance specifically for tenants throughout the state. And obviously you handle the New York City portion of that, right?

MS. BLACK: Yes.

SENATOR KAVANAGH: So this is the program that we had 25 million -- we originally had $25 million that was sort of carved out of ERAP money, and that was only for non-New York City, I believe. And then we -- over the last couple of years we got it up to 40 million; in last year's adopted budget, $40 million for outside New York City, and you had a $10 million pot for within New York City, of which your organization got $4.2 million, is that right?

MS. BLACK: Our organization receives $4 million of the $10 million New York City pot. I believe there's 35 million that goes -- 40 million went to the upstate communities and 10 for New York City.

SENATOR KAVANAGH: Forty for upstate and 10 for New York City.

MS. BLACK: Yes.

SENATOR KAVANAGH: And that was divided among Legal Services and Legal Aid and a few others.

MS. BLACK: Legal Aid Society is getting 4 and I think 2 goes to New York City -- {inaudible} civil justice.

SENATOR KAVANAGH: And you're proposing for this year, for within New York City, a total of $30 million, of which you would hope to get 10 million for Legal

Services NYC, is that right?

MS. BLACK: Yes, that's correct.

SENATOR KAVANAGH: Okay, good. I'm going to leave it there. I appreciate your work and obviously you have been very supportive -- going to make sure this money is available.

But I don't have any further questions. Thanks.

MS. BLACK: Okay, absolutely. Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Assemblywoman Levenberg.

ASSEMBLYWOMAN LEVENBERG: Thank you so much.

I was so interested to hear about the Housing-Public Benefits Initiative -- is that what you said? Is that also available outside the city? Like some of that money that Senator Kavanagh was just mentioning, is that also going to that same initiative outside the city?

MS. BLACK: So there's a pool of money that goes to the upstate organizations. How they are using their funding will vary. So a lot of those organizations are using it for eviction defense in Housing Court, for legal representation, because they don't have any funding to do that. So they are prioritizing how they're spending their money.

I'd say upstate communities, they also have maybe less access to a lot of those benefits. A lot of those subsidies are specific to New York City. A lot of the ability to get money for public assistance for rent arrears don't exist, unfortunately, for the upstate communities.

So I think they're doing different things with their pool of funds.

ASSEMBLYWOMAN LEVENBERG: Interesting. It would be interesting to learn more about it and how some of that could help inform our decisions about what we could do to support upstate communities as well.

And I was just wondering if Legal Services of the Hudson Valley is your -- is that a counterpart of yours in --

MS. BLACK: Yeah, they're one of the

organizations statewide that's part of the group from OTDA that is funded. Absolutely.

And I think the New York City model is a great model and I would hope the upstate communities could have the resources to do something similar.

ASSEMBLYWOMAN LEVENBERG: Absolutely.

And I guess the other question was just how can we help more people qualify for HAVP. You said that -- basically it just sounded to me like you said we need to expand it and most people don't qualify. And obviously I'm interested in upstate since I represent communities in Westchester and Putnam.

So do you have suggestions for --

MS. BLACK: Right. So in addition to creating the pool, I believe there are bills out there -- I think, you know, Assemblymember Rosenthal sponsored a bill to increase the availability of the SCRIE and DRIE where your rent freezes, and extend that to upstate to allow upstate communities to opt in and to increase the amount -- you know, the income levels for which people qualify. I think those are all great starts.

ASSEMBLYWOMAN LEVENBERG: Awesome. Thank you so much.

MS. BLACK: Okay, thank you.

CHAIRWOMAN KRUEGER: Okay, thank you.

Assemblymember Burdick.

ASSEMBLYMAN BURDICK: Yes, thank you.

And thank you for the work you do.

And this is similar to the line of questions that my colleague Dana Levenberg had asked. That, you know, one of the things that I see is so many of the terrific programs like yours that take place in the city. And, you know, we are proud of the work that Legal Services does in Westchester County.

But, you know, looking at it from a statewide basis, you know, what do you see as some of the overarching lessons that you've learned yourself as well as in talking to, you know, folks like Legal Services of the Hudson Valley?

MS. BLACK: I know there's obviously

been a lot of efforts made to try to have a statewide right-to-counsel bill passed. I know that that hasn't been successful. But we've been attacking it piecemeal, right, some of the Westchester -- Westchester now has a right to counsel, right, which is pretty amazing. And it's kind of gone community by community where we've been able to uplift these efforts.

And I'd say, you know, upstate can -- it's a resource issue, right, in terms of like having the ability to have money out there to prevent the evictions. Right? Like we can go to court and as lawyers we are usually successful, right? Like from our organization, 90 percent of the people with lawyers don't get evicted. But in part that works because we have a pool of money that we can count on to solve these crises.

And I think, you know, a lot of the upstate communities don't have those pools. And we see kind of unique things being done in other jurisdictions -- like Philadelphia, for example, where they have small pools of money and they can like have resolution of cases with some smaller funds of money. And so I think that's part of maybe having those resources there.

ASSEMBLYMAN BURDICK: And can I ask you, do you see on a statewide basis that there's -- to be honest, is it fragmented or is it unified in terms of legal services organizations working together to try to, you know, promote their shared needs and such on a statewide basis?

MS. BLACK: Yeah, and absolutely we coordinate with all the legal services community. There's quite a lot of coordination that goes on.

I'd say what legal services look like in different communities, it varies a lot, right, from having the resources, to like give advice only to cases, to being able to like, in New York City, fully litigate things. And that's like somewhat of a resource question, right? Can you only have a lawyer for a day and can you have a lawyer on your case?

ASSEMBLYMAN BURDICK: But it's not just money, of course, it's also ways in which to go about it. And is there sharing among the organizations?

MS. BLACK: Yeah, absolutely. We meet together. There's a coalition of, you know, housing providers statewide, and so we share those resources.

I think the state is also working on creating like a technical assistance thing that's happening in terms of like maybe a centralized statewide intake system that the Judiciary Committee is working on.

So I think there's a lot of efforts to like pool resources statewide that happen and are really important, right?

ASSEMBLYMAN BURDICK: Well, thank you very much for the work you do.

MS. BLACK: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

And to close this one up, Assemblymember Novakhov. You'll tell me how to say it correctly at some point.

ASSEMBLYMAN NOVAKHOV: Perfect.

CHAIRWOMAN KRUEGER: Perfect? Thank you.

ASSEMBLYMAN NOVAKHOV: Hello. Thank you for being here.

So my first question is about the ADU program. Has this program been successful?

MS. BLACK: You're talking about the accessory dwelling units?

ASSEMBLYMAN NOVAKHOV: Yes.

MS. BLACK: I'm not an expert on accessory dwelling units. It's not really in the wheelhouse of what we do.

I know, you know, in general it's a source -- could be potentially a source of housing, right, affordable housing, and allow homeowners to, you know, get some more income as well as provide affordable housing.

My understanding of the program so far, it's been pretty limited, right? Maybe the communities that got it weren't the same communities that really were looking for the resources to do it. But I don't have all the exact details of how successful -- I know they've put more money into it, right, with part of the City of Yes, I believe.

ASSEMBLYMAN NOVAKHOV: That's fine. Okay. So yeah, it is a part of City of Yes.

And since it's legal services, how are we going to protect, legally protect those small private-house communities and neighborhoods from larger developments within the City of Yes program?

MS. BLACK: The ask is how we protect the homeowners or the --

ASSEMBLYMAN NOVAKHOV: Yeah, how do you help -- how can you help to protect the homeowners, their neighborhoods, from the City of --

MS. BLACK: Yeah. I mean, we do have a homeowners protection program in our organization that this -- you know, you all as a state body have supported, you know, very consistently over time. And so the work there is to like, you know, prevent people from losing -- you know, prevent deed theft, prevent discrimination and help those small homeowners hold on to their homes.

So absolutely, that's a huge priority

for the organization. Yeah.

ASSEMBLYMAN NOVAKHOV: And how much money is intended for that cause?

MS. BLACK: How much money is in that program? It's $40 million a year. I think it's in the state budget for 40 million this year.

ASSEMBLYMAN NOVAKHOV: Is there a specific allocation for the -- like protecting those small communities? Is there a specific allocation of money? How much money specifically?

MS. BLACK: From what I know, and Senator Kavanagh probably knows a lot more about it than me, that money is part of the homeowners protection program. It's specifically allocated for those legal services to make sure the homeowners know their rights and can enforce their rights and hold on to their homes.

ASSEMBLYMAN NOVAKHOV: Understand. Thank you so much.

MS. BLACK: Thank you.

CHAIRWOMAN KRUEGER: Thank you.

Thank you very much for your attendance. You got your whole panel to yourself. I'm not quite sure how that worked out, but appreciate your work and the work of all of legal services.

MS. BLACK: Thank you. Appreciate you all as well.

CHAIRWOMAN KRUEGER: Thank you.

And next I'm going to call up Panel C, which I think is a full panel. We'll see. New York Building Congress; New York Housing Conference; American Institute of Architects; Habitat for Humanity New York; Open New York; Association for Neighborhood and Housing Development.

(Off the record.)

CHAIRWOMAN KRUEGER: Hi, everybody. So we did lose -- or we don't have the New York Building Congress.

So just first start off by introducing yourselves so the people in the booth know what face and name to match up when you do testify. Please.

MS. ROBBINS-CUBAS: My name is Shakti

Robbins-Cubas, New York Housing Conference.

CHAIRWOMAN KRUEGER: Okay.

MR. BARRETT: Michael Barrett. I am the CEO of Habitat for Humanity New York State.

MS. DONOHUE: Bria Donohue, with the American Institute of Architects.

MS. GRAY: Annemarie Gray, executive director, Open New York.

MS. GOLDSTEIN: Emily Goldstein, Association for Neighborhood and Housing Development.

CHAIRWOMAN KRUEGER: Great. So we're going to start again at the right. You're going to have three minutes, and the clock will go off when your three minutes is up.

And I have to excuse myself for just a few minutes, but I leave you in the very capable hands of Senator Brian Kavanagh.

Please start.

MS. ROBBINS-CUBAS: Good afternoon. My name is Shakti Robbins-Cubas. I'm a senior policy analyst at the New York Housing Conference, a nonprofit affordable housing policy and advocacy organization. We work to advance policies and funding to support the development and preservation of decent and affordable housing for all New Yorkers.

Thank you to the committee chairs and the other members of the Legislature for the opportunity to testify today.

Crushing costs are pushing families to the brink. Housing insecurity is rising as supply shortages are locking New Yorkers out of affordable homes. Meanwhile, the threat of federal funding cuts looms large, making it even more critical for New York State to step up.

We do support the Governor's $1 billion commitment to the City of Yes for Housing Opportunity, but note that spread over five years and broadly allocated, it risks being diluted at a time when the crisis is accelerating. NYCHA and Mitchell-Lamas, two of the city's most vital sources of permanent affordable housing, could easily absorb the full $1 billion allocation and still fall short of their capital needs.

We strongly support several proposals to increase housing supply, including the $110 million for infrastructure and technical assistance for Pro-Housing Communities. We support the $50 million mixed-income revolving loan fund. We support doubling SLIHC to $30 million per year through 2029 and the expansion of the New York State Historic Tax Credit. We're also very pleased to see $40 million included in the Executive Budget for the Homeowner Protection Program, and we strongly support the new proposals to expand and strengthen homeownership.

At the same time, with almost 200,000 residential eviction filings in New York last year -- and the number of New Yorkers experiencing homelessness more than doubling, to almost 160,000 in just two years -- it is crucial to address the urgent and ongoing needs of vulnerable low-income renters. We support 250 million for the Housing Access Voucher Program to provide rental assistance to families and individuals who are at risk of or already experiencing homelessness.

We continue to support a statewide program to provide emergency housing assistance to prevent evictions. And we also encourage the Legislature to maintain strong funding levels for existing HCR programs that protect homeowners and make affordable production and preservation across the state possible.

We also support the proposal to increase funding for supportive housing and additional bills that have been introduced that would further increase housing supply, such as the amendments to the Martin Act to preserve and expand affordable housing, and the Faith-Based Affordable Housing Act. We encourage the Legislature to include them in your one-house budgets.

Thank you again for the opportunity to testify. The written testimony is much longer and has more details and recommendations.

SENATOR KAVANAGH: Thank you.

MR. BARRETT: Thank you,

Senator Kavanagh, and thank you, Chair Rosenthal, and to members of the committee for all your great work in supporting affordable housing throughout New York State.

Habitat for Humanity is appreciative of and supports the Governor's various housing proposals, but given the limited time I'll just address one. It appears in ELFA Part K of the Governor's Executive Budget and is referred to as the fair taxation or fair assessment proposal, and it's crafted to address a reoccurring problem that we face.

When Habitat is able to use state and other subsidies to help make a home affordable, perhaps taking a $400,000 home to a 250,000 purchase price, the taxes that are then assessed are based on that fair market value as opposed to the subsidized amount, and the result is that the home becomes once again unaffordable. This undermines the intention of the state housing subsidies.

Anecdotally, our experiences on the ground are the local assessor says, Look, I'd really be happy to help you out here, but there's nothing in the law that I can point to that will allow me to assess in some other way.

And so we are delighted that the Governor has put forth a proposed correction to this in the Executive Budget which would allow local assessors to apply a 25 percent to 50 percent discount on the assessment of qualifying families who use state subsidies through a housing nonprofit like Habitat or land banks.

Looking to the extent of the subsidies contained in this proposal, we know that we've historically needed more of a reduction to facilitate homeownership. So we'd ask that in your one-house bills that you increase the range of this proposal from 25 to 50 percent to 25 to 75 percent. We think that it would maximize the potential of that proposal.

You know, I should point out that there's a similar proposal with ideal language that's carried in the majority of both houses by both Senator Hinchey and Assemblymember Barrett, who we thank for sponsoring this long-time legislation. Those proposals set the maximum discount at 75 percent, and we would encourage and respectfully ask that you include that language in your one-house proposals.

I should point out that we are yet to come across any objection to this proposal. It's a revenue-positive proposal. It's good to come to a joint budget hearing with a revenue-positive proposal. It respects local control, it helps facilitate homeownership. And these homes, of course, you know, can't be sold without it being conveyed to another qualifying family. So there's restrictive covenants on these homes. So we'd appreciate that.

And also funding the AHC at 36 million would be our second ask.

Thank you very much for all you do.

SENATOR KAVANAGH: Thank you.

MS. DONOHUE: Good afternoon.

Thank you, Chair Krueger, Chair

Pretlow and members of the joint legislative budget committee for the opportunity to participate in today's hearing.

I am Bria Donohue, director of government affairs at the American Institute of Architects New York. We represent more than 5,000 architects and design professionals committed to positively impacting the physical and social qualities of our state.

I want to commend you for your demonstrated commitment to tackling our communities' affordable housing crisis this past session by enacting meaningful policies and providing critical funding -- such as raising the Floor Area Ratio cap, creating the Affordable Housing from Commercial Conversions Tax Incentive Benefits Program, extending the 421-a tax incentive and replacing it with the Affordable Neighborhoods for New Yorkers tax incentive program, and many other great initiatives.

These tools are absolutely essential, and now we need to work together to establish a meaningful statewide strategy to streamline environmental review processes, enable transit-oriented development, and eliminate parking mandates.

In New York we have the privilege of having the nation's most robust transit system, making a policy like transit-oriented development well-positioned to make a meaningful impact and provide an opportunity for every neighborhood to do their part to address our supply needs.

This policy must go hand in hand with eliminating parking mandates, as they detract from the intended outcome of a transit-oriented development policy by restricting the number of units and encouraging car usage even in transit-rich areas, as well as add costs due to the structural demands of underground parking.

Additionally, reforms to SEQRA will help get projects online faster, eliminating hundreds of thousands of dollars and years off a project.

We have spent the past year laying the

groundwork to unlock opportunities for more housing in the city, and now we need the financial tools to go alongside, to build the housing we have enabled through zoning; specifically, the 25 billion investment in the five-year Housing Plan and 1 billion commitment for City for All in the Governor's Executive Budget.

One other topic I wanted to mention is adaptive reuse, specifically embodied carbon. Embodied carbon refers to the greenhouse gas emissions generated by the manufacturing, transportation, installation, maintenance and disposal of construction materials used in buildings, roads, and other infrastructure.

Currently materials used in construction of buildings represent about 7 percent of the total global greenhouse gas emissions. We've already implemented a number of policies to address the operational emissions of buildings, and now it's time to tackle embodied emission.

The first step is to allocate $10 million to establish financial tools to assist local low-carbon material manufacturers to develop environmental product declarations via grants of up to $10,000 per manufacturing plant to develop third-party verified environmental product declarations, and expand pays to cover embodied carbon improvements.

We look forward to continuing to work with the Legislature to unlock the tools to help our communities address the housing crisis and appreciate your consideration of our recommendations.

Thank you.

MS. GRAY: Thank you, Chairs Weinstein {sic}, Krueger, Rosenthal and Kavanagh. I am Annemarie Gray, executive director of Open NY, an independent grassroots pro-housing nonprofit with hundreds of volunteer members across the state.

To get right to the point, the proposals in the Executive Budget do not match the urgency of this moment. New York ranks among the most unaffordable states in the country. Half of renters spend more than

30 percent of their income on rent; nearly a third pay over 50 percent. Homeownership is out of reach for everyone but the wealthiest. Homelessness has reached record levels, with more than 100,000 New Yorkers in shelters each night.

Our housing shortage is not just a crisis of affordability, it's a crisis of displacement, exclusion and loss of opportunity, with both fewer homes per capita than any other state, pushing families out and limiting our economic potential. We cannot sustain a thriving economy if people cannot afford to live where they work.

New York is even projected to lose three congressional seats in 2030 due to population decline. This weakens our voice in national politics and makes it harder for Democrats to win national elections.

Albany has the power to stem this loss if it chooses to act. There are impactful and ready-to-go solutions right now, is the good news. We support the proposed Mixed-Income Revolving Loan Fund. It is a step in the right direction, but it does not go nearly far enough. And the Legislature has the opportunity to enact bolder solutions right now.

First, the Faith-Based Affordable Housing Act. This empowers religious organizations to build contextual, affordable housing on their land. It is projected to create over 60,000 new homes over the next decade. It expands the property tax base, making it revenue-positive and a community-driven solution.

Second, the Sustainable Affordable Housing and Sprawl Prevention Act. This removes unnecessary, costly barriers to building sustainable infill housing. It stops wealthy anti-housing neighbors from delaying projects for years with frivolous litigation.

Third, we need an "all of the above" approach. We need to increase housing production; we also need strong tenant protections and voucher expansion with the Housing Access Voucher Program.

The overwhelming majority of New Yorkers support these measures. Seventy-four percent of voters back the Faith-Based Affordable Housing Act and are more likely to support legislators who back it. This support cuts across regions, demographics and party lines. So this is not a partisan issue. It's a housing crisis that demands urgent action.

Albany must act now. The housing crisis threatens our communities, economy, and political influence. And the solutions are right in front of us if we have the will to implement them.

Thank you.

MS. GOLDSTEIN: Good afternoon, and thank you for the opportunity to testify today. My name is Emily Goldstein. I'm the director of organizing and advocacy at the Association for Neighborhood and Housing Development, or ANHD.

First, I'd like to thank you for your ongoing support over the years -- for six years running now -- of ANHD's Displacement

Alert Project, which is a tool that's used by many of your offices particularly to do constituent services and to better understand the particular sort of building-by-building threats, hazards and needs that are facing your districts.

We respectfully ask for $250,000 to continue to maintain and expand this tool, which we hope that many of you are finding useful, and which we know that many of the organizers and advocates in our communities are using as well.

Second, we'd like to urge you to fund, at $250 million, a Housing Access and Preservation Initiative, HAPI -- hopefully people like it. This is our proposal sort of revised from what we came with last year, to provide funding to stabilize and address the financial needs of our 100 percent affordable housing buildings throughout New York State. As you've heard already in many of the testimonies, our affordable housing stock is in pretty dire straits. A combination of rising costs and sort of pandemic arrears and nonpayment hangover is really putting our portfolios at risk. This is particularly true for ANHD's members, all of whom are nonprofits, and so operating on incredibly thin margins and really have been, frankly, overextending themselves to avoid needing to evict tenants, with the result that we're now in a bind where either tenants are at risk, portfolios are at risk, or both.

So we're asking for an infusion of a fund into the New York State Housing Trust Fund which would enable the provision of forgivable loans to address both capital sort of debt restructuring needs as well as some of the operating needs of the buildings, to sort of provide an emergency stabilization.

Third, I'd like to say that I truly hope this is the year that we pass and fund HAVP. There's never been a more critical time to create and fund a tool to really try to immediately tackle the homelessness crisis throughout the state.

Not only has this crisis been sort of building and expanding for years, we sort of all know that we're facing uncertain federal times, and I think many of us are deeply concerned that some of the federal programs that we rely on for, you know, vouchers and other forms of subsidies may not be as stable as they've been in the past. It's crucial that the state have some sort of mechanism in place to be able to have the flexibility to step in and pivot as needed over the next year and more.

And finally, I'd just like to urge you to leave HSTPA alone and avoid any further loopholes to this valuable protection.

CHAIRWOMAN KRUEGER: Thank you.

SENATOR KAVANAGH: So first off we'll have Assemblymember Levenberg.

ASSEMBLYWOMAN LEVENBERG: Oh, okay. I'm just very happy to hear all this work just for HAVP just because I am a big supporter. I also -- I think we're in competition, because I have a bill that's Housing Action Plans for Everyone, which I also have called HAPE.

I'm very supportive of the assessment

change that you mentioned, and I do think that that's something that we're going to be working on one way or another. So I will continue to support that.

And I'm also very interested to hear about the low-carbon material manufacturing, a little bit more about that. It's something that I've just been personally interested in.

Also, I just got back from the Netherlands, and so many of their parking garages are underground. They're built on water. Like if they can do it, why can't we? New Amsterdam, I think we're called, right, in the city. It seems like we should be able to build a lot of parking underground. I don't think we have figured that out yet. I don't know why.

But between low-carbon materials that we should be using and underground parking that we should have, it seems like we should be able to do much, much better.

MS. DONOHUE: Yeah, absolutely.

So two separate questions for the low-embodied-carbon materials. Really wanting to give our local manufacturers specifically of concrete the financial tools to be able to produce these environmental product declarations of their low-carbon materials, so that as requirements for low-carbon materials come online, the Port Authority has a very robust program like this that local manufacturers have the ability to comply with those regulations.

And longer term, we would love to see a New York State policy modeled off of what California and Washington are doing to require more robust embodied carbon regulation.

But to answer your parking question, the reason it's so complicated is because there's a lot of very different constructional constraints for putting parking underground. So the way the loads and the columns need to be just designed requires very different structural demands that add a lot of cost.

And so this is something that we spoke a lot about when we were this past year dealing with all the City of Yes for Housing Opportunity zoning changes, is that you can't just easily throw parking under your building. That is a very cohesive layout. It gets messy really quickly, and then the added challenge if it's a valet parking or if it's just the homeowners can use the parking. So that also adds another challenge in how the parking structurally is placed underground.

ASSEMBLYWOMAN LEVENBERG: Well, now they have those automated things, though, that kind of like, zzzhhhh (gesturing), move your car up and down.

But I do think that fewer parking spots per. We need to rely on our public transit system.

Thank you.

SENATOR KAVANAGH: Senator May.

SENATOR MAY: Hi, everyone. Thank you all for your testimony.

Let me start with Annemarie, although others might chime in.

I agree with you about the faith-based

affordable housing. Obviously I carry the bill, and the sustainable affordable infill housing. The statistics you have about how popular they are, are -- go directly in conflict with the resistance that we have from local officials. And I'm wondering -- how do we get like popular things past those guardians who are so intent on preventing any kind of change to local zoning?

MS. GRAY: Sure. And just on those statistics again, this is like even in Long Island, which is, you know, one of the often examples you hear, 70 percent -- 77 percent, actually support this bill.

So, one, I think that there's always keeping in mind that this is a small minority of people who are making the most noise. It's not necessarily representative of everybody.

I think there's also just something to really keep in mind: This is an extremely sensible bill. I mean, we're talking about we're doing this with a whole coalition of faith leaders. One of them is trying to build a three-story building in a community that already has three-story buildings. They've been working on it for three years, trying to build deeply affordable housing on their parking lot, and they got down-zoned in the dead of night by their local town.

It's just -- it's not working, if that's what we're fighting against. And New York is actually really alone among states in the entire country right now of having zero mechanism for the state to allow some sort of accountability when places have overly, frankly, exclusionary or restrictive zoning.

This is a really, really smart bill that I do think actually has a lot of popularity and is really, really sensible -- and again, supported by people who are really rooted in their own communities. So -- and we have talked to some local officials who are supportive. Of course, that is a -- you know, it is a common concern.

But I really do think this is just an extremely important bill for the state to show leadership on and has a lot more support than you might hear.

SENATOR MAY: Good. Well, that's good to hear.

And then for an architect's view, we passed last year the single-stair bill that requires a review of the Fire Code for that. It looks like it's going to take years for that to happen.

Do you have recommendations about how to move that along and how to help people understand how valuable that could be?

MS. DONOHUE: Yeah, I think that's a great question. And this is something that we're seeing all over the place that code changes are unfortunately a very slow, long, onerous process, as we're seeing just tomorrow from the Energy Code.

So I can get back to you with more information on that.

SENATOR MAY: I would appreciate that, because I think it could be transformative.

Thank you.

SENATOR KAVANAGH: Assemblymember

Kelles.

ASSEMBLYWOMAN KELLES: Wonderful.

I just wanted to start by thanking you on pushing the initiative to reduce -- or give the ability for local assessors to reduce taxes.

There is one county that does that in New York State, and that's my county. And we've been doing it for many years. It was a home-rule bill, and it has absolutely increased the amount of affordable housing that we have, but it has also enabled people who are low-income to be able to afford to own a home and move into stable housing.

So thank you. I just wanted to say thank you for that.

About the Sustainable Affordable Housing and Sprawl Prevention, my first question is, what is the average length of time that a project is delayed going through the SEQRA process right now?

MS. GRAY: It's an excellent question that I'm happy to get back to you on with more details.

But, for example, there is a project called Heat & Green in New York City. It's public land, deeply affordable senior housing that has been delayed in lawsuits for over a decade, in the middle of SoHo, rezoning one of the most resourced places in the entire country.

It's a really good case study of this bill would have -- would have made it impossible for those lawsuits to continue and have such an incredibly long delay. And there are tons of stories like that. Happy to talk more about it.

ASSEMBLYWOMAN KELLES: So it creates a full, comprehensive environmental evaluation, just not allowing the state SEQRA process that creates the ability to block it completely by NIMBY people who don't want development.

MS. GRAY: Yeah, it's basically fast-tracking things that make a huge amount of sense. Right? This is sustainable infill housing, and really taking away the ability for frivolous lawsuits that are not actually adding anything to our understanding of climate impacts and things like that.

ASSEMBLYWOMAN KELLES: But I'm assuming they also probably increase the cost of the development significantly, so they're no longer affordable.

MS. GRAY: There was a fantastic Citizens Budget Committee -- Citizens Budget Commission report on this that -- I mean, this is tens of -- hundreds of thousands of dollars, in a lot of cases, on projects that literally translates to, I want to say, hundredish dollars of literal raising the rent. Don't quote me on that figure, but I can send you the report.

But they really did a deep dive of this is cost, this is time, this is literally translating into both housing units and the cost of housing itself.

ASSEMBLYWOMAN KELLES: Thank you so much. Seems crazy, it's the opposite of what we probably intended to do, but it's being used against us.

And I wanted to put one last -- HAVP,

could not agree with you more. The one thing that drives me nuts and stresses me out is that our solution to housing cannot be build our way out of it, because people right now are becoming homeless. So anything you wanted to say on that in the last 25 seconds, please, by all means.

MS. GOLDSTEIN: Yeah. I mean, wholeheartedly agree. ANHD is not anti-development by any means. A lot of our members are developers, but just sort of build, build, build is never going to get us to where we need to be.

And in particular, when we're thinking about homelessness, when we're thinking about people who are at risk of eviction today, right, if you start building affordable housing, it's years before that comes online. Vouchers can help people today.

ASSEMBLYWOMAN KELLES: Thank you.

(Off the record.)

CHAIRWOMAN KRUEGER: Assemblywoman -- Linda, do you have questions?

ASSEMBLYWOMAN ROSENTHAL: Yes, thank

you. I have a question for Bria.

Last year we voted to allow former office buildings to be converted. Do you know how many are planned for it? Because there was discussion about how certain ones had such large floor plates that it would be impossible to convert at an affordable price.

So as far as you know for architects, have they been involved in this?

MS. DONOHUE: Yeah, I don't have a specific number for you, but I can get back to you. But one of the really great ways that that tool was going to be able to build housing is with the new rezoning that's happening in the Midtown South Mixed-Use Plan, because there's a lot of commercial buildings that can be converted into housing, and so we're really excited about the opportunity there.

But we're still trying to work out the kinks. But the large floor plates -- so around home office requirements, court requirements, and things like that around windows and light, air, safety, things of that nature. So we're still working through the kinks and we have a whole working group put together to work closely to try to figure out how we can tie affordable housing into these quite costly renovations.

ASSEMBLYWOMAN ROSENTHAL: Great. Thank you.

And for Annemarie, in terms of landmark protections for some of the religious institutions, some people seem alarmed that those will be thrown aside. I wonder if you could address that issue.

MS. GRAY: Yes, absolutely.

We want to be extremely clear that the bill exempts any current landmark properties. We even clarified the bill language last year to do that. And actually I have copies, if there's an interest, but Sara Bronin, a really extremely well-respected national preservationist, has been extremely supportive of this bill because historic properties, often they really need -- they don't have much revenue to invest in historic buildings. And so there's actually a lot of synergy of using a parking lot, excess land, to make sure you're actually, you know, investing in such a great historic resource and being extra-clear this does not -- this exempts historic properties, does not override that in any way.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

And Emily, in 45 seconds, please tell me why HAVP is so necessary in this state.

MS. GOLDSTEIN: Sure. I mean, it's because of the homelessness crisis. We have, you know, what's become really an intractable crisis even as asylum seekers, you know, coming into the city and the state have declined, homelessness has increased.

ANHD works in New York City and I know there's a kind of perception that this is a New York City issue, but that's really not true. There was a great report by the State Comptroller sort of showing effects statewide.

So, you know, at the end of the day it is humane and also, frankly, cheaper to house people than to have people continue to be homeless. And without a resource like HAVP, it's not possible.

CHAIRWOMAN KRUEGER: Thank you.

And as our last questioner, Chair Brian Kavanagh.

SENATOR KAVANAGH: Thank you very much. Thank you all for, you know, all of your testimony, for all the work you do. I've had the opportunity to work with each of you quite a bit.

Just a couple of quick questions.

First of all, on the -- Bria, if you could address this, the need -- you know, there's a desire sometimes not to do policy in the budget, and measuring embodied carbon in materials sounds a lot like policy.

Can you talk about the extent to which there's a fiscal need to facilitate that?

MS. DONOHUE: Yeah, absolutely.

So our ask, $10 million to really support local New York manufacturers to create the environmental product declarations necessary to comply with a lot of the regulations the Port Authority, for example, has, and other things that we're looking to achieve down the line in code changes for -- to enable low-embodied-carbon materials to be used and that we can long-term reduce the embodied emissions that we're seeing.

One of the main ways that -- we're doing a lot of policies around operational emissions, so that's Local Law 97, the carbon coming out of your building, but the most effective way to reduce embodied carbon in construction is through adaptive reuse and recycling materials. And so having low-embodied-carbon materials, having manufacturers be able to fund the environmental product declaration process, development and soft costs associated with that, is absolutely essential.

And so we're happy to share more information with you all about our kind of big-picture requests on how we can reduce embodied carbon.

SENATOR KAVANAGH: Great. I'll just say there will be a bill forthcoming very soon. We've been working on language with you. And not with Assemblymember Kelles, who's got many other priorities.

(Laughter.)

SENATOR KAVANAGH: Annemarie, could you just talk -- can you talk a little bit about the potential for faith-based housing development? Like what -- how much can we get in terms of expansion of housing supply by doing the faith-based?

MS. GRAY: Yeah, so we worked with the Furman Center to do a much more detailed analysis of potential sites. Based on that data, we estimate this is about 60,000 homes over the next decade.

So I know City of Yes has come up a lot; this is actually basically almost the same as City of Yes over the next decade.

And again, this is -- this is just -- this is low-hanging fruit. This is community-based development that is contextual to the neighborhoods and really driven by community and {unintelligible} faith-based organizations.

SENATOR KAVANAGH: Great. And just --

Michael, just I have 26 seconds. But you said the Part K change is revenue-positive. Can you talk about why that is?

MR. BARRETT: Yeah. Our argument is that if not but for Habitat, the home wouldn't have been built. The home would still be dilapidated if we didn't renovate it. And so these are homes sometimes that are not on the tax rolls, no longer on the tax rolls, and we put them back on the tax rolls.

SENATOR KAVANAGH: Got it. Okay. And that's my time. Thank you so much. Thank you, all of you.

CHAIRWOMAN KRUEGER: Thank you very much. Thank you for your time with us today, your testimony, and your work every day.

And next up, as we welcome back our chair of Ways and Means from his economics training, Panel D: Interfaith Affordable Housing Collaborative; Enterprise Community Partners; Rochester-Monroe Anti-Poverty Initiative; and Community Voices Heard.

And if Panel E wouldn't mind heading

towards the front, since you're going to be after this panel. It moves things along pretty quickly. Thank you.

Turns out we only have three of you here, so we're not looking for the fourth.

And if you don't mind starting from the right, just introduce yourself so the people in the booth upstairs can match name and face.

MS. MEYER: Hi. My name is Rebekah Meyer, and I am with the Rochester-Monroe Anti-Poverty Initiative, or RMAPI.

CHAIRWOMAN KRUEGER: Okay. Sir?

MR. BOYLE: Hi, Patrick Boyle, senior director with Enterprise Community Partners.

CHAIRWOMAN KRUEGER: Great.

MS. TYLER: Hi. My name is Rashida Tyler. I'm the project manager for the Interfaith Affordable Housing Collaborative.

CHAIRWOMAN KRUEGER: Okay, let's start on the right here.

MS. MEYER: All right. Good afternoon, members of the Legislature, and thank you for this opportunity.

RMAPI is a multi-sector community collaborative dedicated to breaking the cycle of poverty by shifting power and enabling upward mobility for all families. Our work is deeply rooted in community engagement, and we hear directly from those impacted by poverty every day.

One of the most urgent concerns we hear is the pressing need for increased affordable housing options, particularly for low and very low income households. Our community members have spoken clearly, and these are all quotes:

"Decent affordable housing is essential and should be a right."

"There isn't enough affordable or income-based housing to meet the needs of the people in Rochester. The waiting lists are long."

"People lack dignity when they live in decrepit apartments, houses, and neighborhoods. These conditions foster instability and crime."

"Stop penalizing those without homes

for not following complex and unrealistic rules."

And "There's no affordable housing for minimum-wage workers."

The data support these statements. In 2024, New York State had more than 150,000 homeless individuals. New York has one of the highest rates of homelessness in the country, and a lack of affordable housing has exacerbated this crisis.

RMAPI is currently diving deep into the issue of child homelessness in our community. According to data pulled by our colleagues at Enterprise Community Partners, over 3,000 children in the City of Rochester experience homelessness each year, including more than 600 under the age of five. More than half of renter households in Rochester are rent-burdened, spending more than 30 percent of their income on housing.

Housing instability leads to a cascade of negative consequences that put families at risk: Loss of employment, family disruptions, poor educational outcomes, and increased reliance on emergency services. We cannot allow these conditions to persist.

So our recommendations: RMAPI strongly supports the Housing Access Voucher Program, HAVP, which would establish a statewide Section 8-like rental assistance program providing housing stability for individuals and families at risk of homelessness. It would also support landlords by ensuring a steady rental income.

HAVP is particularly important because it will be available to individuals regardless of immigration status or criminal record. Research has consistently shown that rental assistance programs significantly reduce homelessness and housing instability and lead to substantial cost savings by reducing reliance on shelters and emergency services.

Only one in four eligible households receives federal housing choice vouchers, and localities outside of New York City, like Rochester, lack their own voucher programs. HAVP would provide close to 13,000 households with vouchers.

It also aligns with the recently released recommendations of the Child Poverty Reduction Advisory Council. Their recommendations call for the creation of a state housing voucher program. And according to their research from Urban Institute, a state housing voucher would reduce child poverty by over 15 percent.

Beyond HAVP, RMAPI supports additional policy changes to increase housing security, including increasing the shelter allowance to 100 percent of HUD's fair market rent. This allowance has not been updated since 2003, despite significant rent increases in that time period.

We also support investing in housing navigation and other support services to ensure that people with vouchers can utilize those effectively. But we also know that we need longer-term solutions.

Oh, that's my three minutes.

MR. BOYLE: Hi. Again, my name is Patrick Boyle. I'm a senior director with

Enterprise Community Partners.

Enterprise is a national nonprofit. We support community development organizations on the ground, aggregate and invest capital for impact, advance housing policy at every level of government, and build and manage communities ourselves. Since our New York office opened in 1987, we've committed more than $5.7 billion in equity loans and grants to affordable housing to create and preserve over 84,000 affordable housing units across New York State.

Thank you for the opportunity to deliver this testimony today.

In last year's session there were many important housing measures enacted along the lines of housing supply, office-to-residual conversions, ADUs, renewed tax incentives, and changes to the FAR cap. And those were all very important, as housing supply is a very important aspect of solving our housing crisis.

But I think what is on Enterprise's mind a lot these days is really the stability of tenants and the rising homelessness rate, as well as the operational challenges to housing, the housing that exists now and some of the strains that we're seeing in the affordable housing stock.

So to touch on a few of those issues, on the homelessness front, we'll join the chorus that many others have said today with respect to the Housing Access Voucher Program, which would be the single most impactful measure that could really be adopted this year to really tackle homelessness around the state.

We're also calling for around $47 million in housing navigation and related services for people with vouchers. More resources for people with vouchers is an equally important part of the picture. The voucher utilization rate or the ability of someone with a voucher to find housing with a voucher is very, very low in New York compared to other areas of the country. And this pool of funding would help everyone who has a voucher looking for housing find the housing navigation support they need to be able to obtain housing.

We call for the advancement of the recommendations of the Childhood Poverty Reduction Advisory Council, including, as Rebekah said, a statewide state housing voucher.

Fifty million dollars for the Shelter Arrears Eviction Forestallment, or SAEF program, to really address rent arrears outside New York City, where oftentimes there are more limited resources available.

And on the affordable housing preservation front, we'll join the call that others mentioned before to really help resource captives beyond the captive that has been recently launched in New York City, to further allow groups outside New York City and other nonprofits to be able to access captives and launch captives of their own.

I also just want to call, on the fair housing front, for $7 million for HCR's Fair Housing Testing Program. This increase in funding would be really necessary not only to help groups do kind of what they already do in the fair housing space, but to really expand that in other areas. And based on what we're seeing at the federal level, we're going to need more investment around fair housing enforcement here in New York.

Thank you.

MS. TYLER: Good afternoon. Thank you for allowing me to share my testimony today.

My name is Rashida Tyler. I'm the project manager for the Interfaith Affordable Housing Collaborative. The collaborative is a statewide organization that helps state-based organizations respond to the housing and homelessness crisis in their community by providing them technical assistance and pre-development funds so that they can develop housing within their communities.

We work with faith leaders across New York State in rural, suburban and urban communities who want to help keep families in their communities by providing safe, stable, affordable housing.

We all know the statistics surrounding the housing crisis. A recent report from the New York State Comptroller's office found that homelessness increased 53 percent alone from January 2023 to January 2024. Let there be no confusion. The housing crisis is an affordable-housing crisis, which is most severe among low-income families, Black and brown communities, and women.

Yes, we need to create more housing at all levels of affordability, but let us not lose sight of where the greatest need is: Housing for New Yorkers who, no matter how hard they try, cannot escape housing insecurity.

While the problem is growing each day, many communities are taking actually to criminalizing homelessness and banning activities such as camping and other activities associated with being homeless. This is actually causing and may discourage those who are seeking assistance from seeking out those resources.

We do not support the reestablishment

of involuntary commitment for those suffering from mental illness as a substitute for providing safe, affordable housing solutions. Nor do we support the employment of hostile architecture or the limitation of the provision of necessary facilities such as restrooms or the removal of public seating, as is happening right here in the New York State -- on the Concourse.

These efforts to discourage the homeless from finding places to rest, especially when they have no other options, are not doing our state any favors. Solving the housing crisis actually requires a multifaceted solution. We support policies that promote rapid rehousing and shelter, such as the increase in temporary housing assistance -- that is S113/A108.

We support the expansion of supportive housing funding and the combating of youth homelessness. We support the Housing Access Voucher Program. As many here have said, this will be one of the single most effective anti-homelessness programs that could be enacted this session.

We support also the right to counsel and the Shelter Arrears Eviction Forestallment -- SAEF -- Act.

We also support the creation of affordable housing through the Faith-Based Affordable Housing Act.

CHAIRMAN PRETLOW: Thank you.

Questions?

CHAIRWOMAN KRUEGER: Senator Brian Kavanagh.

SENATOR KAVANAGH: Thank you.

Thank you all for your testimony and for all your work.

This has been a somewhat downstate-heavy day because of just the folks that signed up to testify, so it's great to have people with a statewide perspective and some upstate perspective here.

Just -- can you just talk a little -- we -- from the Senate side we've had less talk about HAVP and SAEF partly because we had a six-hour hearing last week on that, on rental assistance. But can you just -- each of you has said that one of the single most effective things we can do is expand statewide -- rental assistance statewide and make it available.

Can you just talk a little bit more about in your areas why that would be so critical?

And Ms. Tyler, you mentioned the Shelter Arrears Eviction Forestallment program. Can you just talk a little bit more about how that -- that's a new program, but what your sort of hopes and expectations are for that?

MS. TYLER: Yes, absolutely.

So the New York State -- we cover the whole state, but I myself am from Ulster County, where it has been the center of the housing crisis in many cases.

So in Ulster County we have seen many people who have not recovered from the pandemic and are still trying to even keep up and to catch up on those rental payments. So they've started paying their rent, but they're still in arrears. And so it's very important to get them caught up, because that threat of eviction is hanging over their head.

Having the ability to have people get caught up on their rent is something that will help landlords and it will also help, you know, the community as a whole. We have people who are working three and four jobs, are doing Instacart and gig work just to survive, and not getting ahead. I think this program is vital, and I think that it will provide a lifeline for many people who want to remain in the community.

SENATOR KAVANAGH: Thank you.

CHAIRWOMAN KRUEGER: Senator May.

SENATOR KAVANAGH: I think Patrick wanted to say something.

CHAIRWOMAN KRUEGER: Oh, I'm sorry.

MR. BOYLE: That's okay.

Just wanted to briefly touch on the Senator's question.

So Enterprise is statewide in our focus, and as was mentioned, you know -- and this is an argument I think for both HAVP and the SAEF program -- you know, different areas can vary a lot in their resources around rental assistance.

So having something that's sort of statewide, that's sort of centrally focused and it's not kind of something that goes out to different social service agencies and it's a little difficult to track and it's a little difficult to see the statewide impact, I think would be huge. You know, not everyone has a CityPHEPS or other kind of existing resources like that.

And, you know, one thing that gets a little less focus on the HAVP side is, you know, also a potential ability to really project-base it would really help kind of an affordable housing supply, affordable housing pipeline perspective. And, you know, as was mentioned, the impact on landlords, particularly affordable housing landlords who are kind of struggling with their collections, vouchers are a really important part of that picture. So it's really a win/win both for the tenants and for the owners.

MS. MEYER: Am I able to answer too?

So, you know, I think in Rochester, which has a high poverty rate -- it's going down, but it is still high -- we want people to have quality housing. Landlords need to be able to cover their costs. Like the math just doesn't work when we have a city with a, you know, 26, 27 percent poverty rate, median income around, you know, in the 30,000 range.

If we want people to have affordable housing, we have to be able to pay for what that housing costs. We have to subsidize the cost of that housing. Vouchers are the most direct, effective way to do that, and a way of providing that long-term stability that people need in order to, you know, find employment, pursue education, so that they aren't, you know, maybe needing that voucher forever. But it can be that long-enough support to provide that stability that people need.

SENATOR KAVANAGH: Thank you.

SENATOR MAY: Am I up? Thank you.

I just wanted to ask Ms. Tyler the same question I asked in the previous panel about the faith-based affordable housing. Such a popular idea, but there is a kind of targeted pushback against it.

What is your plan for getting past some of that so that we can actually get things done that so many people want to see?

MS. TYLER: Right. So I think in general when you're looking at trying to overcome objections based on home rule, you actually want to try to find ways that you can adapt the Faith-Based Affordable Housing Act to be more flexible for the community.

So one way would be is height necessarily the measure that you want to utilize. I think that's up to the Legislature to make sure that the measurement that is being utilized is something that is adaptable for communities. You might be able to overcome the barriers that you faced on places like Long Island and places like other -- like upstate New York, where there are -- communities are more sensitive to height.

And so being able to find measures that work for each community and are flexible I think is key. I think that it's not something that should prohibit there being discussion and there being -- this bill from being included in either one-house. There's room for amendments and there's room for each community to weigh in.

But I think being flexible and offering each community an opportunity to find a measure that works for them is something that could be done.

SENATOR MAY: It seems to me that one factor might be if some of these properties were coming back on the property tax rolls. Is that something that's been discussed? Because that would matter a lot to local officials if, you know --

MS. TYLER: So you mean like faith properties coming back onto the tax rolls?

SENATOR MAY: If they're being rented. Yeah.

MS. TYLER: I'm not sure. I don't

want to give you a wrong answer, so I'm not 100 percent sure if that would be -- we'd have to again talk with faith communities and see if that's something that would be something that they're interested in doing too.

So I don't want to give you a wrong answer, but I'd love to explore that more with our faith communities that we work with.

SENATOR MAY: Thank you.

MS. TYLER: Yeah, of course.

But I -- if I could, I will say we have talked to faith leaders from Brooklyn all the way to Buffalo, and they are interested in building and they are frustrated by the red tape that they are encountering. Because they have property and many are, again, land rich and cash poor and are unable to actually take advantage of or help their communities by developing their parcels of land.

SENATOR MAY: Thank you.

CHAIRMAN PRETLOW: Thank you.

I want to thank you for your testimony

and appreciate your staying with us till the end.

Calling Panel E: Rural Housing Coalition of New York; Rural Ulster Preservation Company; New York State Rural Advocates; and For the Many.

(Pause, off the record.)

CHAIRWOMAN KRUEGER: So introduce yourselves first for the people in the booth.

MR. BORGES: Good evening. I'm Michael Borges. I'm the executive director of the Rural Housing Coalition of New York. We're the counterpart to Mark Streb and the Neighborhood Preservation Coalition.

MS. RAMADHAN: I'm April Ramadhan. I'm with New York State Rural Advocates.

CHAIRWOMAN KRUEGER: Okay. Please.

MR. BORGES: So again, Mike Borges with the Rural Housing Coalition.

I first want to thank the Legislature for their support last year in providing funding for several programs targeted to small and rural communities, particularly the $10 million in new funding for the preservation and rehabilitation of USDA 515 affordable rental properties, and $7 million in continued funding for the Small Rental Development Initiative, which builds affordable rental housing of four to 20 units.

Despite several new initiatives like the Vacant Rental Improvement Program, VRIP, and the Plus One ADU program, the housing shortage and affordability crisis continues. Unfortunately, the Executive Budget continues a trend of adding new programs while cutting existing ones that serve Rural New York. The funding for the aforementioned USDA and the Small Rental Development Initiative were both eliminated in the Executive Budget. Funding for the Rural Preservation Program, which provides capacity-building funding for the 60 nonprofit housing and community development organizations serving rural New York, was cut by over $2 million.

In November 2024, the Rural Housing Coalition, in collaboration with the Association of Towns, conducted a joint survey of rural municipal leaders to identify the primary obstacles to constructing housing in rural areas. Survey respondents identified the lack of infrastructure, insufficient local capacity and a lack of state funding targeted to rural areas as the three main obstacles to building housing in rural areas.

We were pleased that the Executive Budget included $100 million for infrastructure improvements in support of housing development, but the funding was limited to Pro-Housing Communities. Infrastructure funding should be allocated or prioritized for those communities that have identified the lack of infrastructure as a barrier to developing additional housing.

Local capacity was another obstacle to building housing in rural areas. Again, the Executive Budget reduced funding for the Rural Preservation Program, which supports our 60 nonprofit Rural Preservation Companies. These nonprofit organizations are the primary providers of housing rehab and repair services, as well as building new affordable housing in rural communities. Without strong and financially stable local capacity, rural communities cannot preserve the existing housing stock or build new.

The Rural Housing Coalition urges the Legislature to reject the Executive Budget's cuts to the Rural Preservation Program and increase funding by approximately $500,000 to $8.05 million so that Rural Preservation Companies Neighborhood Preservation Companies each receive equal funding. Currently, NPCs are funded at approximately around $130,000, $131,000 each. RPCs, their equivalent in rural areas, are funded at $121,000 each.

We also ask that the $250,000 carveout out of RPP funding for the Rural Housing Coalition be continued.

The last obstacle identified in the joint survey with the Association of Towns was the lack of funding specifically targeted to rural areas. Again, as mentioned previously, the Executive Budget zeroed out the programs that were mentioned earlier.

CHAIRMAN PRETLOW: Thank you.

MR. BORGES: Thank you.

MS. RAMADHAN: Good afternoon, all distinguished members of our panel. Thank you, everybody, who hung around until the end of the day.

I'm April Ramadhan, and on behalf of New York State Rural Advocates, we would like to thank you for allowing us to share our thoughts on the proposed 2026 Executive housing budget.

As New York's rural communities continue to face many challenges, Rural Preservation Companies serve as vital conduits for delivering both state and federal resources. In just the past year, preservation companies undertook 204 infrastructure projects, wrote over 564 grants, rehabilitated thousands of homes, and managed nearly 4700 affordable rental units.

However, we are disappointed to report that Governor Hochul's 2026 budget proposes a 30 percent funding cut to the Rural

Preservation Program. We advocate for a 2026 Rural Preservation budget of 8.6 million to correct this course and to provide these nonprofits with the COLA increase that they desperately need.

Homeownership has historically been a cornerstone for building generational wealth for rural families, but this is currently under threat. It is increasingly difficult for young families to secure a home because of soaring housing costs, inadequate housing stock, and competition from out-of-area buyers.

Existing homeowners also face many challenges, particularly seniors and low-income families struggling to maintain their homes.

We remain committed to our request for 36 million in funding for the Affordable Housing Corporation, as well as additional support for vital programs like Resilient and Ready, RESTORE, and ACCESS, all crucial for maintaining our communities.

As we seek to support homeownership,

we must also prioritize foreclosure preservation. We support $40 million for the Homeowner Protection Program, and we are advocating for high-quality prepurchase counseling to safeguard against a worsening housing crisis.

While homeownership is crucial, access to quality rental housing is just as important. The rural rental housing portfolio, especially Section 515 properties, is at risk due to aging infrastructure and the potential loss of affordable units. We support Governor Hochul's proposal for the Rural Rental Assistance Program, alongside advocating for additional funds to preserve Section 515 properties.

We are also requesting funding to establish a statewide small rental development initiative that we affectionately refer to as SRDI. Our rural communities are vibrant spaces filled with families and potential. We must not backtrack but rather push forward. Today I urge you to stand with us and support our funding requests for rural communities and assure affordable housing for all.

Thank you.

CHAIRMAN PRETLOW: Thank you.

MS. RAMADHAN: Wow, 7 seconds extra.

(Laughter.)

CHAIRMAN PRETLOW: Senate?

CHAIRWOMAN KRUEGER: Senator May.

SENATOR MAY: So as the chair of the Legislative Commission on Rural Resources, I am very grateful that you are here and for the work that you do.

And I guess you covered a lot of the specifics -- great job. I want you to know there are a lot of advocates in the Legislature for exactly what you're asking for.

I would -- I am conscious, representing Central New York, of the rise in rural homelessness. And I would like you to just say -- what are the main drivers? Is it cost of housing? Is it availability of housing? Or is it something altogether other than that?

MS. RAMADHAN: A lot of it is the quality of housing stock too. And that's why the preservation funds are so important.

They said earlier -- like I've heard people say earlier that preservation takes longer and it's more difficult, and that's true. But this is what we have to work with. And we have a lot of -- like the new funding, like Resilient and Ready for the storms, and there's a lot of stuff, a lot of programs that are working to keep people in their homes. And we think that's vital.

MR. BORGES: Yeah, I think homelessness in rural areas tends to be invisible. You don't have people camping out in front of, you know, storefronts and things like that. So sometimes it's hard to diagnose this and address it.

But yeah, I mean homelessness is real. I think, you know, when we try to build new housing, that's one way to address the housing crisis. But in rural communities we also need to do a lot more to preserve our housing stock, right? Because we have a lot of older housing stock that needs rehab work, repair work and things like that.

So I think we need to emphasize both building new and preserving the housing stock that we do have, because we have a lot, it's just not -- it's in disrepair or it's not habitable, and we need to invest in both at the same time.

SENATOR MAY: And the barriers to building new are?

MR. BORGES: Well, it's that survey I did with the Association of Towns. Especially in rural communities, it's infrastructure. That was their number one -- you know, we surveyed -- I think we got like 900 responses back, which is pretty good, of all the municipalities in the state. And they identified infrastructure.

I think the Governor was listening --

SENATOR MAY: Was it water --

MR. BORGES: Water, sewer. You know, roads. I mean, you know, you take for granted when you do an infill -- I have a friend who works for the Albany Land Bank.

And, you know, when they do an infill project, they don't have to worry about sidewalks and roads and sewer, it's just right there. Right?

Where when you're building something rural in the middle of a field, well, you've got to think about sidewalks, you've got to think about the road, because that's not just out there.

So there's a lot more barriers to building housing in rural communities than you would normally face as an infill project, say, in the City of Albany or some other urban area.

MS. RAMADHAN: And rural infrastructure can be wells and septics too.

MR. BORGES: Yup, exactly.

MS. RAMADHAN: And in rural areas without public water and sewer, well and septic can run $50,000, $60,000 just for a single home. And we have people going years without water or septic because of those costs.

SENATOR MAY: I understand the

Governor is trying to address some of that too, so -- great. Thank you so much.

CHAIRMAN PRETLOW: Thank you all.

SENATOR KAVANAGH: Thank you for being here.

MS. RAMADHAN: Thank you.

MR. BORGES: Thank you.

CHAIRMAN PRETLOW: All right, Panel F: West Side Federation for Senior and Supportive Housing; Selfhelp Community Services; Neighbors Together; National Union of the Homeless; Coalition for the Homeless; VOCAL-NY; and Win NYC.

Good evening, everyone. Could you, just for the recordkeepers up there, just state your name so they know which name to put under it when they post your pictures?

We can start from my right, your left.

MR. MANN: Hi. Chris Mann, from Win.

MS. SMITH: Eustacia Smith from West Side Federation for Senior and Supportive Housing.

MS. DENIO: Annalyse Denio, on behalf of Selfhelp Community Services.

MS. FRANCIS: Bebhinn Francis, National Union of the Homeless.

MS. ADAMS: Tracie Adams, from VOCAL-NY.

CHAIRMAN PRETLOW: Okay. You can start from either side.

MR. MANN: Sure, thanks. Thank you, Chairs and esteemed members of the Legislature, for the opportunity to testify today.

My name is Chris Mann. I'm the assistant vice president of policy and advocacy at Win, the largest provider of shelter and supportive housing in New York City for families.

We operate 16 shelters and nearly 500 units of permanent supportive housing --

CHAIRWOMAN KRUEGER: Move the microphone a little closer?

MR. MANN: Sure, sorry.

Each night, more than 7,000 people call Win "home," including 3800 children. Win's also a proud member of Housing Access NY, a statewide coalition of more than

70 organizations that have been fighting for the Housing Access Voucher Program.

New York's facing the worst homelessness crisis in its history. Last year homelessness doubled, with nearly 160,000 people experiencing homelessness statewide. Since 2022, the number of children experiencing homelessness has also doubled, reaching over 50,000 kids in shelter.

This is not just a New York City issue. Homelessness has skyrocketed across the state. Families with children make up 60 percent of the state's homeless population, and closer to 70 percent in New York City.

The faces of homelessness in New York City and the state are children. At Win, more than 50 percent of the 3800 kids are under the age of six. So we're talking about very young children.

Additionally, there were just under 200,000 eviction filings statewide last year, and 2.9 million renters are cost-burdened, meaning they are much more at risk of homelessness.

As a statewide rental assistance program modeled after Section 8, HAVP would help fill a critical gap, supporting families regardless of immigration status and criminal justice involvement. The need is obvious. When NYC opened the Section 8 waitlist this summer for the first time in 15 years, over 600,000 people applied in just six days.

We also know that vouchers reduce child poverty, stabilize communities, and prevent homelessness. A new report from Robin Hood found that one in four New Yorkers can't afford essentials, and the share of poverty is nearly double the national average in New York.

Governor Hochul's own CPRAC recognizes the importance of a statewide voucher. They included a recommendation for a statewide voucher that looks very similar to HAVP.

In an analysis conducted by Win last year we found that a $250 million investment in HAVP would provide nearly 13,000 households with vouchers, offering stability and preventing eviction. That equates to around 30,000 individuals.

We need to be honest; homelessness and eviction have substantial associated costs that are skyrocketing due to inaction. We found that HAVP could save the state up to a billion dollars over the course of five years through reductions in associated costs.

I'm pretty much out of time, so I'll just say we also support investments in supportive housing -- and I'll leave it at that. Thank you.

CHAIRMAN PRETLOW: Thank you.

MS. SMITH: Thank you to the joint legislative committee on housing for the opportunity to testify.

My name is Eustacia Smith, and I'm from West Side Federation for Senior and Supportive Housing, or WSFSSH. For nearly 50 years, WSFSSH has developed and operated low-income housing for older adults and currently houses over 2500 residents across 21 buildings in Manhattan and the Bronx.

We know intimately that stably housing residents as they age in place depends crucially on providing services along with housing. That is why I urge you to fund the Affordable Independent Senior Housing Resident Assistant Program. This program would fund a staff member in independent affordable senior housing, called a resident assistant, to assist residents with obtaining a broad range of services that will enable them to age in place, even as a person's needs change over time.

While affordable senior housing supports independent living, a key link is often missing -- help navigating complex government and community programs. These services can be difficult to obtain and maintain, particularly in a tech-centric world where basic appointments are often made online. Without support, many seniors give up, leading to faster health declines.

Sometimes there are barriers beyond just technical. Accessing home health aide services can be a complex, lengthy process, but also can trigger tough emotions regarding loss. After a lifetime of caring for themselves and their families, now they must come to terms with the fact that they need care.

A resident assistant builds a personal, trusting relationship and supports them past those barriers. Resident assistants also help address social issues so often faced by older adults -- noticing when someone is isolated, reconnecting them to community activities. A wealth of recent data shows that loneliness leads to poor health and decline, while social connections support better health and longer independent living.

It's critical that we implement programs like this as the older adult population is booming. A recent comptroller report shows that while New York City's total population declined by 6.2 percent, the population of those 65 and older increased by 6.4 percent. At the same time, long-term-care options are shrinking.

This program is a cost-effective solution to keep older adults housed in the community, reducing reliance on expensive nursing homes.

A similar program funded by HUD provides data that this kind of program works to reduce hospitalizations and reliance on nursing facilities, and saves significant dollars. But it is underfunded and only available to a small fraction of buildings that could qualify for it.

The Resident Assistant bill asks for just 2 million per year over five years. Estimates from LeadingAge New York indicate that this amount would roughly provide a yearly net savings to Medicaid of 4.5 million and would service approximately 1600 older adults.

Help us ensure older adults can age in place and avoid institutional care by funding the Affordable Independent Senior Housing Resident Assistant Program. And thank you to Assemblymember Rosenthal and Senator Kavanagh and all those who have supported this bill.

CHAIRMAN PRETLOW: Thank you.

MS. DENIO: Hi, there. My name is Annalyse Denio. It's nice to see many of you again. I am a senior policy analyst with LeadingAge New York, but I thank you today for giving me the opportunity to present the testimony of our member Stuart Kaplan, who is CEO of Selfhelp Community Services. And although he wasn't able to be here, he's honored to be able to share his insights on the critical needs of aging adults across the state.

Selfhelp's unique approach to serving all older adults is rooted in its longstanding work with Holocaust survivors, which has taught them that every person deserves compassionate, trusted and innovative care that respects their life experiences. Today Selfhelp provides affordable housing, home care, and community-based services to 25,000 individuals in the Greater New York City metropolitan area.

A 2023 study conducted by the

Joint Center for Housing Studies of Harvard University concluded with the well-acknowledged fact that the population of older adults is rapidly growing, and with it comes an urgent need to expand innovative housing solutions that allow older adults to age at home, safely, and with the support that they need.

New York State is no exception to that need. For older adults, the stress of unstable housing worsens existing mental and physical conditions, and unfortunately Selfhelp is increasingly seeing homelessness in this population and how the provision of housing is life-changing at any age.

Affordable senior housing is therefore not just an investment in the brick and mortar, it's an investment in its people, in communities, and in the financial sustainability of our healthcare systems. And it can help low-income older adults avoid unnecessary crises, hospitalizations, and premature institutional care, all of which come at a high human and financial cost to individuals and taxpayers alike.

Proudly serving as a key stakeholder on the Master Plan for Aging with colleagues from across the state, Stuart would like to commend the plan's emphasis on housing as a critical social determinant of health and its recognition of innovative models like the Resident Assistant Program outlined in legislation carried by Chairs Rosenthal and Kavanagh.

This type of program, modeled for more than 50 years at Selfhelp, brings social services on-site to affordable senior housing, connecting residents to the supports they need as they age safely in their own home.

Most affordable senior housing buildings, however, including those financed by the state or the city, currently have little or no financial path to providing this much-needed service. That's why we're urging the committees to support this legislation as well as an investment of $10 million over five years -- as Stacey said, $2 million per year -- in the budget to bring resident assistants into every affordable senior housing building statewide.

Years of published research has shown us that this model yields extraordinary returns. And by championing affordable senior housing and ensuring on-site services, this year's budget could be pivotal in empowering older New Yorkers who have given so much to our communities and the state, letting them age with dignity in their communities while safeguarding the sustainability of our healthcare system.

Thank you.

CHAIRMAN PRETLOW: Thank you.

MS. FRANCIS: Hello. My name is Bebhinn Francis. I'm an organizer with the National Union of the Homeless Albany chapter, and a coalition member for Housing Justice for All.

I work closely with the unhoused community of Albany, and we are exhausted. We are exhausted by the system and the housing crisis in New York State, and we are not alone in our exhaustion. Thousands of New Yorkers are suffering from the threat of eviction and homelessness. I experienced homelessness for the second time from 2021 through 2024. My 19-month crisis began when my marriage suddenly came to an end.

In the blink of an eye, I went from having the support of my husband's income to only my own. I received Social Security disability and I worked part-time, but I could not afford to secure and maintain housing on my own. I needed help. One hundred forty thousand New Yorkers need help.

I immediately applied for public housing and, after the arduous application process, I was placed on the waiting list. The estimated wait is two years or longer. I am still on that list three years later.

For 19 months, 578 days, I looked in the mirror and watched my health decline. I became malnourished, and my body stopped making white blood cells. I watched as I lost weight and I virtually faded away.

Housing is healthcare. Housing is a

human right.

According to State Comptroller DiNapoli's report released this year, Albany city and county saw a 38 percent increase in homelessness between 2022 and 2024. In total, 1011 people experienced homelessness in 2024, along with myself.

Living at or below the poverty line is like walking a tightwire. We try to maintain balance under the extraordinary pressure. The Housing Access Voucher Program is the safety net that New York State needs when we fall.

The Housing Access Voucher Program will uplift over 20,000 people out of homelessness. The Housing Access Voucher Program can prevent tens of thousands of non-payment evictions. The Housing Access Voucher Program can subsidize low-income housing so it does not fall into disrepair.

HAVP is a commonsense policy and one solution New York State wants and needs. And with the threats to federal subsidies, it is more important than ever to pass this bill.

I know that the Senate and Assembly support HAVP. So I ask that all of you push for this in the Executive Budget.

Please, and thank you.

CHAIRMAN PRETLOW: Thank you.

MS. ADAMS: Good afternoon.

And I want to thank Chairs Rosenthal and Kavanagh for sponsoring the HAVP, the Housing Access Voucher Program.

This program is very important. And if we'd have had it five years ago, things would have looked a lot better. I'm HIV-positive. I was homeless. Okay? And I have two felonies. So I don't qualify for Section 8, where HAVP will help people, individuals like me.

I applied for apartments, and the first sheet of the paper says "Have you ever been convicted of a crime?" So I don't qualify.

Another thing HAVP will help me. When we go look for apartments, you've gotta pay an application fee, which is $25. So if I go for four of them, that's a hundred dollars --

which I don't have. Okay?

HAVP would help a lot of us from having to go into a shelter. You know what it's like to live in a shelter and you're HIV-positive or you have cancer or any underlying, you know, health issues that are occurring?

Shelters get millions and millions on our heads, being in there. That money you put into shelters, we could use that for HAVP, $250 million for the first phase.

I don't know what the problem is. Children are becoming homeless. You can't become an astronaut, a politician or a teacher if you don't have proper housing. Housing is healthcare. People diminish, they die when they don't have healthcare.

If you walk outside, you see people living in the corners, living behind buildings. HAVP will rectify all of this. It's just a piece of paper that needs to be signed. We can eradicate homelessness in the State of New York. We're a big state. We're a powerful state. I don't know why we have all these homeless people. We should ask ourselves, What are we doing that is wrong?

These people come out every day. A lot of them are taxpayers, a lot of them are registered voters. Nobody wants to be homeless. Okay? Last year I was one of the people in the 191,000 people that was getting evicted. Okay? Where was HAVP? We need it in the worst way or we ain't going to have no New Yorkers. Either they're going to be dead or they're going to go to another state.

We need our state. We're a bad state. We're a strong state. Keep us together. Help us, our people that are homeless. People already get evicted. I was one of them. I'm 62 years old. Shouldn't have to live like that. I fight for the community, your-all community, our community, to help put everybody where they at.

So please, please think about it real hard. HAVP is the answer, the common solution to homelessness.

Thank you.

CHAIRMAN PRETLOW: Thank you.

Questions?

ASSEMBLYWOMAN ROSENTHAL: Well, thank you all for your important testimony.

As you know, I'm the Assembly sponsor of HAVP. And -- I mean, you've -- I couldn't have scripted it better.

But seriously, both the Senate and the Assembly for some years now have supported it, have put $250 million in our one-house budgets. So I would say that the missing link would be the Executive.

And perhaps turn some of your firepower to the second floor. And, you know, you all put it in very human terms, and that's the best way to understand it, is -- you know, it's not just words, it's people. And we desperately need to house those who are living on the street or behind buildings.

So thank you for speaking out and sharing your personal story, and thank you for working hard in the trenches to uplift all New Yorkers.

Thank you.

CHAIRMAN PRETLOW: Senator?

CHAIRWOMAN KRUEGER: Senator Brian Kavanagh.

SENATOR KAVANAGH: Thank you again.

We had a several-hour hearing last week on rental assistance particularly, because that was a hearing about things that were not in the Executive Budget. And so we thought it was important to do that to highlight that.

But I just -- I want to just start by thanking all of you, and particularly those who are sharing your experiences not having adequate services and funding available in housing. Because that's just an incredibly important perspective for us to hear every time we gather for an event like this to talk about policy and dollars and cents. You know, it's absolutely critical.

And, you know, your testimony I hope -- hopefully will have, you know, an impact on others that are part of the decision making that we need to make over the next few weeks.

I do want to just take a moment to

just highlight the Affordable Independent Senior Housing Resident Assistant Program, just because it is sort of a -- it's, for some people on the panel and in the Legislature, maybe a new idea even though the bill's been around for a few years. And this is another bill that I cosponsor with Assemblymember Rosenthal.

But just talking -- there's a -- this is services to provide resident assistants in existing housing that is otherwise -- where the housing has been funded by the state and there are not services that are comparable in federal -- that would be available in federally funded housing for a similar population.

Is that accurate? And can you just elaborate a little more on why that would be so beneficial to provide that? And again, I would just note this is not -- most of the things we've been talking about today have been capital expenditures. This is an operating cost which, you know, is a little harder for us to do sometimes.

But if you can just talk about the need for that.

MS. SMITH: Yeah. This is for independent senior housing, so maybe it's 202, HUD housing, or it could be LIHTC or some other housing. But independent. So where there's not services.

And what we find is that people go -- you know, if their needs increase, some of the services are really difficult to get, like home health aide. And so without it, the only alternative is a nursing home or higher level of care, when that could be avoided.

So we see this as an easy way to avoid some of those really expensive ...

MS. DENIO: Yeah, and I will say that while there is a comparable program in federal funded buildings, as Stacey mentioned, it's very underfunded and only about a third of the buildings in New York State that are HUD-funded that could qualify for a service coordinator do actually have a service coordinator.

And of course with everything happening at the federal level, you know, that funding is in question.

But the resident assistants are available on-site when that resident requests, and when they need it, to connect them with the services they need.

SENATOR KAVANAGH: Okay, thanks.

And that's all the time I have. But again, thank you all so much.

CHAIRMAN PRETLOW: Any other Senators?

CHAIRWOMAN KRUEGER: I do have a question.

Hi. Sorry, I had to run out and come back.

But -- so we know there's an enormous homeless population problem in the city, and it's skyrocketing. And throughout the country. I get the feeling that it's so much worse how the shelter system is working now than it was under the previous mayor. I just wanted to do a reality check.

Anybody have an opinion?

MR. MANN: I mean, I think one of the

big problems is getting paid on time for the shelters.

I think, you know, under the mayor the shelter system has expanded a lot. You know, and there was a huge need with the influx of new arrivals. And so, you know, I will give credit where credit is due. Like we have stood up a significant amount of new beds in New York City.

But I think in terms of operation, there's that significant challenge of getting paid on time. It's really hard for operators to work under those conditions when they're owed millions and millions of dollars. It's a little easier for larger providers like Win -- still very challenging, but, you know, there are other providers that are, you know, struggling to make payroll given that they're waiting so long to get paid.

CHAIRWOMAN KRUEGER: So I wasn't trying to criticize any of the providers, so -- if I sounded that way.

But it does seem like nobody's getting paid on time, contracts are very bizarre.

And then the city-run shelters themselves seem to be much more chaotic than I've seen them for at least a decade. So I was just wondering whether it was my gut instincts or whether -- you're sort of shaking your heads yes -- whether there's just something else going wrong now.

MS. ADAMS: It is. There's a lot of things going wrong. In the shelters right now -- and I'm talking about upstate, Syracuse and Rochester. That's who I oversee, both of the cities. The people are sanctioned, so if you're sanctioned, you can't go in the shelter because you have no form of payment. So that means I gotta sleep outside. Okay?

So to help people, we need HAVP and we need to lift the sanctions. But with HAVP, it wouldn't make a difference if you was sanctioned because you could get housing. But if I don't have HAVP and I go for anything else, I'm sanctioned. So there's no money for me to get to go anywhere. So I don't get no food, and I don't get no cash assistance. Means why I can't get in the shelter.

CHAIRWOMAN KRUEGER: Thank you.

MS. FRANCIS: I just want to add really quick, here in Albany, specifically shelters, that's exactly what I was going to say, was talk about sanctions.

If you're sanctioned from food stamps or public assistance, you are sanctioned from a shelter. If you're sanctioned from the shelter, you are sanctioned from food stamps or public assistance.

And the application process for these programs, all of them, is hard for a lot of people to navigate. They might make mistakes. And like a simple mistake could add -- lead to your sanction.

That's all.

CHAIRMAN PRETLOW: Thank you.

Assemblyman Chang.

ASSEMBLYMAN CHANG: Okay, works now. Okay. Thank you very much. Thank you for being here, and I know it's quite late here.

I represent Brooklyn, South Brooklyn,

and I've been -- I was born in New York City, so homelessness has been changed drastically for decades. And it seems like we're not solving this problem. So what's the real -- I mean, we can give all the housing we can but still come out with homelessness.

What -- where are the people? Are they from outside New York City or are they within? Just from my impression, when I'm out in the subway, I ask people, Where you from? And many of them are not locally New York City.

So are they coming here because of the benefits that we offer to them? Or -- or addiction issues? Or mental health issues?

MS. ADAMS: People leave upstate to go downstate because they think if I go downstate, I could find an apartment faster and I'll get paid more money, not understanding that you get -- there's more money down there because the cost of living is more.

So a lot of people are coming from other states here and then going downstate.

So our shelters are fluctuating with people coming from different states.

ASSEMBLYMAN CHANG: That's why it's always never-ending. Because if we offer all these services to other than our own New York State residents, we'll never solve this problem. It will be like a continuous black hole.

Okay, so the next question I have is we --

MR. MANN: Could I respond?

ASSEMBLYMAN CHANG: Sure. Certainly.

MR. MANN: I'll just say -- I mean, nobody wants to be homeless. So people aren't flocking to New York City to become homeless. Right?

You know, we have seen a large influx of new arrivals, obviously. And many of those new arrivals enter the shelter system because they -- a lot of them were bussed from the southern border, came to New York, didn't have connections, right? And many of them move on relatively quickly from the shelter system.

But one of the challenges there obviously has been the lack of legal assistance to get asylum, TPS, and then work authorization. So that's been a challenge that obviously needs to be addressed on the federal level.

But I think in terms of homelessness in New York City, right, before the influx of new arrivals we had a homelessness crisis. Right? We still have a homelessness crisis for New Yorkers -- long-term New Yorkers and some new New Yorkers.

So I think the main issue, right, is that we need to invest in services for the lowest-income people, and we need to build housing. I mean, no one -- no one is disagreeing that the housing supply is an issue. So that's one key component of it. But I think also, you know, we're all in favor of -- or so many of us are in favor of the Housing Access Voucher Program because it helps people get out of shelter immediately. And we know that the cost of housing someone with a voucher is less than housing someone with shelter long-term.

ASSEMBLYMAN CHANG: I'm almost out of time. Another question too is the math doesn't add up. We've got 20 million people in New York State and declining. We lost ten -- half a million people from the whole state. And the math doesn't come up. And we've been building all this housing.

So is it because it's -- the supply is different from upstate than downstate?

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

And we have Senator Rachel May.

ASSEMBLYMAN CHANG: Sorry. Thank you.

SENATOR MAY: Thank you.

And thank you for your very personal testimony. I wanted to just call attention to Central New York, where the homelessness crisis has risen so fast that for the first time ever, last year the census of homeless individuals found that there were more people in families who were homeless than individual adults, which they'd never found that before.

So this is -- this is so much about

affordability, about lack of housing for families, that it's shocking and something we really have to work on.

I also just wanted to mention I do carry a bill for sanctions relief, Senate Bill 4417. I hope that you all call some attention -- it's been very hard to get any traction for this bill. So I appreciate you elevating that issue, because it is kind of invisible and -- but really important that we deal with it.

So thank you all.

CHAIRMAN PRETLOW: And thank you all for your testimony. And actually the -- your two was really moving, when we went through that. But I wish you all the best.

PANELISTS: Thank you.

CHAIRMAN PRETLOW: Thank you.

I call on Panel G: New Economy Project; Housing Conservation Coordinators; and Fifth Avenue Committee.

Okay, just for the people in the booth, just tell us your name and -- from the three of you, and then you can start your testimony from the same direction. If you'd start on my right, your left.

MS. DIAZ: Chelsea Diaz, New Economy Project.

MR. YOUNG: Jared Young, HCC.

MR. MORALES: Julian Morales, the Fifth Avenue Committee.

MS. DIAZ: Good afternoon, Chairs and Assembly and Senate members. Thank you for the opportunity to testify today on behalf of New Economy Project, a New York City-based economic justice organization.

Founded in 1995, New Economy Project works with community groups to fight systemic discrimination and to build a just economy rooted in cooperation, racial justice, and ecological sustainability.

We cofounded and coordinate the New York City Community Land Initiative, an alliance that has fostered the growth of more than 20 community land trusts, which serve as vehicles to create and preserve permanently affordable housing and combat displacement.

We urge the Legislature to pass and

fund the Tenant Opportunity to Purchase Act, or TOPA, at $250 million annually for the next four years.

I've written detailed testimony, but I want to underscore three points.

First, TOPA is a powerful and proven tool to stabilize housing, empower tenants, and combat displacement. TOPA gives tenants a first opportunity to collectively buy their buildings when a landlord sells, on their own or in partnership with a qualified community land trust or nonprofit housing developer.

Similar opportunity-to-purchase policies have preserved tens of thousands of affordable units and shared-equity cooperatives in Washington, D.C., since 1980; San Francisco, since 2019; and other jurisdictions. New York's TOPA bill incorporates best practices and lessons learned from those and other programs.

Second, robust funding is essential to TOPA's success. A $250 million annual appropriation will enable tenants and qualified nonprofits to seize purchase opportunities on fast-moving timelines. Funding will also support technical assistance to help tenants exercise their TOPA rights and convert buildings to resident control.

Third, TOPA would bolster and multiply tenant purchases already on the rise. I've cited several examples in my written testimony in which tenant associations have partnered with community land trusts and other nonprofits to successfully purchase their buildings from neglectful landlords.

Enactment of TOPA would create similar pathways for tenants statewide, who too often face rent hikes and eviction threats when their buildings change hands.

New York State is home to a robust and growing network of CLTs, nonprofit housing developers, and legal and technical assistance providers that support TOPA and are ready to partner to ensure its effective implementation.

Finally, TOPA would go far in combating the real estate speculation that is driving New York's affordability crisis. As you heard today, Governor Hochul's budget proposal calls for a 75-day waiting period before corporate buyers could purchase one- and two-family homes. But that proposal leaves millions of tenants in the crosshairs of predatory investors.

Passing and funding TOPA will give tenants and nonprofits statewide a powerful tool to interrupt speculative building sales and bring housing into stable resident control.

New York's affordability crisis demands bold investments that address root causes of housing insecurity and homelessness. We urge the Legislature to pass and fund TOPA at $250 million in the budget.

Thank you for the opportunity to testify.

CHAIRMAN PRETLOW: Thank you.

MR. YOUNG: Good afternoon, Chairs Kavanagh and Rosenthal. I know it's been a long day, but bear with me. We're almost there.

My name is Jared Young. I am a leader in my building's tenant union and a community organizer with HCC.

I am also a constituent of Chair Rosenthal in Hell's Kitchen.

I was born and raised in a red-brick tenement in Hell's Kitchen. This building is my heart and soul. My mother has been living in it for over 30 years, and during the same time our living has been dominated by a neglectful and abusive landlord, Daniel Ohebshalom.

Suffering his constant horrific living conditions, deception and injustice has been the standard of this building. But today I am on a mission to purchase it.

The stark realities of housing insecurity, corporate negligence and tenant disenfranchisement defined my childhood, a brutal cycle that will repeat if left unchecked. But I have a vision for the future of housing in New York, and you have the power to make it a reality.

I urge you to support and fund the passage of the Tenant Opportunity to Purchase Act, or TOPA. TOPA is the key to what I call housing freedom. It represents a pathway to dignity, stability and autonomy for New Yorkers, and it's a solution to a housing crisis that needs any help it can get.

I've seen generations of families come and go at my home on 45th Street, crushed under the weight of an unjust system that prioritizes profits over people. My surviving neighbors form our community. Our tenant union has been organized since 2020, and we are bound by our shared struggle and resilience.

We're now looking to claim the rights to buy our physical home. Under TOPA, with funding, we could partner with a community land trust or CLT to buy our home. We're currently in conversations with This Land is Ours CLT. It's been years of managing the building ourselves, including boiler maintenance, general issues, and anything else our landlord chooses to evade.

They don't want this building. We do, and we're ready to take it over right now.

So I ask you to imagine a better New York and think boldly. What if, instead of living under the boot of corporate ownership, tenants had the right to purchase and control their own buildings? What if our rent went directly toward the maintenance of our homes instead of lining pockets?

TOPA makes this vision a reality. It gives tenants a fighting chance to reclaim our homes, protect our neighbors, and build communities, and it really just makes sense.

By passing and funding TOPA -- because we need that money -- we take a leap toward a New York where tenants have real power and real security, and a leap towards housing freedom. So I invite you to stand with us and take action toward making TOPA a reality. Our building can't wait, New York can't wait, and our freedom can't wait.

Thank you.

MR. MORALES: Thank you, everyone.

Thank you all, members of the joint

budget hearing for housing, for allowing me to testify today.

My name is Julian Morales, and I am the organizing and advocacy manager at the Fifth Avenue Committee, FAC.

I am here to discuss FAC's support for several housing proposals that must be funded in the FY '26 budget.

A little bit about FAC. FAC is an award-winning nonprofit, comprehensive community development corporation committed to serving 7,000 New Yorkers, low- and moderate-income New Yorkers, each year for the past 47 years. FAC strongly supports TOPA, the Tenant Opportunity to Purchase Act.

An example of how TOPA can impact FAC is that we are actively pursuing a purchase -- a preservation purchase of a former LIHTC building with a regulatory agreement which is in its extension period and expires next month. If we are not successful, then over 30 low-to-moderate-income rent-regulated families will be displaced and be homeless.

The tenants support FAC's preservation purchase of the building. The passage of TOPA needs to come with dedicated capital funding, including predevelopment funding so nonprofit CDCs like FAC can quickly assess the properties to ensure informed and fair purchase prices.

We urge the Legislature to pass TOPA in the state budget along with an annual appropriation of $250 million to support TOPA building acquisitions and technical assistance.

We also urge you all to adequately fund the Neighborhood Preservation Program, NPP, securing funding for NPP at $18.8 million -- versus what the Governor is proposing, which would enact a 30 percent cut. And some groups like FAC and our affordability organization, Neighbors Helping Neighbors, use these funds to do eviction prevention work, and FAC also uses it to support our capacity to advance our 2000 Brooklyn Homes Campaign and to preserve affordable housing as well as managing over

600 units of affordable housing.

I'll be quick in the last few other things. We have an extensive testimony that we submitted previously.

But the last few things, we are in dire need for ANHD's policy proposal Housing Access and Preservation Initiative that will allow nonprofit CDCs to create a revenue stream to help some of us who have properties since COVID that, you know, we've had to build out some of our affordable housing units that we've had to step in during these times.

And then lastly, I'll just say -- which has been heard all day today -- we strongly support HAVP.

We submitted our testimony last week, and so we just want to thank you for the opportunity to testify. And thank you.

CHAIRMAN PRETLOW: Thank you.

Assemblyman Chang.

ASSEMBLYMAN CHANG: Thank you for being here. And it's great to have homeownership, because that's a proper way of

American dream -- even though it's not the smoothest way, but homeownership is, rather than NYCHA. That's not homeownership itself.

But this 250 million, would that encompass the whole state or just only for New York City?

MS. DIAZ: It would be for the whole state.

ASSEMBLYMAN CHANG: Okay. Have they figured out what allocation would be New York City or upstate for this 250, if applied for that?

MS. DIAZ: We don't have an allocation for -- based on state or upstate.

ASSEMBLYMAN CHANG: And do we have targeted -- do we have like this centralized system of what buildings are being targeted for TOPA, a listing or other -- I mean, how do you prioritize who would be getting this funding if they go through all the regulatory hoops? Do you have any idea on that?

MS. DIAZ: Well, in order to apply for the funding, the tenants will then have to go through the TOPA process. And so that's a few steps ahead.

So some tenants may not go through that, and so it's just hard to determine exactly what that number would be or to prioritize. It would just depend on the number of TOPA participants itself.

But we can think about that and get back to you.

ASSEMBLYMAN CHANG: Where do you get the money -- where do you get the numbers, 250 million?

MS. DIAZ: It was based on property sales and costs throughout New York City. And it had some estimates based on upstate, where there's less data, and also New York City.

And again, I'm happy to follow up with some details on that.

ASSEMBLYMAN CHANG: If it's 250, I don't want it to be just a pie-in-the-sky number. I mean, what -- how do you -- based on how many potential properties would be up within one calendar year or fiscal year or would it be multiyear funding on this?

I don't -- it's great to have homeownership, but 250 is a lot of money. So -- and we'll want to make sure that we spend it wisely and also fairly all across the board.

So I hope there's a process on that and so on.

MS. DIAZ: Yes. So the 250 million over four years, we anticipate it being up to thousands of units. And again, I'm happy to follow up with you with those numbers and data.

ASSEMBLYMAN CHANG: Well, thank you. Thank you.

And Jared, this is a great -- what circumstances lead you to really need to purchase this building? And have there been obstacles from the building owner to prevent this?

MR. YOUNG: So we have had heat outages from the time I was a child. I used to take showers with boiled water every winter, consistently. We had people breaking into the building constantly. During COVID our building was entirely abandoned.

So there was a whole picture of abuse and neglect. And we realized that once we organized we had power by being together, and taking ownership of the building needs to be finalized with something like legislation.

Some of the hurdles have been just harassing us and trying to get us out. But right now they don't really have too much power. They are mandated to fix several violations before they sell the building, so we're trying to intervene in that process.

ASSEMBLYMAN CHANG: Thank you. Thank you.

SENATOR KAVANAGH: Just a brief question.

So we've been working on, you know, the TOPA legislation. There are now two different versions of the bill. Senate Housing Committee did report the bill last spring.

Just from testimony here and from all of your experience in the field, there are -- I want to -- I guess I'm looking for actionability. There are buildings, including the one that you actually live in, that are, in your view, sort of available to be purchased by the tenants if there were adequate capital. Is that a fair --

MR. YOUNG: Absolutely, yeah. We're ready right now.

SENATOR KAVANAGH: Because I just would note that the budget -- you know, the budget's coming around fast. The budget is the moment when we figure out whether there's money available for a particular purpose.

You know, we have had -- I think some of your organizations are actually working on some amendments to the -- proposed amendments to some of the existing legislation. And we do have an Assembly version and a Senate version which are somewhat different.

I think Housing Justice for All, one of the broad coalitions we work with, supports either of those bills.

But just to say, if we were to find some money in this budget for capital, for acquisition, for tenant opportunity to purchase with partners, nonprofit partners, you think you'd be able to conclude some -- make some of those transactions in the coming year?

MR. YOUNG: Yeah, absolutely.

For my building, I can speak for us, we're more than ready. We've been organized for a long time. We would purchase our units. There's other things that we know that need to be fixed in the building. Some of the things that we've taken on out of our own pockets.

But we know exactly what it would go towards. And I'm sure if we itemized it, Assemblyman {sic}, we could check off pretty easily.

SENATOR KAVANAGH: Okay, thank you.

CHAIRMAN PRETLOW: Assemblywoman Rosenthal.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

Thanks for your testimony.

How long has the TOPA idea been around? I mean, we've talked about it for some years now. Maybe you could talk about the origin of it.

MS. DIAZ: Yeah, at the -- it's been around -- not just the idea, but it's been implemented in D.C. since 1980. And it's been successful. Since 2006 it's created 16,000 units of affordable housing and hundreds of permanently affordable cooperatives as well.

ASSEMBLYWOMAN ROSENTHAL: Is there any reason to think this wouldn't be successful here?

MS. DIAZ: With adequate funding, I don't think so.

ASSEMBLYWOMAN ROSENTHAL: Okay. And maybe, Jared, you could talk a little bit more about -- you still suffer through harassment and neglect in your building, right?

MR. YOUNG: Yes. We are currently owned by a private equity firm who is pretty absent. They don't have any experience with managing buildings, so they hire outside firms who are pretty absent as well.

They are on delay for any repairs or

any of our requests. They are mandated to fix several violations before the building is allowed to be sold. And they're just going at a snail's pace with fixing those violations. Because once they fix them, that investment will not be a profit for the firm.

So they don't see it as a valuable asset. And yeah, they see it as an asset rather than our home. So we just want to intervene in that process and slow the struggle down, slow down some of the suffering, and take it into our own hands.

MS. DIAZ: And --

ASSEMBLYWOMAN ROSENTHAL: Okay, thank you. Yeah?

MS. DIAZ: Chair, if I may add two points to your question.

In addition to the excess, in addition to the funding, I also just want to note that we have lessons learned that we've already incorporated in the bill. And like you said, we have qualified purchasers like community land trusts that are standing ready to work with tenants as well.

ASSEMBLYWOMAN ROSENTHAL: And then do you think it would be -- you know, spread out among the boroughs, right?

MS. DIAZ: Yes.

ASSEMBLYWOMAN ROSENTHAL: I mean, all of -- you know of opportunities throughout the city, for example.

MS. DIAZ: Yes.

ASSEMBLYWOMAN ROSENTHAL: Yes. Okay. That's it. Thank you.

And thank you, Jared, for enduring all the harassment but still coming out of it with the zeal to succeed and provide a safe home for you and your neighbors.

MR. YOUNG: Yes, absolutely. We will win. Thank you.

ASSEMBLYWOMAN ROSENTHAL: Thank you.

CHAIRWOMAN KRUEGER: I'm sorry, I need to do a follow-up question.

So I think turning to Jared, so what is the building estimated to sell for? What do you think you need to buy this building?

MR. YOUNG: It is listed as 4 million right now. And I think that has a lot to do with some of the conditions that it's in.

But we aren't sure exactly what the valuation is. That's probably just a flimsy price. They bought the building for a thousand dollars. If TOPA had existed, we would have been able to purchase it for that. And that was because the city mandated Ohebshalom to get rid of his assets and liquidate, and that was the minimum price.

CHAIRWOMAN KRUEGER: And how many units?

MR. YOUNG: Well, so I should add that this is a joint building. So it's two buildings, 30 units. And 15 each.

CHAIRWOMAN KRUEGER: With an estimated sales price of 4 million.

MR. YOUNG: Right. Not bad.

CHAIRWOMAN KRUEGER: No. I mean, again, it's all dependent also on the infrastructure and how much more money you'd have to put into it.

I mean, I ask because I'm not so familiar with the modeling that people are using right now. My concern would be back in the eighties the City of New York was allowing tenants to buy the buildings they were living in after they had been taken through tax liens.

And -- how to describe it -- you would have tenants ending up taking buildings that were in horrendous condition because basically the landlords had sucked everything out of the building they could and then stopped paying their taxes and walked away, right? I made my money, I'm walking away.

So then the city said, Okay, tenants, you want to buy them? And the tenants said yes, please. And then tenants ended up with very difficult situations because they didn't necessarily understand how much infrastructure work was required and how their tax -- I'm sorry, their rent rolls weren't going to be enough to afford to take on the capitalization that was -- I just don't want us to be walking ourselves down a path that ended up pretty sadly for a lot of tenant ownership buildings back in the '80s.

So I guess I would suggest we all

review some of the reports that were written by advocacy groups at the time.

MR. YOUNG: Well, I'll say that I think we're in really good hands with CLTs and some of the groups that really know what they're doing that have sprung up since then. I think there's been a lot of research that you can speak to.

But yeah, I know a lot about burning buildings in the Bronx and uptown in Hell's Kitchen. I think we've moved past that, but also we have groups that know what they're doing now.

MS. DIAZ: And I'll just add that while a majority of the $250 million would go towards acquisition, an amount of that money would also go towards technical assistance, both in the immediate and long term, to ensure the long-term success of those buildings.

And just reiterating Jared's point about CLTs being ready to be that partner in the long term.

CHAIRWOMAN KRUEGER: Thank you. Thank

you.

CHAIRMAN PRETLOW: Thank you.

And I'd like to thank the three of you for your testimony, and I wish you all the luck in getting what you're trying to get, because homeownership is a great thing.

This formally closes the 14th and final hearing of the Legislature's public hearings series on the Governor's '25-'26 fiscal year budget. I want to thank everyone for their participation. I want to thank you for staying till the end. You're our closing act, and we appreciate your participation.

Thank you very much.

MR. YOUNG: Thank you all so much.

CHAIRWOMAN KRUEGER: Thank you very much.

(Whereupon, at 5:20 p.m., the budget hearing concluded.)