

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

2 -----

3 JOINT LEGISLATIVE HEARING

4 In the Matter of the
5 2023-2024 EXECUTIVE BUDGET
ON HOUSING

6 -----

7 Hearing Room B
8 Legislative Office Building
Albany, NY

9 March 1, 2023
10 9:37 a.m.

11 PRESIDING:

12 Senator Liz Krueger
Chair, Senate Finance Committee

13
14 Assemblywoman Helene E. Weinstein
Chair, Assembly Ways & Means Committee

15 PRESENT:

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

17
18 Assemblywoman Linda B. Rosenthal
Chair, Assembly Housing Committee

19 Senator Brian Kavanagh
Chair, Senate Housing Committee

20
21 Senator Pamela Helming

22 Assemblyman Michael J. Fitzpatrick

23 Senator Rachel May

24 Assemblywoman Rebecca A. Seawright

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3 PRESENT: (Continued)

4 Senator Julia Salazar

5 Senator John Liu

6 Senator Robert Jackson

7 Assemblywoman Alicia Hyndman

8 Assemblyman Harvey Epstein

9 Assemblywoman Chantel Jackson

10 Senator Zellnor Myrie

11 Assemblywoman Dr. Anna R. Kelles

12 Assemblyman Jonathan Rivera

13 Assemblyman Demond Meeks

14 Assemblyman Chris Burdick

15 Assemblywoman Maritza Davila

16 Senator Cordell Cleare

17 Assemblyman Ari Brown

18 Assemblywoman Grace Lee

19 Assemblyman Keith P. Brown

20 Assemblywoman Jo Anne Simon

21 Assemblyman Al Taylor

22 Senator Jack M. Martins

23 Assemblywoman Dana Levenberg

24 Assemblyman Jeffrey Dinowitz

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3 PRESENT: (Continued)

4 Assemblywoman Marcela Mitaynes

5 Assemblywoman Alicia Hyndman

6 Senator George M. Borrello

7 Assemblyman Khaleel M. Anderson

8 Assemblywoman Nikki Lucas

9 Assemblyman Brian Manktelow

10 Assemblyman Jeff Gallahan

11 Assemblyman Ron Kim

12 Assemblywoman Monique Chandler-Waterman

13 Senator Michelle Hinchey

14 Assemblyman Lester Chang

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VP of Public Affairs
10 New York Building Congress
-and-
11 Rachel Fee
Executive Director
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1 CHAIRWOMAN WEINSTEIN: Good morning.

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

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

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

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

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

24 So we have with us the chair of the

1 Assembly Housing Committee, Assemblywoman
2 Rosenthal. We have Assemblyman Burdick,
3 Assemblyman Epstein, and Assemblywoman
4 Jackson.

5 Senator Krueger.

6 CHAIRWOMAN KRUEGER: Thank you very
7 much.

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

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

15 SENATOR HELMING: Thank you,
16 Senator Krueger.

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

19 CHAIRWOMAN KRUEGER: Thank you.

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

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

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

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

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

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

1 respond.

2 For the governmental witness, for the
3 commissioner, the chairs of the Housing
4 Committees of both houses will have
5 10 minutes to ask questions and get answers.
6 The rankers of those respective committees
7 will have five minutes, as will -- and
8 Senator Krueger and I, if we desire, will
9 have 10 minutes as chairs of our finance
10 committees.

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

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

24 CHAIRWOMAN KRUEGER: So we've been

1 joined by one more Senator, Julia Salazar.

2 Sorry.

3 CHAIRWOMAN WEINSTEIN: No, not a
4 problem.

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

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

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

1 embarked on our next Housing Plan, a new
2 \$25 billion investment over the next five
3 years to create an additional 100,000
4 affordable homes across New York, including
5 10,000 units with supportive services. This
6 represents the largest investment in housing
7 in state history, and as of today we financed
8 nearly 15,000 homes toward this new goal.

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

16 Some brief highlights of those
17 efforts: HCR recently launched a new
18 \$250 million Climate Friendly Homes Fund.
19 This will electrify 10,000 homes across the
20 state and, importantly, help us meet the
21 climate goals set up by the Climate
22 Leadership and Community Protection Act.

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

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

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

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

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

6 We also continue to make it a priority
7 to preserve the housing that we have. In our
8 first Housing Plan we invested over
9 \$1.4 billion to preserve 57,000 apartments
10 across the state, and this included almost
11 18,000 of our Mitchell-Lama apartments.

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

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

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

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

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

1 for their entire lives.

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

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

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

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

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

21 The housing compact sets new statewide
22 housing targets for all municipalities to
23 achieve on a three-year cycle. This means a
24 3 percent growth for downstate communities

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

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

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

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

1 and biking, and it cuts greenhouse gas
2 emissions.

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

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

17 To support these efforts, the state
18 will provide an initial 250 million to help
19 localities meet the demands of new housing
20 construction on local water supplies, on
21 sewers and roads, as well as a separate
22 \$20 million planning fund to help local
23 governments map out their plans to help
24 increase housing capacity.

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

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

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

21 CHAIRWOMAN WEINSTEIN: Thank you,
22 Commissioner.

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

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

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

9 First, regarding HOPP, Homeowner
10 Protection Program, I have a letter from
11 89 nonprofits to the Governor regarding the
12 lack of funding in the budget for the HOPP
13 program. Last year she put in 20 million,
14 the Legislature added 15 million.
15 Projections estimate a need for 40 million,
16 yet there's no funding in the budget for the
17 only homeowner retention program, can you
18 explain why that's not there?

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

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

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

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

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

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

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

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

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

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

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

1 reporting that.

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

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

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

1 projects that are in the ground.

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

8 Okay, thank you for that answer.

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

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

1 40 to 60 percent since 2015.

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

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

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

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

1 housing proposal this year.

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

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

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

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

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

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

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

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

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

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

14 I also note that in 2021 the Office of
15 Rent Administration at HCR showed
16 976,478 units that were stabilized as of
17 March 31, 2019. In 2022, the annual report
18 shows 889,507 as of March 2022. So what
19 happens when -- first of all, what accounts
20 for this dramatic drop in rent-stabilized
21 units? Secondly what happens when a unit is
22 rent-regulated and the landlord does not file
23 the annual registration? Does HCR have a
24 system of tracking units that have fallen off

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

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

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

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

22 And now to the Senate.

23 CHAIRWOMAN KRUEGER: Thank you.

24 And our first questioner will be our

1 chair of Housing, Brian Kavanagh.

2 And we've also been joined by
3 Senator Borrello.

4 SENATOR KAVANAGH: Great. Thank you
5 very much.

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

11 CHAIRWOMAN WEINSTEIN: (Inaudible.)

12 CHAIRWOMAN KRUEGER: Give him
13 10 minutes --

14 (Laughter; overtalk.)

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

18 (Laughter.)

19 SENATOR KAVANAGH: So, you know,
20 just -- but we have a great -- you know, a
21 great collection of legislators in both
22 houses. I served in the Assembly for
23 11 years, and it's really wonderful to work
24 jointly with them today, and of course

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 about how that -- and I understand it's about
2 twenty -- a maximum of \$25,000 per unit and
3 might be intended to cover as many as
4 10,000 homes.

5 COMMISSIONER VISNAUSKAS: Yup.

6 SENATOR KAVANAGH: Sort of how people
7 access that?

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

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

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

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

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

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

13 (Laughter.)

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

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

24 You also have a program that's been --

1 I think it's been 2 million in the current
2 year and there's a proposal to continue that
3 2 million. Can you talk a little bit about
4 how that's working and, again, how
5 \$2 million -- there are some people that talk
6 about what someone's called fair housing
7 deserts. There are parts of the state I
8 think that don't have any kind of dedicated
9 organization that works on it.

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

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

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

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

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

10 SENATOR KAVANAGH: Thank you.

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

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

1 throughout the coming fiscal year, right?

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

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

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

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

1 housing?

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

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

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

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

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

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

14 SENATOR KAVANAGH: Gotcha. Okay.

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

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

4 COMMISSIONER VISNAUSKAS: Thank you.

5 CHAIRWOMAN KRUEGER: Thank you.
6 Assembly.

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

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

12 A quick question. Back in 2018 we had
13 1342 applications in the air preceding
14 passage of the HSTPA, for MCIs. And then 285
15 were filed, like 2021. What is -- what is
16 your department doing to kind of address this
17 issue? Because we have a severe lack of
18 investment in this housing stock, which we
19 know is very old, 75-plus years or older.

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

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

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

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

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

24 ASSEMBLYMAN FITZPATRICK: This housing

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

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

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

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

17 ASSEMBLYMAN FITZPATRICK: I'm sorry?

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

20 ASSEMBLYMAN FITZPATRICK: Okay.

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

1 example of purposeful obstacles? What are
2 those?

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

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

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

1 extension, I think affordability and access.

2 ASSEMBLYMAN FITZPATRICK: Okay. All
3 right, thank you.

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

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

12 ASSEMBLYMAN FITZPATRICK: Okay. All
13 right, very good.

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

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

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

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

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

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

8 CHAIRWOMAN WEINSTEIN: Thank you.

9 ASSEMBLYMAN FITZPATRICK: Thank you.

10 CHAIRWOMAN WEINSTEIN: To the Senate.

11 CHAIRWOMAN KRUEGER: Thank you.

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

14 SENATOR MARTINS: Thank you.

15 Commissioner, good to see you again.

16 COMMISSIONER VISNAUSKAS: Hi, thanks.

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

1 Nassau County.

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

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

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

1 500 acres.

2 SENATOR MARTINS: About 502 acres.

3 COMMISSIONER VISNAUSKAS: Five hundred
4 acres, yeah.

5 SENATOR MARTINS: Yeah, 502.4.

6 And so if we multiply 500 acres times
7 50 units per acre, on average across that
8 space, we're talking about 25,000 housing
9 units as of right, aren't we?

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

15 SENATOR MARTINS: If we assume that
16 there's no exempted land as an abstract,
17 50 units per acre times 500 is 25,000.

18 COMMISSIONER VISNAUSKAS: Yes, that
19 math is correct.

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

1 SENATOR MARTINS: But there's a
2 50-mile distance from New York City for this
3 50 unit per acre, including all of the subway
4 stations within New York City.

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

10 My concern is, Commissioner, there are
11 476,000 housing units in Nassau County right
12 now. It is the most densely populated county
13 outside of the five boroughs, at
14 approximately 4750 units per mile. So if you
15 consider the sheer scope and impact on our
16 communities in Nassau County by a proposal
17 that in a single step has the potential of
18 tripling the number of housing units in our
19 county, changing the very fabric of our
20 communities -- I hope you understand why
21 people in our communities are that upset.

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

1 Thank you.

2 COMMISSIONER VISNAUSKAS: Thanks.

3 CHAIRWOMAN KRUEGER: Thank you.

4 CHAIRWOMAN WEINSTEIN: Thank you.

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

8 And we go to Assemblyman Epstein for
9 three minutes.

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

13 (Laughter.)

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

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

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

22 COMMISSIONER VISNAUSKAS: Stability is
23 important, yes.

24 ASSEMBLYMAN EPSTEIN: And so keeping

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

3 COMMISSIONER VISNAUSKAS: Yes.

4 ASSEMBLYMAN EPSTEIN: Great.

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

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

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

24 ASSEMBLYMAN EPSTEIN: So part of our

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

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

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

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

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

18 COMMISSIONER VISNAUSKAS: Yeah, I
19 think we are initially coming out and trying
20 to address the basement issue. And for folks
21 that don't know, the basements are just the
22 ones that are 50 percent above grade versus
23 50 percent below grade for the cellars.

24 And so I think we felt like as a first

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

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

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

12 Thank you.

13 CHAIRWOMAN WEINSTEIN: To the Senate.

14 CHAIRWOMAN KRUEGER: Thank you.

15 To Senator Robert Jackson.

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

18 COMMISSIONER VISNAUSKAS: Good
19 morning.

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

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

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

5 COMMISSIONER VISNAUSKAS: Did you say
6 16,000 or 60,000?

7 SENATOR JACKSON: Six, zero, thousand.

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

12 SENATOR JACKSON: Yes.

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

24 We agree there should be -- we agree,

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

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

9 COMMISSIONER VISNAUSKAS: I mean,
10 again, we see the sort of number of units
11 vacant in the system, so the system is about
12 960 -- 950,000 units -- that the number of
13 those that are vacant is sort of consistent,
14 reported, again, sort of as April 1 of each
15 year, is consistent year over year and that
16 those aren't necessarily long-term vacant
17 apartments, that's just about the number of
18 apartments that are vacant on that date in
19 any given year.

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

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

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

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

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

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

6 CHAIRWOMAN KRUEGER: Thank you.

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

12 And we go to Assemblyman Ari Brown for
13 three minutes.

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

17 Good morning, Commissioner.

18 COMMISSIONER VISNAUSKAS: Good
19 morning.

20 ASSEMBLYMAN ARI BROWN: I've read your
21 resume. You're a person of experience in
22 this field. Do you honestly believe that the
23 \$250 million designated for planning and
24 infrastructure will cover even a small

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

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

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

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

1 grow their housing stock.

2 ASSEMBLYMAN ARI BROWN: Thank you,
3 Commissioner.

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

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

1 transit-oriented development.

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

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

16 ASSEMBLYMAN ARI BROWN: Thank you,
17 Commissioner.

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

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

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

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

11 ASSEMBLYMAN ARI BROWN: Thank you,
12 Commissioner.

13 COMMISSIONER VISNAUSKAS: Yup.

14 CHAIRWOMAN WEINSTEIN: Senate?

15 CHAIRWOMAN KRUEGER: Thank you.

16 Housing Ranker Pam Helming. Five
17 minutes, thank you.

18 SENATOR HELMING: Thank you,
19 Senator Krueger.

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

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

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

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

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

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

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

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

1 people.

2 So I'm going to assume -- and I know
3 that can get me in trouble -- but that HCR
4 supports the land bank model, just based on
5 you using the City of Kingston and the
6 land bank work there as a positive. Can you
7 tell me how much funding is allocated in the
8 2024 proposed budget for land banks?

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

21 SENATOR HELMING: So how much is in
22 2024?

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

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

7 SENATOR HELMING: I understand that --

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

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

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

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

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

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

1 that could actually potentially increase
2 property taxes -- things like property tax
3 exemptions for developers, some as long as
4 25 years. In my work I'm familiar with
5 PILOTs that go as long as 10 years, 15 years,
6 maybe some as long as 25 years.

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

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

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

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

1 to create more housing.

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

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

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

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

24 CHAIRWOMAN WEINSTEIN: Thank you.

1 We go to Assemblywoman Jackson, for
2 three minutes.

3 ASSEMBLYWOMAN JACKSON: Thank you,
4 Chair.

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

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

18 ASSEMBLYWOMAN JACKSON: A little over
19 a hundred.

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

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

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

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

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

15 SENATOR JACKSON: Right. So I was
16 able to own my home through Mitchell-Lama at
17 23 years old, and I would love to see more
18 young people be able to do the same thing.

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

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

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

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

21 ASSEMBLYWOMAN JACKSON: Got it.

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

1 does it look like?

2 COMMISSIONER VISNAUSKAS: So if the
3 provision as proposed in the budget is passed
4 as it's written, which would allow buildings
5 built before -- up till 1990, where it's now
6 1969, so it opens up a whole series of
7 buildings that are not eligible to convert,
8 to be able to convert. So statutorily we're
9 just sort of allowing that to happen, and
10 then it would be on the building owners to
11 decide to convert if they want to, and then
12 to do the plans to do that.

13 SENATOR JACKSON: Is there a timeline?

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

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

22 CHAIRWOMAN WEINSTEIN: To the Senate.

23 CHAIRWOMAN KRUEGER: Sorry, excuse me.

24 Senator Rachel May.

1 SENATOR MAY: Hi, Commissioner.

2 COMMISSIONER VISNAUSKAS: Hi.

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

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

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

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

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

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

16 SENATOR MAY: Thank you.

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

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

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

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

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

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

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

6 SENATOR MAY: Thank you.

7 CHAIRWOMAN KRUEGER: Thank you.

8 Assembly.

9 CHAIRWOMAN WEINSTEIN: Assemblyman
10 Keith Brown.

11 ASSEMBLYMAN KEITH BROWN: Thank you,
12 Madam Chair.

13 COMMISSIONER VISNAUSKAS: Hi.

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

16 COMMISSIONER VISNAUSKAS: Good, how
17 are you?

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

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

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

9 While supporting local governments
10 with funding, the estimates for Suffolk
11 County are it would cost anywhere from about
12 \$5 billion to sewer all of Suffolk County.
13 And the 250 million is a drop in the bucket
14 towards that.

15 The second thing you mentioned was in
16 terms of the 250 million to help funds, last
17 year Long Island asked for 110 million to
18 build affordable homes, of which the state
19 funded 3 million, which is approximately less
20 than 3 percent. And last year also there was
21 85 million allocated for the ADUs that never
22 came into fruition.

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

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

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

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

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

24 ASSEMBLYMAN KEITH BROWN: All right.

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

3 COMMISSIONER VISNAUSKAS: Yup.

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

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

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

1 like the Conference of Mayors and others.

2 ASSEMBLYMAN KEITH BROWN: Great.

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

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

10 ASSEMBLYMAN KEITH BROWN: Great, thank
11 you.

12 CHAIRWOMAN WEINSTEIN: Thank you.
13 To the Senate.

14 CHAIRWOMAN KRUEGER: Thank you very
15 much.

16 To Senator John Liu.

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

20 (Laughter.)

21 CHAIRWOMAN KRUEGER: Wait, wait, wait.

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

24 CHAIRWOMAN KRUEGER: I'm sorry, should

1 I take it back --

2 SENATOR LIU: I do have questions,
3 but --

4 (Laughter; overtalk.)

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

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

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

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

4 COMMISSIONER VISNAUSKAS: I would say
5 a couple of things.

6 We definitely want housing of all
7 types, but also embedded in the plan is that
8 localities can choose the type of housing
9 they want. We have seen really successful
10 inclusionary housing rezonings in places like
11 New Rochelle and others, where they require a
12 10 percent affordable on every project that
13 gets developed.

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

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

23 SENATOR LIU: Towards what -- towards
24 which measure?

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

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

7 COMMISSIONER VISNAUSKAS: It's
8 1 percent upstate and 3 percent downstate.

9 SENATOR LIU: Okay.

10 COMMISSIONER VISNAUSKAS: So if you
11 were a locality and you had a 100-unit
12 target, you could build a 50-unit regulated
13 affordable, and that would count as
14 100 units.

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

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

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

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

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

8 COMMISSIONER VISNAUSKAS: Eighty
9 percent AMI is the denominator --

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

12 COMMISSIONER VISNAUSKAS: Oh, so
13 80 percent is what the federal government
14 sort of uses as their kind of like
15 affordability target.

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

24 SENATOR LIU: Okay, thank you.

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

3 (Laughter.)

4 CHAIRWOMAN KRUEGER: Thank you,
5 Senator Liu.

6 CHAIRWOMAN WEINSTEIN: We go to
7 Assemblyman Burdick.

8 ASSEMBLYMAN BURDICK: Thank you.

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

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

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

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

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

1 with Westchester municipal officials on that.

2 I'd like to turn to the housing
3 compact and its targets, and perhaps we can
4 discuss offline that some system actually
5 might be set up -- I realize the logistical
6 issues have each municipality setting a
7 target which HCR would vet, but some might be
8 1 percent, others 10 percent.

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

16 And I'd like to ask you, of the
17 800,000 units, how many do you envision
18 should be affordable? And do you think that
19 within the goal there could be a subset for
20 affordable housing?

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

1 When we looked at the -- the plan is
2 sort of a two-part. There's sort of the
3 400,000 that have happened over the last
4 decade, and we presume that those 400,000
5 will happen over the next decade sort of
6 naturally, what we call kind of the organic
7 production in the state. And then the
8 additional 400,000, to get to the 800, is
9 sort of what these series of policy tools, we
10 think, will permit and create.

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

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

1 that.

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

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

22 CHAIRWOMAN WEINSTEIN: Thank you.

23 ASSEMBLYMAN BURDICK: Thanks so much.

24 CHAIRWOMAN WEINSTEIN: Thank you.

1 To the Senate.

2 CHAIRWOMAN KRUEGER: Senator Cordell
3 Cleare.

4 SENATOR CLEARE: Thank you.

5 Thank you, Commissioner, for your
6 testimony.

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

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

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

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

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

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

1 Fair Housing Laws and all communities are
2 accepting.

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

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

13 I'll also ask, seniors being our
14 fastest-growing population, how much of that
15 800,000 units is being dedicated for senior
16 housing?

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

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

3 COMMISSIONER VISNAUSKAS: Yes, we are.

4 SENATOR CLEARE: Okay. All right.

5 Thank you.

6 CHAIRWOMAN WEINSTEIN: So we go to
7 Assemblyman Dinowitz.

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

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

14 (Laughter.)

15 ASSEMBLYMAN DINOWITZ: Yes, they do.

16 (Laughter.)

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

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

1 know, was built by the Amalgamated Clothing
2 Workers of America starting in 1927, so
3 95 years ago -- 1500 affordable units which
4 we hope will remain. There's going to be a
5 witness later on who's going to get into a
6 lot of specifics regarding it. But it was
7 built under Article 4 of the Private Housing
8 Finance Law, unlike Mitchell-Lamas, which are
9 Article 2.

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

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

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

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

24 And in your 34 seconds, please

1 respond.

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

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

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

24 ASSEMBLYMAN DINOWITZ: Thank you.

1 CHAIRWOMAN WEINSTEIN: Thank you.

2 We go to the Senate.

3 CHAIRWOMAN KRUEGER: Thank you.

4 Next up is Senator Borrello.

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

7 COMMISSIONER VISNAUSKAS: Perfect.

8 SENATOR BORRELLO: Thank you.

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

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

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

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

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

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

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

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

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

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

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

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

24 SENATOR BORRELLO: So if you start

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

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

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

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

1 demand.

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

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

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

16 But thank you.

17 CHAIRWOMAN KRUEGER: Assembly.

18 CHAIRWOMAN WEINSTEIN: Assemblyman
19 Rivera.

20 ASSEMBLYMAN RIVERA: Hi, there.

21 COMMISSIONER VISNAUSKAS: Hi.

22 ASSEMBLYMAN RIVERA: How are you?

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

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

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

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

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

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

8 Second question, a bit local. There
9 is a public housing development on the
10 waterfront of my city, Buffalo, called Marine
11 Drive Apartments, and they've been sort of
12 sitting in the same way for about 60,
13 70 years. And I know that there's a huge
14 plan to redevelop them entirely, tear them
15 down, you know, build something new. It's a
16 pretty tight space there. They're sort of
17 landlocked and it's kind of tough to do much.

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

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

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

17 ASSEMBLYMAN RIVERA: Thank you.

18 COMMISSIONER VISNAUSKAS: Yup.

19 CHAIRWOMAN WEINSTEIN: Senate.

20 CHAIRWOMAN KRUEGER: Thank you.

21 Senator Julia Salazar.

22 SENATOR SALAZAR: Thank you.

23 Good to see you, Commissioner.

24 I want to ask about the Governor's

1 budget proposal --

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

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

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

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

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

1 renters.

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

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

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

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

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

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

3 SENATOR SALAZAR: Great.

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

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

12 SENATOR SALAZAR: Got it.

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

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

5 Thanks.

6 COMMISSIONER VISNAUSKAS: Thank you.

7 CHAIRWOMAN KRUEGER: Thank you.

8 Assembly.

9 CHAIRWOMAN WEINSTEIN: We go to
10 Assemblywoman Simon.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 COMMISSIONER VISNAUSKAS: But just to
8 say we are --

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

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

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

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

22 COMMISSIONER VISNAUSKAS: Okay.

23 CHAIRWOMAN WEINSTEIN: Thank you.

24 To the Senate.

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

5 On the five-year housing plan. So in
6 '22-'23 we enacted a 4.5 billion new
7 five-year housing plan to provide 100,000
8 affordable units, 10,000 supportive housing
9 units. Of course we haven't done much on
10 that yet, I'm assuming, or spent that money.

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

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

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

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

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

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

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

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

1 left, with a commitment of 100,000 units,
2 10,000 supportive housing units -- give me an
3 end date for when we actually ought to see
4 all of those online.

5 COMMISSIONER VISNAUSKAS: Well, it's a
6 mix, right. So for our preservation deals,
7 they happen a little faster than new
8 construction, happen a little longer. But it
9 would be the same math. So as we get to the
10 last sort of day of the Year 5 budget and
11 we're closing those last March deals, they
12 take about two years to finish construction
13 and occupy. So we would be in -- if we
14 closed the first deal -- or the last deal,
15 '22, '23, '24, '25, '26 -- so in '27, if we
16 started our last deal in March of '27, it
17 would be two years from then for the last
18 unit to be, you know, occupied.

19 CHAIRWOMAN KRUEGER: So when the
20 Governor talks about an 800,000 unit goal for
21 10 years, do I add another two or three years
22 on top of that, even if we're staying on
23 schedule?

24 COMMISSIONER VISNAUSKAS: Yeah. I

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

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

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

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

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

4 So I've always been an opponent of
5 421-a in all the variations since I've been
6 here. But I think the fact that you've
7 got -- we don't even know how many people are
8 rushing to -- rushed to get their
9 applications in before June, now are rushing
10 to call for us to give them another four
11 years. Some of those might not even be
12 anything but a glint in someone's eye. I
13 just think it's a tragic mistake for New York
14 State to allow an additional four years on a
15 program we ended for very specific reasons.

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

1 viewed one by one.

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

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

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

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

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

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

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

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

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

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

3 This staff is really to expand our
4 footprint --

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

8 COMMISSIONER VISNAUSKAS: The Office
9 of Rent Administration.

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

13 How many staff do you have in that
14 unit now?

15 COMMISSIONER VISNAUSKAS: In the
16 Office of Rent Administration?

17 CHAIRWOMAN KRUEGER: TPU. TPU.

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

21 CHAIRWOMAN KRUEGER: And how many
22 additional staff would you get with the
23 \$579,000?

24 COMMISSIONER VISNAUSKAS: I think

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

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

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

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

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

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

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

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

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

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

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

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

8 CHAIRWOMAN KRUEGER: Thank you.

9 The Senate I believe is closed.

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

13 ASSEMBLYMAN MANKTELOW: Thank you,
14 Madam Chair.

15 Thank you, Commissioner. Good
16 morning.

17 COMMISSIONER VISNAUSKAS: Hi.

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

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

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

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

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

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

23 COMMISSIONER VISNAUSKAS: Great.

24 ASSEMBLYMAN MANKTELOW: Thank you for

1 that answer.

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

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

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

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

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

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

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

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

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

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

4 But happy to work on it with you more
5 extensively.

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

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

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

24 CHAIRWOMAN WEINSTEIN: Thank you.

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

7 And we go to Assemblywoman Levenberg
8 for three minutes.

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

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

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

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

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

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

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

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

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

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

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

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

9 COMMISSIONER VISNAUSKAS: Thank you.

10 CHAIRWOMAN WEINSTEIN: Thank you.

11 We go to Assemblyman Gallahan.

12 ASSEMBLYMAN GALLAHAN: Thank you,

13 Madam Chair.

14 Good morning, Commissioner.

15 COMMISSIONER VISNAUSKAS: Good
16 morning.

17 ASSEMBLYMAN GALLAHAN: A couple of
18 quick questions.

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

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

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

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

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

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

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

5 ASSEMBLYMAN GALLAHAN: Okay, thank
6 you.

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

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

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

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

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

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

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

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

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

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

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

15 Assemblywoman Seawright.

16 ASSEMBLYWOMAN SEAWRIGHT: Thank you,
17 Chair Weinstein.

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

1 several elected officials.

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

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

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

24 ASSEMBLYWOMAN SEAWRIGHT: As well as

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

5 COMMISSIONER VISNAUSKAS: Yup,
6 absolutely.

7 ASSEMBLYWOMAN SEAWRIGHT: Thank you.

8 COMMISSIONER VISNAUSKAS: Yup.

9 CHAIRWOMAN WEINSTEIN: We go to
10 Assemblywoman Hyndman.

11 ASSEMBLYWOMAN HYNDMAN: Thank you,
12 Chair Weinstein.

13 Thank you, Commissioner, for your
14 endurance.

15 (Laughter.)

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

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

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

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

1 with less.

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

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

14 Thank you.

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

1 people can buy.

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

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

18 ASSEMBLYWOMAN HYNDMAN: Thank you.

19 CHAIRWOMAN WEINSTEIN: Thank you.

20 Assemblyman Meeks.

21 ASSEMBLYMAN MEEKS: Thank you,

22 Madam Chair.

23 Good morning, Commissioner.

24 COMMISSIONER VISNAUSKAS: Good

1 morning.

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

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

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

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

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

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

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

20 ASSEMBLYMAN MEEKS: Thank you.

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

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

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

14 Thank you.

15 CHAIRWOMAN WEINSTEIN: We go to
16 Assemblywoman Lucas.

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

19 Thank you, Commissioner.

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

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

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

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

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

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

10 ASSEMBLYWOMAN LUCAS: Got it.

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

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

24 COMMISSIONER VISNAUSKAS: Yes, we'd be

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

8 ASSEMBLYWOMAN LUCAS: That would be
9 fantastic. Thank you.

10 CHAIRWOMAN WEINSTEIN: Assemblywoman
11 Chandler-Waterman.

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

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

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

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

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

23 ASSEMBLYWOMAN CHANDLER-WATERMAN:
24 Yeah.

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

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

16 ASSEMBLYWOMAN CHANDLER-WATERMAN: I
17 look forward to that.

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

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

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

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

14 CHAIRWOMAN WEINSTEIN: Assemblywoman
15 Kelles.

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

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

1 that.

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

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

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

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

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

10 ASSEMBLYWOMAN KELLES: Housing supply.

11 COMMISSIONER VISNAUSKAS: Sorry?

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

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

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

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

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

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

20 ASSEMBLYWOMAN KELLES: It was just yes
21 or no.

22 So I'm going to take my next
23 33 seconds. A couple of things, concerns of
24 mine about sprawl. I would love to see some

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

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

10 COMMISSIONER VISNAUSKAS: Yeah. So
11 the 50 million we got last year, we
12 released -- we worked really closely with the
13 Land Bank Association and all the land banks
14 on what they wanted from that fund. So we
15 released the first \$20 million last year, and
16 now we're working on releasing the next
17 \$30 million.

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

22 CHAIRWOMAN WEINSTEIN: Thank you.

23 Assemblyman Kim, three minutes.

24 ASSEMBLYMAN KIM: Thank you,

1 Commissioner, for your patience today.

2 You know, when we talk about the
3 \$25 million investment, the housing compact,
4 we often talk about capital. And when we
5 refer to capital, we're relying on private
6 capital and we're subsidizing private
7 capital, we're incentivizing private capital
8 to get the job done.

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

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

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

8 COMMISSIONER VISNAUSKAS: It's a great
9 question. I mean, we are, you know, just
10 about to finish our first year of our
11 five-year Housing Plan. We have an enormous
12 amount of resources in this state towards
13 affordable housing, more than any other state
14 in the country. And so we will create
15 100,000 -- create and preserve 100,000 units
16 over the next five years.

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

1 we can.

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

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

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

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

10 Thank you.

11 CHAIRWOMAN WEINSTEIN: Thank you.

12 Assemblyman Ra.

13 ASSEMBLYMAN RA: Thank you.

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

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

1 mandates in Nassau County -- which is
2 50 units per acre -- we're going to be well
3 past 3 percent. So I would say this proposal
4 doesn't do that in any way. It's telling
5 municipalities this is how you're going to
6 get there. It's not giving them any options.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 (Overtalk.)

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

16 COMMISSIONER VISNAUSKAS: That they do
17 the rezoning themselves --

18 ASSEMBLYMAN RA: Yes.

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

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

1 400,000 units of housing. We need to be
2 creating more housing. We think the smartest
3 and best place to do that is around train
4 stations, because it's good for the
5 environment, people don't need to have cars,
6 they can quickly access jobs at our -- in job
7 centers located along the train stations. So
8 we think that is a great place to put
9 density, is around the train stations.

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

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

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

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

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

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

17 Thank you.

18 CHAIRWOMAN WEINSTEIN: Thank you.

19 I have a couple of issues I want to
20 raise.

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

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

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

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

15 CHAIRWOMAN WEINSTEIN: Right.

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

1 needs are there.

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

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

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

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

1 are as of I think last month about
2 15,000 units towards the 20,000 unit goal for
3 the first year. So we are on track, which is
4 great.

5 And I would say -- and I had started
6 to say this earlier, but just to sort of
7 clarify how our affordable housing plan sort
8 of fits into the overall is that when we look
9 back over the last 10 years, we've looked at
10 the affordable housing really as part of the
11 base, because that program is in place. And
12 we look forward -- our 100,000 units and
13 beyond really are built into the sort of
14 400,000 base. And so the additional 400,000
15 units that the sort of three different
16 buckets of policies create are incremental to
17 all the work that we do.

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

21 CHAIRWOMAN KRUEGER: Senate's closed.

22 CHAIRWOMAN WEINSTEIN: The Senate's
23 closed.

24 Assemblywoman Rosenthal for a second

1 round of three minutes.

2 ASSEMBLYWOMAN ROSENTHAL: Thank you,
3 Chair Weinstein.

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

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

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

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

24 And what can be done to speed up the

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

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

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

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

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

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

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

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

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

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

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

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

1 ERAP.

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

4 CHAIRWOMAN WEINSTEIN: Thank you.

5 And to the Senate.

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

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

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

18 COMMISSIONER VISNAUSKAS: Yes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 CHAIRWOMAN KRUEGER: You know what,

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

3 (Laughter.)

4 SENATOR KAVANAGH: That was a
5 follow-up.

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

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

10 (Laughter.)

11 CHAIRWOMAN KRUEGER: Thank you so much
12 for returning.

13 SENATOR KAVANAGH: Thank you. Thank
14 you, Senator Krueger. Thank you,
15 Commissioner.

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

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

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

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

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

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

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

24 MR. INWALD: Yes. I was prepared to

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

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

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

1 there was an 85 percent increase.

2 And all it takes is a phone call to
3 the AG's office. I can give you -- they
4 fully committed, of that 35 million,
5 34,340,164.56. So that's a very specific
6 number which Kerri White at the Attorney
7 General's office I'm sure would have provided
8 to Homes and Community Renewal had they been
9 asked about it over the last six months when
10 we've been advocating to continue this
11 funding.

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

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

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

1 values are appreciating.

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

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

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

4 In addition, as I mentioned, we're
5 seeing -- okay, I'm out of time. I just want
6 to also mention the Homeowner Assistance
7 Fund, which Homes and Community Renewal
8 administers. And they rely on the HOPP
9 network to actually make that program work.
10 That's federal money to the tune of
11 \$550 million providing relief to New York
12 homeowners. And they have a separate portal
13 for the HOPP advocates to actually submit
14 those applications, and three months ago they
15 actually asked us to take on applications of
16 homeowners who did these applications on
17 their own because they recognized that they
18 needed the support of the HOPP network.

19 So -- I'm sorry for going over.

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

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

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

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

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

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

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

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

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

1 legal service providers throughout the state.

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

15 Thank you.

16 CHAIRWOMAN WEINSTEIN: Thank you.

17 Citizen Action of New York.

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

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

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

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

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

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

1 around the changing demographics of the
2 neighborhood. As noted by the reporter who
3 wrote the story, in Brooklyn Community
4 District 2, where the project is located, the
5 number of Black residents decreased from
6 41.8 percent of the population in 2000 to
7 20.3 percent in 2015 through 2019. The
8 number of white residents increased during
9 that time from 31.1 percent to 52.1 percent.

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

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

1 running out of time.

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

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

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

23 CHAIRWOMAN WEINSTEIN: Thank you.

24 I just want to remind all the

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

5 So next we hear from Urban
6 Homesteading Assistance Board.

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

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

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

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

4 My neighbors and myself will be
5 operating our building as a collective, and
6 we'll be able to purchase our units for
7 \$2,500. We're currently working on
8 waterproofing our building, which means that
9 our building will be completely run on
10 electrical power with new heat pumps which
11 would meet the highest standards for New York
12 State climate goals.

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

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

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

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

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

23 Thank you.

24 CHAIRWOMAN WEINSTEIN: Thank you.

1 And last, Enterprise Community
2 Partners.

3 MS. HALM: Thank you.

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

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

16 We urge the Legislature to include in
17 its one-house budgets money to fund the
18 Housing Access Voucher Program at
19 \$250 million this year, which would serve
20 over 50,000 New Yorkers statewide. HAVP is
21 accessible, flexible, and nondiscriminatory,
22 making it the most effective program for
23 preventing homelessness and moving homeless
24 households into permanent housing.

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

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

1 housing.

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

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

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

20 And for NYCHA, the New York Housing
21 Conference estimates that NYCHA faces a
22 \$35 million budget shortfall. It is
23 therefore crucial that the state continues
24 its commitment to fully address the needs of

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

4 And on the arrears for the affordable
5 housing and public housing portfolio, we
6 recognize that public housing operators and
7 affordable housing operators are in danger of
8 maintaining the viability of their housing
9 stock. And so we support NYSFAH's ask for
10 \$2 billion to support these owners and
11 operators.

12 Thank you.

13 CHAIRWOMAN WEINSTEIN: Thank you.

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

16 ASSEMBLYWOMAN ROSENTHAL: Thank you.

17 I have it on good authority that there
18 is no money left unspent from last year's
19 \$35 million allocation. Does anyone
20 understand why the Governor would leave this
21 funding out of her Executive Budget?

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

1 (Laughter.)

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

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

6 (Laughter.)

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

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

24 ASSEMBLYWOMAN ROSENTHAL: Thank you.

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

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

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

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

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

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

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

6 ASSEMBLYWOMAN ROSENTHAL: Thank you.

7 Anyone else want to comment on that
8 portion?

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

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

20 Okay, thank you all.

21 CHAIRWOMAN WEINSTEIN: Senate?

22 CHAIRWOMAN KRUEGER: Thank you.

23 Senate Housing Chair Brian Kavanagh,
24 three minutes.

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

5 MS. HALM: So on the fair housing
6 work, enterprise was able to launch an
7 innovative program with Attorney General
8 resources which ended last year, and the
9 state stepped up to, for the first time,
10 create a state-supported Fair Housing Testing
11 Program. That program was funded at
12 \$2 million, which was very far short of
13 what -- the program under Attorney General
14 resources. And so the six fair housing
15 organizations scaled back their services in
16 order to absorb that \$2 million.

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

24 SENATOR KAVANAGH: And if we were --

1 if the Legislature were successful in getting
2 a total of -- the \$5 million and a total of
3 \$7 million, do you think your network would
4 be able to make sure that there's at least
5 one organization in every part of the state
6 that's focusing on this work?

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

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

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

1 costs.

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

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

21 SENATOR KAVANAGH: Thank you.

22 CHAIRWOMAN WEINSTEIN: Thank you.

23 We go to Assemblywoman Lucas.

24 ASSEMBLYWOMAN LUCAS: Okay, thanks

1 again, Madam Chair.

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

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

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

1 ASSEMBLYWOMAN LUCAS: Thank you.

2 CHAIRWOMAN WEINSTEIN: Anybody else in
3 the Senate?

4 CHAIRWOMAN KRUEGER: Senators?

5 Senator Myrie.

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

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

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

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

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

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

24 What it does not do, to your point

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

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

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

18 CHAIRWOMAN KRUEGER: Assembly.

19 CHAIRWOMAN WEINSTEIN: Assemblywoman
20 Simon.

21 ASSEMBLYWOMAN SIMON: Thank you.

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

1 coming in and just wholesale issuing eviction
2 notices to people who have been living,
3 paying their rent for 15, 20, sometimes
4 30 years -- but they're not stabilized, they
5 have no other protection. And that's
6 happening throughout my district and it's
7 happening certainly throughout Brooklyn and
8 I'm sure other parts of the city as well. I
9 don't know if you -- others of you have
10 perspective on that or have an approach other
11 than good-cause or -- good-cause I think
12 really addresses this well.

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

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

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

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

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

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

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

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

12 ASSEMBLYWOMAN SIMON: Thank you.

13 CHAIRWOMAN KRUEGER: Senator Julia
14 Salazar.

15 SENATOR SALAZAR: Thank you, Chair.

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

18 I did want to follow up on Rebecca's
19 testimony regarding the good-cause eviction
20 bill. Even though this is a budget hearing
21 and this bill doesn't have a fiscal impact to
22 the state, this is something that we intend
23 to discuss in the context of the Governor's
24 housing compact.

1 Rebecca, could you talk about how the
2 text of the good-cause eviction bill offers
3 protections actually also for homeowners who
4 may be in the eviction process, exemptions,
5 and even perhaps how if good-cause eviction
6 were law, it would interact with protections
7 that we advocate for, that exist for
8 homeowners, including programs for homeowners
9 who are struggling.

10 MS. GARRARD: Yeah, thank you for that
11 question. I think you raise a really good
12 point because a lot of the misinformation
13 around good-cause creates a false tension
14 between the property owner and the tenant.
15 And so the reality is there are, as I
16 mentioned before, right, numerous reasons to
17 be able to evict. There's also exemptions
18 for buildings under four units that are owner
19 occupied, in recognition that it feels like
20 an extension of your home and so there should
21 be extra discretion. There are exemptions
22 for if you need a family member to move into
23 a unit. So there's a lot of, right,
24 allowances.

1 In my mind, it helps -- and I believe
2 data would show, right -- it helps small
3 landlords, because it levels the playing
4 field for them against these really predatory
5 large players. Right? I defy you to find me
6 a small landlord who has a tenant that is
7 paying the rent on time and taking care of
8 the property who wants to no-fault evict
9 them. That is not the case. It is not what
10 we see. Those landlords are like please
11 never leave, and probably bring them cookies
12 at the holidays. You know what I mean?

13 What we see this used for is when
14 these really predatory corporate developers
15 come in and want to convert the housing from
16 an affordable range, from a community-based
17 ownership model to one that is strictly for
18 profiteering, either through the lens of
19 displacement or intentional disinvestment,
20 right?

21 So this, to me, is a really good way
22 to concentrate on what landlords do need
23 resources, right, which we don't want small
24 landlords who are Black and brown losing

1 their properties. This bill won't do that.
2 And we are very much in favor of providing
3 resources, if needed, to that class of
4 landlords.

5 CHAIRWOMAN WEINSTEIN: Thank you.

6 We go to Assemblywoman Kelles.

7 ASSEMBLYWOMAN KELLES: That was
8 unexpected.

9 So two areas of questions. One,
10 Enterprise, thank you for bringing up the
11 compact. I think there are actually very
12 promising aspects of this. You did bring up
13 the piece of concern, which I have as well,
14 which is the affordability piece. So of
15 course she mentioned supply earlier and the
16 existing issues, so this one is related to
17 supply.

18 Can you give some examples or
19 recommendations of how we might strengthen
20 the affordable housing piece of the compact?

21 MS. HALM: From our work we know that
22 there's affordable housing that's needed
23 throughout the state. The compact really
24 leaves it up to individual communities to

1 either through a regulatory agreement, right,
2 that that's how you get affordable housing
3 created, which is a subsidy or to consider
4 other measures. But it doesn't really give
5 guidance, it's not part of the planning
6 process in thinking about how a community is
7 going to achieve its growth target.

8 And so that should be part of
9 community planning, we think. Long-term
10 community planning should think about
11 affordability and how to incentivize it and
12 give some guidance to communities to factor
13 that in. Because we do know that there are
14 large parts of the state that don't have the
15 apparatus, the planning apparatus, and
16 there's going to be some technical
17 assistance. But we should think about
18 affordability as part of that technical
19 assistance, part of that review, that
20 expectation that when the community is
21 thinking about the different options it wants
22 to maximize for their particular community,
23 that they're also thinking about how to
24 maximize affordable housing.

1 ASSEMBLYWOMAN KELLES: And do you
2 think it would helpful to have a requirement
3 to meet that 1 percent or 3 percent
4 specifically for affordable?

5 MS. HALM: I think there's a lot of
6 ways to achieve affordability, and so that we
7 should just have a frank conversation about
8 what is the best goal for the state and that
9 we need more housing but we certainly need
10 more affordable housing across the state, and
11 not just in, you know, core areas. But we
12 want people to have options of where they
13 live. That's a central component for
14 Enterprise in our work, that there should be
15 optionality for families that if they want to
16 move to upstate, they're going to find
17 affordable housing. If they want to move
18 downstate, they can find affordable housing.
19 And so that should be part of the state's
20 overall planning process, to make sure that
21 affordability is part of our long-term
22 approach as well.

23 ASSEMBLYWOMAN KELLES: Thank you so
24 much.

1 And quick, Rebecca, last question
2 about good cause. Good cause, HAVP, I
3 totally agree they would address the needs
4 right now. With good cause, though, there's
5 a lot of misinformation that landlords would
6 not be able to increase the rents at all,
7 that it would restrict them.

8 Can you talk a little bit about how
9 that is not true?

10 MS. GARRARD: Yeah, thank you so
11 much -- because we haven't got to that -- for
12 bringing that up, Assemblymember Kelles.

13 So what the bill does in its current
14 form is set a floor, right -- not a ceiling,
15 a floor -- for the rent increase that's
16 related to nothing more than just breathing
17 air. But cost of owning the property, if it
18 increases, landlords absolutely can go above
19 that floor to recoup their costs of
20 ownership. That includes property taxes,
21 repairs, et cetera, et cetera.

22 So that is another important piece of
23 misinformation that is not true and the bill
24 allows for.

1 ASSEMBLYWOMAN KELLES: Thank you.

2 CHAIRWOMAN KRUEGER: Thank you.

3 CHAIRWOMAN WEINSTEIN: Assemblyman

4 Kim.

5 ASSEMBLYMAN KIM: Thank you.

6 So I represent one of the worst
7 economically unequal districts in the entire
8 state -- Flushing, New York -- between the
9 haves and have-nots. And I just wanted to
10 spend a minute about why it's so important to
11 protect the tenants.

12 One of our brothers in the movement --
13 that will be here with you all as a social
14 and housing justice advocate -- is dealing
15 with some serious cancer and going through
16 chemotherapy, and he is living in conditions
17 where every day there are rats, rodents,
18 roaches in his house and there are doctors,
19 myself, everyone is advocating for him, but
20 this is just one example -- even one of us
21 that have to go through this kind of
22 struggle.

23 And I'm just, you know, I'm blown away
24 by some of the testimonies today and what

1 you're pushing for. And one of the things
2 that makes me feel optimistic -- and I want
3 to turn my attention to Claudia Waterton and
4 what you were able to accomplish through your
5 organizing, to take a problem and really take
6 ownership of your futures. But it took you
7 five years of organizing.

8 MS. WATERTON: Yes. Yeah. Yeah.

9 ASSEMBLYMAN KIM: And so my
10 question -- I just want to take a little kind
11 of deep-dive moment of how difficult was it
12 to find financing, to get people to invest.
13 Just walk us through the process of how you
14 were able to accomplish this as an organizer.

15 MS. WATERTON: So that was actually
16 very difficult, because around the time when
17 we finalized the first round of financing,
18 COVID happened and everything got taken away.
19 It was through the city.

20 And then in the middle of COVID, we
21 were able to find the second round of
22 financing, just really out of the blue, and
23 that's how we finalized it. But, I mean, it
24 was so rare.

1 And I have to say in our case we did
2 use -- because we also had a DHCR case that
3 we were pending, along with us trying to
4 purchase the building. So because of that
5 case, he could not sell it to another
6 developer. He was trying to get us to drop
7 it in order to sell the building because no
8 other developer would touch it, because then
9 they would have to pick up the case again and
10 fight with us another, I don't know, maybe
11 five, 10 years until that case closed.

12 So we basically held the building
13 hostage, basically, and said, You have to
14 sell it to us, we're not dropping this case.
15 Either you sell it to us or we just wait it
16 out in court.

17 ASSEMBLYMAN KIM: So it was an
18 extenuating circumstance, almost an outlier,
19 that you were able to do this without state
20 support or anybody else. So that's why it's
21 so important to push legislation to fund --
22 is it 250 million that we're --

23 MS. WATERTON: We purchased it for
24 2.6 million.

1 ASSEMBLYMAN KIM: But as a state we
2 want to put in funding to --

3 MS. WATERTON: Oh, yeah, the total for
4 TOPA is 250 million.

5 ASSEMBLYMAN KIM: Okay. Thank you so
6 much.

7 CHAIRWOMAN WEINSTEIN: Thank you.

8 Assemblywoman Chandler-Waterman.

9 ASSEMBLYWOMAN CHANDLER-WATERMAN:
10 Thank you, Madam Chair. Thank you all.

11 Good cause and bills like this, you
12 know, is really good to protect our tenants.
13 And I do agree there's a lot of
14 misinformation when it comes to -- on the
15 part of homeowners and all that. So I'm glad
16 for my colleagues for bringing up those
17 points to explain so I don't have to ask
18 those questions, because it was already
19 asked.

20 But to Legal Service NYC, Jacob. So
21 we have lost so many working-family Black
22 homes in Brooklyn when LISC should have
23 provided funding in the past 10 years. What
24 should we change? So much funding for

1 advocates to save on the one-to-four-family
2 home homeownership. Why is there such a high
3 percentage of unrepresented homeowners in
4 Brooklyn losing their homes? What are we
5 missing? What are we not doing?

6 My district is over 90 percent Black
7 and brown. Canarsie has a high foreclosure
8 rate. We are losing our homes, our
9 generational wealth, our families are
10 suffering. Can you shed some light?

11 MR. INWALD: So I'm not sure I can do
12 it in two minutes and three seconds, but
13 there are lots of challenges in that. But
14 just to cast some perspective, Brooklyn
15 actually has better resources for homeowners
16 than any other county in the state. We have
17 multiple legal services providers and housing
18 counseling agencies.

19 But that being said, even at the
20 existing levels of funding we have never been
21 able to fully meet the need. We cannot take
22 every client who comes in the door. And we
23 have to triage and we have to marshal our
24 resources. There are -- you know, that's

1 part of it. And that applies to all of our
2 colleague organizations who do this work as
3 well.

4 There are some people who are
5 resistant to taking free legal services, and
6 they are more likely to, you know, go with
7 scammers charging them money because they
8 feel like if they're paying someone, they're
9 getting better services than someone who's
10 actually doing the work for free. So
11 sometimes we have that challenge, you know,
12 in some communities.

13 And we could really benefit from
14 better information coming from trusted
15 resources -- you know, public service
16 announcements and things like that. That's
17 not about the budget. This is about like how
18 we actually, you know, get the word out
19 better. But it's been a constant challenge.
20 I've been involved in this for about
21 14 years, and it's always been a challenge.
22 It's -- we don't necessarily reach everybody.

23 Although I will say that the
24 environment has drastically changed from

1 where we were before HOPP. Right now -- you
2 know, before HOPP, 90 percent of foreclosure
3 cases resulted in default judgments where the
4 homeowner did not interact with the process
5 whatsoever. And we now have -- you know,
6 closer to 60 percent of homeowners are
7 getting representation at least in the
8 settlement conference phase of cases in
9 court. So that's a drastic transformation.

10 We're at risk of going back to where
11 we were if the network is no longer there on
12 July 16th. But we have transformed the
13 environment, and it's no longer just a
14 situation where lenders can go into court and
15 know they're going to get a default judgment.

16 But there is lots of work, and I'm
17 happy to talk further about how we can --

18 ASSEMBLYWOMAN CHANDLER-WATERMAN:

19 That's what I was going to say, yes.

20 MR. INWALD: -- better, you know, do
21 outreach and reach, you know, all the
22 communities who need our services.

23 ASSEMBLYWOMAN CHANDLER-WATERMAN:

24 Especially in the Black and brown

1 communities.

2 MR. INWALD: Happy to do that.

3 ASSEMBLYWOMAN CHANDLER-WATERMAN:

4 Thank you so much.

5 CHAIRWOMAN WEINSTEIN: Thank you.

6 Senate, do you have --

7 CHAIRWOMAN KRUEGER: I believe the

8 Senate is closed.

9 CHAIRWOMAN WEINSTEIN: Okay, so the
10 Assembly also is closed.

11 So we'd like to thank the members of
12 this panel for being here, and we're going to
13 call the next panel to present, Panel B: New
14 York City Housing Partnership; New York
15 Building Congress -- and I note, for those
16 following, that Carlo couldn't be here
17 because of illness, so we have Justin
18 Pascone -- then 32BJ SEIU; New York State
19 Association for Affordable Housing; New York
20 Housing Conference; and Amalgamated Housing
21 Corporation.

22 (Pause.)

23 CHAIRWOMAN KRUEGER: Okay. Hi,
24 everyone, welcome. We're going to start from

1 my right, your left, and just keep going
2 down. Is that all right? Okay, you're easy,
3 fine.

4 Remember to introduce yourself and
5 speak for three minutes, as close to the
6 microphone as you can get -- some of them
7 work better than others. Thank you.

8 MR. YAKER: I thought I was last, but
9 I guess I'm not. Ed Yaker, Amalgamated
10 Houses, the oldest limited equity co-op in
11 the country. We're 95 years old, and I don't
12 know if we're going to reach 100. And if we
13 don't, the cause of death is going to be
14 supervision by the State of New York Housing
15 and Community Renewal.

16 When the commissioner spoke, she said,
17 Oh, they're private enterprises, they're
18 private businesses. But we don't control our
19 own money. We can't increase carrying
20 charges unless we go to the state and the
21 commissioner gives us an increase. We can't
22 take money for capital repairs, a new
23 mortgage, unless the commissioner allows us
24 to. And in the past years, that's been the

1 problem.

2 Our last three increases have been
3 late, insufficient, they don't make up for
4 the gap when we have a budget year ending
5 January 1st but they don't get to an increase
6 until June 1st. Well, whatever shortfall you
7 had in those ones doesn't exist. We're
8 starting a new budget from here. So you get
9 an increase to cover the next two years, but
10 nothing to cover the shortfall.

11 So we're now a million-five behind in
12 payments to vendors. We have nothing in our
13 capital reserve, nothing in our operating
14 reserve, because the state wouldn't grant us
15 an increase.

16 We know the pain of increases; we pay
17 it. And we know our people move in based on
18 income limits. But as a co-op, we got
19 nowhere else to get money from.

20 A few years ago we knew we needed
21 capital work. We went to architects, we went
22 to engineers, we said, What do we need to do?
23 Here's your list. We had more work than we
24 could afford to make the debt service payment

1 on, so we wanted to borrow part of it from
2 Freddie Mac, come back a few years later:
3 No, you can't borrow now, you have to do it
4 in our form of IPNA, integrated physical
5 needs. Same information, but it took -- cost
6 us a quarter-million dollars to redo, and two
7 years. And you know what's happened to
8 interest rates in the last two years? It's
9 going to cost our cooperators of affordable
10 housing \$2 million a year for 30 years
11 because, nope, we didn't do it in their
12 format.

13 Our crisis now is gas. We're going to
14 get shut down. We started telling them about
15 Local Law 152 in New York five years ago. We
16 got silence. Our buildings are older than
17 the Mitchell-Lama program. So out of 1500
18 families, we're going to have 800 shut down.

19 They caused the problem; they have to
20 find us the money to fix it. We don't have
21 money to do anything.

22 CHAIRWOMAN KRUEGER: Thank you.

23 Next?

24 MR. SMARR: Good afternoon, chairs and

1 members of the Assembly and Senate
2 committees. I'm Jamie Smarr, CEO of the
3 New York City Housing Partnership. Thank you
4 for this opportunity to discuss the need for
5 legislative tax and zoning incentives in
6 support of affordable housing creation in
7 New York.

8 The Housing Partnership, since its
9 founding by Mayor Koch and David Rockefeller
10 in 1982, has created more than 72,000 units
11 of affordable housing using various state and
12 city housing incentives. These housing
13 units, which are both rental and for sale,
14 make the foundation of New York City's
15 economic recovery from the moribund 1980s to
16 what we see throughout the city today, which
17 are strong and vibrant neighborhoods that
18 support the city's tax base, immense cultural
19 life and business activity.

20 I am intimately familiar with the role
21 incentives play in the creation of housing.
22 For several years I served as director of tax
23 and zoning incentives for New York City
24 Housing Preservation and Development. During

1 my tenure, the Legislature had a special
2 program known as 421-g. 421-g helped to
3 revive, to rebuild and to transform
4 Lower Manhattan following the 9/11 terrorist
5 attacks. Looking back now 20 years from that
6 terrible time, I feel the Legislature should
7 be proud of its contribution toward the
8 revival of New York after 9/11 in the form of
9 special incentives for housing development.

10 Of course we are not here to rest on
11 our laurels or prior achievements. Housing
12 demand has so far outstripped supply in New
13 York City present-day that recent statistics
14 show New Yorkers now have a close to zero
15 percent chance of finding a low- or
16 moderate-rent opportunity in New York City.
17 This is the worst that it's ever been.

18 421-a and J-51 are proven housing
19 incentives that work very well together to
20 encourage both new construction and
21 preservation of existing affordable housing.
22 More than 1 million New York apartments owe
23 their creation and preservation to these
24 legislative initiatives. 421-a and J-51

1 together incentivize the private sector to
2 work collaboratively with the Governor to
3 provide and modernize housing while
4 stimulating the construction and general
5 contracting jobs sectors, which have always
6 been reliable middle-class job creators. And
7 without middle-class job creation, a vibrant
8 New York City will certainly cease to exist.

9 There has been significant work
10 recently by both the city and the state
11 towards streamlining the process of creating
12 new affordable housing. I suggest the
13 Legislature seriously consider providing
14 affordable housing projects with zoning
15 exemptions, like present state law allows the
16 School Construction Authority to exempt its
17 school construction projects from zoning
18 reviews to speed construction. New Yorkers
19 don't have years and years to wait for more
20 housing opportunities.

21 New York possesses one of the most
22 robust real estate markets in the world.
23 Legislative incentives to quickly implement
24 solutions will safeguard our city's future

1 for generations to come. New Yorkers really
2 need this legislative action now.

3 CHAIRWOMAN KRUEGER: Thank you. Going
4 to cut you off there.

5 MR. SMARR: Thank you all.

6 CHAIRWOMAN KRUEGER: Thank you, Jamie.
7 Next?

8 MR. PASCONE: Thank you. My name is
9 Justin Pascone. I'm here representing the
10 New York Building Congress. We're an over
11 100-year-old organization that represents
12 New York's building and construction
13 industry, comprised of over 500
14 organizations, architecture firms,
15 engineering, contracting, labor and
16 250,000 skilled tradespeople and
17 professionals throughout New York.

18 Thank you, Chairs Krueger and
19 Weinstein for the opportunity to testify this
20 afternoon, and thank you to the assembled
21 members of the Assembly and Senate.

22 As one of the leading construction and
23 building advocacy organizations, the
24 Building Congress wholeheartedly supports the

1 Governor's proposal to establish new home
2 targets in cities, villages and towns across
3 the state. We're testifying in support today
4 of the multiple housing-related proposals
5 included in the Governor's housing compact,
6 and believe these are necessary to reach the
7 Governor's target of 800,000 homes over the
8 next decade.

9 And a decade is a useful metric if you
10 look at where the metro region thought they
11 would be 10 years ago. Today, we are now a
12 decade ahead of where we projected we'd be in
13 jobs -- which is excellent -- and we're a
14 decade behind where we thought we'd be in the
15 number of housing units produced, which leads
16 to a lot of the issues we've discussed
17 already.

18 So I just want to highlight four
19 specific policies that we are testifying in
20 support of today.

21 Extension of the project completion
22 deadline for 421-a. Due to workforce
23 shortages, rising construction costs,
24 increased challenges with debt markets and

1 infeasible time frames for large construction
2 projects, the June 2026 deadline for vested
3 projects currently in the 421-a program is
4 becoming increasingly challenging to meet.

5 The danger of not meeting this deadline is
6 putting over 33,000 in jeopardy. The largest
7 percent of those are in the outer boroughs,
8 and that translates into over 500,000 jobs.

9 We're in support of encouraging
10 transit-oriented development. TOD would not
11 only increase New York's housing stock but
12 encourage the use of public transit, reduce
13 greenhouse gas emissions, promote local
14 economic development, and increase social and
15 economic mobility for New York's population
16 across the state.

17 Research suggests that minimum
18 densities around stations to make commuter
19 rail cost-effective are anywhere between 16
20 dwelling units per acre and 45 dwelling units
21 per acre. The average density surrounding
22 Long Island Rail Road and Metro-North
23 stations outside of New York City is
24 3.6 dwelling units per acre.

1 For subway stations to be
2 cost-effective, that target has to be at
3 least 50 dwelling units per acre. New York
4 City subway stations only hit that mark for
5 about two-thirds; the remaining third below
6 are below 50.

7 We're also in support of creating
8 incentives to convert commercial properties
9 to affordable housing and raising the FAR --
10 and eliminating the FAR requirements for
11 residential units.

12 Thank you.

13 CHAIRWOMAN KRUEGER: Thank you very
14 much.

15 Next?

16 MS. FEE: Good afternoon. My name is
17 Rachel Fee. I'm executive director of the
18 New York Housing Conference. Thank you very
19 much for this opportunity to testify today.

20 New York Housing Conference is a
21 nonprofit policy and advocacy organization,
22 and we support safe, decent and affordable
23 housing for all New Yorkers. We're also a
24 founding member, with many groups testifying

1 today, of New York Neighbors, a coalition of
2 more than 40 organizations in support of
3 homes.

4 New York is facing a severe housing
5 crisis, as we have discussed at length at
6 this hearing today, and we support Governor
7 Hochul's New York Housing Compact. We think
8 this provides the framework to address the
9 root cause of our affordable housing crisis,
10 which is a housing supply shortage. It
11 provides flexibility for localities, boldly
12 tackles exclusionary zoning, requires
13 development near transit hubs, and
14 incentivizes affordable housing.

15 Expanding housing supply will give
16 renters and homebuyers more housing options,
17 lessening competition for housing, which
18 drives prices up. Minimum density
19 requirements in transit-oriented development
20 will create much more affordable housing
21 options, including townhomes, condos and
22 apartments, than are currently found in
23 counties dominated by single-family zoning.
24 Monthly mortgage payments for condo/co-op

1 typology are 20 to 40 percent less than
2 single-family, according to recent Zillow
3 data from select New York City suburbs.

4 The housing compact is a housing
5 growth strategy which will make New York more
6 affordable for renters and homebuyers.

7 Seniors who want to downsize will benefit,
8 millennial first-time homebuyers priced out
9 will benefit, and renters near transit will
10 benefit from these transformational and
11 long-overdue set of housing policies.

12 New York's average home prices
13 increased 46 percent from 2018 to 2022. Half
14 of renters in the state are cost-burdened.
15 And the New York metro region is the second
16 most segregated in the country. It's time
17 for the state to take action, as many other
18 states have already done, to address
19 decades-old zoning that intentionally
20 excluded multifamily housing and minority
21 owners and renters.

22 We recognize that as we address the
23 supply shortage many low-income families need
24 assistance now, and we call for 250 million

1 for the Housing Access Voucher Program, which
2 provides rental assistance to families and
3 individuals already experiencing
4 homelessness.

5 Further, we cannot allow a wave of
6 evictions of public and affordable housing
7 tenants. The state should create a
8 \$2 billion Tenant Fund for Affordable
9 Housing. Given the regulatory limitations on
10 both income and borrowing, which we outline
11 in an upcoming policy brief, public housing
12 and private affordable housing and their
13 tenants are especially at risk, and state
14 action is needed.

15 Lastly, we have additional
16 recommendations in our written testimony on
17 programs that need to be increased from the
18 Executive Budget and other policy measures.

19 Thank you.

20 CHAIRWOMAN KRUEGER: Thank you.

21 Next?

22 MS. MILSTEIN: Thank you, chairs and
23 members of this joint committee, for the
24 opportunity to testify today.

1 My name is Jolie Milstein. I am the
2 president and CEO for NYSFAFH, the trade
3 association for New York's affordable housing
4 industry, and our 400 members are responsible
5 for the vast majority of the affordable
6 housing built across New York State each
7 year. NYSFAFH is the largest affordable
8 housing trade group in the country.

9 NYSFAFH's number-one priority this
10 year is the creation of the Tenant Fund for
11 Affordable Housing, or TFAH. With the
12 suspension of the ERAP portal, there's a need
13 for a one-time \$2 billion funding source to
14 pay the rent arrears for tenants of
15 affordable and public housing and to ensure
16 the continued financial viability of
17 affordable buildings, some of which are
18 unable to pay their mortgages.

19 TFAH would resolve thousands of
20 eviction proceedings by addressing rent
21 arrears, and our proposal splits the cost
22 burden between landlords, the state, and
23 tenants. Particularly vulnerable tenants
24 would not have to pay anything at all. TFAH

1 would also provide 500 million in aid to
2 public housing authorities across New York
3 State.

4 While NYSFAH has calculated the total
5 need to be \$2 billion, the final funding
6 amount would be based on survey data from the
7 city and state housing agencies that oversee
8 these public/private assets. We're asking
9 for this fund to be applied to affordable
10 housing projects throughout the state with
11 regulatory agreements with either the state
12 or the city housing agencies.

13 NYSFAH's second top priority is to
14 pass the Governor's housing compact,
15 particularly the housing growth targets and
16 transit-oriented development. The housing
17 compact would directly address New York's
18 housing crisis by increasing the supply of
19 homes. The state created -- we've heard this
20 many times -- 1.2 million new jobs while only
21 adding 400,000 homes. This compact would
22 allow more housing in places that make
23 sense -- near transit stations and within
24 already developed areas.

1 Also, the compact would directly
2 address New York's fair housing challenge.
3 New York has the most segregated school
4 system in the United States, and in the
5 New York City area it's the second-most
6 segregated metro area in the country.

7 The single greatest obstacle to
8 building affordable housing is this
9 exclusionary zoning, in our opinion, and the
10 compact would also directly incentivize
11 affordable housing locally by double
12 weighting in-housing growth calculations to
13 all affordable units created. New York needs
14 to seize the moment to pass the housing
15 compact this year.

16 One final comment. Insurance for
17 affordable housing is out of control. Some
18 of our members have turned to self-insurance
19 because so many insurers have pulled out of
20 the New York market. The cause of this?
21 Sky-high jury awards for liability cases --
22 and, separately, the Scaffold Law, which is
23 so harmful that fully 10 percent of the
24 construction costs -- let me say that

1 again -- 10 percent of the construction costs
2 for affordable housing in New York City must
3 be devoted to these insurance premiums.

4 We urge the Legislature to reform the
5 Scaffold Law this session.

6 Thank you for the opportunity to
7 testify.

8 CHAIRWOMAN KRUEGER: Next?

9 MS. KHAN: Good afternoon. My name is
10 Deandra Khan, and I am the political
11 coordinator with 32BJ SEIU. Thank you to the
12 chairs for the opportunity to testify today.

13 32BJ is the largest property services
14 union in the nation, representing
15 175,000 members across 11 states and
16 Washington, D.C., including more than 85,000
17 members in New York. Our members are the
18 backbone of the multifamily housing sector in
19 New York City and surrounding localities.
20 They are doorpersons, porters, handypersons,
21 superintendents and other essential building
22 services workers.

23 Through years of building strength in
24 our industries and successful contract

1 negotiations, our members have created a
2 standard of employment that provides a true
3 pathway to the middle class: Livable wages,
4 affordable family health insurance, training
5 and career advancement and a pension in
6 retirement. These standards encourage
7 longevity and professionalism on the job,
8 helping to make 32BJ members vital to the
9 tenants in their buildings.

10 As the state looks for ways to expand
11 housing production, it must consider how we
12 can promote quality jobs in tandem. That is
13 what responsible development means.

14 There are two proposals in the
15 Executive Budget that do this. The tax
16 incentive to encourage commercial to
17 residential conversions to include affordable
18 units includes a requirement that building
19 service workers at the converted properties
20 are paid no less than the prevailing wage and
21 benefits, which we strongly support.

22 We do have some recommendations to
23 amend this proposal to clarify the
24 application of the requirement to ensure

1 certain projects are not unintentionally
2 excluded, and to aid in compliance.

3 Similarly, the proposal to extend the
4 completion deadline for vested projects under
5 the expired 421-a program for four years will
6 both ensure that these projects, which are
7 estimated to build more than 30,000 new
8 housing units, will come to fruition,
9 including an estimated 500 to 1,000
10 family-sustaining building service jobs that
11 will be created.

12 Other budget proposals make strong and
13 needed advancements to promote housing
14 production, but in their current form they do
15 nothing to encourage the creation of equal
16 quality building service jobs.

17 Under both the local growth target and
18 TOD proposals, projects in low-growth
19 localities or in close proximity to train
20 stations would benefit from the sort of glide
21 path to approval that circumvents local
22 processes. But it's important to note that
23 it's through public engagement phases of
24 local approval processes, such as New York

1 City's ULURP, that 32BJ, along with other
2 stakeholders, have been able to shape
3 projects to make sure they meet community
4 interests.

5 For 32BJ, this specifically means a
6 commitment from developers to create jobs.
7 Should the state legislate to grant
8 developers the benefit of a streamlined
9 approval process, it must include a
10 requirement that projects uphold the
11 applicable building service worker standards
12 for that locality.

13 We have a number of other proposals
14 that we support in our testimony, including
15 the Housing Access Voucher Program. So thank
16 you for the time.

17 CHAIRWOMAN KRUEGER: Thank you very
18 much.

19 We're going to start with Jeff
20 Dinowitz, Assembly.

21 ASSEMBLYMAN DINOWITZ: Thank you.

22 The question is for Mr. Yaker. I just
23 want to make sure I heard you right before.
24 Did you say that because of HCR's

1 dilly-dallying and dawdling that it's going
2 to cost the Amalgamated \$2 million more a
3 year for the loans?

4 MR. YAKER: Probably more than that.
5 Because in addition to interest rates going
6 up, our property deteriorates further and
7 inflation drives up the cost of repairs.

8 ASSEMBLYMAN DINOWITZ: So that's --
9 over 30 a loan, that's at least \$60 million.

10 MR. YAKER: That's my guess, yeah.

11 ASSEMBLYMAN DINOWITZ: And in
12 addition, the carrying charge increases would
13 be more than it might otherwise have been had
14 they done things in a timely fashion?

15 MR. YAKER: Of course. Yeah. I
16 haven't done the math, but \$2 million a year
17 is probably more than \$30 per room per month.

18 ASSEMBLYMAN DINOWITZ: Now, the people
19 who live at the Amalgamated -- I mean,
20 obviously I'm very familiar with it. But
21 these are mostly working people, elderly
22 people, not wealthy people.

23 MR. YAKER: Right. And that's the
24 difficulty we face in affordable housing, is

1 you have income limits to get in. So then
2 when we have to raise your carrying charges,
3 it's going to be painful. But we have
4 nowhere else to get money.

5 Tell the insurance companies that
6 we're affordable housing, don't raise our
7 rates. Tell DOB with their Local Law 11
8 requirements, where architects submit
9 buildings are safe and they say, No, no, no,
10 we found something we don't like, keep the
11 scaffolding up for \$8,000 a month. DOB is
12 killing us with Local Law 11.

13 And those of you who have
14 constituencies, talk to them about FISC.

15 ASSEMBLYMAN DINOWITZ: Well, I live in
16 a co-op building and our scaffolding has been
17 up I think for a year now, and Local Law 11
18 is causing problems.

19 MR. YAKER: Yeah, it's killing the
20 city.

21 ASSEMBLYMAN DINOWITZ: No question.

22 So would you say it's fair to say that
23 while there's no -- as far as I know no legal
24 obligation on the part of HCR to cough up

1 some money due to the delays that they cause,
2 would there certainly be at least a moral
3 obligation for them to try to be helpful,
4 considering everything?

5 MR. YAKER: Obviously. They're
6 supposedly in business to keep us affordable,
7 but they're driving us out of affordability
8 by increasing our costs.

9 ASSEMBLYMAN DINOWITZ: So if -- if for
10 some reason the people in the Amalgamated
11 voted to leave the program, 1500 units would
12 be gone from affordability --

13 MR. YAKER: Yes.

14 ASSEMBLYMAN DINOWITZ: Well, that
15 would be pretty much of a disaster for
16 affordable housing.

17 MR. YAKER: We've had times we could
18 have, during the whole wave of conversions.
19 We said no, we want to stay affordable
20 housing. I'm more concerned with going
21 bankrupt than I am with voting to leave the
22 program.

23 ASSEMBLYMAN DINOWITZ: Right.

24 MR. YAKER: We may not be able to get

1 insurance. What do you do if you have a
2 housing co-op and you can't insure your
3 property? I don't know.

4 CHAIRWOMAN KRUEGER: Thank you.

5 ASSEMBLYMAN DINOWITZ: Okay, thank
6 you.

7 CHAIRWOMAN KRUEGER: Thank you.

8 Senator Brian Kavanagh.

9 SENATOR KAVANAGH: Thank you. And
10 thank you, Mr. Yaker. I know we had an
11 opportunity -- and I think my colleague who
12 represents you may also have some comments.

13 And I do want to thank Senator Liu in
14 particular for his attention to all the
15 issues we've been discussing today.

16 (Inaudible response.)

17 SENATOR KAVANAGH: I do, I extend my
18 gratitude sincerely.

19 I want to just follow up on the
20 comments about the need for -- to pay unpaid
21 rent, the rent arrears that have been built
22 up over time. Just can you -- one of the
23 things that, you know, some of us have been
24 very concerned about is the fact that ERAP

1 was designed not to cover the costs of
2 public -- it was designed in New York State
3 not to cover the cost of public housing or
4 Section 8 housing until all other needs for
5 the program had been met.

6 Can you just talk a little bit
7 about -- for Jolie, or anyone else who wants
8 to comment on this as well -- but the
9 dynamics within our affordable housing
10 community that that created and, you know,
11 the extent to which that's, you know, a
12 problem the state has contributed to and your
13 proposal for addressing it.

14 MS. MILSTEIN: So thank you for the
15 question. We had a lot of problems with the
16 way the ERAP program was set up and the
17 unintended consequences in perceived eviction
18 protection, tenants thinking that they, if
19 they had eviction protection, didn't need to
20 pay the rent even if they didn't have a
21 qualifying disability or unemployment or
22 COVID-related circumstance.

23 So what we see in the portfolio of
24 affordable housing, which this TFAH is meant

1 to address, is widespread missing rent. We
2 think it's between 8 and 13 percent, on
3 average, across the portfolios across the
4 state. Many of these properties, the tenants
5 were not eligible to receive funding because
6 they were either deprioritized or they didn't
7 even apply because they thought they wouldn't
8 get funded -- in fact, many didn't.

9 So we're asking for this money because
10 the ERAP program really failed the affordable
11 housing buildings and had even further
12 complicating problems created by the eviction
13 protection during the process of evaluating
14 if they would even be eligible.

15 So not only were there insufficient
16 funds and disqualifying criteria, but a
17 misperception about eviction protection that
18 really ballooned into rent strikes and we
19 believe billions of dollars of missing rent
20 across the affordable housing and public
21 housing portfolios in New York State.

22 SENATOR KAVANAGH: Thank you.

23 The -- I think I'll actually leave it
24 there, just in the interests of time. But,

1 you know, thank you all for your testimony.

2 CHAIRWOMAN KRUEGER: Thank you.

3 Assemblymember Rosenthal.

4 ASSEMBLYWOMAN ROSENTHAL: (Inaudible.)

5 CHAIRWOMAN WEINSTEIN: Sure.

6 Assemblyman Epstein.

7 ASSEMBLYMAN EPSTEIN: You get Epstein

8 instead of Rosenthal, we're good.

9 (Laughter.)

10 ASSEMBLYMAN EPSTEIN: So thank you all

11 for being here. I just want to be clear

12 about the preservation side, because we saw a

13 lot lacking in the Governor's proposal around

14 preservation of housing. And I hear her

15 talking about affordable housing. Do you

16 feel like the Governor needs to do more to

17 preserve housing, as we hear in one

18 development, but across the state?

19 Maybe, Rachel, if you don't mind

20 starting.

21 MS. FEE: Sure. So as I mentioned in

22 my testimony, we really think that the

23 housing supply shortage is the driver behind

24 our affordability crisis.

1 ASSEMBLYMAN EPSTEIN: I totally get
2 it. But do you think preservation is a tool
3 that we should be using for existing units?

4 MS. FEE: Right. We want to preserve
5 every unit we have. But we also have to add
6 more. And until we add more, that shortage
7 is making tenants compete with each other and
8 driving up prices, both for renters and
9 homeowners. So we really see that as part of
10 the solution.

11 ASSEMBLYMAN EPSTEIN: A hundred
12 percent. We need more, but we need to
13 preserve.

14 (To Ms. Milstein.) Go ahead.

15 MS. MILSTEIN: So, look, if you're
16 talking about capital and programs that
17 specifically address the preservation of our
18 existing affordable housing units and our
19 housing stock broadly, I think that HCR has a
20 number of programs that were fully funded in
21 the five-year plan and that are being
22 deployed.

23 I think half the units in the Housing
24 Plan are preserved, as compared with new

1 construction. And it allows us to really
2 address a lot of environmental problems in
3 the older housing stock at the same time. So
4 it's multipurpose, those funds. And my
5 understanding of the changes to J-51, they
6 will allow for even more preservation. But
7 we always need more tools and more resources
8 to preserve the housing stock we have.

9 ASSEMBLYMAN EPSTEIN: Great. And I
10 want to go to the New York Building Congress
11 around -- you suggested extending 421-a, I
12 think, right?

13 MR. PASCONE: That's correct.

14 ASSEMBLYMAN EPSTEIN: And how many
15 units are you talking about in that
16 extension, how many units of housing are you
17 talking about?

18 MR. PASCONE: So for extending the
19 deadline for June 2026, that's 32,000.

20 ASSEMBLYMAN EPSTEIN: 32,000 units.
21 And what percentage of those are affordable?

22 MR. PASCONE: I don't have the figures
23 on me, but I know that 80 percent of them are
24 in boroughs outside of Manhattan. But I

1 think affordability is a key piece of the
2 puzzle here, so I'd be happy to follow up.

3 ASSEMBLYMAN EPSTEIN: And these are up
4 to AMIs at 130 percent of AMI, right, that's
5 what you're proposing?

6 MR. PASCONE: These are the
7 affordability units -- affordability
8 standards set by the city.

9 ASSEMBLYMAN EPSTEIN: Yeah, that was
10 set up in the program that expired, right?

11 MR. PASCONE: That's correct, yeah.

12 ASSEMBLYMAN EPSTEIN: I want to go
13 back to the development option of basements
14 and legalizing basements and ADUs. I'm
15 wondering, you know, I didn't hear anyone
16 talk about that. Is that a tool that should
17 be available to expand options for
18 affordability, as well as preserving --
19 getting new units on market?

20 MS. FEE: Absolutely. Yes, so I think
21 we want to see ADUs as part of this budget
22 package for sure. It's critical for New York
23 City. We had tragedies that we're all aware
24 of because of illegal basements.

1 CHAIRWOMAN WEINSTEIN: Thank you.

2 Senate?

3 CHAIRWOMAN KRUEGER: Thank you very

4 much. We have Senator Jackson.

5 SENATOR JACKSON: I went already,

6 Madam Chair.

7 CHAIRWOMAN KRUEGER: Oh, excuse me,

8 Senator Jackson. You're right, I called on

9 you first. Pardon me.

10 Senator Helming, did you have

11 questions?

12 SENATOR HELMING: Thanks, Senator

13 Krueger. I have one quick question.

14 I believe it was Deandra who mentioned

15 support for the program that allows for the

16 transformation of commercial buildings to

17 residential buildings. Do you know -- and I

18 don't expect you to know, but maybe you do --

19 is this limited to the New York City area?

20 MS. KHAN: Yes, I think it is. And I

21 think it's because the Manhattan area was the

22 one that was most hit hard when the pandemic

23 hit and there was -- there are many, many

24 vacancies in commercial office buildings. So

1 it's presenting an opportunity to utilize
2 that empty space and convert it into
3 residential.

4 SENATOR HELMING: And in last year's
5 budget I believe we had funding and we
6 created the program Housing Our Neighbors
7 with Dignity Act, that HONDA Act, which
8 allowed for similar work to be done. Do you
9 have any idea why that program was so
10 underutilized?

11 MS. KHAN: I mean, I think like it's
12 expensive to convert and to -- like to
13 convert new spaces. And so programs like
14 that would need a lot of funding to ensure
15 that it's happening at the scale that is
16 needed to address the crisis.

17 And so -- but like programs like HONDA
18 are good, conversion programs are good
19 because they are sort of innovative ways to
20 try and deal with the crisis. And, you know,
21 our perspective in the mix here is that those
22 programs where the state is sort of using its
23 dollars and incentivizing these creative uses
24 of buildings, the permanent jobs that are

1 created after should be part of the picture,
2 and it should also come with job standards.

3 SENATOR HELMING: Thank you.

4 And as someone who represents rural
5 upstate New York, I have to put in a plug,
6 just like last year. I fought to have that
7 HONDA program expanded to include upstate --
8 that we have a lot of empty commercial
9 buildings as well. We have empty school
10 buildings, et cetera.

11 And in my experience, it works out in
12 a positive manner for everyone when they're
13 transformed into affordable housing or
14 housing for seniors, housing for our DV
15 community -- we're severely short in that
16 area as well. So any support we can get for
17 extending that program to upstate as well,
18 I'd appreciate it.

19 MR. SMARR: I would also continue to
20 encourage the Legislature to look at the
21 zoning piece. It's one thing to provide
22 funding to convert office to affordable, but
23 unless the zoning piece is fixed, you know,
24 there's -- we still won't be able to get

1 these projects. It's extraordinarily
2 difficult, from a zoning perspective, to get
3 permission to convert an office building to
4 an affordable housing project.

5 SENATOR HELMING: I don't want to cut
6 you off, but that may be more specific to
7 downstate. And I'd be happy to show you
8 examples in upstate where we welcome it.

9 And I just want to be really careful
10 with the comments that I make because when we
11 talk about converting commercial to
12 residential, in so many of our small towns,
13 our Main Streets, we worked very hard to
14 preserve that unique character of the
15 Main Streets and to reserve residential for
16 upper stories, preserve the bottom for
17 commercial.

18 CHAIRWOMAN KRUEGER: Thank you.
19 Assembly.

20 CHAIRWOMAN WEINSTEIN: We go to
21 Assemblywoman Maritza Davila.

22 ASSEMBLYWOMAN DAVILA: Good afternoon.
23 Thank you all for presenting today. I know I
24 came a bit late, but we did have session.

1 But I really am interested in some of
2 the comments that were made in terms of
3 building more housing upstate in different
4 municipalities. And I know that the process
5 must be very difficult to even start that
6 conversation upstate because some people will
7 not accept new housing.

8 My question, where do you start, is it
9 county or municipalities? Is there a
10 process, a community board? What is the
11 start of that?

12 MS. MILSTEIN: Well, the process can
13 start in a number of different ways in a
14 municipality. Where I live upstate, a
15 developer would consider a piece of property
16 if it's zoned or if you have a floating zone
17 that allows for housing, then you can bring
18 that zoning to the lot that the developer's
19 considering.

20 Many towns now in the Hudson Valley,
21 where we have a number of members, are
22 proactively, as municipalities, zoning for
23 housing because they recognize that they
24 can't staff their hospitals, their schools,

1 and they want to encourage working people to
2 be able to live in this community. Even if
3 it in previous times favored, you know,
4 one-acre zones, single-family zoning, they
5 recognize now their housing needs are
6 different.

7 So it can come from the private
8 sector, it can come from the municipality and
9 the people in the community. It can come
10 from government. In other states, all our
11 neighboring states have a government --
12 statewide government mandate to encourage
13 housing because of the extreme challenges in
14 creating especially affordable housing, and
15 have both with carrots and sticks encouraged
16 communities and private developers to come
17 into communities and develop housing.

18 So New York is behind in not having a
19 statewide mandate that affords many options
20 and many choices to municipalities. But I
21 think we're at a critical point in New York
22 State where we have to have the state step
23 in, because given the choice to do it
24 themselves, even in the face of severe

1 demand, municipalities have not been able to
2 step up and address the housing crisis.

3 ASSEMBLYWOMAN DAVILA: What I didn't
4 hear was supportive housing.

5 And very quickly, in terms of the
6 32,000 units for 421-a, last year there was a
7 proposed 25,000. Now we added an extra
8 10,000. What we didn't get -- and this is
9 why we stopped the entire project -- was
10 where these units were going to be built. We
11 did not get that information. So it would be
12 helpful if we did get that information.

13 Thank you.

14 CHAIRWOMAN WEINSTEIN: Thank you.

15 Senate?

16 CHAIRWOMAN KRUEGER: Thank you.

17 So Robert Jackson didn't speak
18 earlier; we got confused. So we're calling
19 up Robert Jackson again.

20 SENATOR JACKSON: Thank you.

21 Good afternoon, everyone. So let me
22 thank you for coming in.

23 I'm going to give reference to two
24 things. One, you may have heard the

1 questions that I've asked, along with our
2 Senate chair, regarding the enforcement units
3 in HCR. And so I want to know what the
4 impact is going to be on the people that we
5 represent. I put them in the frame of I've
6 heard on the news that there are 60,000
7 units, apartment units, that are vacant and
8 being held by the landlords that own them
9 because of whatever reason. So if you have
10 any insight on that, I would appreciate that.

11 But my first one is to Ed. Ed, as you
12 know, I've met with you and the board of
13 Amalgamated Housing, along with our Housing
14 chair, Brian Kavanagh. And we got some
15 movement on the two issues that were
16 immediately facing you. And as I said to all
17 of you, I will work with you and HCR to be
18 able to try to move things as quickly as
19 possible and not delay where it will cost you
20 a half a million dollars or a million dollars
21 because it took so long. So I ask you to
22 just please continue to communicate with us
23 like you're doing so that we can communicate
24 effectively, hopefully, with HCR to move the

1 things that need to be moved.

2 And I appreciate the advocacy that you
3 have on behalf of all of the people of
4 Amalgamated, because quite frankly when I was
5 there politicizing, meaning collecting
6 signatures and knocking on doors for
7 reelection processes, I heard it from the
8 people that were living there how much they
9 cannot afford the increases that are going
10 up. So please keep up the work and put
11 pressure on us, along with Jeff Dinowitz, who
12 is the Assemblymember that represents the
13 area. But I appreciate that.

14 And everybody else, if you can just
15 give me a comment on the things that I asked,
16 and I'm sorry, I only have one minute and 6
17 seconds left.

18 MS. MILSTEIN: I can speak quickly to
19 the vacant apartments in the affordable
20 housing portfolios, which we never used to
21 see. But now with all this missing rent,
22 landlords of affordable housing projects --
23 which again, public/private, overseen by
24 HCR -- because they're missing so much rent,

1 they're not only not performing regular
2 maintenance, unless somebody moves out they
3 can't bring the unit back online because they
4 just don't have the resources.

5 So we're seeing it in the affordable
6 housing portfolios. Since the pandemic,
7 arrears have probably gone up at least
8 five-fold in most of the city affordable
9 housing projects that our members maintain.

10 MR. YAKER: If I could comment on the
11 vacancy issue also. We have that problem.
12 We can't get staffing to turn over the
13 apartment. Because a 90-year-old apartment,
14 you can't just give to the next person the
15 way the last person left it.

16 The other thing is HCR's process means
17 you've got to call someone, wait two weeks
18 for them to decide. If they say no, wait
19 another two weeks for the next person. We
20 could lose months going through the list till
21 someone accepts it.

22 CHAIRWOMAN KRUEGER: Thank you. Time
23 is up, sorry.

24 Assembly.

1 CHAIRWOMAN WEINSTEIN: Assemblywoman
2 Lucas.

3 ASSEMBLYWOMAN LUCAS: Thank you,
4 Madam Chair.

5 This question is for 32BJ. In your
6 testimony you mentioned extending the
7 deadline for vested projects with 421-a by
8 four years, that will have approximately 500
9 to a thousand new family-sustaining building
10 jobs that will be secured.

11 Is there an addendum that 32BJ will
12 look to implement to make sure these jobs are
13 secured? As well as does 32BJ have a policy
14 for new incentive programs to replace 421-a
15 regarding 32BJ jobs?

16 MS. KHAN: So my understanding is that
17 if the deadline is extended, it follows the
18 previous 421-a program, which had a building
19 service worker prevailing wage requirement.
20 So that would ensure that the jobs that are
21 created are family-sustaining jobs. If that
22 answers your question correctly.

23 ASSEMBLYWOMAN LUCAS: Kind of.

24 MS. MILSTEIN: I think she wants to

1 know if you have a proposal for a new 485-w
2 or something.

3 MS. KHAN: Oh, yeah. So --

4 ASSEMBLYWOMAN LUCAS: That was the
5 second part of the question, yes.

6 MS. KHAN: So with regard to your
7 second question, 32BJ had supported the
8 Governor's proposal to replace 421-a with
9 what was called 485-w last year, from the
10 perspective of it's like tax -- when you use
11 a tax incentive to incentivize development,
12 especially the creation of affordable
13 housing, it's good responsible development
14 because the state is sort of in control of
15 the criteria that goes into the development
16 of housing.

17 And so 485-w had those parameters and
18 also included a building service worker
19 prevailing wage standard, which is why we
20 supported it. My understanding is that there
21 was a lot of disagreement over that program
22 last year, and so we are looking forward to
23 working with the Legislature to hopefully
24 come up with a replacement program. We

1 haven't seen one in the Executive Budget, but
2 hopefully the budget space is the opportunity
3 to really come up with the criteria that
4 everyone is looking for to ensure the
5 creation of -- you know, to ensure
6 responsible development, creating good
7 family-sustaining jobs and creating housing
8 for everyone.

9 ASSEMBLYWOMAN LUCAS: I think we
10 talked about this last year as well, just in
11 terms of just making sure that there's a
12 level of oversight and accountability that's
13 baked into this as well. Because we have had
14 some concerns about those jobs, especially
15 when it comes to communities that are Black
16 and brown as well, in some of the development
17 that happens in those areas.

18 But we do need a high level of
19 oversight and accountability attached to
20 that. And we did talk about that last year.

21 So thank you.

22 CHAIRWOMAN WEINSTEIN: Thank you.

23 Senate.

24 CHAIRWOMAN KRUEGER: Thank you.

1 Senator Martins.

2 SENATOR MARTINS: Good afternoon, and
3 thank you for being here.

4 I had a quick question. I believe it
5 was Ms. Fee who spoke about exclusionary
6 zoning. And exclusionary zoning is just a
7 community's opportunity to decide where they
8 put their commercial properties, where they
9 put their multifamily properties, where they
10 put their single-family properties. Right,
11 we can agree on that?

12 MS. FEE: Sure.

13 SENATOR MARTINS: So if we're talking
14 about the housing compact, specifically the
15 transit-oriented development piece of that,
16 which would effectively replace every
17 community's zoning in a distance of a mile
18 centered on a train station, does that not
19 eliminate the opportunity for a local
20 community to make those decisions for
21 themselves?

22 MS. FEE: I don't think so. I think
23 it gives communities control to plan. But
24 it's really looking at a statewide approach

1 to address our housing crisis on their own --

2 SENATOR MARTINS: But the
3 transit-oriented development piece says
4 50 units per acre across a half-mile radius
5 around a train station. It doesn't allow the
6 local community an opportunity to voice an
7 opinion, it doesn't say how they're going to
8 make those 50 units per acre work. It's 50
9 units per acre regardless of whether it's a
10 commercial building that's there or whether
11 it's a single-family home that's there.

12 Do you think that the state, under
13 these circumstances for every village, town,
14 outside of New York City and across the
15 state -- and, frankly, New York City itself,
16 because they have their own restrictions with
17 regard to building in the city -- should give
18 up that right and be supplanted or --
19 frankly, supplanted by the state?

20 MS. FEE: I think minimum density
21 requirements in TOD is the fair housing
22 policy that New York State needs. Local
23 communities can look at that density
24 requirement and choose -- it's an average

1 that they have to achieve in that radius. I
2 understand for some communities it's going to
3 be a big leap. But I also think it's really
4 smart planning to build more dense housing
5 around our mass transit stations.

6 SENATOR MARTINS: So the planning that
7 we're talking about, just so we're clear, is
8 the state imposing a rubric or paradigm for
9 everyone.

10 For communities like mine in
11 Nassau County that are already dense --
12 they're the most densely populated
13 communities, by mile, outside of the five
14 boroughs, by far -- having to make a choice
15 of adding 50 units per acre around our train
16 stations -- we have over 50 train stations,
17 thanks to the Long Island Rail Road. If you
18 do the math, it's over 1.2 million additional
19 units, which will completely destroy the
20 suburban communities.

21 Now, that's the context in which we're
22 talking about. We talked a moment ago about
23 the balancing of historic versus preservation
24 versus renewal. Well, there is preservation

1 here, preservation -- you know, we always
2 talk about gentrification, we talk about
3 terms like that and the ability of local
4 communities to make those decisions for
5 themselves. How is this any different?

6 CHAIRWOMAN KRUEGER: (Inaudible.)

7 MS. FEE: I think we're looking at
8 growth targets over a decade --

9 SENATOR MARTINS: I'll wait -- I'll
10 wait --

11 CHAIRWOMAN KRUEGER: Sorry, no, your
12 time is up. So offline you can follow up
13 with Senator Martins.

14 SENATOR MARTINS: Thank you.

15 CHAIRWOMAN KRUEGER: Thank you.
16 Assembly.

17 CHAIRWOMAN WEINSTEIN: Assemblywoman
18 Jackson.

19 ASSEMBLYWOMAN JACKSON: No questions,
20 Chair.

21 CHAIRWOMAN WEINSTEIN: Assemblywoman
22 Simon.

23 ASSEMBLYWOMAN SIMON: Thank you.

24 I have lots of questions for all of

1 you, but no time.

2 So thank you very much, Mr. Yaker, for
3 your testimony, and I know you share a lot in
4 common with deteriorating Mitchell-Lama
5 co-ops that I have in my district -- very,
6 very similar issues.

7 One issue that concerns me is this
8 notion that the FAR cap of 12 actually
9 would -- is a problem that needs to be
10 addressed. I disagree, because I live in a
11 very dense area that is very -- taller and
12 taller and taller every day despite that.

13 But also the concern I have about this
14 blanket extension of 421-a. And one of you
15 mentioned in your testimony that that
16 includes the Gowanus area, which was just
17 recently rezoned. And forgive me for not
18 being overly sympathetic to people who put a
19 shovel in the ground knowing it's a toxic
20 waste site. And I don't think four years is
21 going to do it. So how are we going to
22 target this four-year extension for those
23 areas that actually need some relief that is
24 even realistic? There are certainly -- there

1 are so many brownfields in the Gowanus area
2 that are about to be developed, and it is not
3 at all clear to me that that cleanup can be
4 done in a timely fashion. Or well enough,
5 which is not -- I'm not willing to give up on
6 a comprehensive, in-depth cleanup in order to
7 facilitate somebody building a building.

8 And I also want to know how much is
9 going to be affordable, because I live in the
10 land of non-affordable affordable housing.
11 And so I would like to get an answer on that
12 as well. I don't know who wants to give me
13 that answer, but I need the answer.

14 MS. FEE: I would be happy to comment.

15 So the Gowanus rezoning was one of two
16 rezonings under the de Blasio administration
17 that weren't in low-income neighborhoods.
18 And as you mentioned, this is a very popular
19 neighborhood with great schools and
20 amenities. So bringing affordable housing to
21 Gowanus I think should be a priority so that
22 we can create affordable housing
23 opportunities in every neighborhood. The
24 sites are complicated, as you mentioned, so

1 we are certainly in favor of extending the
2 construction timeline for that tax abatement.
3 I can't speak to whether that's realistic, on
4 top of the brownfields cleanup. They are
5 complicated sites. But I think that should
6 be a priority that we are including
7 affordable housing that was promised to the
8 community.

9 ASSEMBLYWOMAN SIMON: So the rhetoric
10 around that rezoning was that they were
11 rezoning in an area that was very wealthy.
12 And in reality, much of Gowanus is not that
13 wealthy. So I'm glad to hear an admission
14 about that.

15 However, the reality is that the
16 concern is really about what you're going to
17 build, how much will be affordable, and how
18 affordable will it be. And that's going to
19 be a critical element. Thank you.

20 CHAIRWOMAN WEINSTEIN: Thank you.

21 To the Senate.

22 CHAIRWOMAN KRUEGER: Thank you very
23 much.

24 So when the commissioner was here

1 earlier and she was asked about what happens
2 if 421-a doesn't get extended for another
3 four years, she answered those buildings
4 become non-affordable rentals and/or co-ops
5 or condos. Okay. So most of us here who
6 opposed the continuation of 421-a opposed it
7 because we were getting so little affordable
8 housing for the amount of subsidy that was
9 going into the 421-a building.

10 So I calculate four years of 421-a is
11 about -- if I'm very conservative, it's only
12 one and a half billion dollars a year of lost
13 tax revenue from that program consuming
14 another four years. That's another
15 \$6 billion going into building buildings with
16 a tiny share of affordability. I don't
17 believe that's the right thing, because I
18 think we have to fight for actual
19 affordability.

20 And frankly, if those buildings get
21 built without 421-a, to answer 32BJ's
22 questions, those will be buildings that will
23 be 32BJ buildings, they just won't be 421-a
24 buildings. Because they're not stopping

1 building, they just won't be building with
2 the 421-a credit.

3 So now I want to ask multiple of you,
4 quickly, because you've testified about it,
5 what should be the right formula? I'm not
6 saying I don't believe that tax abatements in
7 exchange for affordable housing is the
8 right -- is a legitimate answer. I'm saying
9 the proposals we've gotten so far are not
10 acceptable. I mean, even the conversion
11 proposal that's for, I think, only 19 years
12 of affordability, as opposed to in
13 perpetuity, with enforcement -- which is what
14 I hear from my colleagues every day -- and
15 it's going to be, I think, a 50 percent
16 incentive for 20 percent of the units in the
17 buildings. That math scares me again,
18 because I just don't think we're going deep
19 enough for actual affordability.

20 So you were actually raising the point
21 about we have to have a real affordability.
22 What's your opinion about that proposal
23 versus what the math ought to be, and other
24 proposals?

1 MS. FEE: So I do think it's important
2 for the state to incentivize rental housing
3 and require affordable housing. Last spring
4 New York Housing Conference issued a report
5 for the New York City Housing Tracker, and we
6 show in that that we're only building
7 affordable housing in low-income
8 neighborhoods, if not for mandatory
9 inclusionary housing combined with a tax
10 abatement. So we do think it's important.

11 In the fall we put out another policy
12 brief that focused on the discrepancy between
13 AMI for New York City and renter AMI, which
14 is half the measure. So I think you're
15 right, Senator, that a tax incentive is
16 needed to build rental housing. Our priority
17 would be deep affordability in every
18 community. And I think the Legislature has a
19 great opportunity to shape those programs,
20 both the conversion program and rental
21 housing replacement.

22 CHAIRWOMAN KRUEGER: Thank you.

23 And sorry, none of you else get to
24 answer because my time is up.

1 Thank you.

2 CHAIRWOMAN WEINSTEIN: Assemblyman
3 Taylor.

4 ASSEMBLYMAN TAYLOR: Thank you,
5 Madam Chair.

6 And thank you all for being here this
7 afternoon. Ed, I thank you for your passion.
8 It just drives it home.

9 It's more of a statement, and help me
10 take it there. I think Senator Krueger just
11 kind of touched on it. Between 421-a, J-51,
12 ERAP, LRAP, vouchers, and the enormous amount
13 of people that are facing evictions in the
14 city, especially NYCHA, who we never touched
15 in terms of relief, as far as I'm
16 understanding -- and then we talk about what
17 the Governor proposed, and it was mentioned
18 by my colleague here in terms of building
19 out, going out toward Long Island and other
20 places by train stations.

21 Would it make sense -- because
22 understand we have to preserve, but also we
23 need to bring in more housing. And I know
24 about the conversion. But wouldn't it -- in

1 my opinion, so you all weigh in. You guys
2 are the experts. What would it look like if
3 we did it kind of like driving a clutch up a
4 hill, a clutch car up a hill? You give it a
5 little bit of gas and you have to come up off
6 the brake a little bit so there's a balance.

7 So while we want to bring more housing
8 on board, we have a lot of housing that's out
9 there that's not being utilized, whether it's
10 NYCHA, whether it's the 60,000 units that he
11 mentioned. And I've had folks talk to me
12 about can we lower the threshold so that we
13 could do some repairs. None of this is
14 helping my constituents right now. Black
15 folks and brown folks are not going to
16 survive. So if we build everything that
17 everyone's talking about, you know -- well,
18 maybe you don't know. I don't believe for
19 one minute my folks are going to leave
20 New York City and be able to go out to
21 Long Island. Because whatever works, that
22 map is not going to create an open home and
23 an environment for them.

24 So we need to save what we have. How

1 do we do that? I've got one minute and
2 10 seconds.

3 MS. FEE: So I'll jump in quickly.
4 One proposal that we haven't discussed in our
5 testimony is to add mandatory inclusionary
6 housing to the preferred actions in the
7 housing compact. And we believe that could
8 be a really successful tool in high-cost
9 markets to bring in affordable housing.

10 ASSEMBLYMAN TAYLOR: Give me that in
11 layman terms.

12 MS. FEE: So in the Governor's housing
13 compact there are preferred actions that
14 localities can adopt to change their zoning
15 in the planning process to meet their growth
16 targets.

17 So adding mandatory inclusionary
18 housing as one of the options is a
19 recommendation.

20 ASSEMBLYMAN TAYLOR: Twenty years ago
21 they kept telling me, hey, we're going to
22 affordable housing. In Harlem they brought
23 in some housing, but damn if it was
24 affordable for the people that lived there.

1 Like we're fighting to stay there.

2 And thank you, I'm taking up somebody
3 else's time. I got 9 seconds.

4 CHAIRWOMAN WEINSTEIN: There's not
5 really time to answer that question, so --
6 I'm sure you can have some offline
7 discussions.

8 Senate, do you have --

9 CHAIRWOMAN KRUEGER: I think the
10 Senate is closed unless someone's popped up
11 with a question. No, we're closed.

12 CHAIRWOMAN WEINSTEIN: So then we'll
13 go to Assemblyman Burdick.

14 ASSEMBLYMAN BURDICK: Yes, thank you.

15 And this is actually a question for
16 Deandra Khan. And I'm sorry that I wasn't
17 here for your verbal statement, but I did
18 read your testimony. And as I'm sure you've
19 been hearing, and everyone has been hearing,
20 that we have a real focus on the affordable
21 housing element. And while I've read your
22 comments about 421-a -- very helpful to have
23 that -- for the larger program, the housing
24 compact, I'd be interested, Deandra, if you

1 have any -- whether 32BJ's got any thoughts
2 about how to make sure that this really
3 develops affordable housing, since it's all
4 about, right now, 800,000 housing units. But
5 there's nothing that really sets a goal for
6 the number of affordable housing units that
7 would be created over that 10-year period.

8 MS. KHAN: I mean, so in the
9 Governor's proposal I think that they sort of
10 incentivize -- or they sort of give credit to
11 localities if they build affordable. That's
12 my understanding of like their approach to
13 it.

14 In general, it seems like -- in our
15 perspective -- where the state is sort of
16 taking a role in encouraging development, we
17 believe that the state has a responsibility
18 to --

19 ASSEMBLYMAN BURDICK: Can I ask you
20 this. You said the incentivizing. And one
21 of those elements, and I asked the
22 commissioner about this, is a 2:1 ratio. And
23 I had suggested that that ratio really ought
24 to be ramped up to maybe 5:1. Do you think

1 that that's something that 32BJ would agree
2 with, to have more of an emphasis on the
3 affordable housing element of it?

4 MS. KHAN: Yeah, I mean, I think that
5 encouraging the building of more affordable
6 housing is better for everyone. So yeah.

7 ASSEMBLYMAN BURDICK: Great.

8 Does anybody else on the panel have
9 thoughts about that, increasing that ratio
10 that's 2:1 now that the municipalities have
11 to -- you know, could use? Any thoughts on
12 that and whether that would be something that
13 makes sense?

14 MS. FEE: So our ability to finance
15 affordable housing is limited by the state
16 budget. So right now we're maximizing all of
17 our federal resources and the five-year plan
18 is looking at development and preservation of
19 100,000 units.

20 So I think creating greater incentives
21 maybe gives more siting opportunities for
22 affordable housing but may not necessarily
23 expand our supply broadly. But, you know, I
24 think it's something to look at.

1 As I mentioned, I do think preferred
2 action to include MIH would be important.
3 And I do think also we are going to see with
4 more density new price points that are not
5 available in communities that are dominated
6 by single-family especially.

7 ASSEMBLYMAN BURDICK: Thank you very
8 much.

9 CHAIRWOMAN WEINSTEIN: Assemblywoman
10 Rosenthal.

11 ASSEMBLYWOMAN ROSENTHAL: Hi.

12 You know, the NYCHA and the public
13 housing authorities' debt is well-known, but
14 I feel like the 1.5 billion has sort of flown
15 under the radar. And I believe you met with
16 the Executive or her team. What kind of
17 response do you think you got? Because it
18 didn't seem from the commissioner's side that
19 there was money flowing. It seemed more
20 like, We'll ask the feds.

21 MS. MILSTEIN: I think that we
22 certainly got a sympathetic hearing from the
23 second floor. HCR is the closest to the
24 problem, and they understand the depth and

1 breadth, but I think they don't want to
2 undermine everyone's efforts in the
3 administration and private industry asking
4 the feds for additional distribution from the
5 original allocated 43 billion, whatever it
6 was. There's still a fair amount of that
7 money left, and New York continues to ask for
8 that.

9 Privately I'm told that this is a
10 serious problem, that HCR is seeing requests
11 for forbearance and restructuring of
12 mortgages, and they're seeing assets that are
13 beginning to be at risk. So they understand
14 the problem.

15 We've done a couple of different
16 calculations of how to assess the -- you
17 know, how to come to the 1.5 billion, and
18 I'm -- again, it's really the agencies that
19 are in the public/private partnership that
20 oversee these assets that have the best way
21 to assess where the arrears are. And I'm
22 told by both HCR and HPD that they're
23 undertaking right now a survey of those
24 assets to better understand where the arrears

1 are.

2 ASSEMBLYWOMAN ROSENTHAL: I mean, it's
3 one thing to have an ambitious plan to build
4 a lot of housing; at the same time, we will
5 lose already built housing. It doesn't make
6 much sense. So I hope they're listening,
7 because this is an urgent need.

8 For anyone, the changing of commercial
9 to residential, is there any affordability,
10 in your mind, when this happens? Is there an
11 opportunity -- because I know it's very
12 expensive to do that. Is there any
13 opportunity for affordable housing in that
14 mix?

15 MR. SMARR: Certainly. Right now the
16 partnership is working on two projects that
17 are exclusively commercial to affordable.

18 ASSEMBLYWOMAN ROSENTHAL: And where is
19 that?

20 MR. SMARR: That's the only interest
21 we would ever have.

22 ASSEMBLYWOMAN ROSENTHAL: Okay. Where
23 are those?

24 MR. SMARR: One is in Jamaica, Queens,

1 and the other one is in Harlem.

2 MS. MILSTEIN: And upstate,
3 municipalities are looking at ways through
4 payments in lieu of taxes, or PILOTs, to
5 incentivize those conversions, because they
6 understand a wasting asset that's in
7 bankruptcy is of no value, but bringing in
8 affordable housing and making some
9 accommodations for the municipal taxes on
10 that property is a great way for them to have
11 an aggressive stand in repurposing those
12 assets.

13 ASSEMBLYWOMAN ROSENTHAL: Thank you.

14 CHAIRWOMAN WEINSTEIN: Assemblywoman
15 Chandler-Waterman.

16 ASSEMBLYWOMAN CHANDLER-WATERMAN:
17 Hello? Okay, great. Thank you, Madam Chair.

18 I'm not sure who can answer this. I
19 thank my colleagues for all the questions
20 that they asked. Of course, going last, they
21 asked most of them for me.

22 So in the Black and brown
23 communities -- I'm going to focus a lot on
24 that, that's 90 percent of my district -- we

1 have a lot of faith leaders, clergy that is
2 developing affordable housing but have a lot
3 of red tape going through the process. Who
4 knows best what's needed for the community
5 but those who are supporting them and
6 actually live in the community? How could we
7 create pathways for our clergy members to be
8 able to do -- get a part of this affordable
9 housing? I'm not sure it's a question for
10 you, but that's something I want to put out
11 there because that's something that we can
12 get creative with as well.

13 MR. SMARR: Well, I would love to talk
14 to you. Just this year the partnership
15 started a service just for faith and
16 mission-based organizations who are
17 interested in affordable development. So --
18 and I know LISC and Enterprise have similar
19 programs. It's actually a big initiative of
20 Mayor Adams.

21 So I would love to talk to you because
22 I work with several faith-based leaders who
23 are thinking about doing affordable projects.

24 ASSEMBLYWOMAN CHANDLER-WATERMAN:

1 Thank you so much.

2 CHAIRWOMAN WEINSTEIN: Thank you.

3 Thank you to the panel for being here.

4 CHAIRWOMAN KRUEGER: Thank you very
5 much.

6 CHAIRWOMAN WEINSTEIN: And we're going
7 to call Panel C now: Neighborhood
8 Preservation Coalition, Community
9 Preservation Corporation, New York Land Bank
10 Association, Adirondack Foundation, Rural
11 Housing Coalition of New York -- I should
12 just note with that that the scheduled
13 speaker is ill, so Bruce Misarski will be
14 speaking -- and New York State Rural
15 Advocates.

16 After this there will be one panel,
17 Panel D: For the Many, Association for
18 Neighborhood and Housing Development, and
19 Open New York. And I would encourage the
20 members of that panel to make their way down
21 so that we can be ready to have that.

22 And I just want to recommend to
23 everybody that it is now 2 o'clock; we have
24 the Workforce hearing scheduled after the

1 Housing hearing. It was scheduled for
2 2 o'clock; it will be delayed a little bit
3 because of this hearing running longer than
4 we had anticipated.

5 If you can go in the order that -- it
6 will be easier for the audio people, I think,
7 in the order that's listed. So Neighborhood
8 Preservation Coalition first.

9 MR. STREB: Thank you to this panel
10 for the opportunity to testify.

11 A special thank you to Senator Krueger
12 and Assemblywoman Weinstein for your
13 perseverance in hosting all these hearings,
14 and to Senator Kavanagh and Assemblywoman
15 Rosenthal for being staunch supporters of our
16 organization.

17 My name is Mark Streb. I'm executive
18 director of the Neighborhood Preservation
19 Coalition. In the philosophy of not burying
20 the lede, the Neighborhood Preservation
21 Coalition and its 135 housing not-for-profit
22 organizations from across the state are
23 requesting 17.75 million for the Neighborhood
24 Preservation Program and 250,000 for the

1 Neighborhood Preservation Coalition.

2 What is the Neighborhood Preservation
3 Program, and why are we asking for these
4 amounts? This program was created by the
5 forward-thinking State Legislature based on
6 their findings that community development
7 organizations relied heavily on volunteer
8 services, short-range funding and were
9 underfunded and understaffed. It was your
10 collective vision that this program would
11 provide grants for the Neighborhood
12 Preservation Companies. These companies are
13 community-based, not-for-profit housing
14 organizations that serve their communities
15 every day to ensure that stable, safe and
16 affordable housing becomes a reality for
17 low-to-moderate-income families.

18 Why these numbers? Governor Hochul's
19 proposed budget decreases funding by
20 \$100,000 with no funding for the coalition.
21 In last year's final budget the program was
22 funded at 12.93 million with 250,000 for the
23 coalition.

24 Despite the ever-increasing need of

1 affordable housing, funding for the
2 Neighborhood Preservation Program has
3 remained flat from 2015 to 2023. To make
4 matters worse, the rate of inflation during
5 this time is nearly 30 percent. Flat funding
6 is a cut in funding.

7 The not-for-profits provide an
8 incredible range of preservation and
9 revitalization services, from homelessness
10 prevention, workforce assistance, eviction
11 protection, weatherization assistance, and
12 mental health services, to name a few. The
13 need for these services has increased.

14 In addition to the program's
15 investment in human capital, the economic
16 development investment of this program is
17 incredible. By working with the community
18 and leveraging other resources, the program's
19 return on investment is over 10:1. In
20 addition to this fantastic return on
21 investment, the not-for-profits must provide
22 matching funds at 33 percent -- a true
23 testament that this program is
24 community-driven from the very neighborhoods

1 that it serves.

2 The lack of affordable housing has
3 increased. It's a national crisis, and it's
4 at the doorsteps in our neighborhoods. As
5 there's no single cause of the housing
6 crisis, there's no single solution. Newly
7 created solutions and programs are needed --
8 but not at the expense of decreasing funds
9 for programs that worked for decades.

10 CHAIRWOMAN WEINSTEIN: Thank you.

11 Community Preservation Corporation.

12 MR. CESTERO: Thank you. Good
13 afternoon, everybody. My name is Rafael
14 Cestero. I am the chief executive officer of
15 the Community Preservation Corporation.

16 CPC is a nearly 50-year-old nonprofit
17 affordable housing and workforce housing
18 organization formed in the early 1970s in
19 response to the massive disinvestment crisis
20 in New York City. We expanded throughout
21 upstate New York in the early '90s and have
22 offices -- seven offices all across New York
23 State.

24 Since our founding we've invested and

1 lent and funded over \$14 billion to finance
2 the creation and preservation of more than
3 225,000 units of housing across New York
4 State. In the last two years alone, we have
5 invested over \$1.3 billion in New York State,
6 in partnership with HCR and New York City and
7 many other partners that have testified here
8 today.

9 I'm really here to voice support for
10 the Governor's housing compact, as a
11 30-plus-year veteran of affordable housing,
12 having dedicated my entire professional
13 career to the creation and preservation of
14 affordable housing all across New York State,
15 and at CPC having known for 50 years that
16 affordable housing is vital to our
17 neighborhoods. We have already a tremendous
18 amount of support in this legislative body
19 with our state and local agencies that
20 support affordable housing to build and
21 preserve hundreds of thousands of units of
22 affordable housing all across the state.

23 From our perspective, the biggest
24 missing piece, the piece that we haven't done

1 enough talking about, is the lack of overall
2 supply of housing. And we think the Governor
3 has done a tremendous job of reframing the
4 conversation and allowing us to have the
5 dialogue that has occurred here today.

6 We believe that the housing compact is
7 a critical part to a "yes and" approach to
8 address our housing crisis in New York. Not
9 only do we need to support the Governor's
10 housing compact and continue the robust
11 investment by the state in affordable housing
12 projects, but we need tax incentives that
13 support the creation of workforce and
14 affordable housing and helping increase the
15 supply of housing. We need tax incentives
16 for property owners to be able to make
17 repairs to existing units, get units back
18 online, and preserve those units. We need
19 robust tenant protections all across the
20 state to ensure that our tenants are able to
21 live and our homeowners are able to continue
22 to live in the homes that exist.

23 And, in terms of immediate need, which
24 has come up here often, we need to continue

1 to support a robust housing voucher program
2 that not only adds additional funding to
3 housing vouchers but ensures that we think
4 about and streamline the bureaucracy that it
5 takes for an individual to get a voucher and
6 for an owner to get payment on that voucher.

7 Thank you.

8 CHAIRWOMAN WEINSTEIN: Land Bank?

9 MS. WRIGHT: Thank you for the
10 opportunity to speak today. I'm Katelyn
11 Wright. I'm the executive director of the
12 Greater Syracuse Land Bank, and I'm speaking
13 on behalf of the New York Land Bank
14 Association.

15 You all received written testimony
16 from our association president, Adam Zaranko,
17 but he could not be here today.

18 CHAIRWOMAN KRUEGER: Could you move
19 the mic a little closer? I'm sorry.

20 MS. WRIGHT: There we go. Is that a
21 little better? Thank you.

22 CHAIRWOMAN KRUEGER: Thank you.

23 MS. WRIGHT: We represent 27 land
24 banks across New York State. I think most of

1 you probably know what land banks are. We've
2 been around for 10 years now. But just very
3 briefly, we're quasi-governmental
4 organizations established by local government
5 to address vacant and abandoned properties
6 and get them returned to productive use.

7 Almost all land banks also focus on
8 the creation of affordable housing and
9 cleaning up brownfield properties because
10 those activities go hand in hand with
11 revitalizing distressed neighborhoods where
12 the vacant and abandoned properties that we
13 are created to address are generally located.

14 Many of us work in dense urban
15 environments in cities where there are dense
16 concentrations of abandoned buildings in
17 formerly redlined neighborhoods and
18 systemically disinvested neighborhoods. But
19 the majority of land banks actually serve
20 rural areas. And I had some conversations
21 recently with land banks in Wayne County,
22 Chautauqua County, and Seneca County to get a
23 better sense of what their needs are, and
24 they were quick to point out that they have

1 so many folks housed right now in temporary
2 housing and hotels, if they each had a
3 hundred new units today they could be filled
4 immediately.

5 And a hundred units may not sound like
6 a lot if you're working in a bigger city, but
7 it is a significant number of units for these
8 more rural communities.

9 Most of us are working in weak
10 markets, but there are also land banks
11 working in Nassau County and in Suffolk
12 County addressing affordable housing
13 challenges there. And the Suffolk County
14 Land Bank is particularly skilled at
15 addressing brownfield properties.

16 Like I said, we have been around for
17 10 years and we've established a productive
18 network across the state, and we are also
19 here today to voice support for the
20 Governor's plan to develop 800,000 new
21 affordable units. The shortage of affordable
22 units is dire all across the state. Most of
23 us address that work by doing site
24 assembly on the front end, kind of

1 pre-development work to prepare shovel-ready
2 sites, and then work hand in hand with many
3 of the affordable housing developers that
4 you've heard from today.

5 So we are asking for land banks to be
6 funded again in this year's budget. I know
7 the commissioner earlier said that there is
8 still \$30 million from last year that they're
9 trying to get out the door. But because the
10 work that we do is at the front end of the
11 development process, we think it makes sense
12 for this work to be front-loaded so that we
13 can get as many shovel-ready sites as
14 possible prepared for our partners.

15 CHAIRWOMAN WEINSTEIN: Adirondack
16 Foundation.

17 MS. BELLINGHAM: All right, wow. So
18 thank you. Thank you for the opportunity to
19 testify. I'm Lori Bellingham, vice president
20 for community impact for the Adirondack
21 Foundation.

22 Since 1997, the foundation, together
23 with partners across the region, seeks to
24 identify and address regional challenges such

1 as food insecurity, lack of childcare,
2 housing strategies, shortages and
3 affordability, limited access to vocational
4 training, and threats to our economic
5 vitality.

6 The Adirondack Region is home to more
7 than 230,000 people dispersed across more
8 than 6 million acres. Approximately
9 44 percent of our population are ALICE
10 individuals and families; nearly 60 percent
11 struggle to earn enough income to acquire
12 stable and safe housing, gain reliable
13 transportation, and access the social,
14 medical and healthcare needs they have.

15 In Clinton and Franklin counties,
16 50 percent of families live in rent-burdened
17 households, as more than 30 percent of their
18 gross income is spent on housing. When
19 looking at 2015 to 2020, median job earnings
20 increased by 14 percent and median household
21 income increased by 15 percent -- however,
22 median home prices increased 28 percent.

23 Until the gap between wages and
24 affordability of housing comes into balance,

1 our communities will continue to face
2 challenges and our economy will be
3 constrained. However, we've learned from our
4 community partners that we cannot build our
5 way out of this complex housing challenge.
6 We need a variety of methodologies to combat
7 the years of underproduction and to increase
8 the availability of affordable family housing
9 for our essential workforce.

10 Adirondack Foundation appreciates the
11 Executive Budget's investment in housing
12 infrastructure, and we recommend 25 million
13 be directed to the Adirondack Region, to
14 assist with water, sewer and new road
15 construction, all critical to encouraging new
16 housing.

17 Unfortunately, the Executive Budget
18 does not appear to continue investment in
19 programs that have already and continue to
20 make a difference. We'd request the
21 Affordable Homeownership Opportunity Program
22 continue and be increased to 200 percent AMI;
23 the Small Rental Development Initiative
24 continue at 20 million; as well as the

1 New York Land Bank Act. These are three
2 programs that, if support continued, help our
3 communities working to overcome housing
4 challenges.

5 The housing crisis in the Adirondacks
6 is a workforce crisis that inhibits our
7 region's economic development. Our community
8 members value the rural environment where
9 they've chosen to live, and they seek to
10 improve their communities by ensuring that
11 middle-income individuals and families can
12 live and work in the Adirondacks.

13 We appreciate the opportunity and look
14 forward to partnering with you to develop and
15 invest in a variety of programs to encourage
16 more affordable housing in the Adirondacks.

17 CHAIRWOMAN WEINSTEIN: Thank you.

18 Rural Housing Coalition of New York.

19 MR. MISARSKI: Hi, and thank you. I
20 want to thank the committee chairs, I want to
21 thank the committee members for allowing the
22 Rural Housing Coalition -- and thank you for
23 your support from last year's funding and
24 funding our budget priorities.

1 So I'm Bruce Misarski. I'm here
2 replacing Mike Borges, who is -- he's out
3 sick this week, so I got the call and got
4 sent in from the bench. So I'm the executive
5 director of the Housing Assistance Program of
6 Essex County in the Adirondacks, and also the
7 executive director of the Adirondack
8 Community Housing Trust, and I'm the chairman
9 of the Rural Housing Coalition.

10 So I'd like to talk first about the
11 RPC program, which is very important to us.
12 The Rural Preservation Companies were created
13 back in 1980 to support nonprofit housing
14 organizations. The Rural Housing
15 Preservation Companies deliver a variety of
16 housing and community development services to
17 rural communities throughout the state.

18 So HCR defines rural communities as
19 having populations of under 25,000 people,
20 and 924 of our state's 1,023 communities
21 actually qualify as rural housing in some way
22 or another. So it's a large area of New York
23 State. But there are only currently 57 RPCs
24 across the state; mine is one of them. And

1 we serve rural communities. We provide
2 administrative support to our communities, we
3 provide the funding that you provide, and we
4 are the people that bring it to our
5 community, where the rubber hits the road.

6 And we ask that our funding not only
7 be restored from previous years -- the
8 Governor has reduced our funding, and it's
9 been stagnant since 2017. So we have not
10 seen an increase since then for the last five
11 years.

12 And so there are 57 RPCs across the
13 state. The cost of construction, materials,
14 and everything has eaten away at funding for
15 us. The cost of employees has gone very
16 expensive. So we ask the state that we
17 increase the RPC funding to 60 RPCs. That
18 would create three new ones. We ask that our
19 RPC funding to each of our organizations be
20 increased from 89,000 to 125,000, just to get
21 caught up from the five years of no
22 increases. And that also to restore the
23 \$250,000 funding to the Rural Housing
24 Coalition for administrative supports.

1 Thank you.

2 CHAIRWOMAN WEINSTEIN: Thank you.

3 And last, New York State Rural
4 Advocates.

5 MR. SEBASTIAN: Good afternoon. My
6 name is Blair Sebastian -- kind of battling
7 cleanup on this panel, I guess. I'm with
8 New York State Rural Advocates. Our
9 organization is made up of rural housing and
10 affordable housing and community development
11 practitioners from around the state. We've
12 been advocating for rural communities since
13 about 1980.

14 We have submitted our written
15 testimony, the body of which addresses what
16 we think are appropriate levels of funding --
17 and achievable levels of funding -- for a
18 range of programs that our members use that
19 address affordable housing needs in rural
20 communities, and we're happy to talk about
21 any of those as you may wish.

22 We prefaced our -- that discussion
23 with the inclusion of a map that we got from
24 the Economic Innovation Group. They've done

1 this for several years. We find it rather
2 interesting. This is the first time we've
3 seen it by zip code. And we find it kind of
4 interesting because it really shows the
5 chaotic nature of economic and social
6 well-being in upstate communities, kind of
7 leading us to suggest that maybe a 1 percent
8 blanket goal. We're contemporary managers;
9 we live on goals and targets. But it's
10 important that they -- those targets are
11 appropriate to the task at hand, and we kind
12 of question that.

13 The other thing that that diversity
14 map does for us is a nice segue into a
15 conversation about the beauty of the Rural
16 Preservation Program, which is its
17 flexibility. RPCs, the 57 RPCs that Bruce
18 refers to are governed by local people. The
19 statute requires that local -- that
20 governance be local, and those folks have the
21 opportunity to tailor mission and work
22 programs to the exact nature of the housing
23 problems they face.

24 So you'll find groups in the Hudson

1 Valley, where markets are strong and demand
2 is great, building multifamily housing as
3 their focus. For the folks in my old
4 stomping ground in Western New York, we tend
5 to focus much more on the rehabilitation of
6 existing stock and less on the provision of
7 new stock, although there is a role for that.

8 So provided the Governor's housing
9 compact goes forward in some form, we expect
10 that Rural Preservation Companies are going
11 to be called upon by local communities to
12 provide the expertise that they traditionally
13 possess, to help guide these small
14 communities. It's been mentioned that the
15 smallest of our rural communities are going
16 to be hard-pressed to respond to the
17 Governor's compact. We know that our groups
18 are going to be called upon to help with
19 that.

20 And so adequate funding for those
21 groups is incredibly important. We've got a
22 little chart on page 4 that shows that
23 diminished return.

24 CHAIRWOMAN WEINSTEIN: Thank you.

1 We go to Assemblywoman Rosenthal.

2 ASSEMBLYWOMAN ROSENTHAL: I just want
3 to put in a good word for NPCs and RPCs. I
4 have NPCs that I've been working with for
5 years in my district. And RPCs, I've learned
6 a lot about you. And I think, once again,
7 good plan to build housing; even better to
8 maintain the housing we have today. So I
9 support and I agree there's a need for
10 increased funding for all of your efforts.

11 Thank you.

12 CHAIRWOMAN WEINSTEIN: Thank you.

13 We go to Brian Kavanagh. Senator?

14 SENATOR KAVANAGH: Thank you. I'll
15 echo the lovefest for NPPs and RPPs. As you
16 know, I'm a big supporter, and hoping we can
17 meet the requests here today. As well as the
18 other -- you know, the other rural needs,
19 which I think we might hear from our
20 Agriculture chair in a minute on.

21 I want to focus -- Mr. Cestero, you
22 talked about the lack of an exemption
23 component of the tax -- are you talking
24 about -- you're talking about the Governor's

1 J-51?

2 MR. CESTERO: Oh, I'm talking about
3 the, yeah, J-51 program. Right? In its
4 current incarnation, you know.

5 SENATOR KAVANAGH: Have you had an --
6 J-51 is a -- you know, it's a city --
7 primarily it's a city tax program.

8 MR. CESTERO: Right.

9 SENATOR KAVANAGH: Have you had an
10 opportunity to talk with the city about that
11 element of the program and whether there have
12 been --

13 MR. CESTERO: We have, yeah. We have.
14 We've talked to them about it and we've
15 shared our concerns about the economics of
16 that, you know, working in a way that will
17 incentivize -- create enough resources to
18 bring units online and to do the repairs
19 necessary in those buildings and in those
20 units.

21 SENATOR KAVANAGH: Okay. Because
22 we're not formally hearing them testifying
23 today, but I think it's quite likely they are
24 listening, so, you know, I think we would

1 like to -- I think we would like to see, you
2 know, a kind of city response to that -- you
3 know, that proposal which is -- we have both
4 a standalone --

5 (Overtalk.)

6 MR. CESTERO: We're happy to provide
7 more detail on that. Yeah, yeah.

8 SENATOR KAVANAGH: Yup. On -- can
9 you -- if I may, related -- you know,
10 distinct but related, have you had an
11 opportunity to review the tax proposal in
12 Part P that is intended to incentivize
13 commercial conversions in the city? And I
14 just wonder if you could speak to the -- if
15 you can, about the sort of adequacy that --
16 the levels of affordability that we might be
17 seeking given the sort of scale of the
18 benefit there.

19 MR. CESTERO: So I have not spent
20 nearly as much time on that as I have on
21 J-51, as an example. So -- but what I can
22 say is that, you know, it was referred to
23 earlier, you know, the 421-g program in the
24 post-9/11 world, and that led to lots of

1 office conversions. And I've been on record
2 in lots of different settings saying that I
3 think the lesson learned from that is that we
4 probably didn't do that as equitably and
5 inclusively as we should have. And that I do
6 think that there's a significant opportunity
7 for affordability in office conversions.

8 I want to be careful, though, to say
9 that office conversions are really hard. And
10 so I don't think there's an overwhelming
11 number of units that are going to get created
12 through a conversion process, and I think
13 what the compact does is create a framework
14 so that owners can think about conversion
15 strategy. And certainly an incentive should
16 include an affordability requirement.

17 SENATOR KAVANAGH: I may want to
18 follow up with you on some of the details.

19 MR. CESTERO: Yeah.

20 SENATOR KAVANAGH: And also just while
21 I have four seconds, there's also this
22 proposal for an "opt-in outside the city"
23 proposal. Given your current role and your
24 prior experience, I'd love to hear your

1 thoughts on that as well. But I'll respect
2 the clock.

3 CHAIRWOMAN WEINSTEIN: Thank you.

4 Assemblyman Burdick.

5 ASSEMBLYMAN BURDICK: I first want to
6 commend each of the panelists for the great
7 work that you're doing to promote housing and
8 to promote affordable housing.

9 And to Mr. Cestero, you may recall
10 that I had worked in my former days as
11 supervisor of the Town of Bedford with CPC on
12 getting permanent financing for an affordable
13 housing project there.

14 MR. CESTERO: Yeah.

15 ASSEMBLYMAN BURDICK: I'd like to pose
16 the question that I think I've posed to every
17 one of these panels. And that is that, you
18 know, my concern that I have with the housing
19 compact is that there's not enough on
20 affordable housing, that it is really a
21 compact, the creation of 800,000 units over
22 10 years.

23 Do you feel that there should be a
24 subgoal within that 800,000 of affordable

1 housing units that would be created? And
2 maybe if we could start with you, Rafael.

3 MR. CESTERO: Sure. So I think, from
4 my perspective, the important thing here is a
5 recognition that I believe, right, more
6 housing supply and correcting the
7 supply/demand imbalance that exists in our
8 state will ultimately lead to less
9 competition, and therefore will lead to lower
10 prices.

11 But that's going to take time. Right?
12 And that's why I think it's important that
13 the state continue to fund the housing --
14 affordable housing plan, \$25 billion last
15 years as part of a new five-year plan. To
16 me, that's the critical piece. Because if
17 you're not also investing in affordable
18 housing, then I think you are ending up
19 behind the eight-ball.

20 ASSEMBLYMAN BURDICK: Thank you.

21 Any others have a thought about
22 setting a subgoal on affordable housing
23 within the 800,000?

24 MR. SEBASTIAN: Absolutely in support

1 of focusing on affordable housing in this
2 initiative.

3 Some of the communities we look at,
4 all the new housing -- any new housing that
5 would be created kind of falls into that
6 broad affordable category. But in rural
7 communities there are those really hot
8 markets where we really, really, really need
9 to build some housing. And --

10 ASSEMBLYMAN BURDICK: Great. Thank
11 you. Any others --

12 MR. SEBASTIAN: And they need to be
13 affordable.

14 ASSEMBLYMAN BURDICK: -- have a
15 thought, yes or no, on a subgoal?

16 MR. MISARSKI: I certainly agree,
17 affordable housing is key. And what happens
18 is really it's sort of a musical chairs. If
19 we just build housing for the wealthy people,
20 you know, it opens up where they formerly
21 lived, and everybody moves maybe up.

22 ASSEMBLYMAN BURDICK: Right.

23 MR. MISARSKI: The poor people always
24 get the worst housing.

1 ASSEMBLYMAN BURDICK: Any others?

2 MS. BELLINGHAM: I guess I would
3 add -- yes, and I would be careful on the
4 definition of affordable.

5 ASSEMBLYMAN BURDICK: Oh, sure. Of
6 course. Yeah.

7 MS. BELLINGHAM: So in our small
8 communities, I would say workforce housing or
9 we would say workforce housing. Our
10 essential workforce, which has changed a
11 little bit since COVID -- so our teachers,
12 our healthcare workers, people who make
13 above, you know, the 80 percent AMI --

14 ASSEMBLYMAN BURDICK: Thank you so
15 much.

16 MS. BELLINGHAM: -- can't afford it.

17 ASSEMBLYMAN BURDICK: Appreciate it.
18 My time's up.

19 CHAIRWOMAN WEINSTEIN: Thank you.
20 To the Senate.

21 CHAIRWOMAN KRUEGER: Thank you.
22 Rachel May.

23 SENATOR MAY: Thank you.
24 And hi, everyone.

1 Katelyn, good to see you. I guess I
2 had a question for you about the land banks.
3 I understand -- so you're asking for the same
4 funding as last year in the budget?

5 MS. WRIGHT: Yes.

6 SENATOR MAY: Are you ever interested
7 in doing rehab or, you know, reconstruction
8 on your own? And is that something, you
9 know -- or what would you need in the way of
10 resources to do that?

11 MS. WRIGHT: We have done a handful of
12 our own projects in-house over the years.
13 But mostly -- in Syracuse, anyway, mostly
14 what we do is that pre-development work to
15 make shovel-ready sites available for other
16 affordable housing developers, just because
17 we already have a very strong network of
18 affordable housing developers in Syracuse.

19 But a lot of the other land banks are
20 actively engaged in doing their own
21 development because they just lack those
22 partners.

23 SENATOR MAY: Okay.

24 MS. WRIGHT: But there are other HCR

1 programs to support that work. This land
2 bank funding provides for acquisition of
3 property and demolitions and stabilizations
4 that aren't funded by any other HCR programs.
5 And so we want to make sure that that's
6 available.

7 SENATOR MAY: All right, thanks.

8 And thanks for mentioning the rural
9 issues, those of you who are advocating for
10 rural housing. I guess -- so in my district
11 I have a number of Finger Lakes. One of the
12 issues that we have is housing for seasonal
13 workers who are, you know, necessary to the
14 local economy, and there's no place for them
15 to live.

16 Is this -- are there good ideas out
17 there, solutions? Is there something in the
18 compact that would help with this? Anybody
19 have thoughts on those issues?

20 MR. SEBASTIAN: There's nothing in the
21 compact, I don't think. You know, so much of
22 the focus is on permanent housing. And so,
23 you know, the only model perhaps we might
24 look at is the long-standing farmworker

1 housing model, which again addresses seasonal
2 employees very often.

3 And so most -- most of that work has
4 been federally funded, but the state has been
5 involved in some farmworker housing. And
6 given the seasonality of it, it may make a
7 decent model.

8 SENATOR MAY: Anyone else?

9 I know one area has actually built
10 housing for firefighters because they can't
11 live close enough to the fires, you know, to
12 actually respond in a reasonable period. So
13 it seems like it's a subset of housing need
14 that is hard to include in any kind of
15 planning.

16 So I would love to know if you have
17 good ideas about this, or you see best
18 practices, what we can do to help with that.

19 Thank you.

20 CHAIRWOMAN KRUEGER: Thank you.

21 Assembly.

22 CHAIRWOMAN WEINSTEIN: Assemblyman
23 Manktelow.

24 ASSEMBLYMAN MANKTELOW: Thank you,

1 Chairwoman.

2 Katelyn, could I ask a few questions
3 to you? Thank you for being here.

4 Earlier this morning when I spoke with
5 the commissioner about land banks, I was
6 surprised that only 20 million of the
7 30 million -- or of the 50 million had been
8 spent. Who controlled that number, I guess
9 is what I'm asking.

10 MS. WRIGHT: That's all that's really
11 been released by HCR to date. There was a
12 Phase 1 RFA that we all applied to, and that
13 released the 20 million. The Phase 2 RFA
14 just came out recently, and those
15 applications are due in about 10 days.

16 ASSEMBLYMAN MANKTELOW: Okay. So my
17 second question is as I -- I'm so glad to see
18 the land banks growing. You guys do some
19 remarkable work, being involved with the one
20 at Wayne County early on years ago. It's
21 such a great attribute to the communities, to
22 the state. And the amount of money you save
23 is remarkable.

24 As the land banks grow, will

1 50 million be enough long term?

2 MS. WRIGHT: Long term, it's hard to
3 say. There are 27 land banks today, but I
4 expect more to be created, and so that will
5 put extra stress on it. But at this point in
6 time, with 27, that seems sufficient to us.

7 ASSEMBLYMAN MANKTELOW: And my last
8 question, speaking with the commissioner
9 again this morning -- how much dialogue do
10 you have with the commissioner?

11 MS. WRIGHT: Directly with the
12 commissioner, not very much. But with her
13 people, all the time.

14 ASSEMBLYMAN MANKTELOW: So you have a
15 good working group, or a good --

16 MS. WRIGHT: Absolutely. HCR has been
17 very supportive of us and very open to our
18 suggestions for what resources we need to
19 meet our needs.

20 ASSEMBLYMAN MANKTELOW: You know,
21 knowing what the land banks do, if it's so
22 well into the HCR, the compact coming up -- I
23 just want to say thank you and we're here to
24 support you. So thank you.

1 MS. WRIGHT: Thank you.

2 ASSEMBLYMAN MANKTELOW: Thank you.

3 Thank you, Madam Chair.

4 CHAIRWOMAN WEINSTEIN: Senate?

5 CHAIRWOMAN KRUEGER: Thank you.

6 Senator Salazar. No, she left.

7 forget Senator Salazar for the moment.

8 Sorry.

9 Senator Helming.

10 SENATOR HELMING: Thank you,

11 Senator Krueger.

12 And thank you, everyone, for not only
13 your testimony but the fantastic work you do
14 throughout the State of New York. I really
15 appreciate it.

16 Katelyn, I think you were here earlier
17 when I talked to the commissioner, questioned
18 her about the land banks. I really
19 appreciate you bringing up the example of if
20 we provided more funding to our land banks,
21 we could move people who are stuck in hotels
22 into these refurbished homes. That's
23 critically important. So we will be
24 advocating for funding in the budget. I know

1 right now there's zero that's budgeted.

2 Lori, you brought up -- and I think a
3 few of you did -- about workforce housing and
4 the challenges. And Senator May I think
5 touched on this as well, how challenging it
6 is in so many of our areas to find that
7 workforce housing when you have so many
8 seasonal rentals that go for a whole lot of
9 money, right, in the Finger Lakes. Average
10 workers can't afford them. People with dual
11 incomes, two teachers, they can't even afford
12 them.

13 So I guess what I'm wondering is, the
14 Governor in the housing compact has the ADU
15 program that's outlined. Do you see that
16 outside of New York City, do you see the ADU
17 program helping in any way to address
18 workforce housing issues or ...

19 MS. BELLINGHAM: I think increasing
20 density is a good thing, especially -- you
21 know, we live or we are in the Adirondack
22 Park, so we do have constraints around, you
23 know, footprints around our villages and
24 hamlets.

1 Many of our ADUs are typically used
2 for short-term rentals. So, you know, yes, I
3 think increasing density is a good thing. I
4 think that, you know, we have 63 percent of
5 our employers are saying they cannot house
6 their employees, and that's the primary
7 reason that they --

8 SENATOR HELMING: I'm just going to
9 add, real quick, so it's something that you
10 can look into as well, that I believe the
11 language that's included in the proposal says
12 that the ADUs can be rented for 30 days or
13 more. So when I look at areas like the
14 Lake Placid area or the Finger Lakes region,
15 I see people building those ADUs to generate
16 more income for short-term visitors, not
17 necessarily addressing our workforce housing
18 shortages that we are experiencing.

19 So if you have, as Senator May said,
20 feedback on that, I would love to hear it as
21 well.

22 Anything else that you would like to
23 share to help with the issues in our rural
24 communities, short-term things that we can

1 do?

2 MR. MISARSKI: I just wanted to -- I
3 didn't get a chance to mention a couple of
4 programs that we really rely on that we --
5 the funding got shortened on this year with
6 the Governor's budget.

7 And those include the Access to Home
8 program, the New York State Main Street
9 program, the RESTORE program, and also the
10 Small Rental Development Initiative that is
11 not funded this year. So those were all
12 really important programs we'd like to see
13 receive some funding.

14 CHAIRWOMAN KRUEGER: Thank you.

15 Since the Assembly is done, next is
16 Senator Hinchey.

17 SENATOR HINCHEY: Perfect lead-in
18 here, thank you.

19 First and foremost, I want to thank
20 all of you for being here, and many of you
21 for working with us last year. You know,
22 most people think about a housing crisis in
23 our urban, densely populated areas, but we
24 all know that our rural communities are

1 facing a housing crisis as well. And thanks
2 in partnership to many of you, last year we
3 were able to secure the largest investment in
4 rural housing support that we've ever had.

5 Unfortunately, many of those gains
6 have disappeared from the Executive Budget.
7 And so I was actually going to ask about a
8 number of those programs -- thank you for
9 mentioning them -- specifically RESTORE and
10 the Small Rental Development Initiative. I
11 know in my community we funded the RESTORE
12 program and changed some of the language last
13 year and in my community when our affordable
14 housing corporation went to access those
15 funds, they were already oversubscribed.

16 Can you provide a little bit of
17 information on how much money you would like
18 to see in that program? And also a few more
19 details for my colleagues on the Small Rental
20 Development Initiative.

21 MR. SEBASTIAN: Well, our request for
22 RESTORE is \$4 million. Last year the program
23 was funded at \$3.4 million. We understand
24 that the agency got applications,

1 proposals -- valid proposals for \$6 million
2 last year. So our \$4 million falls a little
3 short of demand.

4 SENATOR HINCHEY: I would say
5 6 million is an appropriate ask, since we
6 know that's the need and the demand out
7 there.

8 Can we also talk a little bit about
9 the Small Rental Development Initiative? I
10 know we had requested last year I believe 20
11 or 30 million. We got 7. And that program
12 has been cut. Can you provide a little
13 insight on that funding?

14 MR. MISARSKI: Yeah, actually we're
15 working on an application right now for the
16 SRDI program. And disappointed that it is
17 not funded this year in the Governor's
18 budget.

19 It's one of those perfect tools for
20 rural communities where we can get in and put
21 four, eight units of housing in a community
22 of a thousand people. That's what's
23 appropriate for our communities, not LIHTC
24 hundred-unit projects. We need small rental

1 projects in small communities, in every
2 community. Right? That's what every
3 community needs. And we just can't rely on
4 ITC projects in big cities to create all the
5 housing units. Every town and village wants
6 to do that.

7 SENATOR HINCHEY: And is it fair to
8 say that the funding in the -- I'll call it
9 the rural housing package, that in your
10 request and what we were able to secure --
11 the areas we were able to secure last year,
12 are incredibly important because most of
13 state and federal funding go to those larger
14 projects than they do the smaller ones?

15 MR. MISARSKI: Exactly, yes.

16 MR. SEBASTIAN: Yes, small projects
17 are odd ducks in the scheme of funding.

18 And, you know, there's something to be
19 said for scale. But they just don't work in
20 small communities.

21 SENATOR HINCHEY: Thank you very much.

22 CHAIRWOMAN KRUEGER: Senator Jackson
23 to close, I believe.

24 SENATOR JACKSON: Sure.

1 Good afternoon. Thank you for all
2 coming in. And I read some of your
3 testimony, especially from the rural
4 districts, and we want to do everything we
5 can in order to make sure that everyone is
6 taken care of in this housing thing.

7 But more specifically, I represent
8 New York City, let me just focus on that.
9 And as far as the Neighborhood Preservation
10 Coalition, CLOTH, Community League of the
11 Heights, is in my district, with
12 Yvonne Stennett, and I've been involved with
13 them for many, many years. So I appreciate
14 all what you do on behalf of the people that
15 we represent and that you represent.

16 But my question is I've heard a lot of
17 comments from my colleagues, especially in
18 outer areas, as far as building affordability
19 housing near major transportation hubs,
20 subways and so forth. And many of them are
21 somewhat opposed to the state basically
22 mandating that if in fact they disagree.

23 How do you think that -- do you have
24 any other suggestions or thoughts about that

1 in order to ensure that the goal of the
2 Governor happens over a 10-year period of
3 time?

4 MR. CESTERO: I mean, I think -- I
5 guess what I could offer is two thoughts.
6 First, robust agreement on Yvonne Stennett,
7 who's one of my favorite people in the whole
8 world.

9 SENATOR JACKSON: Speak just a little
10 louder --

11 MR. CESTERO: Sorry. Robust agreement
12 on Yvonne Stennett, who's one of my favorite
13 people in the whole world.

14 And then to your question, I think
15 that clearly there's tension, right, when
16 housing proposals happen. In my view, what
17 the Governor has proposed is essentially a
18 response to what is a crisis in our city.
19 And, you know, there -- maybe there should be
20 talk of safe-harbor kinds of things that can
21 be done. If there's issues in particular
22 communities that don't fit within the time
23 frames in the housing compact, those kinds of
24 things could be helpful in extending the time

1 frame to address the issues.

2 But at the end of the day, our state
3 is overwhelmingly short on housing, and we
4 need to build it in lots of different places.

5 SENATOR JACKSON: Thank you.

6 Anyone else, shortly? Because I've
7 got 36 seconds.

8 MR. STREB: Yes. Just --

9 SENATOR JACKSON: If you don't mind
10 giving your name, because when we speak we
11 don't know who everyone is.

12 MR. STREB: Sure. Mark Streb,
13 Neighborhood Preservation Coalition executive
14 director.

15 SENATOR JACKSON: Thank you.

16 MR. STREB: The housing compact is
17 another tool in the toolbox. It's a tool
18 that one size doesn't fit all, though. So
19 every community -- and that's the value of
20 the Neighborhood Preservation Coalition,
21 they're the folks on the ground. When
22 there's a problem, this is who the people in
23 the neighborhood go to. And that's why we're
24 one of the tools in the toolbox.

1 SENATOR JACKSON: Well, thank you all
2 for coming in. My time is up.

3 CHAIRWOMAN KRUEGER: Thank you.

4 We do have one more Senator we missed.
5 I think his name is Senator Jack Martins.

6 SENATOR MARTINS: Thank you.

7 And thank you all for testifying
8 today.

9 I like the analogy of a tool in the
10 toolbox, or tool belt. You know, this
11 happens to be a sledgehammer. And so it's
12 hard to carry around, and it takes out a lot
13 more than we think as we swing it. I prefer
14 to use a scalpel or something a lot more
15 precise.

16 And we talk about rightsizing and
17 building small rental housing where it
18 belongs, but that's not what this says. So
19 let's not kid ourselves. This compact is a
20 blunt instrument. It's going to require, in
21 communities like mine in Nassau County,
22 25,000 new housing units around every train
23 station.

24 Now, if I were to ask people who don't

1 live on Long Island and don't live in
2 New York City or in the metropolitan area --
3 and I don't know, I'll pick someone who may
4 live in the Adirondack Park and ask you if I
5 put a mile circle in the middle of the park,
6 and so we're going to build 25,000 units
7 there because we need housing for people who
8 work in the area, not just people who come
9 and visit the area as tourists, I think
10 there'd be some pushback, not only from the
11 council but also from the community at large.

12 And so let's figure out ways so that
13 we can work together. And I think what we've
14 said, time and again, is everyone understands
15 that we need affordable housing, but it
16 shouldn't come at the expense of people
17 coming here and saying, You can build it
18 there, but you're not building it in my
19 backyard because it's not going to impact us
20 in just the same way.

21 So I won't ask you the rhetorical
22 question because I think we all understand
23 what the answer is. I've had the opportunity
24 to work with some of you and your

1 organizations over the years, and I
2 understand the great work that you do. And I
3 appreciate it. But the areas that I
4 represent -- you know, a small island jutting
5 out into the middle of the Atlantic, sitting
6 on a sole-source aquifer, with pristine
7 shorefront and communities that were built up
8 over the last 300 years, will change like
9 that (snapping fingers) if this were to
10 happen.

11 And so we fight, because we don't all
12 disagree -- we all agree on what the end
13 result should be. But it can't come at the
14 expense of certain people and not everyone
15 sharing equally.

16 Thank you. Thank you.

17 CHAIRWOMAN KRUEGER: So I don't think
18 there was a question, just a speech.

19 SENATOR MARTINS: No, there wasn't.

20 CHAIRWOMAN KRUEGER: Just checking.

21 SENATOR MARTINS: There was a sort of
22 a rhetorical question, but then I said no.

23 (Laughter.)

24 CHAIRWOMAN KRUEGER: Okay. For the

1 future, let's try to limit the speeches.

2 I believe we are done.

3 CHAIRWOMAN WEINSTEIN: The Assembly is
4 done also. So I want to thank this panel for
5 being here.

6 So if we can, first, For the Many.

7 MR. RANGA: Great. Can everyone hear
8 me?

9 CHAIRWOMAN WEINSTEIN: Yes.

10 MR. RANGA: Thank you so much to the
11 chairs and the entire committee. My name is
12 Brahvan Ranga, and I'm the political director
13 at For the Many.

14 For the Many is a grassroots social
15 justice organization based in the Hudson
16 Valley. We organize in rural, suburban and
17 small-city upstate New York to fight for laws
18 and win elections to bring us closer to a
19 New York that works for all of us and not a
20 greedy few. We started in 2012 as an
21 all-volunteer group of everyday people
22 meeting in a church basement to try and fight
23 against evictions and foreclosures, and since
24 then housing has been one of our core

1 focuses.

2 And we joined the Housing Justice for
3 All Coalition, a statewide movement of
4 tenants and homeless New Yorkers to fight for
5 housing as a human right and pass
6 transformative statewide legislation.

7 These past two years we've helped lead
8 the way for the statewide fight for good
9 cause, along with our partner organizations
10 across the state. And our fight is a
11 necessary response to the scale of the
12 housing crisis in the Hudson Valley, where
13 57 percent of renters are rent-burdened,
14 where one in eight of the renting households
15 in the City of Poughkeepsie are facing an
16 eviction filing -- and where many tenants
17 have virtually no eviction protections
18 whatsoever, along with 1.6 million households
19 statewide, especially in upstate.

20 And the single most important step
21 this Legislature can take to address this
22 crisis is passing good-cause eviction,
23 protecting tenants from unreasonable rent
24 increases and predatory rent hikes and unfair

1 evictions, but also giving them more control
2 over their housing, empowering them to ask
3 for better conditions and ensuring that they
4 can feel secure in their homes. And it would
5 slow the recent wave of gentrification and
6 real estate speculation we've seen in the
7 Hudson Valley.

8 After this Legislature repeatedly
9 failed to pass good-cause eviction, we worked
10 with our local allies to pass local
11 good-cause eviction laws in Newburgh and
12 Poughkeepsie and Beacon and Kingston.
13 Throughout the course of that campaign,
14 hundreds of tenants stood up to their
15 landlords, facing the threat of retaliation,
16 and demanded their local government take
17 action.

18 However, these hard-fought protections
19 are under threat from lawsuit. The City of
20 Newburgh's good-cause law was recently
21 overturned on preemption grounds. The court
22 said that it was the state's responsibility
23 to pass good-cause eviction. And that is why
24 I am calling on this Legislature to pass

1 good-cause eviction, the Housing Access
2 Voucher Program, and the Tenant Opportunity
3 to Purchase Act in the State Budget.

4 If the Legislature fails to act,
5 millions of New Yorkers will continue to face
6 the worst excesses of the housing crisis
7 without any protections whatsoever. We pray
8 that you do something about it.

9 CHAIRWOMAN WEINSTEIN: Thank you.

10 CHAIRWOMAN KRUEGER: Thank you.

11 MR. RANGA: Thank you so much.

12 CHAIRWOMAN WEINSTEIN: Next,
13 Association for Neighborhood and Housing
14 Development.

15 MS. WILLIAMS: Good afternoon,
16 everybody. Barika Williams, executive
17 director of the Association for Neighborhood
18 and Housing Development, ANHD. I want to
19 thank everybody, and especially the Senate
20 and Assembly, for three years of support for
21 ANHD's Displacement Alert Project.

22 The DAP portal tool has allowed
23 electeds, CBOs and constituents to understand
24 where New Yorkers are at greatest risk of

1 displacement and intervene with strategies.
2 Specifically, it has been cited multiple
3 times by the New York Times around tracking
4 and understanding our eviction threats, which
5 we know is going to be all the more critical
6 in the coming months. And we humbly request
7 \$200,000 to continue to expand and enhance
8 the DAP portal.

9 More broadly, while we applaud the
10 Governor's commitment to tackling New York's
11 growing housing crisis, we have some concerns
12 that it deprioritizes the current urgency of
13 homelessness, evictions, and crippling rent
14 burdens, that it relies heavily on spurring
15 development with a strategy focused on luxury
16 tax breaks regardless of affordability -- and
17 instead that we really need to focus on
18 addressing the actual housing needs of those
19 who are most impacted by the housing crisis.

20 We're asking that the Legislature
21 ensure that 421-a is not renewed and instead
22 use that tax revenue for public good, and
23 specifically also rejecting any broad
24 extension of 421-a's deadline in order to

1 complete those projects. We would be putting
2 billions forward in tax breaks for luxury
3 developers while simultaneously, as has come
4 up, no proposals for addressing NYCHA and
5 affordable housing units left out of ERAP,
6 and affordable housing projects that are
7 stalled or not moving in the pipeline while
8 other luxury units are allowed to go ahead
9 and go through.

10 We support some of what other folks
11 have said -- universal right to counsel,
12 TOPA, good-cause eviction, HAVP, ADUs and
13 HOPP.

14 Specifically on the Emergency Rental
15 Assistance portal, there's an estimated over
16 half a million New York State households that
17 remain behind on rent -- 80 percent of them
18 are people of color and 77 percent of them
19 are low-income households. The way that the
20 ERAP was set up means that income-restricted
21 housing was deprioritized, and these are our
22 mission-driven nonprofit members who have
23 been left out. And so it is critical that we
24 find a way to ensure that those residents are

1 not evicted from their units and find them
2 assistance.

3 Lastly, on the housing compact, we
4 support a more equitable distribution of
5 housing development across the state. We
6 can't continue to allow exclusionary zoning
7 in housing practices.

8 We have deep concerns and do not
9 support the use of blanket housing targets
10 across New York City at the community
11 district level. There's huge differences in
12 our community districts in New York City.
13 They range in average income from 23,000 to
14 upwards of 175,000. Some of them have built
15 less than 200 units and others have built as
16 many as 12,000 units in a six-year period.
17 What they have done in development and what
18 they have experienced in terms of land-use
19 disparities varies greatly.

20 I'm happy to speak about this further.

21 Thank you.

22 CHAIRWOMAN KRUEGER: Thank you.

23 CHAIRWOMAN WEINSTEIN: Thank you.

24 Open New York.

1 MS. GRAY: Hello. Thank you,
2 Chair Weinstein and Chair Krueger, for the
3 opportunity to share testimony in support of
4 the pro-housing provisions in the
5 Executive Budget.

6 My name is Annemarie Gray, and I serve
7 as the executive director of Open New York.
8 Open New York is an independent grassroots
9 pro-housing nonprofit with hundreds of
10 volunteer members across the state.

11 As you have heard from other witnesses
12 today, New York is in a dire housing crisis
13 that has real and direct human consequences:
14 High rents, displacement, segregation, tenant
15 harassment, homelessness, and countless other
16 problems. A key reason why New York has
17 failed to produce enough housing over the
18 past 30 years is the lack of a statewide
19 framework for promoting housing growth and
20 affordability. Unlike many other states,
21 New York allows local governments absolute
22 power to ban housing growth, which
23 perpetuates and worsens our housing crisis
24 each year.

1 The interrelated proposals in the
2 Executive Budget that would encourage cities,
3 towns and villages to revamp their zoning
4 codes to allow more housing are vital first
5 steps in shifting away from the broken
6 status quo. Open New York is especially
7 excited about Part G, or the Transit-Oriented
8 Development Act of 2023, which would
9 encourage housing growth in walkable,
10 sustainable areas and would bring needed
11 ridership and revenue to the Metropolitan
12 Transit Authority.

13 Most importantly, Parts F and G, the
14 New Homes Targets and Fast-Track Approval Act
15 and the TOD Act rebalance the relationship
16 between the state and local governments to
17 ensure that housing is allowed to grow where
18 there is demand for it. We also support the
19 inclusion of additional infrastructure funds
20 to address the need for additional capacity
21 for water, sewer, utilities and other
22 investments.

23 If these acts become law, local
24 governments will have a framework and

1 guidelines under which to operate, but they
2 will no longer have unchecked authority to
3 block all housing growth. We believe that it
4 is a necessary change if New York is ever to
5 leave its housing crisis behind.

6 Open New York's main concern with
7 these acts as drafted is their lack of strong
8 enforcement provisions. In other states that
9 have adopted similar frameworks --
10 California, Massachusetts, and New Jersey, to
11 name a few -- local governments have
12 extensively delayed required zoning actions
13 or failed to provide legally required
14 building permits. The only efficient way to
15 discourage this behavior and ensure that
16 these acts achieve their purpose is to
17 empower private nonprofits to sue
18 non-cooperative localities and invoke
19 monetary penalties for noncompliance.
20 California's Housing Accountability Act
21 provides exemplary provisions as an example.

22 Additionally, we believe the
23 Legislature should consider including
24 affordable housing growth targets for

1 localities that have very little affordable
2 housing in their communities today. The
3 housing compact can be a powerful tool to
4 address fair housing concerns and correct
5 patterns of exclusion, and all options to
6 strengthen outcomes toward fair housing goals
7 should be explored.

8 Finally, building the housing we need
9 will take time. A comprehensive approach to
10 solving our housing crisis must also include
11 tenant protections for those who are
12 struggling to pay rent right now. We hope
13 that the final budget will include expanded
14 tenant protections such as good-cause
15 eviction and more funds to support government
16 capacity for investing and innovating in the
17 creation of affordable housing.

18 New York is in a housing crisis, but
19 this year's budget gives us the opportunity
20 to create a statewide solution. When young
21 adults can afford to live in the communities
22 they grew up in, seniors can age in place,
23 and we can welcome new neighbors without fear
24 of displacing long-time residents, we'll be

1 glad we rose to the challenge.

2 Thank you for your time.

3 CHAIRWOMAN WEINSTEIN: Thank you.

4 We'll go to questions.

5 Assemblyman Epstein.

6 ASSEMBLYMAN EPSTEIN: Thank you all.

7 Just quickly, do you all support
8 getting funding aside for ERAP for NYCHA
9 residents and other affordable housing
10 residents? I heard Barika's point on that; I
11 just want to make sure we're all on the same
12 page.

13 MS. WILLIAMS: Yes.

14 MR. RANGA: Yes.

15 MS. GRAY: Yes.

16 ASSEMBLYMAN EPSTEIN: Thank you.

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1 (Reaction.)

2 CHAIRWOMAN WEINSTEIN: Less than a
3 minute.

4 To the Senate.

5 CHAIRWOMAN KRUEGER: Thank you.
6 Senator Myrie.

7 SENATOR MYRIE: Thank you,
8 Madam Chair.

9 Thank you all for your testimony and
10 for your patience today. This is for
11 Ms. Williams, but I open it up to whomever
12 wants to answer. All displacement is not
13 created equal. You made reference to the
14 disproportionate effect it has on people of
15 color. I'm hoping you can talk to us about
16 how the forces of displacement have had an
17 acute effect on Black families, particularly
18 in the City of New York.

19 MS. WILLIAMS: Absolutely. And I want
20 to acknowledge that all of us very much have
21 this fresh in our minds given the recent
22 New York Times article, which I appreciate
23 and appreciated the coverage. But also it
24 emphasized that many folks, including our

1 elected officials like yourself, and many of
2 us in housing advocacy spaces, have been
3 sounding the alarm of the disappearance of
4 our Black communities for years.

5 Displacement and gentrification aren't
6 just about changing of locations; it's also
7 about shifts in power. And so one of the
8 challenges and one of the concerns about also
9 the lack of affordability and what
10 affordability levels there are, both in the
11 housing compact and more broadly, is that we
12 know disproportionately our Black communities
13 and Black residents, but then our communities
14 of color more generally, earn less money.
15 Right? You heard Senator Cleare say earlier
16 median earning is about \$53,000, I think.
17 Right?

18 So there's a huge difference and
19 shift, and we have to appreciate that by not
20 creating deeply affordable housing -- not
21 that there aren't Black people at all
22 spectrums -- but by not creating deeply
23 affordable housing, we are not creating
24 housing and places for our Black families and

1 households in New York City.

2 CHAIRWOMAN KRUEGER: Thank you.

3 CHAIRWOMAN WEINSTEIN: Yes. So we go
4 to Assemblyman Burdick.

5 ASSEMBLYMAN BURDICK: Thank you.

6 So I'm going to repeat the question
7 I've asked to the other panels, and that is
8 that I certainly understand the support that
9 you have for the housing compact. As you
10 know, it's got a target of 800,000 housing
11 units within a 10-year period. Do you think
12 that it would be helpful to set a subcategory
13 within that of affordable housing units? And
14 maybe if we can start from left to right. I
15 guess that would be Annemarie, if we could
16 start there.

17 MS. GRAY: Sure. Thank you for the
18 question.

19 We are -- we think that there are a
20 lot of ways you can add a layer of affordable
21 housing requirement as part of the housing
22 compact. More than happy to discuss details
23 at another time. But we've seen, for
24 example, Massachusetts has a program called

1 40B. There are ways to take lessons learned
2 from that and actually have it be an
3 additional requirement for the types of
4 places that haven't seen enough
5 affordability.

6 So there are a lot of different ways
7 you could work that --

8 ASSEMBLYMAN BURDICK: But would you
9 specifically support a subgoal of within the
10 800,000 -- say, 400,000, whatever it might
11 be -- that would be affordable units?

12 MS. GRAY: It's a great question. I
13 honestly -- I think making sure we have a
14 system set up that actually makes sure
15 affordable housing gets built matters. I'm
16 not opposed to a number. But I think it
17 depends on the details, and more than happy
18 to talk about options.

19 ASSEMBLYMAN BURDICK: And Barika?

20 MS. WILLIAMS: I think I also will say
21 I don't know about a specific number,
22 specific percentage. But to your --

23 ASSEMBLYMAN BURDICK: You folks are
24 like the commissioner.

1 (Laughter.)

2 MS. WILLIAMS: To your bigger
3 question, though, I think very much are in
4 alignment that calling for an expansion of
5 market-rate housing does not necessarily
6 address our housing crisis, which is about
7 how people can afford housing, and point you
8 in the direction of a London School of
9 Economics study and research that says that
10 trickle-down housing does not necessarily
11 solve our acute affordable housing needs.

12 ASSEMBLYMAN BURDICK: And Brahvan?

13 MR. RANGA: Yeah, I would say
14 fundamentally the issue is the
15 commodification of housing. And the fact
16 that our housing stock is used for the
17 extraction of profit for a few really wealthy
18 landlords and real estate corporations.

19 And I would say one of the solutions
20 long-term that the Housing Justice for All
21 Coalition is proposing is massive expansion
22 of social housing and a social housing
23 development authority that would provide
24 well-funded beautiful public housing across

1 New York State, and that would lead to
2 low-income families having more opportunities
3 to find a place to live.

4 ASSEMBLYMAN BURDICK: Great, thank
5 you. And I want to thank all of you for the
6 work that you're doing.

7 CHAIRWOMAN WEINSTEIN: Thank you.

8 Senate?

9 CHAIRWOMAN KRUEGER: Thank you.

10 Senator Rachel May.

11 SENATOR MAY: Thank you, Madam Chair.

12 And thanks, all of you, for your
13 thoughtful testimony and for lifting up
14 housing stability as key as well to solving
15 this crisis.

16 Annemarie, I just wanted -- thank you
17 for shouting out the Massachusetts model 40B.
18 We've talked about my bill, Senate 668, which
19 I think is modeled on that system.

20 Do you think that that is a good way
21 to try to boost affordability within the
22 context of the housing compact that we're
23 talking about?

24 MS. GRAY: I think that the good thing

1 about New York State being a bit -- being
2 behind other states is we have a lot of
3 places to look to for lessons learned of what
4 works better or worse.

5 One thing we actually have seen in
6 Massachusetts, and the reason that we're
7 really focused on enforcement, is you have a
8 lot of projects that have actually gotten
9 stalled and stalled for years, so we really
10 need to strengthen the enforcement provisions
11 and, as I mentioned, focusing on allowing for
12 nonprofits to sue and enacting penalties for
13 long delays. I think that's actually
14 something that Massachusetts has not done as
15 well that we can do better on.

16 And I think as I mentioned in the
17 previous question there are ways to layer in
18 an additional requirement that's on top of
19 the percentages. There are different ways to
20 cut it. More than happy to talk through
21 different details, and it could work in
22 different ways. But something that requires
23 places that especially aren't allowing enough
24 affordable housing, you add an additional

1 requirement onto that as an option.

2 SENATOR MAY: Okay, thank you.

3 I mean, I know in Syracuse we have --
4 part of the crisis is something like
5 10 percent of boys in high school are
6 functionally homeless right now or, you know,
7 couch surfing in somebody else's home. And I
8 do -- I would love more data on the impact of
9 that kind of housing instability on school
10 performance, on people being able to keep
11 their jobs, on crime in neighborhoods where
12 people are -- you know, where there's that
13 much instability, people don't know their
14 neighbors.

15 So as much data as we can bring to
16 really explain why things like good-cause
17 eviction are really important was very
18 helpful to us.

19 So thank you for all of your advocacy,
20 and keep up the fight.

21 CHAIRWOMAN WEINSTEIN: Assemblymember
22 Kelles.

23 ASSEMBLYWOMAN KELLES: Yeah, I want to
24 thank you all as well, because this last

1 panel is deeply refreshing. So thank you.

2 One question on -- Annemarie, on
3 good-cause. We've talked about -- or you've
4 talked about it, thank you, everybody. And
5 anyone can answer this, but I know this you
6 brought up specifically. There are concerns
7 with good-cause that it would decrease supply
8 of housing, that it would force landlords
9 out, that things would, you know, be bought
10 up by private equity. I've heard all these.

11 Have you done research on this? Do
12 you have any thoughts on whether or not
13 that's true? Anyway, that's ...

14 MS. GRAY: Yeah, I think writ large
15 we've seen -- in other states we've seen
16 pairings of rent reforms with tenant
17 protections. So writ large, it is just a
18 smart thing to do. All of the supply
19 measures take a lot of time.

20 I think, as with every single bill,
21 we'd still work through -- there are versions
22 that have worked, there are versions that
23 don't. I'm more than happy to sit down with
24 you, have a little bit more of the detail and

1 what we've seen to date. But I think, writ
2 large, we think that it really makes sense
3 to -- you can pair these things together and
4 it can work. But more than happy to follow
5 up with kind of specific research. I want to
6 just check with my team.

7 ASSEMBLYWOMAN KELLES: I would
8 definitely -- well, I'll let you --

9 MS. WILLIAMS: Sorry, I just want
10 to -- I think with one of your specific
11 questions, I think what we understand in
12 terms of how these deals are financed is that
13 something like good-cause would actually
14 deter private equity from coming in and
15 purchasing up especially our smaller housing
16 stock, because much of the way that they
17 model their portfolios relies on mass
18 evictions at certain periods of time to up
19 the overall revenue and profit margins of the
20 properties.

21 ASSEMBLYWOMAN KELLES: So you would
22 call this a pro-small landlord bill in some
23 ways.

24 MS. WILLIAMS: I think it increases

1 stability for small landlords and keeps
2 housing in the pipeline for regular
3 New Yorkers to be able to afford to buy these
4 homes, as opposed to having to constantly
5 compete with external interests, many of
6 which are global.

7 ASSEMBLYWOMAN KELLES: Thank you.
8 That's very helpful. Thank you.

9 CHAIRWOMAN KRUEGER: Thank you.
10 Thank you. Our next questioner is
11 Senator Jackson.

12 SENATOR JACKSON: Hello.
13 Thank you for hanging in, the three of
14 you. I'm glad that you are here representing
15 your areas. And I'm glad that you're talking
16 about some of the bills that we're fighting
17 to move forward -- good-cause eviction and
18 things like that.

19 But I know that it takes resources in
20 order to continue these grassroots
21 organizations. And so ANHD, I believe you
22 have a \$200,000 request in for basically
23 operating funds. And what about the other
24 two groups and organizations? Do you have a

1 request in for funding that we should
2 consider, the other two organizations that
3 are there? Hello?

4 MR. RANGA: I don't believe that we
5 do, no.

6 SENATOR JACKSON: I'm sorry, what?

7 MR. RANGA: I don't believe that we
8 do.

9 SENATOR JACKSON: So you're okay,
10 then.

11 MS. WILLIAMS: I mean, all of us could
12 use additional funds. I was going to say I
13 think I could speak on behalf of everybody.

14 And one of the most underfunded pieces
15 of all of this is always the housing
16 organizations that are doing this work,
17 advocacy and direct services on the ground,
18 right?

19 So as we have to continue to address
20 an increasing eviction crisis, as we were
21 doing -- going out and getting individual
22 tenants signed up for ERAP -- I will speak
23 for ANHD -- it was our members who were doing
24 that work on the ground in their

1 neighborhoods with no bump in funding, while
2 simultaneously being the sites where people
3 were getting their vaccinations, while being
4 the distributors for food resources.

5 So these are incredibly thin,
6 overstrapped organizations across the board
7 that are also serving as our community
8 caretakers.

9 SENATOR JACKSON: And now if you sat
10 through this hearing, you heard about the
11 discussion as far as members and more
12 suburban areas like Long Island, which
13 basically their position is that they don't
14 want anyone to tell them what's best for
15 their community without them deciding what --
16 and working together.

17 How's your areas? Are you willing to
18 accept the areas put forward by the Governor
19 as far as locations in your geographical
20 areas? What's your opinion on that, if your
21 organization has one?

22 MS. GRAY: Yeah. To your previous
23 question, we don't have an immediate budget
24 ask in front of you, but -- a second,

1 Barika -- it's always needed.

2 We -- Open New York, we're a
3 relatively young organization. We started in
4 the city. We are actually like -- we have
5 six chapters within New York City. We're
6 actually expanding to be statewide, with
7 specific focus on Westchester and
8 Long Island, given the unbelievably important
9 regional focus of housing opportunity and how
10 we've planned for it.

11 So that's something we're really
12 actively thinking about, about how we expand,
13 how we partner with groups that are there,
14 because those are some of the places that
15 frankly are facing some of the worst kind of
16 exclusionary patterns.

17 SENATOR JACKSON: Okay. And what
18 about For the Many?

19 MR. RANGA: Yeah, I mean, I would add
20 that it's always good for more funding. I
21 think that like community advocacy
22 organizations in particular are oftentimes
23 strapped for funding because we don't have
24 access to a lot of the revenue streams that

1 other organizations do.

2 I would also add that the Governor's
3 plan, while building more housing, is great
4 if --

5 CHAIRWOMAN KRUEGER: I'm sorry, we
6 have to cut you off. You'll have to
7 follow-up with him afterwards, thank you.

8 MR. RANGA: All right, sounds good.

9 CHAIRWOMAN KRUEGER: Assembly.

10 CHAIRWOMAN WEINSTEIN: Assemblywoman
11 Lee.

12 ASSEMBLYWOMAN LEE: This question is
13 for Barika. Can you tell me about how rent
14 arrears have impacted your member
15 organizations, especially considering that
16 the tenants in the housing that your member
17 organizations manage do not have access to
18 ERAP?

19 MS. WILLIAMS: Yes, absolutely.

20 So our members manage and own
21 affordable housing in -- throughout New York
22 City in all five boroughs. They are faced
23 with any number of tenants in units that
24 aren't and haven't been able to pay rent.

1 They haven't been able to recoup that. It's
2 impacting the cost of their ability to pay
3 their vendors, to reposition the property, to
4 access new loans, right?

5 Similar to somebody previously who
6 testified, these are 100 percent affordable
7 buildings, and they are our deepest
8 affordability buildings in New York City
9 because they are done by nonprofit
10 organizations. So the longer they stay in
11 arrears, not only does it impact their
12 day-to-day operations, it also impacts their
13 ability to come back to HPD and HCR and HUD
14 and ask for additional funds to ensure the
15 project's long-term viability and security.

16 ASSEMBLYWOMAN LEE: And while the
17 tenants are in arrears, that also -- does
18 that restrict, you know, these member
19 organizations from doing other -- accessing
20 other tools to help keep tenants in their
21 homes?

22 MS. WILLIAMS: Yes. Because -- so for
23 our members -- I mean, as I said, they've
24 been working in these neighborhoods, some of

1 them 50, 60 years. There's a few that just
2 had their 50-year anniversary. They try
3 everything possible before evicting tenants.
4 Right? And so what has come up is given the
5 arrears, they're not in a position to then
6 have conversations and mediation with their
7 tenants to figure out new payment plans going
8 forward, because they've got these arrears
9 sitting on the books. Right?

10 So they're welcome and looking forward
11 to having those conversations to say, Let's
12 figure out what to do for you and your family
13 from now forward. But we really have to
14 address the backlog before we can do that.

15 ASSEMBLYWOMAN LEE: Got it. So having
16 tenants who have applied to ERAP and giving
17 them the opportunity to get access to funds
18 through ERAP would be very helpful to --

19 MS. WILLIAMS: Incredibly helpful,
20 yes.

21 ASSEMBLYWOMAN LEE: Yes. Thank you.

22 CHAIRWOMAN KRUEGER: Brian Kavanagh,
23 Housing chair.

24 SENATOR KAVANAGH: Thank you.

1 I've tried to avoid asking questions
2 that can't be answered in three minutes
3 during this hearing, and I won't start now.
4 But several of you alluded to this in
5 response to questions about whether there
6 ought to be more specific requirements,
7 incentives, you know, provisions here that
8 promote affordability specifically rather
9 than just increasing, you know, the amount of
10 production.

11 Is it fair to say that -- I mean, the
12 Governor's plan on the 3 percent or the
13 1 percent, depending on where you are, is
14 premised on the notion that if you give
15 double credit for affordable units, that that
16 will incentivize -- that's a sufficient
17 incentive to do affordability. Is it fair to
18 say that none of you think that quite meets
19 the goal of incentivizing affordability?

20 MS. WILLIAMS: I mean, I will say for
21 us it does not. Right? That not affordable
22 units are the same, which has come up many
23 times here. So to say double units -- double
24 points counts for 120 AMI versus 40 percent

1 AMI is very different.

2 Also, affordability is not the only
3 thing that some of us know we try to and
4 prioritize and achieve in neighborhoods and
5 communities. Seniors has come up, community
6 spaces comes up. Things like veterans homes
7 has come up. Right? MWBE who's doing the
8 development also comes up. And so there's a
9 number of factors that many of us have worked
10 with many of you all around individual
11 projects or large-scale projects around
12 trying to achieve different things at the
13 community level.

14 I think what we don't want is to
15 create a pathway or a pipeline that then
16 ensures that those folks who just want to do
17 the bare minimum can always get through. We
18 still want to be able to ensure these really
19 productive and important creative projects
20 like a library on the ground floor and
21 affordable housing on top. Right?

22 I think our kind of takeaway is we
23 understand the need for geographic
24 distribution, but for New York City, given

1 our neighborhood difference, even this is not
2 equitable.

3 SENATOR KAVANAGH: Any other response?

4 MS. GRAY: Yeah, I think that -- I
5 mean, writ large, having a mandate-based
6 statewide framework that does -- like, there
7 are a lot of different ways to cut it that we
8 think it can work. I understand a lot
9 where -- kind of what were a lot of Barika's
10 points. We think there are a couple of
11 different options.

12 But the one I was alluding to before
13 is you could layer in affordability
14 requirements such as like 20 percent in
15 New York City, 10 percent elsewhere in the
16 state, that for areas that don't meet that
17 goal in affordability as well, even if they
18 meet the growth target, affordable projects
19 can also go through a fast-track process.

20 There are ways to design something
21 like that that we think would be a great
22 addition. But frankly passing anything at
23 the state level for the first time in
24 New York's history is -- there are ways to

1 cut it, you can keep improving on it, but we
2 think it's better.

3 SENATOR KAVANAGH: So with 14 seconds
4 left, I'm just going to add several of you
5 alluded to the possibility of helping to come
6 up with alternatives. I think we would like
7 basically anything that you have that you
8 think could be added within the basic
9 framework of the Governor's proposal, and
10 also if you think there are elements of that
11 framework we should go outside.

12 But we would appreciate that
13 feedback -- obviously not now, given the
14 clock is up. Thank you.

15 CHAIRWOMAN WEINSTEIN: Assemblywoman
16 Rosenthal.

17 ASSEMBLYWOMAN ROSENTHAL: I wanted to
18 give Brahvan a moment to finish his thoughts
19 from the earlier question.

20 MR. RANGA: Thanks so much,
21 Assemblywoman.

22 What I was saying was the Governor's
23 proposal is a lot of what we've seen before,
24 right -- incentives to developers, in the

1 hopes that that leads to increased housing
2 stock and more affordability.

3 What we need, in pairing with those
4 incentives and expanded housing stock, is
5 tenant protections like good-cause, the
6 Tenant Opportunity to Purchase Act, which
7 would give tenants the ability to purchase
8 their own homes and put power into their
9 hands, and the Housing Access Voucher
10 Program, which would end homelessness in the
11 state.

12 So we can't just rely on these
13 incentives. We have to put power in the
14 hands of everyday people to control their own
15 housing.

16 ASSEMBLYWOMAN ROSENTHAL: Thank you.

17 And then, Barika, within ERAP there is
18 funding for local groups to help people sign
19 onto ERAP. So maybe you're owed some money.

20 MS. WILLIAMS: Actually, I think it
21 went to a very specific number of groups in
22 very specific areas. For example, in New
23 York City I think it was like one per
24 borough, if I'm recalling correctly. I may

1 be a little rusty on that.

2 But that was not necessarily the folks
3 who were actually doing the, like,
4 neighborhood -- I mean, going through the
5 streets building by building. Right?

6 ASSEMBLYWOMAN ROSENTHAL: Okay. Thank
7 you.

8 CHAIRWOMAN WEINSTEIN: Senate?

9 CHAIRWOMAN KRUEGER: Thank you.

10 I believe I'm the last Senator, so to
11 speak.

12 So I guess mine was a similar question
13 to Brian Kavanagh's question that you don't
14 have enough time to answer. But, Barika,
15 using your example -- I mean, you know my
16 district. So we've probably passed any
17 percentage growth because we're constantly
18 building buildings. We're constantly
19 building 421-a buildings. And yet we end up
20 with less affordable housing every year
21 because these big 421-as are knocking out the
22 smaller rent-regulated units. And despite
23 mandatory inclusionary zoning, the landlords
24 get away somehow with fewer, far more

1 expensive units meeting their 421-a, compared
2 to what the units that were there housing
3 people already was.

4 So I'm very interested, in
5 follow-through to today, in models that you
6 all, from your expertise, actually think can
7 work. Because I don't think anybody ever
8 intended 421-a to be a disaster, but in my
9 opinion it has been, at least for building
10 affordable housing for very large sums of
11 money.

12 So I want something that works. I
13 think we all want something that works. I
14 don't think it's there in the Governor's
15 budget yet, either for New York City or for
16 the other sections of the state. With all
17 due respect, anybody who's talking about
18 10 percent affordable and providing
19 incentives, no. That's just not going to do
20 it for us. So it has to be significantly
21 more than that.

22 And I also worry that there's not
23 enough talk even in the Governor's housing
24 packages of actual affordability. Because if

1 we aim for 800,000 units in 10 years but none
2 of it's actually affordable for real people,
3 I don't think we look back 10 years from now
4 and go, what a great experience we had.

5 So I'm actually giving my speech when
6 I told people not to give speeches. But I'm
7 hoping that each of you can come back to us
8 with specific recommendations how to make the
9 concept of affordable housing for different
10 communities and different populations work
11 within a reasonable formula for tax
12 incentives and exemptions.

13 MS. WILLIAMS: I think I'll speak to
14 one piece that you mentioned, Senator, which
15 is 421-a is a disaster because it was never
16 an affordable housing program to begin with.
17 Right? It was a program created to design
18 market-rate housing, and we have iterated on
19 it and included some requirements of
20 affordability or this or that over time. But
21 it hasn't ever been and it never will be an
22 effective, affordable housing program because
23 it wasn't designed to be an effective,
24 affordable housing program. Right?

1 And so I think that ultimately our
2 belief is if we want that affordability,
3 let's design a program for that, but it's not
4 421-a.

5 CHAIRWOMAN KRUEGER: And I get it's
6 different in upstate New York, it's different
7 in Long Island, it's different in Brooklyn
8 and Queens, the Bronx. We need a model that
9 has some flexibility to make it work in all
10 of our communities. But we need it to really
11 work.

12 So thank you, and I am done. And I
13 think the Senate is done.

14 CHAIRWOMAN WEINSTEIN: So we have a
15 number of Assemblymembers.

16 Assemblywoman Simon first.

17 ASSEMBLYWOMAN SIMON: Hi.

18 Thank you. As a segue, I think that
19 Senator Krueger was singing my song a bit
20 because 421-a is all over my district, and
21 you know how unaffordable it is now.

22 I would like to also get your
23 impression of the use of zoning as a way to
24 achieve affordability. It strikes me that at

1 least in every rezoning that I have seen, the
2 thing that doesn't happen is increasing
3 affordability. That you can build in
4 affordable units, but of course it's always
5 going to be about how affordable it is and
6 whether it's really affordable.

7 But when we've done these big
8 rezonings -- East New York was a class
9 example -- people opposed that because in
10 fact it was going to end up raising prices.

11 How do we achieve that goal of
12 increasing affordability and affordable
13 housing while not running amuck on the other
14 side? Because if you build 25 percent
15 affordable, you're build 75 percent that's
16 not. It's just going to increase the prices
17 in the area.

18 MS. WILLIAMS: I mean, I think it's a
19 good question. I'm not sure I can -- I have
20 the answer to the 25 percent/75 percent.

21 ASSEMBLYWOMAN SIMON: I thought you
22 had all the answers for --

23 (Laughter.)

24 MS. WILLIAMS: Because the first

1 question I always get asked is can't we get
2 75 percent affordable, 25 percent market,
3 which I think we all would love and wish to
4 see.

5 I think we've all gotten much more
6 effective about getting more affordability
7 out of zoning when we think about where we
8 were 15, 20 years ago, thinking about the
9 Williamsburg rezoning versus where we've
10 landed more recently on projects.

11 But it is a site-by-site fight. And
12 one of the concerns in all of this is both we
13 need to like not do this one by one as
14 whack-a-mole, and also we need to not remove
15 the leverage that communities have in order
16 to ask for more. Right? So we don't want to
17 create a situation where folks are required
18 to do a floor level of affordability that
19 actually is too little for communities and
20 neighborhoods, and we could have gotten more
21 from projects or big-scale rezonings.

22 MS. GRAY: The one quick thing to
23 add -- I mean, I agree with Barika and agree
24 on the importance of kind of affordability

1 how we've done it to date.

2 One of the other things that housing,
3 kind of like especially at a regional level,
4 can do, it can legalize smaller forms of
5 housing that are just cheaper to build. You
6 know, small apartment buildings the way that
7 we've actually -- the city has historically
8 been built up until, you know, a couple of
9 decades ago. And some of this is really,
10 really important. It also opens up more
11 sites that, for example, HPD, HCR are able to
12 use for 100 percent affordable housing but
13 they're currently banned from having
14 apartments on them.

15 So we need a really diverse range of
16 strategies, and increasing the supply,
17 especially of some of these most basic, kind
18 of cheapest forms of housing, is a key
19 component of that that we think the housing
20 compact can also provide.

21 ASSEMBLYWOMAN SIMON: Thank you.

22 CHAIRWOMAN WEINSTEIN: Thank you.

23 Assemblywoman Chandler-Waterman.

24 ASSEMBLYWOMAN CHANDLER-WATERMAN: Is

1 it on? Okay. Thank you so much.

2 So I'm going to ask a question I asked
3 before about clergy. And Ms. Williams -- I
4 know you're looking at me -- direct to you,
5 but anybody else can answer. How do we
6 engage clergy more in the process of
7 developing affordable housing and removing
8 the barriers and the red tape?

9 Also, how can we leverage the
10 Governor's plan to incentivize development by
11 Black and brown developers? And if that
12 can't be done at a scale that can make real
13 impact, what needs to change in the system,
14 holistically, to ensure those opportunities
15 are being provided to entrepreneurs in a
16 district like mine?

17 MS. WILLIAMS: I think this is exactly
18 what you're talking about, is some of where
19 we want to see the ability for there to be
20 some setting of local goals within New York
21 City, because we do have some of these
22 specific pieces. So the ability to say we're
23 going to prioritize some faith-based either
24 sites or faith-based collaborations.

1 Vital Brooklyn, which the commissioner
2 mentioned, some of those projects
3 specifically prioritized having one of the
4 primary partners of the joint venture be an
5 MWBE developer so that we were able to ensure
6 that there was, in that case, specifically a
7 Black developer who was both building up
8 their capacity and equity by doing the
9 project and contributing to the community.

10 We don't want a situation where we at
11 the local level -- community board, an
12 Assemblymember, the city overall -- no longer
13 has really the ability or leverage to say, We
14 are trying to pinpoint specifically on these
15 specific pieces. Because we know that these
16 are areas of concern, and we don't want to
17 set up our faith-based institutions to have
18 to work with anybody and everybody. We want
19 them to work with partners who really
20 understand them, respect them, are going to
21 ensure that they have a role in the project
22 and in the site over the long-term.

23 ASSEMBLYWOMAN CHANDLER-WATERMAN: Yes,
24 thank you. Anybody else? No?

1 MS. GRAY: We're -- that's not
2 something that we have explicitly focused on
3 as an organization, but in general the
4 ability to build a much more diverse range of
5 housing types and really provide a lot of
6 different things in a lot of different
7 neighborhoods opens up a huge number of
8 opportunities like that as well.

9 ASSEMBLYWOMAN CHANDLER-WATERMAN:

10 Thank you.

11 MR. RANGA: Yeah, I would add, you
12 know, in terms of engaging the clergy in
13 religious institutions, I think that, you
14 know, an excellent opportunity for that is in
15 advocacy. Right? When we do grassroots
16 organizing in cities like Kingston or
17 Poughkeepsie, we're engaging with churches
18 and other community organizations not just to
19 speak with business partners but also to
20 lobby elected officials around transformative
21 legislation on the local and statewide level.

22 I would also say, you know, the most
23 effective way we can ensure that Black and
24 brown communities have control over their own

1 housing is by passing landlord/tenant
2 protections like good-cause and the Tenant
3 Opportunity to Purchase Act, which would give
4 Black and brown communities control over
5 their own housing and large complexes.

6 ASSEMBLYWOMAN CHANDLER-WATERMAN:

7 Thank you. And thank you for your support.

8 MS. WILLIAMS: Can I just follow up on
9 one thing he said, Assemblymember? Because
10 it's for your district specifically.

11 Just thinking about if we can't figure
12 out the housing piece, we will displace the
13 congregations of these faith-based
14 institutions. They will no longer have a
15 place in the communities and neighborhoods.

16 ASSEMBLYWOMAN CHANDLER-WATERMAN:

17 Thank you.

18 CHAIRWOMAN WEINSTEIN: Thank you.

19 We go to Assemblyman Manktelow.

20 ASSEMBLYMAN MANKTELOW: Thank you,

21 Madam Chair.

22 Barika, really quick. Earlier on you
23 talked about global influence, global
24 players. How is that going to affect the

1 Governor's budget? And how is that working?

2 Tell me what you mean by that.

3 MS. WILLIAMS: So I think what we are
4 very much understanding, actually touched on
5 this as well, is that our housing -- we still
6 think of our housing market as like some
7 local landlords and developers and
8 mom-and-pop shops. In reality, this is a
9 global industry and a global business
10 practice. And so we have to be creating both
11 securities and protections in place and
12 thinking about this in the way -- and how
13 anybody, not just the developer down the
14 street, but somebody anywhere, will think
15 about our neighborhoods and our streets.

16 So for example, there was a
17 neighborhood -- there was a series of housing
18 in Bushwick that was taken up and
19 systematically purchased by an Australian
20 hedge fund firm. And if you look at the
21 neighborhood, almost all of one concentrated
22 area the stock is owned by this one firm.

23 ASSEMBLYMAN MANKTELOW: So I'll
24 contact you, but I have more questions about

1 the global influence. And is that something
2 you think we need to try to stop?

3 MS. WILLIAMS: Oh, I mean -- could we
4 stop it? I wish -- I mean, yes, I wish -- I
5 think we -- I wish we could.

6 But I think the bigger concern is if
7 we don't mitigate and address the fact that
8 there's a global influence, then the rest of
9 us, right, like everyday New Yorkers, won't
10 have a place and way and a role to play in
11 the housing market. I can't compete with
12 something who can do an all-cash deal who is
13 literally walking in with a briefcase of cash
14 to try to purchase a home.

15 ASSEMBLYMAN MANKTELOW: We'll talk
16 afterwards. Thank you so much.

17 CHAIRWOMAN WEINSTEIN: Thank you.

18 And the final questioner for this
19 panel is Assemblyman Chang.

20 ASSEMBLYMAN CHANG: Thank you very
21 much. Thank you, Chairwoman.

22 And thank you very much to our three
23 guests who have been -- at least six to eight
24 hours have been here, and much patient here.

1 I just want to question each of you,
2 are most of your organizations based in
3 New York City alone or the outskirts of
4 New York City, like Westchester or
5 Long Island? Is that correct, or most of
6 your clients are?

7 MR. RANGA: No. We're a grassroots
8 organization in the mid-Hudson Valley with
9 offices in Poughkeepsie, Newburgh, Middletown
10 and Kingston.

11 And, you know, one of the reasons why
12 I'm really happy to be here to talk about why
13 upstate New Yorkers more than anyone need
14 landmark tenant protections like good-cause,
15 is it's not just a New York City issue.

16 ASSEMBLYMAN CHANG: Okay, well, the
17 question is because you have -- you know,
18 housing stock is a big issue, the shortage
19 and the cost itself. The cost of building
20 housing in New York City or its core area is
21 outstandingly expensive. Okay?

22 Have you ever tried marketing within
23 your clients to perhaps relocate to an area
24 like in Albany up here, or Binghamton or

1 Buffalo, where housing is so much cheaper,
2 and lots of spaces like that? Have you ever
3 tried to approach that that way, maybe
4 alleviate some of the pressure downstate to
5 upstate? Can any one of you address that?

6 MR. RANGA: Yeah, I mean, as an
7 upstater I can kind of dispel the notion that
8 like housing costs are lower in -- you know,
9 we organize in like Orange County, Ulster
10 County, Dutchess County, soon to be Columbia
11 County. And these are countries where a huge
12 proportion, 57 percent, of renters in the
13 mid-Hudson Valley are rent-burdened.

14 So the idea that somehow like housing
15 costs aren't significant in upstate
16 communities, you know, I disagree with that.

17 ASSEMBLYMAN CHANG: How about the
18 other two? Have you tried to market that?

19 MS. WILLIAMS: We don't market. We
20 don't market to our --

21 ASSEMBLYMAN CHANG: I mean not market,
22 but just encourage.

23 MS. WILLIAMS: -- our neighborhoods,
24 but I think our -- we would be concerned

1 about creating a pipeline of folks, really
2 gentrifying and/or displacing other
3 communities in the rest of state.

4 The other piece that came up in
5 previous panels, and I think one of the
6 previous Assemblymembers asked about, is
7 there has to be a fair housing component to
8 this. Because included in your comment and
9 suggestion is the assumption that folk will
10 be received and be able to rent or buy in the
11 communities that they're headed to. And we
12 do know that there are rampant exclusionary,
13 unfair housing practices in other parts of
14 the state that may prohibit and inhibit
15 people from moving elsewhere.

16 ASSEMBLYMAN CHANG: And how about you?
17 Have you approached that?

18 MS. GRAY: So we have -- we're -- we
19 have chapters across the five boroughs and
20 then also in Westchester and Long Island.
21 We're a volunteer-based advocacy
22 organization, so we don't have clients
23 per se.

24 But we are really, really focused on

1 the fact that we have some of the most
2 exclusionary suburbs in the nation. We also
3 have parts of the city that are literally --
4 some of the most affluent parts of the city,
5 literally losing housing units because the
6 system is so broken.

7 And so we're really focused on how,
8 you know, adding more housing especially in
9 some of these places that have kind of been
10 de facto out of context, opens up a lot of
11 different opportunities for people. And that
12 really is kind of central to the issue.

13 ASSEMBLYMAN CHANG: Do you --

14 CHAIRWOMAN WEINSTEIN: Thank you.

15 ASSEMBLYMAN CHANG: Thank you.

16 CHAIRWOMAN WEINSTEIN: So this --
17 thank you, panel, for being here. This
18 concludes the Housing hearing. We're just to
19 take a five-minute break because -- before we
20 start the Workforce hearing.

21 Just want to thank all the witnesses
22 and staff for their participation in the
23 Housing hearing.

24 And a real five minutes, folks,

1 because we've had a number of people waiting
2 patiently.

3 (Whereupon, at 3:29 p.m., the budget
4 hearing concluded.)

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