



**New York State Assembly**

**Sheldon Silver**  
Speaker



# 2013

## ANNUAL REPORT

Committee on

# Housing

**Keith L.T. Wright**  
Chairman





KEITH L. T. WRIGHT  
Assemblyman 70<sup>TH</sup> District  
New York County

THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

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Committee on Housing  
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Black, Puerto Rican, Hispanic, and  
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Puerto Rican/Hispanic Task Force  
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COMMITTEES  
Ways and Means  
Codes  
Correction

December 15, 2013

Honorable Sheldon Silver  
Speaker of the Assembly  
Legislative Office Building  
Albany, New York 12248

Dear Mr. Speaker:

I am pleased to present the 2013 Annual Report for the Assembly Committee on Housing. In my first year as Chair of the Housing Committee, I focused on issues that directly affect low- and middle-income families in New York State. Three of the more important of these issues are rent regulation protections, public housing, and Mitchell-Lama housing. Combined, these three policies provide safe, affordable, and accessible housing to millions of New Yorkers.

The basis for the rent regulation system is a housing emergency that is defined by a municipality having a vacancy rate below 5 percent. The vacancy rate of rental units in New York City and its surrounding communities has remained well below this threshold for decades. This indicates the need for more housing to provide low- and middle-income households a safe place to live for a price they can afford. We will continue to advance our agenda on rent regulation, including issues such as preferential rents, vacancy decontrol, and major capital improvement reform. I will continue to reach out to my colleagues in the Senate, who have long resisted significant reforms to the rent regulation laws.

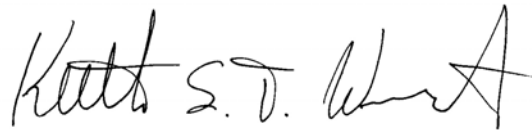
Ensuring the integrity and sustainability of public housing is one of my top priorities as Chair. This year we faced a new and unexpected challenge. The New York City Housing Authority has commenced a plan that involves leasing real property the Authority owns in order to generate revenue. Unfortunately, the land the Authority plans on leasing is already a part of existing public housing developments and is being used by existing tenants. Many tenants have complained that the Authority failed to reach out to tenants and has kept them in the dark as to their plans. This year, the Assembly passed two

bills that I sponsored to directly address this issue. They would require the Authority to disclose its plans and receive approval before it could go forward with their proposal. While the Senate failed to act on these bills, I am hopeful that in the coming year, with the support of the new City administration, tangible progress on this issue can be made.

The Mitchell-Lama housing program provides both affordable rental and cooperative housing to moderate- and low-income families in New York. This program has resulted in tens of thousands of units being created across the State. One of the main concerns relating to Mitchell-Lama developments is the voluntary dissolution of the companies. After a period of 35 years and full payment of any outstanding mortgage debt on the property, owners of Mitchell-Lama cooperatives or rentals may voluntarily dissolve their company and leave the program. This year the Assembly passed a bill that I sponsored which would encourage owners through incentives to remain in the Mitchell-Lama program.

Mr. Speaker, I look forward to our continuing efforts to preserve and develop new housing policies. I wish to extend my sincerest thanks to the members of the Committee, my staff, the staff of the Housing Committee, and to you, Mr. Speaker, for your commitment and support.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith L.T. Wright". The signature is fluid and cursive, with a large, stylized initial "K" and a long, sweeping tail on the "A".

Keith L.T. Wright  
Chairman

**2013 ANNUAL REPORT**  
**OF THE**  
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**KEITH WRIGHT, CHAIRMAN**

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Anthony Kergaravat, Legislative Analyst  
Nora Boyle, Committee Assistant  
Jeanine R. Johnson, General Counsel  
Francisco Polanco, Committee Clerk  
Kathleen Quackenbush, Program and Counsel Secretary

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## **I. COMMITTEE JURISDICTION AND PURVIEW**

The New York State Assembly Committee on Housing is composed of 28 members. The Committee is responsible for legislation concerning housing development and preservation. Its purview includes rent regulation, as well as legislation that amends the following volumes of the New York Consolidated Laws:

- Multiple Dwelling Law, which encompasses health and safety standards for buildings with three or more families living independently of each other in New York City and Buffalo;
- Multiple Residence Law, which covers health and safety standards for buildings with three or more families living independently of each other in all localities other than New York City and Buffalo;
- Private Housing Finance Law, which governs the following State programs: Mitchell-Lama; Limited Dividend Companies; Redevelopment Companies; Housing Trust Fund; Affordable Home Ownership Development; Turnkey; Permanent Housing for Homeless Families; Infrastructure Development Demonstration; Mobile Home Cooperative Fund; Housing Development Fund; Neighborhood Preservation; Rural Preservation; Rural Area Revitalization; Rural Rental Assistance; Special Needs Housing; Urban Initiatives; several New York City programs; and the administration of the State Housing Finance Agency and New York City Housing Development Corporation; and
- Public Housing Law, which covers the safety, management, and financing of local public housing authorities throughout the State.

In addition to bills regarding these laws, the Committee has jurisdiction over legislation amending the following sections of the Unconsolidated Laws: the Emergency Housing Rent Control Law; the Local Emergency Housing Rent Control Law; the New York City Rent Stabilization Law; the Emergency Tenant Protection Act of 1974; sections of the New York City Administrative Code and the City of Buffalo Administrative Code; sections of the General Business Law that relate to the conversion of real property from rental to cooperative (co-op) or condominium (condo) status; and the housing-related sections of the Executive Law, Real Property Law, Real Property Actions and Proceedings Law, and Public Authorities Law.

## **II. LEGISLATIVE HEARINGS**

### **A. New York City Housing Authority Real Property Use**

On March 15, 2013, the Assembly Standing Committee on Housing held a hearing to examine the New York City Housing Authority's infill proposal. Under the proposal, the New York City Housing Authority (NYCHA) would issue 99-year ground leases of its real property to private developers. Developers would then develop the leased land into both market rate and affordable housing, under parameters set by the City's 421-a tax abatement scheme. NYCHA intends for the rents from units in the developed properties to both create a financial wellspring for the rehabilitation of existent public housing accommodations and increase the housing authority's annual income.

The hearing focused on the effect that the infill proposal would have on local communities near the proposed development sites, both short- and long-term. Members of the Committee and invited witnesses also examined the intersection of federal rules and regulations and NYCHA's procedural approach to its infill plan.

### **B. Area Median Income Calculation**

On November 18, 2013, the Committee held a hearing to examine the calculation of Area Median Income (AMI) for communities in New York City. The United States Department of Housing and Urban Development (HUD) currently determines Area Median Income for New York City as a single geographic unit. In recent years, New York City has contained both the wealthiest and the poorest census tracts in the United States. The hearing examined several major housing initiatives and programs and the income demographics of the households that they assist. Witnesses from State and City Agencies, including the New York State Homes and Community Renewal, the New York City Department of Housing Preservation and Development, and the New York City Housing Authority, provided information on these programs and initiatives. Additionally, the Committee heard testimony from concerned tenants and advocates on the effect that the current AMI has on availability of housing to lower-income households.



### **III. 2013 LEGISLATIVE HIGHLIGHTS**

#### **A. Rent Regulation**

New York's laws on rent regulation provide protection to approximately 2.5 million tenants throughout the State. A majority of these individuals reside within New York City. The Housing and Vacancy Survey estimates that there are approximately one million rent-regulated units within New York City. Rent regulation laws are divided into two categories, rent stabilization and rent control.

In order for the rent regulation laws to exist, a local municipality must declare that a housing emergency exists with its housing stock, defined as a vacancy rate of 5 percent or lower. Based on the Housing Vacancy Survey, the rate in New York City and some surrounding counties has consistently stayed under 5 percent, with the two most recent reports showing a vacancy rate in New York City of 2.91 percent in 2008 and 3.12 percent in 2011. Currently, rent stabilization laws exist in New York City as well as Nassau, Rockland, and Westchester counties. Due to the existence of this emergency, government intervention is critical to protect tenants from unreasonable rent increases and evictions.

##### **1. Rent Guidelines Board Appointees**

A.104-A (Kavanagh); Passed Assembly

This bill would require the New York City Council to confirm the Mayor's appointees to the New York City Rent Guidelines Board. This bill would make the appointment of members of rent guidelines boards more democratic and enhance the qualifications of the public members. By broadening the types of qualifications that are required for public members of the guidelines boards, this bill would give appointing officials greater latitude to choose persons of experience in a variety of disciplines, rather than only in finance, economics, and housing. This would enable the public members to reflect a broader perspective on the rent setting process and would enhance the deliberations of the boards.

##### **2. Submetering Rent Reduction Schedules**

A.171 (Hevesi); Passed Assembly

This bill would require that when a building that contains rent-regulated units converts from master metering for electricity to submetering, all tenants must subsequently pay their own utility costs. The Division of Housing and Community Renewal would be required to formulate and publish a rent-reduction schedule within six months of the issuance of a housing schedule by the U.S. Census Bureau, so that regulated apartments with electricity factored into the base rent would have a fair rent reduction at the time of submetering.

### **3. Extension of Rental Overcharge Complaints**

A.748 (Rosenthal); Passed Assembly

This bill would confirm the rule that allows a court or hearing officer to consider evidence based on circumstances that occurred more than four years prior to the proceeding when considering cases of fraud and outstanding orders issued by the Division of Housing and Community Renewal (DHCR). Recent court decisions have preserved tenants' rights in determining rent overcharge complaints. In one case, DHCR awarded rent reduction orders but the landlord did not comply. When the tenant later filed a complaint, the court looked past the statutory four-year period to determine the accurate amount that the tenant should pay. The other decision addressed an issue of fraud. The landlord in the case concealed the fact that the apartment was rent stabilized so when assessing the amount the tenant owed, the court looked back further than four years to determine the appropriate rent.

### **4. Rental Adjustments**

A.991 (Rosenthal); Passed Assembly

This bill would prohibit a rent guidelines board from establishing rent adjustments for Class A dwelling units based on the current rental cost of a unit or on the amount of time that has elapsed since another rent increase was authorized.

### **5. Vacancy Decontrol**

A.1585 (Rosenthal); Passed Assembly

This bill would repeal provisions of New York State and New York City laws that remove apartments from rent stabilization or rent control when these apartments are vacated and the authorized rent is \$2,500 or more.

Vacancy decontrol is an incentive for owners of rental housing to withhold services and to use forms of harassment to induce regulated tenants to vacate their rental units. In some instances, costs of renovation have been inflated or even falsified in order to drive apartment rents to the \$2,500 threshold for vacancy decontrol. In other cases, no renovations at all are done to vacant apartments and such apartments are treated as deregulated regardless of the legal rent. Such abuses are made possible by the existence of the vacancy decontrol laws. Repeal of vacancy decontrol is essential to restore the integrity of the rent regulation systems.

### **6. Alternative Hardship Rental Adjustment**

A.2181 (Kavanagh); Passed Assembly

This bill would increase the number of years a building must be owned before it is eligible for an alternative hardship rent adjustment. The bill would increase the current three-year period to a six-year period before an owner could apply for an

alternative hardship exemption. This three-year extension would encourage potential building purchasers to consider their assets more comprehensively and to avoid overleveraging since the prospect of hardship relief will be contingent on an initial six-year ownership period.

## **7. Rent Stabilization Law**

A.3904 (Glick); Passed Assembly

The purpose of this bill is to clarify the original intent of the Rent Stabilization Law and to prohibit landlords from circumventing the demolition provisions so that buildings are only demolished when truly necessary, not merely for the purpose of extensive rehabilitation.

## **8. Expanding Tenant Protections**

A.5177 (Wright); Passed Assembly

The purpose of this bill is to expand tenant protections by limiting a landlord's ability to take possession of units for his or her personal use. The bill would allow a landlord to recover an apartment only for the personal use for him or herself or for immediate family and would only allow one such recovery. Clarifying when landlords can take units for their own personal use would help keep units in the rent-regulation system.

## **9. Vacancy Rent Increases**

A.5178 (Wright); Passed Assembly

This bill would reduce the percentage by which rent may be increased upon vacancy from 20 percent to 7.5 percent. This would reduce the incentive for landlords to artificially induce turnover in rent-regulated apartments.

## **10. Major Capital Improvements**

A.5373 (O'Donnell); Passed Assembly

This bill would establish that rental increases due to the costs of major capital improvements (MCI's) are a surcharge to the legal regulated rent and would require them to be separately designated and billed as such; the authorized surcharge for MCI's would cease after the costs of the improvements are recouped. Expenses for MCI's in rental housing are currently fully recovered in seven years, based on the permissible monthly rent increase.

## **11. Limiting Increases of Preferential Rents**

A.5473 (Wright); Passed Assembly

This bill would prohibit owners from adjusting the amount of preferential rent upon the renewal of a tenant's lease. It would also prohibit the raising of a preferential

rent upon vacancy if the vacancy is caused by the landlord's failure to maintain the unit in a habitable condition.

## **12. Major Capital Improvement Offset**

A.5827 (Wright); Passed Assembly

This bill would require MCI rent adjustments to be offset by 100 percent of the total annual tax abatement benefits and any tax abatement benefits received prior to such MCI rent adjustment that result from participation in the J-51 program, rather than by fifty percent, as currently required by statute.

## **13. Section 8**

A.5828 (Wright); Passed Assembly

This legislation would include former project-based Section 8 projects, even if constructed after 1974, in the category of housing covered by rent regulation statute. This would ensure that units that were dedicated to affordable housing purposes continue to remain affordable to the families that live there.

## **B. Mitchell-Lama Public Housing**

Since the 1950s, the Mitchell-Lama program has provided affordable housing to moderate-income New Yorkers. Around 250 Mitchell-Lama developments, housing approximately 120,000 families, exist throughout the State. The continued viability of this housing remains a critical part of New York State's effort to ensure the availability of affordable housing for each of its citizens.

To date, owners of thousands of apartments have ended rental or sales restrictions that cover their buildings by repaying loans issued under the Mitchell-Lama guidelines. In New York City, over 40,000 units have left the program and thousands have begun the process to withdraw from the program. These "buy-outs" can have a devastating impact on the families living in these buildings as rents may double or triple when existing leases expire.

### **1. Maintenance of Essential Services**

A.454 (Dinowitz); Passed Assembly

The purpose of the bill is to ensure that rent increases in Mitchell-Lama buildings are only granted when the housing company or landlord is maintaining essential services, as defined by the bill, and would require that the dwelling accommodations be maintained in proper condition and any hazardous conditions that might exist be corrected.

**2. Unique and Peculiar Rent Increases**  
A.1128 (Rosenthal); Passed Assembly

This bill would ensure the continued affordability of apartments in Mitchell-Lama developments that buy out of the Mitchell-Lama program by making the last rent paid prior to dissolution the initial legal regulated rent and by prohibiting application of the “unique and peculiar” provision in these circumstances.

**3. Expansion of Eligibility Requirements for Families**  
A.5438 (Silver); Chapter 474 of the Laws of 2013

This bill would expand eligibility criteria for families that qualify for Mitchell-Lama housing. It would remove the requirement that families making 125 percent of the average median income for the area or less must have two or more dependents to be eligible to live in a Mitchell-Lama development.

**4. Early Notification of Mitchell-Lama Buy-Outs**  
A.6568 (Wright); Passed Assembly

This bill would require Mitchell-Lama housing companies that intend to dissolve to provide notice of such intention to all their leaseholders at least six months prior to the anticipated date of dissolution. The bill specifies certain information that must be included in the required notice, and it also requires that the commissioner or supervising agency prepare and make available to all tenants of the project a report within three months of receipt of the notice. The report would include the following information relating to the tenants, which would be broken down according to household income in \$5,000 intervals: the number of dwellings and tenants in each income range; the number of tenants in each income range who are senior citizens; the number of tenants in each income range receiving rental assistance; and the number of tenants in each income range who are disabled.

**5. Income Thresholds**  
A.6569 (Wright); Passed Assembly

This bill would adjust the aggregate household income threshold of persons or families in the Mitchell-Lama program to eight times the rental amount, including the value or cost to them for heat, light, water, and cooking fuel. In the case of families that have three or more dependents, such ratio would be adjusted to nine to one.

**6. Continuation of Limited-Profit Housing Companies in New York City**  
A.6570 (Wright); Passed Assembly

This bill would alter several provisions that affect limited-profit housing companies and would provide incentives for these companies to remain in the

Mitchell-Lama program. Additionally, the bill would grant additional protection to tenants. It would authorize Mitchell-Lama developments to pay dividends in excess of 6 percent with the approval of the Department of Housing Preservation and Development (HPD). The bill would also allow such developments to increase rents annually at a rate established by the New York City Rent Guidelines Board without a public hearing or approval from the supervising agency, when the owner and tenants association execute an agreement regarding their respective rights and obligations. Additionally, it would alter existing law so that post-1974 Mitchell-Lama rental developments that voluntarily dissolve would be covered by rent stabilization laws and would establish the initial rents if such a dissolution were to occur. Further, the bill would establish provisions to manage units that are occupied by individuals under the Section 8 voucher program.

### **C. Public Housing**

The State of New York continues to play an important role in regulating and supporting the operation of public housing. Currently, over 18,000 units of public housing are operated by 30 public housing authorities. In New York City alone, public housing developments provide housing to over 30,000 people.

These developments play an important role in the state's efforts to provide affordable housing and desperately need additional assistance in order to make long-overdue capital improvements. However, due to the inadequate levels of federal funding and funding provided through the State's Public Housing Modernization program over the last decade, many essential improvements and repairs continue to languish.

#### **1. Lansing Housing Authority**

A.884 (Lifton); Chapter 104 of the Laws of 2013

This law increases the number of members of the board of the Lansing Housing Authority from five to seven.

#### **2. Mobility-Impaired Tenants of the New York City Housing Authority**

A.1742 (Titus); Passed Assembly

This bill would allow mobility-impaired tenants in NYCHA housing to move to a lower floor if a unit becomes available. These tenants would be made aware before other applicants that an apartment on a lower floor is available.

#### **3. Expanding the Rights of Public Housing Tenants**

A.2929-A (Wright); Chapter 431 of the Laws of 2013

This bill would allow any organization composed of public housing tenants to use common areas owned by their housing authority to conduct meetings free of

charge. It would require meetings to be announced at least three days in advance and be conducted during reasonable hours and in a peaceful manner.

**4. NYCHA Board Restructuring**

A.4874-A (Wright); Chapter 96 of the Laws of 2013

This law changes the composition of the NYCHA board of directors to consist of three tenant representatives and four other members, which shall include the chair. It also changes the term limits of the board members, other than the chair, from five to three years. Furthermore, when the mayor seeks to remove a board member other than the chair before the expiration of that member's term, the mayor is required to file with the Office of the Commissioner of Citywide Administrative Services a statement of the reasons for such removal and make such document available to the public. The law requires the chair to work full-time for the authority and prohibits the chair from other employment. It also establishes that members, other than the chair, will receive a monthly stipend of \$250 for every four hours of work performed for the authority, not to exceed \$1,500.

**5. Resident Advisory Board Approval**

A.6595 (Wright); Passed Assembly

This bill would require housing authorities to consult with and receive approval from the resident advisory boards that represent tenants who would be impacted by the disposition of any lands, buildings, structures, or facilities owned, leased, or otherwise in the control of a housing authority.

**6. Uniform Land Use Review Procedure for NYCHA Property**

A.6964 (Wright); Passed Assembly

This bill would require that the New York City Housing Authority follow the Uniform Land Use Review Procedure for the disposition of NYCHA land or buildings.

**D. Other**

**1. Radiator Covers**

A.749 (Rosenthal); Passed Assembly

This bill would require a landlord to install a radiator cover, at the written request of a tenant with a child age 12 or younger residing in the dwelling, on any radiator in the dwelling that carries steam, water, or other fluids at temperatures exceeding 165 degrees Fahrenheit and is not currently covered in a manner that ensures that the temperature of the outer surface does not exceed 109 degrees Fahrenheit. If the landlord fails to install the cover within 90 days of receiving a written request, the tenant can make a payment for the

installation of a radiator cover and may deduct the cost from the rent without being liable for eviction on the ground of that deduction.

**2. Bedbug Inspection and Extermination**

A.1549-A (Hooper); Passed Assembly

This bill would allow a landlord who has knowledge of a bedbug presence to inspect for bedbugs in the dwelling upon 48 hours notice. The bill would also require the owner of a dwelling to keep the premises free from infestations of bedbugs through eradication measures. The owner shall provide reasonable notice of at least 48 hours to the tenant or tenants of the intended time at which eradication measures shall be instituted.

**3. Real Property Tax Exemption**

A.5900-A (Wright); Chapter 478 of the Laws of 2013

This law limits the amount of taxes paid by a redevelopment company during an extended tax exemption period. The taxes cannot be less than an amount equal to the lesser of 10 percent of the annual rent or carrying charges of the project, minus utilities, for the residential portion of the project or the taxes payable by such company for the residential portion of the project immediately prior to the expiration of the initial tax exemption period.

**4. Ground Leases**

A.7269-A (Braunstein); Passed Assembly

This bill would clarify existing and establish new procedures related to refinancing provisions in ground leases. Ground leases are long-term leases of real property that allow the tenant to construct, improve, or renovate structures upon the property.

**5. Distressed Properties**

A.7834-B (Wright); Chapter 455 of the Laws of 2013

This law expands the eligibility criteria of buildings that can enter the Real Property Actions and Procedure Law, Article 7-A program. It clarifies various provisions of the Article 7-A program that pertain to reimbursement and liability of Article 7-A administrators and property owners.



## IV. 2013 Budget Highlights

### APPROPRIATED AMOUNT

#### A. Division of Housing Community Renewal Capital Projects

##### **Low Income Housing Trust Fund** **\$35.2 million**

The Low Income Housing Trust Fund provides funding to not-for-profits, localities, and private developers for the construction or rehabilitation of affordable rental housing for low-income households. The \$35.2 million total resulted from a combination of capital appropriations and money drawn from the Mortgage Insurance Fund's reserves.

##### **Affordable Housing Corporation** **\$25 million**

This program provides grants and loans of up to \$35,000 per unit (plus an additional \$5,000 in high-cost areas) for rehabilitation and new construction of one-to-four family dwellings for low-to-moderate-income New Yorkers.

##### **Homes for Working Families Program** **\$7 million**

The Homes for Working Families program helps finance the construction and rehabilitation of rental housing projects for low-income families and senior citizens.

##### **Main Street Program** **\$2.2 million**

The Main Street Program helps revitalize and improve village centers and historic downtowns by supplying grants for building renovations, façade and streetscape improvements, and capital funding for projects that will anchor downtown districts. The appearance and functionality of main street buildings often determine the success of community revitalization efforts, and this program creates incentives for strategic investment of public and private resources.

##### **Public Housing Modernization Program** **\$6.4 million**

The Public Housing Modernization Program allocates funds towards New York State's public housing for the expenses of maintenance, improvement, and repairs.

##### **Access to Home Program** **\$1 million**

The Access to Home Program enables individuals with disabilities to live safely and comfortably in their homes by providing funds to help outfit homes

with accessibility features such as wheel chair ramps and lifts, handrails, easy-to-reach kitchen work and storage areas, level handles on doors, and roll-in showers with grab bars, among others.

**Housing Opportunities Program for the Elderly** **\$400,000**

The Housing Opportunities Program for the Elderly helps to provide safe, decent, and affordable housing for older adults in New York State.

**B. Aid to Localities**

**Small Cities Community Development Block Grant Program** **\$40 million**

The Small Cities Community Development Block Grant Program provides financial assistance to eligible cities, towns, and villages with populations under 50,000 and counties with an area population under 200,000 in order to foster communities with decent, affordable housing and suitable living environments. The program also works to expand economic opportunities for persons of low and moderate income.

**Neighborhood Preservation Program** **\$10.073 million**

The Neighborhood Preservation Program fosters community preservation and renewal throughout New York State by providing funds to groups that perform community preservation and renewal activities. Such activities include providing services related to home-ownership financial counseling, tenant and client assistance services, and housing management for the benefit of people with low-to-moderate incomes. Funds may be used for administration and planning expenses necessary to conduct those activities. The \$10.073 million total resulted from a combination of direct appropriations and money drawn from the Mortgage Insurance Fund's reserves.

**Rural Preservation Program** **\$4.204 million**

The Rural Preservation Program fosters community preservation and renewal in the rural areas of New York State by providing funds to groups that perform community preservation and renewal activities. Such activities include providing services related to home-ownership financial counseling, tenant and client assistance services, and housing management for the benefit of people with low-to-moderate incomes. Funds may be used for administration and planning expenses necessary to conduct those activities. The \$4.204 million total resulted from a combination of direct appropriations and money drawn from the Mortgage Insurance Fund's reserves.

**Rural Rental Assistance** **\$20.4 million**

The Rural Rental Assistance program helps low-income families and older adults afford their rent payments by providing direct rent subsidies to owners of multi-family housing projects in rural areas of New York State. Eligible owners include public housing authorities, non-profit corporations, and companies associated with the Housing Development Fund, the Mitchell-Lama Program, and Rural Preservation Program. While there was no direct appropriation in the budget, \$20.4 million was transferred from the Mortgage Insurance Fund to cover the cost of this program for the year.

**New York City Housing Authority Tenant Patrol Pilot Program** **\$742,000**

The Tenant Patrol Pilot Program helps ensure that state-constructed NYCHA housing developments remain safe and free from crime by providing monthly stipends to tenants and other volunteers who serve as the “eyes and ears” of the police by patrolling housing developments and community and senior centers. In this year’s budget the executive proposed eliminating all funding for this program. The Legislature added \$742,000 to ensure this program continues to receive financial support.

**Housing Development Fund Program** **\$8.227 million**

The Housing Development Fund loan fund was established in 1966 under the Private Housing Finance Law and is administered by the New York State Division of Housing and Community Renewal. The purpose of this program is to provide loans to not-for-profit organizations to develop low-income housing projects. These loans may be used for pre-development costs, site acquisition, construction/rehabilitation financing, and other project development costs and to provide short term financing repaid from equity contributed by investors in low-income housing credit projects.

**Rural Area Revitalization Program** **\$1.5 million**

The Rural Revitalization Program helps to restore and improve rural areas by providing grants to charitable and not-for-profit groups who perform community-based preservation and renewal activities for housing, commercial areas, and commercial facilities. The funding for this program came from the Mortgage Insurance Fund reserves.

**The Urban Initiatives Program** **\$2 million**

The Urban Initiatives Program helps to restore and improve urban areas by providing grants to charitable and not-for-profit groups who perform community-based preservation and renewal activities for housing, commercial

areas, and commercial facilities. The funding for this program came from the Mortgage Insurance Fund reserves.

**The Urban and Rural Community Investment Fund           \$5.354 million**

The Urban and Rural Community Investment Fund is designed to assist communities with the creation and improvement of affordable housing, and the commercial, retail and community facilities related to mixed-use affordable residential developments. The \$5.354 million total resulted from a combination of direct appropriations and money drawn from the Mortgage Insurance Fund's reserves.

**C.    The Mortgage Insurance Fund**

In this year's budget Article VII language transferred \$164 million to support affordable housing programs and the general fund. Below is a breakdown of how the funding was dispersed.

- \$8.479 million for the Neighborhood Preservation Program;
- \$3.539 million for the Rural Preservation Program;
- \$20.4 million for the Rural Rental Assistance Program;
- \$17.582 million to rehabilitate Mitchell-Lama housing;
- \$3 million additional funding for the Low Income Housing Trust Fund;
- \$2 million to support the Urban Initiatives program;
- \$3.5 million to support the Urban and Rural Community Investment Fund;
- \$1.5 million to support the Rural Area Revitalization Program; and
- \$104 million for the general fund.

## V. OUTLOOK FOR 2014

The challenge of providing safe and affordable housing in New York State continues to be difficult due to budget shortfalls during this difficult economic climate. The Committee strives to meet this challenge by developing policies that leverage private resources, encourage individual home ownership, lead to the creation of new housing opportunities, and lower the cost of affordable housing development. The Committee also recognizes that with limited resources it is important to ensure that our existing programs are efficient and provide the greatest benefit possible to families in need.

A priority for the Committee is to identify capital funding dedicated to the construction of affordable housing. Ensuring that both the Housing Finance Agency (HFA) and the State of New York Mortgage Agency (SONYMA) have sufficient funds available to them so that they may continue to finance affordable housing throughout New York State is critical. In addition to these goals, the Committee will also work towards obtaining funding to address the needs created by the ongoing mortgage and foreclosure crisis.

The New York City Housing Authority is the largest housing authority in the country. And throughout the state, public housing provides homes to hundreds of thousands of New Yorkers. In the coming year the Committee will continue to take steps to help improve the operation of housing authorities. The Committee will remain focused on the New York City Housing Authority's infill proposal. With the Mayor-Elect DeBlasio publically stating opposition to the program, we will work with newly appointed City officials to determine alternative ways to support NYCHA.

Another priority of the Housing Committee in the upcoming session will be to improve the laws governing rent regulation in an effort to protect tenants and working families from losing their homes. Especially during our current economic trouble, people with low-to-middle incomes cannot afford repeated rent increases that would eventually force them out of their affordable housing. Tenant protections need to improve and expand. The Committee will continue to advance legislation that would repeal vacancy decontrol, require proper repairs to apartments and buildings to improve living conditions for tenants, and make other much-needed improvements to housing governed by the rent-regulation laws.

Finally, the Committee will continue to fight to ensure that the state budget provides adequate funding to assist in the development of affordable housing, the rehabilitation of existing units, and the expansion of housing opportunities for the homeless, elderly, and those with special needs.

**APPENDIX A.**

**2013 Summary Sheet  
Summary of Action on All Bills Referred to the Committee on Housing**

<b>Final Action</b>	<b>Assembly Bills</b>	<b>Senate Bills</b>	<b>Total Bills</b>
<b><u>Bills Reported With or Without Amendments</u></b>			
To Floor; Not Returning to Committee	19		19
To Ways & Means Committee	6		6
To Codes	14		14
To Rules Committee	4		4
To Judiciary	0		0
<b>Total</b>	<b>43</b>		<b>43</b>
<b><u>Bills Having Committee Reference Changed</u></b>			
<b>Total</b>	<b>0</b>		<b>0</b>
<b><u>Senate Bills Substituted or Recalled</u></b>			
Substituted		0	0
Recalled		2	2
<b>Total</b>		<b>2</b>	<b>2</b>
<b>Bills Defeated in Committee</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Bills Never Reported, Held in Committee</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Bills Never Reported, Died in Committee</b>	<b>147</b>	<b>4</b>	<b>151</b>
<b>Bills Having Enacted Clauses Stricken</b>	<b>2</b>	<b>0</b>	<b>2</b>
<b>Motions to Discharge Lost</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL Bills in Committee</b>	<b>149</b>	<b>6</b>	<b>198</b>
<b>TOTAL Number of Committee Meetings Held</b>			<b>8</b>

**APPENDIX B.**

**Bills that Passed the Assembly**

<b>BILL #</b>	<b>SPONSOR</b>	<b>SUBJECT</b>
A.104-A	Kavanagh	Would require the New York City Council to provide advice and consent regarding mayoral appointments to the rent guidelines board in New York City. The bill also would also expand the list of qualifications for appointment as public members to a rent guidelines board.
A.171	Hevesi	Would require a specific timeline to which the Division of Housing and Community Renewal (DHCR) must adhere when setting rent reduction schedules so that rent-regulated apartments that have electricity factored into their base rent have a fair reduction at the time of submetering.
A.454	Dinowitz	Would require limited-profit housing companies to show maintenance of essential services before approval of rent increases.
A.748	Rosenthal	Would allow orders issued and fraud that occurred before the four year statute of limitations period to be considered in rent overcharge cases.
A.749	Rosenthal	Would require landlords to install radiator covers in certain apartments if the tenant has a child and requests a radiator cover in writing.
A.991	Rosenthal	Would prohibit a rent guidelines board from establishing rent adjustments for class A dwelling units based on the current rental cost of a unit or on the amount of time that has elapsed since another rent increase was authorized.
A.1128	Rosenthal	Would prohibit an owner from applying for a rent increase based on unique and peculiar circumstances when a project withdraws from the Mitchell-Lama Program.
A.1549-A	Hooper	Would allow a landlord who has knowledge of a bedbug presence to inspect for bedbugs in the dwelling upon 48 hours notice. The bill would also require the owner of a dwelling keep the premises free from infestations of bedbugs through eradication measures.
A.1585	Rosenthal	Would repeal provisions in the New York State and New York City statutes that allow apartments to be removed from rent stabilization or rent control upon being vacated if the rent exceeds \$2,500 per month.
A.1742	Titus	Would direct New York City Housing Authority to first offer vacant apartments to mobility-impaired tenants living on a higher floor.
A.2181	Kavanagh	Would extend the number of ownership years from three to six in respect to eligibility for an alternative hardship rent adjustment.

<b>BILL #</b>	<b>SPONSOR</b>	<b>SUBJECT</b>
A.3904	Glick	Would define “demolition” for purposes of deregulation under the Rent Stabilization Law as the complete razing of the entire building, including exterior walls. Would also require owners seeking deregulation to demonstrate good faith in a hearing before the Division of Housing and Community Renewal.
A.5177	Wright	Would limit the ability of a landlord to take possession of rental units for his or her own personal use and would limit such recovery to a single unit per landlord and prohibit any recovery if a tenant has occupied the unit for 20 or more years.
A.5178	Wright	Would decrease from 20 percent to 7.5 percent the amount a landlord could increase rent upon vacancy and would prohibit a landlord from making more than one increase in any one calendar year.
A.5373	O’Donnell	Would establish a new method by which owners of rent-regulated buildings are compensated for major capital improvements (MCIs). Would require that rent increases associated with MCIs be treated as a surcharge that would not become part of the legal regulated rent and would require that rent surcharges authorized for MCIs cease once the cost of the improvement has been recovered.
A.5473	Wright	Would prohibit an owner from increasing the amount of preferential rent upon the renewal of a lease and would allow the owner to make such adjustments only upon a vacancy that is not the result of the failure of the owner to maintain a habitable residence.
A.5827	Wright	Would require MCI rent adjustments to be offset by 100 percent of the total annual tax abatement benefits and any tax abatements benefits received prior to such MCI rent adjustment that result from participation in the J-51 program.
A.5828	Wright	Would extend rent and eviction protections, pursuant to the Emergency Tenant Protection Act of 1974 to tenants living in former federal Section 8 projects.
A.6568	Wright	Would require Mitchell-Lama housing companies that intend to dissolve to provide notice of such intention to all their leaseholders at least six months prior to the anticipated date of dissolution.
A.6569	Wright	Would raise the income limits for families that would be eligible for Mitchell-Lama housing.
A.6570	Wright	Would authorize municipally aided Mitchell-Lama rental developments in New York City to pay dividends or interest in excess of 6 percent per year with the approval of the Department on Housing Preservation and Development. Would also provide rent stabilization protection for tenants in Mitchell-Lama developments that buy out of the program.



<b>BILL #</b>	<b>SPONSOR</b>	<b>SUBJECT</b>
A.6595	Wright	Would require housing authorities to consult with and receive approval from the resident advisory boards that represent tenants who would be impacted by the disposition of any lands, buildings, structures, or facilities owned, leased or otherwise in the control of a housing authority.
A.6964	Wright	Would require that the New York City Housing Authority follow the Uniformed Land Use Review Procedure for the disposition of NYCHA land or buildings.
A.7269-A	Braunstein	Would clarify existing and establish new procedures related to refinancing provisions in ground leases. Ground leases are long-term leases of real property that allow the tenant to construct, improve, or renovate structures upon the property.

## APPENDIX C.

### Bills Signed into Law by the Governor

CHAPTER	BILL and SPONSOR	SUBJECT
104	A.884 (Lifton)	Increases the number of members of the board of the Lansing Housing Authority from five to seven.
431	A.2929-A (Wright)	Allows public housing tenants to conduct reasonable meetings free of charge in common areas of their buildings.
96	A.4874-A (Wright)	Alters the structure and operation of the New York City Housing Authority's board of directors.
474	A.5438 (Silver)	Expands eligibility for admission to certain limited-profit housing company accommodations.
478	A.5900-A (Wright)	Limits the amount of taxes paid by a redevelopment company during an additional tax exemption period.
455	A.7834-B (Wright)	Expands the eligibility criteria of buildings that can enter the Real Property Actions and Procedure Law, Article 7-A program. Clarifies various provisions of the Article 7-A program that pertain to reimbursement and liability of Article 7-A administrators and property owners.