

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 2024-2025 EXECUTIVE BUDGET  
ON HOUSING

6 -----

7 Hearing Room B  
8 Legislative Office Building  
Albany, NY

9 February 14, 2024  
10 12:06 p.m.

11 PRESIDING:

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

14 Senator Brian Kavanagh  
Chair, Senate Housing Committee

15 PRESENT:

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

18 Senator Thomas O'Mara  
Senate Finance Committee (RM)

19 Assemblywoman Linda B. Rosenthal  
20 Chair, Assembly Housing Committee

21 Senator Pamela Helming

22 Assemblyman Keith P. Brown

23 Senator Rachel May

24 Assemblyman Edward C. Braunstein

1 2024-2025 Executive Budget  
Housing  
2 2-14-24

3 PRESENT: (Continued)

4 Senator Julia Salazar

5 Assemblyman Erik M. Dilan

6 Assemblywoman Yudelka Tapia

7 Senator Jabari Brisport

8 Assemblyman Tony Simone

9 Senator Robert Jackson

10 Assemblyman Harvey Epstein

11 Senator Zellnor Myrie

12 Assemblywoman Dr. Anna R. Kelles

13 Assemblyman Demond Meeks

14 Senator Brad Hoylman-Sigal

15 Assemblyman Chris Burdick

16 Senator Cordell Cleare

17 Assemblywoman Grace Lee

18 Assemblywoman Jo Anne Simon

19 Assemblyman Al Taylor

20 Senator Jack M. Martins

21 Assemblywoman Dana Levenberg

22 Assemblyman Brian Manktelow

23 Senator Leroy Comrie

24 Assemblywoman Marcela Mitaynes

1 2024-2025 Executive Budget  
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2 2-14-24

3 PRESENT: (Continued)

- 4 Assemblywoman Monique Chandler-Waterman
- 5 Senator George M. Borrello
- 6 Assemblywoman Nikki Lucas
- 7 Assemblyman Jeff Gallahan
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12 LIST OF SPEAKERS

13	STATEMENT	QUESTIONS
14 RuthAnne Visnauskas Commissioner & CEO 15 New York State Homes and Community Renewal	13	20

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3 LIST OF SPEAKERS, Cont.

4 STATEMENT QUESTIONS

5 Jolie Milstein  
President and CEO  
6 NYS Assn. for Affordable Housing  
-and-  
7 Mark Streb  
Executive Director  
8 Neighborhood Preservation  
Coalition of NYS  
9 -and-  
Erin Burns-Maine  
10 Senior Vice President for  
Policy and Government Affairs  
11 Community Preservation Corporation  
-and-  
12 William J. Simmons  
President  
13 NYS Public Housing Authority  
Directors Association  
14 -and-  
Sylvia Morse  
15 Policy Program Manager  
Pratt Center for Community  
16 Development  
-on behalf of-  
17 Basement Apartments Safe  
for Everyone

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3 LIST OF SPEAKERS, Cont.

4 STATEMENT QUESTIONS

5 Jacob Inwald  
 Director of Litigation-Economic  
 6 Justice  
 Legal Services NYC  
 7 -and-  
 Erica Zimny  
 8 Deputy Director  
 Legal Services Access Alliance  
 9 -and-  
 Christie Peale  
 10 Executive Director and CEO  
 Center for NYC Neighborhoods  
 11 -and-  
 Randy Dillard  
 12 Tenant Leader  
 CASA  
 13 Steering Committee Member  
 Right to Counsel Coalition  
 14 -and-  
 Michael McKee  
 15 Treasurer  
 Tenants PAC

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3 LIST OF SPEAKERS, Cont.

4 STATEMENT QUESTIONS

5 Megan Wylie  
Director, Government Relations  
6 New York Building Congress

-and-

7 Manny Pastreich  
President

8 32BJ SEIU

-and-

9 Bria Donohue  
Government Affairs Manager

10 American Institute of Architects  
New York

11 -and-

Rachel Fee

12 Executive Director  
New York Housing Conference

13 -and-

Annemarie Gray

14 Executive Director

Open New York

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3 LIST OF SPEAKERS, Cont.

4 STATEMENT QUESTIONS

5 Emily Goldstein  
 Director of Organizing and  
 6 Advocacy  
 Association for Neighborhood  
 7 and Housing Development (ANHD)  
 -and-  
 8 Rashida Taylor  
 Project Manager  
 9 Interfaith Affordable Housing  
 Collaborative and Partnership for  
 10 Faith-Based Housing and  
 Community Development  
 11 -and-  
 Patrick Boyle  
 12 Senior Director, NY  
 Enterprise Community Partners  
 13 -and-  
 Dr. Sandhya Kajeepeta  
 14 Senior Researcher  
 Thurgood Marshall Institute  
 15 NAACP Legal Defense and  
 Educational Fund  
 16 -and-  
 Barbara Williams  
 17 Member  
 Community Voices Heard  
 18 -and-  
 Jennifer Hernandez  
 19 Staff Member  
 Make the Road New York 322 340

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3 LIST OF SPEAKERS, Cont.

4 STATEMENT QUESTIONS

5 Michael Borges  
Executive Director  
6 Rural Housing Coalition  
of New York

7 -and-

Lori Bellingham  
8 VP for Community Impact  
Adirondack Foundation

9 -and-

Blair W. Sebastian  
10 Advocate  
New York State Rural Advocates

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

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

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

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

1 Assemblyman Dilan; Assemblyman Epstein;  
2 Assemblywoman Simon; Assemblywoman Tapia;  
3 Assemblyman Simone; Assemblywoman Mitaynes.

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

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

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

14 SENATOR O'MARA: And --

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

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

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

24 CHAIRWOMAN WEINSTEIN: Assemblyman Ra,

1           our ranker on Ways and Means.

2                   ASSEMBLYMAN RA: Thank you. Good  
3           afternoon.

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

7                   CHAIRWOMAN WEINSTEIN: So now a few  
8           ground rules.

9                   Shut off your cellphones.

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

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

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

23                   In terms of questions and answers from  
24           the legislators, for the chairs -- in this

1 case, Senator Kavanagh and Assemblymember  
2 Rosenthal -- you have 10 minutes to ask  
3 questions of our Housing commissioner. Then  
4 both chairs can get a three-minute second  
5 round if needed.

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

11 And just to remind the legislators,  
12 the time frame is both for the question and  
13 for the answer. So please be kind to the  
14 people testifying and don't leave them  
15 10 seconds to answer a lengthy question.

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

22 And Commissioner, if there are  
23 questions you don't have time to answer, feel  
24 free to -- well, not feel free, but we'd like

1           you to then send written responses to those  
2           questions to both the chairs of Ways and  
3           Means and Senate Finance.

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

10                    COMMISSIONER VISNAUSKAS: Great. Hi.

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

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

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

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

18           This is exactly why enacting the  
19 housing supply elements of Governor Hochul's  
20 2025 budget is more important than ever.

21           I like to think we may be poised to  
22 turn the corner, but while the Governor's  
23 100,000-unit Housing Plan is on track, it  
24 cannot, on its own, create the housing that

1 we need in this state. There is no doubt  
2 that we still need to generate hundreds of  
3 thousands of homes over the next decade to  
4 make up for severe underproduction. All  
5 communities and levels of government must be  
6 part of the solution.

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

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

22 A couple of highlights from the past  
23 year. I'm proud to note that New York was  
24 the first state to gain approval for our plan

1 to spend \$450 million in American Recovery  
2 Act funds, and that we have expended all of  
3 this federal funding to assist 18,000  
4 households in stabilizing their homes. We  
5 provided \$26 million to help 24 land banks  
6 revitalize communities across the state.

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

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

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

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



1 climate goals.

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

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

16 To further efforts to increase housing  
17 supply, the Governor's budget proposes  
18 \$500 million over two years to assist state  
19 agencies in repurposing their properties for  
20 housing.

21 New York City, given its dangerously  
22 low vacancy rate and the critical importance  
23 of maintaining its status and its  
24 world-leading role as an economic driver and

1 a center for creativity, has a real starring  
2 role in the budget this year. Legislation to  
3 increase the housing supply in New York City  
4 includes a new tax incentive for the  
5 development of rental housing, an extension  
6 of the deadline for developments that were  
7 vested in the prior tax incentive program,  
8 authority for the city to lift outdated  
9 residential density restrictions, a tax  
10 incentive to encourage affordable housing in  
11 office conversions, and a path towards  
12 legalizing existing basement and cellar  
13 apartments.

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

20 Further, the Governor's plan proposes  
21 legislation to increase protections for  
22 affordable housing providers by prohibiting  
23 insurance carriers from raising premiums or  
24 denying coverage based on tenant source of

1 income, the existence of affordable housing  
2 units, or if the building's residents are in  
3 receipt of government assistance. When these  
4 costs go up, they increase the cost of  
5 operating housing.

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

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

23 But whatever the location or type of  
24 development, I'm always deeply moved by the

1           incredible impact that getting a permanent,  
2           safe home has on New York's individuals and  
3           families. There is no substitute for that  
4           experience. And what remains abundantly  
5           clear is that the state's housing crisis will  
6           only be remedied with bold and creative  
7           solutions that significantly increase our  
8           supply and thereby drive down prices.

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

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

17          CHAIRWOMAN WEINSTEIN: Thank you.

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

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

24          ASSEMBLYWOMAN ROSENTHAL: Thank you,

1 Chair Weinstein.

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

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

16 Can you explain why?

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

21 ASSEMBLYWOMAN ROSENTHAL: So the  
22 Legislature has to put it in, not the  
23 Governor. Even though I think you have cited  
24 and the Governor has said how important these

1 kinds of funds are.

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

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

12 So can you tell me over the past  
13 10 years how much affordable housing has been  
14 created through the 421-a program? And, if  
15 you know, at what income bands.

16 COMMISSIONER VISNAUSKAS: I believe  
17 the stat that's generally been used, you  
18 know, in sort of research and press articles  
19 is that between 2010 and 2020, about  
20 70,000 units of housing were produced through  
21 the program in New York City.

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

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

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

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

12                  ASSEMBLYWOMAN ROSENTHAL: They're not  
13                  building anything.

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

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

24                  ASSEMBLYWOMAN ROSENTHAL: So you think

1           that absent a tax incentive there will be no  
2           building?

3                   COMMISSIONER VISNAUSKAS: I believe  
4           the stat is that 70 percent of the units  
5           produced between 2010 and 2020 utilized  
6           421-a. So yes, I think in the absence of  
7           that exemption you would see a significant  
8           decrease in production.

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

13                   ASSEMBLYWOMAN ROSENTHAL: Okay.

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

18                   COMMISSIONER VISNAUSKAS: Sure.

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



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

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

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

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

15          COMMISSIONER VISNAUSKAS: Sure.  
16          So there's three ways that you apply.  
17          You submit us a letter of intent. You submit  
18          us your zoning code and your building permit  
19          data. And then you either, through your  
20          building permits, reflect that you have  
21          either grown -- which is the third way to get  
22          certified, the sort of third piece -- and if  
23          you haven't grown, then we would ask that you  
24          pass a resolution locally that has a series

1 of sort of pro-housing statements in it about  
2 reducing regulation to housing, wanting to  
3 grow your housing stock, that type of thing.

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

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

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

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

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

22 COMMISSIONER VISNAUSKAS: So we had  
23 funding in the Housing Plan for  
24 Mitchell-Lamas. We -- in the course of the

1 last Housing Plan, we had a series of  
2 legislative adds. We have actually just  
3 finished spending those down, so we haven't  
4 touched any of the \$150 million that's in the  
5 second Housing Plan. We haven't spent any of  
6 that yet, so we didn't feel that we needed  
7 any additional funding this year for  
8 Mitchell-Lamas since we haven't spent any of  
9 that funding yet.

10 ASSEMBLYWOMAN ROSENTHAL: The previous  
11 421-a program, has HCR identified any  
12 particular areas of concern that need to be  
13 fixed or adjusted should there be another  
14 421-a-type plan?

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

23 So yes, I would say that I think  
24 there's -- has been and sort of continues to

1 be proposals out there for modifications to  
2 the program in order for it to be reenacted.

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

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

12 ASSEMBLYWOMAN ROSENTHAL: But what  
13 percentage of these buildings?

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

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

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

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

6                   But yes, we felt comfortable with  
7                   20 percent.

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

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

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

21                  COMMISSIONER VISNAUSKAS: Oh, yes.

22                  ASSEMBLYWOMAN ROSENTHAL: And why is  
23                  that?

24                  COMMISSIONER VISNAUSKAS: Our -- I

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

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

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

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

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

24 ASSEMBLYWOMAN ROSENTHAL: Okay. How

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

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

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

14 ASSEMBLYWOMAN ROSENTHAL: Okay.

15 How many people are employed in the  
16 Tenant Protection Unit?

17 COMMISSIONER VISNAUSKAS: We have 25  
18 current employees.

19 ASSEMBLYWOMAN ROSENTHAL: And are  
20 there allocations for more?

21 COMMISSIONER VISNAUSKAS: Yes. We're  
22 currently hiring. As you recall from the  
23 budget last year, we expanded up into the  
24 Hudson Valley. And so we are still doing

1           some recruiting to get staff to work in that  
2           part of the state.

3                     But we are actively looking for  
4           people.

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

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

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

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

24                    COMMISSIONER VISNAUSKAS:  I think we



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

4 ASSEMBLYWOMAN ROSENTHAL: Thank you.

5 CHAIRWOMAN WEINSTEIN: Thank you.

6 To the Senate.

7 SENATOR KAVANAGH: Thank you.

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

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

17 But the -- there's \$50 million in --  
18 in multiple -- most years we've added money  
19 for Mitchell-Lama assistance in capital, on  
20 the capital side. Last year there was  
21 \$50 million. This year there's nothing in  
22 the Executive Budget for that.

23 Can you just talk about the status of  
24 past capital allocations for Mitchell-Lamas

1 and sort of whether you have money on hand or  
2 whether -- how much of an additional need  
3 there might be for that?

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

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

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

22 SENATOR KAVANAGH: And how many  
23 projects have been funded through that --  
24 Mitchell-Lama projects have been funded

1 through that in the past?

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

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

8 COMMISSIONER VISNAUSKAS: Yeah,  
9 absolutely.

10 SENATOR KAVANAGH: I appreciate it.

11 COMMISSIONER VISNAUSKAS: Sure.

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

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

1 120 applications and about 20 have been  
2 approved so far. Have any been rejected?

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

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

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

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

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

1 renewed?

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

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

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

24 So this is a program, as you noted,

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

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

10                        COMMISSIONER VISNAUSKAS: Sure.

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

19                        So we looked at a series of programs,  
20           the ones that are sort of outlined in the  
21           budget include DRI and NY Forward as well as  
22           one at DOT, and selected a series of programs  
23           that we thought made sense and were important  
24           and we feel that the language in the budget

1 give us the legal authority to do the  
2 conditioning.

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

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

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

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

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

23 COMMISSIONER VISNAUSKAS: Okay.

24 SENATOR KAVANAGH: The RUSH program --

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

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

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

18 COMMISSIONER VISNAUSKAS: Yes.

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



1           that she can.

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

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

19                      SENATOR KAVANAGH: And you and I had  
20 the opportunity to have this conversation  
21 offline, but there's a \$250 million  
22 allocation for this program. If my  
23 understanding is correct, that's not  
24 necessarily earmarked for these three

1 specific sites, it's for a broader program to  
2 reuse state sites.

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

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

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

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

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

1 same with the MTA.

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

9 COMMISSIONER VISNAUSKAS: I believe  
10 so.

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

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

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

24 I would say that we have found, in

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

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

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

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

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

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

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

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

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

17 The \$250 million, the capital goes  
18 through the Empire State Development  
19 Corporation rather than the housing agency.  
20 Is there -- I mean, understanding that ESD  
21 might be helping structure the property  
22 transactions and other things, but why would  
23 we give another agency \$250 million rather  
24 than providing it -- you know, you're

1 managing billions of dollars in capital to  
2 provide housing. Why wouldn't you be the  
3 appropriate agency to manage that as well?

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

10 CHAIRWOMAN WEINSTEIN: Thank you.

11 SENATOR KAVANAGH: Thank you.

12 CHAIRWOMAN WEINSTEIN: Thank you.

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

16 CHAIRWOMAN WEINSTEIN: Thank you.

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

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

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

1 Fitzpatrick. So --

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

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

7 COMMISSIONER VISNAUSKAS: Good, thank  
8 you.

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

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

19 With regard to the repurposing of real  
20 property at SUNY campuses -- namely,  
21 Farmingdale and Stony Brook on Long Island --  
22 you mentioned you'll be working in  
23 conjunction with ESD. And it was kind of  
24 vague in terms of what type of housing uses

1           would be -- that you anticipate building  
2           there, and how many units will be there and  
3           who will be eligible to live at those  
4           locations.

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

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

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



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

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

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

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

17                  COMMISSIONER VISNAUSKAS: Sure.

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

21                  Just in general, with the last  
22 question on this topic, how would any  
23 affordable housing or workforce housing --  
24 how would they mix with the student

1 population that are located on those  
2 campuses? Or would they be allowed to mix?

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

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

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

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

24 COMMISSIONER VISNAUSKAS: I'm not

1 aware of those discussions.

2 ASSEMBLYMAN KEITH BROWN: Okay.

3 Switching gears to Pro-Housing Community  
4 designation, there's no mention anywhere of  
5 transit-oriented development housing. Was  
6 that on purpose, or is more to come?

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

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

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

24 COMMISSIONER VISNAUSKAS: No, there is

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

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

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

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

14 COMMISSIONER VISNAUSKAS: It would be  
15 for the prospective rounds.

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

21 So again, my question related to  
22 eliminating SEQOR. But the one question I had  
23 was No. 4 it says "increasing development  
24 capacity for residential uses." Could you

1 explain what was meant by that? Because  
2 that's a little vague.

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

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

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

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

24 But we have had a program like this in

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

5 ASSEMBLYMAN KEITH BROWN: Thank you  
6 very much.

7 Thank you, Chair.

8 CHAIRWOMAN WEINSTEIN: Thank you.

9 To the Senate.

10 SENATOR KAVANAGH: {Mic off;  
11 inaudible.}

12 SENATOR HELMING: Thank you,  
13 Senator Kavanagh.

14 Thank you, Commissioner, for your  
15 testimony.

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

20 COMMISSIONER VISNAUSKAS: Thanks.

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

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

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

15 Has there been any progress?

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

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

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

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

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

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

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

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



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

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

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

16 What are we doing to address that?

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

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

24 You know, we have a series of programs

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

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

12                    SENATOR HELMING: Thank you.

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

20                    Real quick, in the proposed budget the  
21          Governor is advocating for taking money away  
22          from various housing programs. We heard  
23          about HOPP, we heard about Rural  
24          Preservation. But programs that have been

1 affected in my district also include the land  
2 banks. We had extensive conversations about  
3 this in the past. Is it true that  
4 \$10 million is being removed from land banks?

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

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

10 SENATOR HELMING: Not enough.

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

13 SENATOR HELMING: We need more.

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

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

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

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

5                   SENATOR HELMING: I appreciate that.

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

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

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

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

7           CHAIRWOMAN WEINSTEIN: Senator?

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

11          CHAIRWOMAN WEINSTEIN: Thank -- thank  
12          you, Senator.

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

15          ASSEMBLYMAN RA: Thank you.

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

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

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

10          ASSEMBLYMAN RA: Do you think that the  
11          \$15,000 cap over a 15-year period makes sense  
12          given the age of these units and the work  
13          that may be necessary on them?

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

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

1 about three years ago.

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

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

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

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

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

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

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

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

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

24                   ASSEMBLYMAN RA: And just back in



1 terms of MCIs, you know, the current rate of  
2 return, is that going to be enough when  
3 rent-stabilized buildings have to be able to  
4 make the investments that are required of  
5 them to comply with the new building emission  
6 reductions that are required under Local Law  
7 97?

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

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

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

1 housing in recent years.

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

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

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

19 ASSEMBLYMAN RA: Okay. Thank you.

20 And -- well, since I still have  
21 30 seconds.

22 (Laughter.)

23 ASSEMBLYMAN RA: So you mentioned  
24 the -- right, it says that it may be

1           conditioned.  So -- but it's basically the  
2           intention that those -- all those different  
3           grant programs will be conditioned on having  
4           that designation going forward?

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

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

11                   COMMISSIONER VISNAUSKAS:  Yes.

12                   ASSEMBLYMAN RA:  Thank you.

13                   CHAIRWOMAN WEINSTEIN:  Thank you.

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

16                   Now we go to the Senate.

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

19                   SENATOR MYRIE:  Thank you.

20                   Good morning --

21                   COMMISSIONER VISNAUSKAS:  Good  
22          morning.

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

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

7           But I'm also looking at this report I  
8 think just published today by Comptroller  
9 DiNapoli entitled "The Housing Insecurity  
10 Crisis." And the report notes that evictions  
11 were up, post the moratoria ending, about  
12 180 percent -- and so many more New Yorkers  
13 are being put out -- but it's still  
14 27 percent less than pre-pandemic levels  
15 because of what we did in the Housing  
16 Stability and Tenant Protection Act.

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

22           I'd also note that it is my  
23 understanding there's no capital funding for  
24 NYCHA in the Executive Budget. I know we

1           were all appalled by the allegations that we  
2           saw last week by the U.S. Attorney's office.  
3           I would hope that as we go through this  
4           budget process that NYCHA and public housing  
5           residents both in and outside of New York  
6           City will not be forgotten.

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

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

21                    COMMISSIONER VISNAUSKAS: My  
22          understanding is that those plans and  
23          conversations are very preliminary, so I'm  
24          not aware of any specifics on housing for

1           that site other than what's sort of been  
2           reported and discussed.

3                     SENATOR MYRIE:   Okay.  Thank you.

4                     CHAIRWOMAN WEINSTEIN:  Assemblyman  
5           Dilan.

6                     ASSEMBLYMAN DILAN:  Thank you,  
7           Madam Chair.

8                     And to Commissioner Visnauskas, good  
9           to see you.

10                    COMMISSIONER VISNAUSKAS:  You too.

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

20                    But I wanted to know -- and I asked  
21           this of the Tax commissioner earlier.  She  
22           said it would be more appropriate for you.  
23           Can you give us more details about how this  
24           tax abatement program would work?  Like

1 what's the level of abatement? For how long?

2 How deep are the AMI levels?

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

6 COMMISSIONER VISNAUSKAS: Sure.

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

17 So as you mentioned, so for 485-x,  
18 which is where we are in the numbering this  
19 year, the proposal would be for new  
20 construction of rental housing in New York  
21 City, and then it sets sort of a specified --  
22 a to-be-specified percentage in AMI that we  
23 imagine would work consultively with the City  
24 of New York to finalize what that is. It is

1 their tax incentive program that they  
2 implement. We very much want their sort of  
3 input on this as we go through the process.

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

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

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

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

23 ASSEMBLYMAN DILAN: So in theory we  
24 could pass this and not know the level of the



1 abatement, not know the details, and it would  
2 be subject to the city even though we voted  
3 on it, we passed it?

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

11 ASSEMBLYMAN DILAN: Okay. Thank you.  
12 Thank you, Madam Chair.

13 CHAIRWOMAN WEINSTEIN: Senate?

14 SENATOR KAVANAGH: Next up,  
15 Senator Hoylman.

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

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

20 Are we keeping track, Commissioner, of  
21 vacant apartments?

22 COMMISSIONER VISNAUSKAS: So our  
23 system requires that landlords register the  
24 status of their apartments on April 1st of

1 every year. And so we know the status of the  
2 rent -- I assume you mean the rent-stabilized  
3 stock. We know the status of the apartments  
4 in the rent-stabilized stock -- we know the  
5 status as of April 1st each year.

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

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

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

19 COMMISSIONER VISNAUSKAS: Well,  
20 generally we see that in a -- like a  
21 subsequent registration year the units that  
22 are vacant are different units. So it isn't  
23 units that are being vacant -- or that are  
24 being held vacant for multiple years, they

1 are just vacant at that moment in their cycle  
2 and oftentimes are then rented when it comes  
3 to the next cycle.

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

6 SENATOR HOYLMAN-SIGAL: Yeah.

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

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

11 SENATOR HOYLMAN-SIGAL: And why is  
12 that?

13 COMMISSIONER VISNAUSKAS: We don't  
14 oversee NYCHA.

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

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

23 SENATOR HOYLMAN-SIGAL: Speaking of  
24 the city, how closely are you working with

1 the city administration on the mayor's City  
2 of Yes proposal?

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

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

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

23 So I think we are aligned on all of  
24 those -- you know, our sort of supply package

1 this year as it relates to New York City.

2 (Interruption by protestors.)

3 CHAIRWOMAN WEINSTEIN: Please sit  
4 down.

5 (Protestors continue.)

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

9 (Protestors continue.)

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

13 (Protest continues.)

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

16 (Protest continues.)

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

19 (Protest continues.)

20 CHAIRWOMAN WEINSTEIN: Every person --  
21 not to get a back-and-forth, but every  
22 individual or organization that requests --  
23 every individual or organization that  
24 requested to testify at this hearing and

1 submitted their testimony according to the  
2 rules posted on the Assembly and Senate's  
3 websites, are listed to testify today.

4 (Overtalk.)

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

10 (Protest continues.)

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

14 SENATOR HOYLMAN-SIGAL: Thank you.

15 CHAIRWOMAN WEINSTEIN: Thank you.

16 SENATOR HOYLMAN-SIGAL: Thank you very  
17 much.

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

21 COMMISSIONER VISNAUSKAS: Look, in the  
22 resolution -- so you can get certified one of  
23 two ways, right? One is you're either  
24 growing, which we would like to think is a

1 reflection that you have a good system.

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

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

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

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

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

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

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

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

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

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

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

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

23                  COMMISSIONER VISNAUSKAS: --  
24 certification.



1                   SENATOR HOYLMAN-SIGAL: Thank you.

2                   CHAIRWOMAN WEINSTEIN: Thank you.

3                   We go to Assemblyman Epstein.

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

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

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

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

1 city.

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

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

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

24 It is a common one certainly in city

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

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

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

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

23 But also there's the operating rent.  
24 We provided some rent assistance last year to

1           avoid a lot of evictions. Didn't see  
2           anything on rent arrears either. I'm  
3           wondering what the logic is to try to avoid  
4           some of those evictions, especially of these  
5           really low-income tenants.

6                   COMMISSIONER VISNAUSKAS: So we have a  
7           series of tools that we work with with our  
8           building owners to, where they're having  
9           tenants who are not paying rent and they are  
10          having cash-flow issues, we are sort of using  
11          every tool we can. We've been actively  
12          releasing Section 8 and project-based Section  
13          8s or projects to help stabilize them. We  
14          are proposing this insurance discrimination  
15          bill to cut down on costs on the other side  
16          and --

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

24                   COMMISSIONER VISNAUSKAS: I think we

1 would continue to work with you all on that.

2 ASSEMBLYMAN EPSTEIN: Great.

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

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

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

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

17 COMMISSIONER VISNAUSKAS: Thanks.

18 SENATOR KAVANAGH: Senator Brisport.

19 SENATOR BRISPORT: Thank you.

20 And thank you, Commissioner, for your  
21 testimony.

22 A few quick questions about  
23 rent-stabilized units. When a tenant files  
24 an overcharge complaint with HCR, typically

1           how long does the process take for HCR to  
2           make a decision?

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

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

13                   SENATOR BRISPORT: Thank you.

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

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

1                   But I could get back to you on that.

2                   SENATOR BRISPORT:   Okay.

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

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

9                   SENATOR BRISPORT:   Okay, thank you.

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

13                  Have sites been selected already, or  
14                  is that published?

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

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

1 types of questions.

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

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

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

17 SENATOR BRISPORT: Thank you so much.

18 COMMISSIONER VISNAUSKAS: Yup.

19 CHAIRWOMAN WEINSTEIN: Assemblyman  
20 Gallahan.

21 ASSEMBLYMAN GALLAHAN: Thank you,  
22 Madam Chair.

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



1 Day.

2 COMMISSIONER VISNAUSKAS: I like your  
3 red shirt.

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

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

16 COMMISSIONER VISNAUSKAS: I would  
17 say -- you know, as I mentioned before, we  
18 have 20 communities that have been certified  
19 so far, and we have about another hundred  
20 that we're working with. And I think to the  
21 extent they've raised questions, they've been  
22 in the context of a productive conversation  
23 we're having with them, either in a sort of  
24 webinar that we're running or an individual

1 phone call. So we are trying to be able to  
2 help communities work through the process.

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

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

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

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

21 ASSEMBLYMAN GALLAHAN: Thank you.

22 And last week the Governor hosted a  
23 roundtable announcing those first 20, which  
24 you mentioned earlier, they've been

1 certified. She referred to the state as  
2 being a partner and local governments don't  
3 want sticks, they want carrots to be  
4 encouraging the housing growth.

5 My question is, how many of the  
6 933 towns, 62 cities, and 533 villages in  
7 New York do you anticipate applying to become  
8 certified? And how many do you anticipate  
9 would become certified?

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

17 ASSEMBLYMAN GALLAHAN: Thank you.

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

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

24 ASSEMBLYMAN GALLAHAN: The programs

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

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

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

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

24                      COMMISSIONER VISNAUSKAS:  I can't

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

4 ASSEMBLYMAN GALLAHAN: Okay. Thank  
5 you very much.

6 CHAIRWOMAN WEINSTEIN: To the Senate.

7 SENATOR KAVANAGH: Senator Salazar.

8 SENATOR SALAZAR: Thank you.

9 Good to see you, Commissioner.

10 COMMISSIONER VISNAUSKAS: Hi.

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

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

18 COMMISSIONER VISNAUSKAS: I would say  
19 a couple of things. We -- I have said here  
20 many times in the past it is hard to hire.  
21 And so we had had -- we'd had sort of a  
22 limited-head-count sort of pre-pandemic. We  
23 got much-needed relief from the Legislature,  
24 we got a big head-count jump right before we

1           went into COVID when we had a hiring freeze  
2           and -- so it's been very challenging to hire.

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

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

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

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

23                      COMMISSIONER VISNAUSKAS: Short of  
24          coming to work at --

1                   SENATOR SALAZAR: Yes.

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

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

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

20                   SENATOR SALAZAR: Thank you.

21                   And while -- as you know, while  
22 waiting for a rent overcharge complaint to be  
23 processed, a rent-stabilized tenant can often  
24 be forced to move out before the claim is

1 even determined.

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

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

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

18 SENATOR SALAZAR: Thank you.

19 CHAIRWOMAN WEINSTEIN: Assemblywoman  
20 Lucas.

21 ASSEMBLYWOMAN LUCAS: Thank you,  
22 Chair.

23 Good afternoon to everyone.

24 How are you doing, Commissioner?



1 COMMISSIONER VISNAUSKAS: Hi.

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

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

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

13 How's this?

14 COMMISSIONER VISNAUSKAS: Much better.

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

17 (Laughter.)

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

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

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

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

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

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

4 COMMISSIONER VISNAUSKAS: Sure.

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

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

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

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

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

1           9 percent tax credit and diversity in the  
2           program. And I'd like to just make sure on  
3           record that we can continue that discussion  
4           about expanding diversity for that particular  
5           program.

6                    COMMISSIONER VISNAUSKAS: Absolutely.

7                    ASSEMBLYWOMAN LUCAS: Thank you.

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

10                   SENATOR BORRELLO: Thank you,  
11           Mr. Chairman.

12                    Commissioner, thank you for being  
13           here.

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

18                    COMMISSIONER VISNAUSKAS: Thanks.

19                    SENATOR BORRELLO: But I want to talk  
20           a little bit about right now there's a report  
21           recently in Politico that since the end of  
22           the pandemic, New York has paid out  
23           \$3 billion in rent assistance to tenants, and  
24           yet there are still hundreds of thousands of

1 tenants that are in arrears.

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

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

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

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

24 For our part, you know, we work really

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

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

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

17                         The problem is I kind of think of it  
18           as a myth in our area. Every time we have a  
19           workforce housing project in my area, over  
20           the course of two or three years, the four  
21           years that it takes, inflation hits and the  
22           next thing you know, the application process  
23           that they applied for, it goes from workforce  
24           housing to affordable housing. And now we're

1 not really accomplishing the goal of ensuring  
2 that people that want to work and live in the  
3 areas that they work in -- that might be  
4 otherwise unaffordable -- are actually  
5 getting that housing.

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

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

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

22 COMMISSIONER VISNAUSKAS: I see.

23 SENATOR BORRELLO: -- which defeats  
24 the purpose.

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

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

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

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

18          COMMISSIONER VISNAUSKAS: Yeah, okay.

19          CHAIRWOMAN WEINSTEIN: We go to  
20          Assemblymember Tapia.

21          ASSEMBLYWOMAN TAPIA: (Mic off;  
22          inaudible.) I represent part of the Bronx.  
23          And as we know, I mean one of the poorest  
24          boroughs in the whole State of New York. And



1           one of the issues that I see every single day  
2           in my community is how and what steps are you  
3           taking in regards to ensure that landlords  
4           and property owners do not discriminate based  
5           on the source of income? And specifically  
6           when we're talking about voucher-holders.

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

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

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

24                    Look, we're very thankful to the

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

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

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

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

22                    ASSEMBLYWOMAN TAPIA: I think so.

23                    I also have this thing -- because, for  
24          example, my district is -- the median income

1 is 39,000 and per capita is 18,000. And I  
2 just want to weigh in on what my colleagues  
3 from the Senate said. And now I have new  
4 buildings that started before I was elected.  
5 And they are -- the median income that  
6 they're offering for those buildings in that  
7 neighborhood, in those neighborhoods that are  
8 in my district is just starting at \$107,000  
9 for the lottery. And that is for a studio.  
10 That's the minimum that you have to work --  
11 to earn.

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

16 CHAIRWOMAN WEINSTEIN: Thank you.

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

20 Next we go to Senator Cleare.

21 SENATOR CLEARE: Thank you.

22 Good to see you, Commissioner.

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

1           Earlier you mentioned 20 percent of  
2           the housing is being planned for  
3           affordable -- for affordable living. And  
4           that -- this is a statement but also a  
5           question. That is not nearly enough. Over  
6           50 percent of my district, even with the  
7           aggressive gentrification that's already  
8           taking place, over 50 percent of my district  
9           is paying more than 30 percent of their  
10          income in rent.

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

16           What is HCR, what is the state  
17          planning to do? What is the best approach?  
18          It's not about, in my view, just building  
19          more housing. It has to be more of a certain  
20          kind of housing. Because if we continue to  
21          build housing that people can't afford, all  
22          we're doing is displacing and continuing the  
23          exodus of people and particularly the Black  
24          community that has left in the hundreds of

1 thousands that have been forced to leave  
2 New York State.

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

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

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

1 some more luxury housing.

2 (Laughter.)

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

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

17 COMMISSIONER VISNAUSKAS: Sure.

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

1 profit.

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

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

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

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

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

22 COMMISSIONER VISNAUSKAS: Sure.

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

1                   COMMISSIONER VISNAUSKAS: Yeah,  
2 absolutely.

3                   CHAIRWOMAN WEINSTEIN: Thank you.

4                   We go to Assemblywoman Levenberg.

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

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

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

17                   COMMISSIONER VISNAUSKAS: Sure.

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

23                   I think for the larger state fund, it  
24 is targeted towards state-owned sites, but I



1 don't know that we have been approached by  
2 any municipality that wanted to talk about  
3 their municipally owned sites. Though I  
4 think we'd be open to having that discussion.  
5 We are really trying to get more housing  
6 built everywhere, so ...

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

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

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

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

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

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

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

24 ASSEMBLYWOMAN LEVENBERG: Okay, great.

1 All right.

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

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

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

23 ASSEMBLYWOMAN LEVENBERG: Thank you  
24 very much.



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

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

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

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

20 COMMISSIONER VISNAUSKAS: I would say  
21 we'll be happy to follow up with you on sort  
22 of the resources we have specifically for  
23 Amalgamated and how we can best get them the  
24 investment they need to make their capital

1 repairs. We have been working with them very  
2 closely for quite some time.

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

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

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

23 And, you know, going back to the  
24 Housing Vacancy Survey and the level of

1 production in the city has dropped from the  
2 lapsing of the tax incentives, and we just  
3 aren't keeping up also in terms of, you know,  
4 people moving into New York City and yet the  
5 housing that's available.

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

10 SENATOR JACKSON: Thank you.

11 COMMISSIONER VISNAUSKAS: Thanks.

12 CHAIRWOMAN WEINSTEIN: We go to  
13 Assemblyman Braunstein.

14 ASSEMBLYMAN BRAUNSTEIN: Thank you,  
15 Commissioner.

16 I want to talk about the RUSH program.  
17 So with the RUSH program, you're asking for  
18 \$500 million over two years to be  
19 appropriated to UDC. UDC has statutory  
20 authority to use general project plans to  
21 override local zoning. Is the expectation  
22 for these state properties that UDC is going  
23 to use GPPs to override the local zoning?

24 COMMISSIONER VISNAUSKAS: Well, I'd

1 say a couple of things.

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

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

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

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

24 COMMISSIONER VISNAUSKAS: I believe



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

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

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

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

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

24                   COMMISSIONER VISNAUSKAS: Yeah, I

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

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

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

22 COMMISSIONER VISNAUSKAS: Understood.

23 ASSEMBLYMAN BRAUNSTEIN: So given my  
24 experience with Creedmoor so far, I just have

1 concerns about giving this authority for  
2 unspecified projects moving forward, and I  
3 imagine some of my colleagues would as well.

4 Thank you.

5 CHAIRWOMAN WEINSTEIN: Senate?

6 SENATOR KAVANAGH: Senator May.

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

9 COMMISSIONER VISNAUSKAS: Hi. You  
10 too.

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

16 Senator Cleare had a very strong and  
17 important message about the need for  
18 affordable housing in her district. We had a  
19 hearing in December about concentrated  
20 poverty in our upstate cities. And one of  
21 the messages we got is that if you build a  
22 hundred percent affordable, that actually  
23 contributes to more concentrated poverty.  
24 But if you can have mixed-income development,

1           that is much better for shifting the  
2           character of the neighborhood.

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

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

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

22                      But we have tried, with our state tax  
23          credits and with our middle-income program  
24          and a series of tools to try to drive a

1 little more of that where the market can  
2 support it and where it makes sense.

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

6 SENATOR MAY: Thank you.

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

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

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

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

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

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

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

18                  CHAIRWOMAN WEINSTEIN: Assemblywoman  
19                  Lee.

20                  ASSEMBLYWOMAN LEE: Hi, Commissioner.

21                  COMMISSIONER VISNAUSKAS: Hi.

22                  ASSEMBLYWOMAN LEE: So earlier you  
23                  mentioned the vacancies for the number of  
24                  vacant units for rent-stabilized apartments

1 was around 40,000, and that includes  
2 apartments that are offline in that.

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

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

15 ASSEMBLYWOMAN LEE: Got it.

16 And that's 40,000?

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

20 ASSEMBLYWOMAN LEE: Okay.

21 In my district I have a large number  
22 of rent-stabilized and rent-controlled units,  
23 and I'm hearing from building owners that,  
24 one, it's just getting difficult to maintain

1 their buildings because of higher insurance  
2 and property taxes, as well as bringing up  
3 older units that become vacant up to code.

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

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

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

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



1 tenants in them.

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

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

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

20 And I'm hearing from builders that  
21 it's very difficult to get financing for  
22 buildings with multi-bedroom apartments.  
23 Studio and one-bedroom apartments are, you  
24 know, easy, buildings with lots of studios

1 and one-bedrooms, but it's harder to get the  
2 financing when you have three-bedroom  
3 apartments and the like.

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

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

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

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

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

24 ASSEMBLYWOMAN LEE: Thank you.

1 CHAIRWOMAN WEINSTEIN: Senate?

2 SENATOR KAVANAGH: Senator Comrie.

3 SENATOR COMRIE: Good afternoon,  
4 Commissioner.

5 COMMISSIONER VISNAUSKAS: Hi.

6 SENATOR COMRIE: Happy Valentine's  
7 Day.

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

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

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

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

24 SENATOR COMRIE: Okay. I have a bill,

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

5 Have you had a chance to look at that  
6 bill?

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

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

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

17 SENATOR COMRIE: How many have you  
18 actually granted?

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

1 low-cost financing from us.

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

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

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

16 COMMISSIONER VISNAUSKAS: Our number  
17 for the 40,000 is about -- a little less than  
18 10,000 new. It's a little more than 20,000  
19 preserved. And then the difference would be  
20 homeownership, but I can't do the math in my  
21 head that quick.

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

24 COMMISSIONER VISNAUSKAS: We can get

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

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

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

19 SENATOR COMRIE: I only have  
20 25 seconds, so I just want to concur with  
21 what Assemblyman Braunstein said about  
22 Creedmoor and making sure those numbers are  
23 right and fit the context of the community,  
24 and that the agency doesn't make a large

1 shift from what they promised us in the  
2 beginning.

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

12 Thank you.

13 CHAIRWOMAN WEINSTEIN: Thank you,  
14 Senator.

15 We go to Assemblymember  
16 Chandler-Waterman.

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

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

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

1 and faith leaders in housing development.

2 So does your agency have jurisdiction  
3 over Mitchell-Lama?

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

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

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

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

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



1           that.

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

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

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

20                      Vital Brooklyn Utica Crescent, with  
21           the affordable project, that's now going to  
22           be built in two years in my district. The  
23           community preference, right, I know was  
24           50 percent. It was changed due to the city

1 settlement. Does that apply to that project,  
2 being it was done before the settlement came?  
3 Did the community preference change, the  
4 percentage?

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

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

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

21 COMMISSIONER VISNAUSKAS: We work with  
22 faith organizations across the state, from  
23 Brooklyn to Buffalo, to develop property,  
24 their property for affordable housing. So

1 we'd be happy to work with you if there's  
2 specifics in your district. It's certainly  
3 something we -- is a part of our work that we  
4 really are proud of.

5 ASSEMBLYWOMAN CHANDLER-WATERMAN:

6 Okay. And senior housing. I know that we're  
7 going to have some percentage of senior  
8 housing -- how much in that Utica Crescent  
9 project will be allocated to the older  
10 adults?

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

14 ASSEMBLYWOMAN CHANDLER-WATERMAN:

15 Okay. Any other senior housing that you can  
16 discuss with us now?

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

1 ASSEMBLYWOMAN CHANDLER-WATERMAN:

2 Okay. Thank you. And we did it in exactly  
3 3 minutes. Thank you so much. Appreciate  
4 you.

5 COMMISSIONER VISNAUSKAS: Yup. Yeah,  
6 thanks.

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

11 ASSEMBLYMAN BURDICK: Thank you.

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

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

18 Further to the Comptroller's housing  
19 report it recommends that each local  
20 government should conduct a review of local  
21 zoning rules and other actions. And that  
22 recommendation seems to align with what the  
23 Governor wants to do. And as my colleague  
24 Assemblywoman Levenberg had mentioned, she

1 and I are working on a package of housing  
2 bills, some of which already have been  
3 introduced. They do not include construction  
4 mandates but would require localities to take  
5 action, including assessing need, updating  
6 comprehensive plans if warranted, adopting an  
7 actual housing plan to address community  
8 need, and promoting climate-informed smart  
9 growth and transit oriented development.

10 We would welcome feedback outside of  
11 this hearing.

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

22 My only other question at this  
23 juncture is in a Zoom meeting we had with you  
24 and your staff, we had talked about how we

1           might be able to increase the number of units  
2           under the five-year affordable housing plan.  
3           And you mentioned that some of those come  
4           from federal dollars, but others might be a  
5           possibility. Would appreciate it if you can  
6           identify what programs might be expanded.

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

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

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

24                   COMMISSIONER VISNAUSKAS: I think that

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

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

12 ASSEMBLYMAN BURDICK: Maybe if we  
13 could pursue that offline.

14 COMMISSIONER VISNAUSKAS: Yup.

15 ASSEMBLYMAN BURDICK: And on watershed  
16 regulations?

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

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

23 ASSEMBLYMAN BURDICK: Thanks so much.

24 CHAIRWOMAN WEINSTEIN: Thank you.

1                   We go to Senator Martins.

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

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

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

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

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

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

24                   But I would say sort of writ large,



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

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

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

19                        SENATOR MARTINS: I understand -- no,  
20          I understand that. And that's precisely the  
21          point of the question, is that allowing the  
22          opportunity for our local communities and  
23          certainly us as representatives to understand  
24          which sites are being evaluated and frankly

1 prioritized would be very helpful.

2 COMMISSIONER VISNAUSKAS: Yup.

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

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

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

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

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

15          CHAIRWOMAN WEINSTEIN: Thank you.

16          We go to Assemblywoman Simon.

17          ASSEMBLYWOMAN SIMON: Thank you.

18          It's good to see you again.

19          So I have a couple of questions, and  
20          some of my colleagues have asked similar  
21          questions. And so one of the concerns we  
22          have is -- or at least I have -- is  
23          converting the commercial property to  
24          affordable housing where it's 80/20. Now,

1           there is a subset that is lower. But one of  
2           the -- and I know you're focused on supply.  
3           But in my district we've had an increase of  
4           supply like crazy. Very little of it is  
5           affordable.

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

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

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

1 As you know, they're still not built.

2 But what -- you know, this really is a  
3 critical issue in terms of people leaving.

4 If they're leaving, they're leaving and going  
5 to Maplewood, New Jersey. I know that's  
6 where half of my district -- my neighborhood  
7 went, to Maplewood, New Jersey, because they  
8 had two kids.

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

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

16 ASSEMBLYWOMAN SIMON: It's a lovely --

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

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

1 permanently affordable housing --

2 ASSEMBLYWOMAN SIMON: Yes. We have  
3 exceptions.

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

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

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

1 move in, but we're displacing people.

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

10 Thank you.

11 CHAIRWOMAN WEINSTEIN: Thank you.  
12 Assemblymember Taylor.

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

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

22 So I want to be wise with my time.  
23 There are three things that are really,  
24 really important to me in my district in

1 particular. One, can we do more vouchers but  
2 increase the cost, the amount of the  
3 vouchers? That may be helpful. We certainly  
4 want to watch out for those that are  
5 discriminated against that.

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

12 COMMISSIONER VISNAUSKAS: Absolutely.

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

16 Esplanade Gardens, they had a  
17 \$150 million investment in capital  
18 improvement, and the place looks like they've  
19 done diddly in there. I mean, it looks good  
20 in the area, you've got blue lights on top of  
21 the building, but you have no electricity in  
22 some places. You have boilers that are  
23 inadequate. You have water that looks like  
24 it's brown most of the time.



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

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

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

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

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

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

17                    (Laughter; inaudible overtalk.)

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

21                    But I would say on the Mitchell-Lamas,  
22          we continue to work with all the  
23          Mitchell-Lamas to make sure that -- you know,  
24          they are privately owned and privately

1 managed, but we are there to support them to  
2 make sure they can get access to --

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

14 Can we talk afterwards?

15 COMMISSIONER VISNAUSKAS: Absolutely.

16 CHAIRWOMAN WEINSTEIN: Thank you,  
17 Assemblyman.

18 ASSEMBLYMAN TAYLOR: Thank you,  
19 Commissioner. I apologize.

20 COMMISSIONER VISNAUSKAS: That's all  
21 right.

22 CHAIRWOMAN WEINSTEIN: Assemblyman  
23 Meeks.

24 ASSEMBLYMAN MEEKS: Thank you,

1 Madam Chair.

2 Commissioner, thank you for joining us  
3 today.

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

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

22 So it's like here is something new,  
23 something different for you all to live in.  
24 However, we don't afford these communities

1 the opportunity to generate wealth in  
2 building these type of projects, and we  
3 continue to see the fact that we have  
4 communities such as three of the poorest top  
5 five zip codes in Rochester in my district.

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

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

16 One is we launched the Homeowner  
17 Stabilization Fund, and we are going to be  
18 working in Rochester in areas of high  
19 homeowners of color, also high levels of  
20 housing distress, because we want to make  
21 sure that those historic neighborhoods in  
22 places like Rochester that have a lot of  
23 oftentimes elderly Black and brown  
24 homeowners, but who have a lot of distress in

1 their houses, are getting assistance to be  
2 able to make repairs to roofs and boilers and  
3 any other type of sort of capital they need  
4 so they can stay stably housed in those  
5 communities.

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

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

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

23 But, you know, I would also say we'd  
24 be happy to work with you if you think

1           there's other things we could be doing to get  
2           a bigger impact there.

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

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

13                    ASSEMBLYMAN MEEKS: Thank you.

14                    CHAIRWOMAN WEINSTEIN: Thank you.

15                    We go to Assemblywoman Kelles.

16                    ASSEMBLYWOMAN KELLES: Thank you so  
17           much for being here.

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

1 amendments.

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

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

7 ASSEMBLYWOMAN KELLES: A range.

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

11 COMMISSIONER VISNAUSKAS: For a  
12 construction?

13 ASSEMBLYWOMAN KELLES: Yup. No, for  
14 the process.

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

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

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



1 facing right now.

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

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

22 Developing new housing is not going to  
23 address this crisis. It's just not. That is  
24 a now thing. If housing takes a couple of

1 years, that will solve future problems. I'm  
2 totally with you, great. I'd love to see the  
3 faith-based housing also in this budget; that  
4 would be amazing. That's a Cunningham bill.  
5 But we do need those renter protections.

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

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

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

23 COMMISSIONER VISNAUSKAS: Look, I  
24 definitely would say that -- I would, at the

1 risk of disagreeing, say that we really --  
2 this really is a supply issue. And we have  
3 to be focused on supply.

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

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

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

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

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

24 CHAIRWOMAN WEINSTEIN: Thank you.

1                   We go to the Senate.

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

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

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

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

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

23                   SENATOR KAVANAGH: Presumably they'll  
24 be in the public -- they'll be public as of

1 tomorrow and --

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

4 SENATOR KAVANAGH: One of my Senate  
5 colleagues was asking.

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

13 COMMISSIONER VISNAUSKAS: They have  
14 not applied yet.

15 SENATOR KAVANAGH: They have not  
16 applied, right.

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

23 COMMISSIONER VISNAUSKAS: Yeah, they  
24 need to apply and get certified before that

1 application program opened up.

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

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

13 COMMISSIONER VISNAUSKAS: Of the --

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

16 April 1, 2023. And that represents  
17 about 4 percent of the housing stock. And  
18 the longstanding standard in New York State  
19 for what constitutes a housing emergency is  
20 an excessively low vacancy rate that is below  
21 5 percent. That's been the legal standard  
22 for a long time.

23 So to the extent we're seeing vacant  
24 apartments, based on your survey, it's a

1 snapshot of units that most of which will be  
2 rented up promptly, they're just available  
3 for rent as of that moment, and that number  
4 is not out of the norm, does not reflect --  
5 although there does seem to be some  
6 warehousing and there does seem to be some  
7 dilapidated apartments. And we've had  
8 proposals to deal with that.

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

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

16 SENATOR KAVANAGH: Great.

17 Okay, thank you.

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

21 ASSEMBLYWOMAN ROSENTHAL: Thank you.

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

1 well, he owes five hundred -- more than  
2 \$500,000 in fines. And you did a great job  
3 investigating --

4 COMMISSIONER VISNAUSKAS: Thank you.

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

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

10 COMMISSIONER VISNAUSKAS: Thank you.

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

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

24 We can have a longer conversation, but



1 I wonder about your thoughts on that.

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

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

18 So we are doing that everywhere we  
19 can. We have always sort of a pipeline  
20 that's bigger than we can meet with the  
21 resources we have from the -- sort of the  
22 base resources we have from the federal  
23 government as it relates to new construction  
24 of multifamily housing. Until we get sort of

1 relief from the federal government, that's  
2 sort of hard to increase.

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

12 ASSEMBLYWOMAN ROSENTHAL: Yes, but I  
13 mean --

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

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

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

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

4 COMMISSIONER VISNAUSKAS: So there's  
5 two pieces to it. One is an increase in our  
6 9 percent low-income-housing tax credit. So  
7 we will -- if the bill passes, we will award  
8 more projects those credits and we will do  
9 more projects each year with that.

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

13 ASSEMBLYWOMAN ROSENTHAL: Thank you.

14 CHAIRWOMAN WEINSTEIN: Thank you.

15 So Commissioner, that is it for --

16 COMMISSIONER VISNAUSKAS: Thank you.

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

21 (Laughter.)

22 CHAIRWOMAN WEINSTEIN: So thank you  
23 for being here. There may be a few times  
24 that you didn't have a full opportunity to

1 answer questions, so we look forward to  
2 anything in writing from you so we can  
3 distribute to members.

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

7 COMMISSIONER VISNAUSKAS: Great.  
8 Thank you very much.

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

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

24 And for those leaving the hearing,

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

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

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

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

15 MS. MILSTEIN: Thank you.

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

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

4           We'd like to thank the Governor and  
5           the Legislature for previously enacting and  
6           continuing a \$25 billion, five-year  
7           Housing Plan to create and preserve  
8           100,000 new and preserved homes. NYSFAFH  
9           members have been employing these resources  
10          to help address the housing affordability and  
11          supply crisis across our state.

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

21          High interest rates, rising insurance  
22          costs and rent arrears have forced projects  
23          to absorb additional debt and placed them in  
24          severe financial and physical distress. Last

1 year the 391 million that was included in the  
2 enacted State Budget for the payment of  
3 rental arrears for tenants in public  
4 housing -- including NYCHA -- and federal  
5 Section 8 voucher holders was appreciated,  
6 but we really need an additional \$250 million  
7 investment in a new fund for at-risk  
8 properties that will complement the  
9 Legislature's prior-year commitment.

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

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

21 We further urge you to authorize a  
22 three-year pilot program that would carve out  
23 affordable housing from the Scaffold Law, to  
24 measure the impact lower insurance rates will

1 have on affordable housing production. The  
2 existing Scaffold Law has contributed to  
3 skyrocketing insurance rates and has driven  
4 most insurance companies from the New York  
5 market, adding substantial costs to general  
6 liability coverage for affordable housing  
7 developments.

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

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

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

23 CHAIRWOMAN WEINSTEIN: Thank you.

24 Everybody else should pay attention to



1 the clock.

2 MS. MILSTEIN: Was that good? I  
3 practiced.

4 (Laughter.)

5 CHAIRWOMAN WEINSTEIN: Mark Streb,  
6 Neighborhood Preservation Coalition.

7 MR. STREB: Good afternoon.

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

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

1 Coalition seeks a carveout of \$260,000.

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

14 Unbelievably, Governor Hochul's  
15 proposed budget presents a concerning  
16 reduction of \$4.8 million from last year's  
17 funding, lowering the NPP allocation to  
18 12.83 million. This decrease will severely  
19 impact vital services provided. Cuts aren't  
20 carrots. Cutting funding for the frontline  
21 workers fighting the housing crisis is wrong  
22 and must be reversed. Families' and  
23 children's lives will be negatively affected  
24 if this draconian cut is instituted.

1           In addition to the program's human  
2           capital is the economic development  
3           investment of this program. By working with  
4           the community in leveraging other resources,  
5           this program's return on investment is over  
6           13 to one. The money is put back into the  
7           neighborhoods. It's put into the  
8           communities.

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

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

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

1 Coalition.

2 Thank you.

3 CHAIRWOMAN WEINSTEIN: Community  
4 Preservation Corporation.

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

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

19 Today our affordable housing crisis is  
20 ongoing, and the impacts are being felt by  
21 all New Yorkers. Renters are pinched by the  
22 high rents and limited supply. Statewide,  
23 the percentage of renters who pay more than  
24 30 percent of their income reached 51 percent

1 last year. The recently released New York  
2 City Housing Vacancy Survey revealed the  
3 city's vacancy rate had fallen to  
4 1.4 percent, as we've talked about today, and  
5 it's far below the range of 5 to 8 percent  
6 that signifies a healthy housing market.

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

16 From CPC's work managing a large  
17 mortgage portfolio for affordable housing,  
18 we've seen delinquencies double over the last  
19 several years, dramatically increasing the  
20 amount owed. We've also seen per-unit  
21 insurance premiums increase an average of  
22 17 percent a year since 2020, resulting in an  
23 over 50 percent increase on pre-pandemic  
24 rates.

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

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

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

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

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

17          Thank you.

18          CHAIRWOMAN WEINSTEIN: Thank you.

19          William Simmons?

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

23          Over the last several years, NYSPHADA  
24          has worked closely with our partners in the

1 state -- HCR, the Governor's office and the  
2 Legislature -- to urge public housing  
3 authorities to rethink how they rehabilitate  
4 public housing stock in need of  
5 modernization. Many of our authorities are  
6 considering RAD projects and pursuing  
7 innovative alternatives to repurpose their  
8 facilities.

9 NYS PHADA is very grateful for the  
10 Legislature and the Executive for their  
11 incredible support in the past several budget  
12 cycles to help modernize and rehabilitate our  
13 aging facilities. We are expecting more  
14 housing authorities to pursue major upgrades  
15 and Rental Assistance Demonstration projects  
16 in the years to come. Therefore, we  
17 respectfully request that the Legislature and  
18 the Executive set aside \$150 million in this  
19 year's budget for public housing authorities  
20 outside of New York City for substantial and  
21 moderate rehab and/or the demolition and  
22 replacement through the construction of  
23 public housing authorities developments  
24 outside of New York City.



1           We have taken advantage of over  
2           \$250 million in the last five years to help  
3           public housing authorities across New York  
4           State modernize their facilities. We want to  
5           continue that momentum for our public housing  
6           authorities and provide the highest quality  
7           of life for all of our residents. Several of  
8           our authorities have undergone renovations  
9           utilizing New York State tax incentive  
10          programs, including the following: Albany,  
11          Amsterdam, Auburn, Buffalo, Freeport, Geneva,  
12          Glens Falls, Greenburgh, Herkimer, Ithaca,  
13          Kingston, New Rochelle, New Hempstead,  
14          Rochester, Rome, Saratoga Springs,  
15          Schenectady, Troy, Utica, White Plains and  
16          Yonkers.

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

1 discrimination.

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

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

18           Thank you.

19           CHAIRWOMAN WEINSTEIN: Thank you.

20           And last, Sylvia?

21           MS. MORSE: Thank you.

22           Good afternoon, Chair Weinstein,  
23 Chair Kavanagh and all members of the Senate  
24 and Assembly here today. Thank you for the

1 opportunity to address the fiscal '25  
2 Executive Budget proposals on housing.

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

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

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

21 Yet because these homes are not  
22 legally recognized, there are no regulations  
23 or resources available to ensure their safety  
24 and affordability. Current law prevents

1 upgrades to better protect tenants in the  
2 event of fire or the growing risk of  
3 flooding, as tragically shown by the deaths  
4 of 11 New Yorkers in subgrade units during  
5 Hurricane Ida. The city's only regulatory  
6 tool is a vacate order, which can result in  
7 immediate homelessness for tenants with few  
8 housing options, and destabilizing fines and  
9 loss of income for low- and moderate-income  
10 homeowners.

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

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

22 Specifically, this legislation would  
23 make basement and cellar conversions feasible  
24 and affordable by addressing duplicative and

1 outmoded regulatory barriers in New York  
2 State's Multiple Dwelling Law, or MDL. Under  
3 current law, basement apartments in two- and  
4 three-family homes would become subject to  
5 MDL upon conversion.

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

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

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

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

10 Thank you.

11 CHAIRWOMAN WEINSTEIN: Thank you.

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

14 ASSEMBLYWOMAN ROSENTHAL: Thank you.

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

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

24 MR. STREB: Thank you, Assemblywoman.

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

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

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

15          Thank you.

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

18          Yes, we start early, probably at the  
19          end of session last year, with reaching out  
20          to the second floor, to HCR, and bring our  
21          members. We've been meeting with the second  
22          floor and many of you over the last six  
23          months because we know that it's a lot to  
24          ask, and we want to make sure that we answer

1           any questions regarding these requests. And  
2           we continually reach out to the second floor  
3           and to HCR staff to make sure that we're all  
4           on the same page with the necessity of  
5           providing this funding and are available to  
6           answer any questions.

7                     ASSEMBLYWOMAN ROSENTHAL: Anyone else?

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

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

15                    It's been my understanding that there  
16           are some monies left over from the  
17           250 million, but most of those dollars are  
18           spoken for. Buffalo and Syracuse, where I'm  
19           the executive director, we have large,  
20           transformative projects that will be looking  
21           for some future dollars in the near future  
22           and would not want that momentum to stop.

23                    And so yes, we really have been  
24           working closely with HCR over the past five



1 years and looking forward to working with  
2 them over the next five.

3 Thank you.

4 ASSEMBLYWOMAN ROSENTHAL: Thank you.

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

11 Thank you.

12 CHAIRWOMAN WEINSTEIN: Senate.

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

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

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

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

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

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

22          So we've been working with HCR -- and  
23          in fact NYSAFAH is just now drafting a term  
24          sheet for how this might all work -- to

1 understand that for projects that aren't in  
2 line yet for recapitalization, which would  
3 typically happen with our stock at Year 15 or  
4 Year 30. These projects are newer than that,  
5 and they didn't anticipate in years past that  
6 they would need this influx of capital to  
7 maintain the building, to replenish reserves  
8 and to just keep the building from  
9 foreclosure.

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

19 SENATOR KAVANAGH: And this would  
20 be -- it would be a pool of funding,  
21 \$250 million of capital funding, that then  
22 effectively HCR would come up with some kind  
23 of a program for people to articulate the  
24 particular needs for their building and --

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

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

16 CHAIRWOMAN WEINSTEIN: Thank you.

17 We go to Assemblyman Epstein.

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

20 Just for NYSFAFH and CPC, do you agree  
21 to a permanent affordability requirement to  
22 exceed 12 FAR, like MIH?

23 MS. MILSTEIN: It certainly makes  
24 sense to us. We're not a part of the

1 conversation, but look, we really want to  
2 return autonomy to New York City over their  
3 land use, and we're in favor. And obviously  
4 we care about affordability, but we haven't  
5 really examined what the criteria would be to  
6 have that move forward.

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

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

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

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

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

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

5           MS. BURNS-MAINE: There's a level of  
6 detail that needs to be worked out for the  
7 485-x proposal. And I -- you know, and given  
8 the time allotted, I don't know that we can  
9 roll up our sleeves and dig into all of it.

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

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

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

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

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

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

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

9 ASSEMBLYMAN EPSTEIN: Great.

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

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

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

20 The East New York pilot really is  
21 what -- did what a pilot program is supposed  
22 to do, showed us what the barriers were. And  
23 what we've seen is that with the Multiple  
24 Dwelling Law, it's effectively impossible to

1 convert basement and cellar units in two- and  
2 three-family homes.

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

11 ASSEMBLYMAN EPSTEIN: Great.

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

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

20 CHAIRWOMAN WEINSTEIN: Thank you.

21 To the Senate.

22 SENATOR KAVANAGH: There we go.

23 Senator Comrie.

24 SENATOR COMRIE: Thank you all for



1 being here.

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

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

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

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

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

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

22 MS. MORSE: So again, I can share in  
23 detail after this, if it's helpful, the  
24 interim report on the pilot program. There

1 are a small number of homes going through.

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

6 SENATOR COMRIE: Okay.

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

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

19 (No response.)

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

23 How many minority developers have you  
24 worked with in developing housing? Or rehab,

1 rehabbed apartments.

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

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

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

16 In addition to doing that, we've run  
17 now I think four or five cohorts of a very  
18 successful program that brings resources to  
19 the table, it's a training program, it's an  
20 incubator program that has a curriculum that  
21 gets folks up and going with their projects  
22 and also starts building a network.

23 SENATOR COMRIE: How much actually has  
24 been completed, completed projects that

1 are --

2 MS. BURNS-MAINE: That's a great  
3 question. I'd be happy to follow up with you  
4 with the exact numbers of developers we've  
5 engaged and units completed. Happy to follow  
6 up.

7 SENATOR COMRIE: Thank you.

8 I think that's my time, so -- I could  
9 go longer.

10 (Laughter.)

11 CHAIRWOMAN WEINSTEIN: We go to  
12 Assemblyman Braunstein.

13 ASSEMBLYMAN BRAUNSTEIN: Thank you.

14 I want to talk to Ms. Morse about the  
15 basement apartments. I just want to share  
16 with you some of my concerns about the  
17 Executive proposal.

18 For one, it doesn't seek to reform the  
19 MDL, it just says "the MDL notwithstanding."  
20 So there's questions about what safety  
21 regulations would apply. Should we just not  
22 withstand the MDL?

23 The other concern I have is cost. We  
24 had Commissioner Carrión testify at a hearing

1 in December, and he estimated to convert  
2 illegal apartments to make them up to code  
3 would be 300,000 to \$500,000 each. And we're  
4 talking -- let's -- I don't know, can we  
5 expect people to be able to pay \$300,000 to  
6 upgrade these units?

7 And I also have trouble with only  
8 illegal apartments, right? Like right now  
9 you're someone who's renting your apartment  
10 out illegally, you're probably not paying  
11 taxes on it, you're putting people in harm's  
12 way, and we're going to say to you now the  
13 city's going to give you a low-interest loan  
14 to upgrade your property?

15 Whereas the person who lives next door  
16 to you who's been following the rules all  
17 along, perhaps they wanted to move a family  
18 member into their basement -- they're  
19 prohibited from doing it under the Governor's  
20 proposal. It just seems -- that's troubling  
21 to me that someone who followed the rules  
22 can't do it, but someone who broke the rules  
23 is now getting subsidized so they can fix the  
24 apartment, continue to rent it out and

1 collect revenue.

2 So it's -- the concerns I have is the  
3 notwithstanding the MDL and now knowing what  
4 safety rules apply, not having any kind of  
5 conversations with the fire department and  
6 those groups.

7 The cost. Right? If it's \$300,000 to  
8 upgrade, \$30 million will get you, what, a  
9 hundred units, right? And we've seen the  
10 challenges you had in East New York.

11 And then, finally, the concept of  
12 just -- how do you even prove -- like how do  
13 people prove that they're illegally renting  
14 their apartment? You know, people see this  
15 coming, should they start renting their  
16 apartment illegally so they can come out and  
17 say, Look, I've been doing this illegally,  
18 now pay for the upgrades?

19 The whole concept is something that I  
20 just -- I'm not comfortable with. And, I'm  
21 sorry, there's 40 seconds to respond.

22 MS. MORSE: Sure.

23 So on the first point, so the  
24 primary -- New York City's housing

1 maintenance code, building code, that's  
2 really the primary way that New York City  
3 regulates the safety. The MDL is another  
4 layer on top of that that applies to multiple  
5 dwellings. So for single-family homes, for  
6 two-family homes that exist today, they're  
7 not subject to the MDL. So they are already  
8 governed by New York City's robust safety  
9 regulations. And that is what would govern  
10 the safety of these newly converted units.

11 In terms of cost, again, that cost is  
12 being driven up by the challenges of trying  
13 to interpret and comply with this additional  
14 layer of code that's in many cases  
15 duplicative of the MDL. And it is less than  
16 new construction.

17 And on the last piece, I would just  
18 say that it --

19 ASSEMBLYMAN BRAUNSTEIN: We'll follow  
20 up. We're out of time. You did well,  
21 though. You almost got it all in there.  
22 Thank you.

23 MS. MORSE: I tried.

24 CHAIRWOMAN WEINSTEIN: We ran out of

1 time.

2 Senate?

3 SENATOR KAVANAGH: Senator Cleare?

4 (No response.)

5 SENATOR KAVANAGH: I don't think we  
6 have any other Senators.

7 No other questions from the Senate.

8 CHAIRWOMAN WEINSTEIN: Assemblywoman  
9 Chandler-Waterman.

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

12 Thank you so much for all the work  
13 that you do to advocate for our landlords and  
14 our tenants.

15 So I just wanted to ask NPC, Mark  
16 Streb -- I appreciate working with you and  
17 your team, especially within my district,  
18 when it comes to landlord/tenant concerns,  
19 especially with the issue with -- the issue  
20 with ERAP issues with Mitchell-Lama. We had  
21 a great meeting a week ago about that:  
22 Sinking houses, infrastructure concerns due  
23 to overdevelopment in our community.

24 We wish it was all affordable, right,



1 the housing, but we can keep working together  
2 to reimagine housing. So I know there's like  
3 a nearly 5 million cut, right? What service  
4 or program would we lose if that cut is in  
5 effect? And are you able to leverage  
6 services with the dollars, you know, you  
7 receive now? How does that impact us on the  
8 ground? Because I mentioned the things that  
9 we are doing together. Are we losing that?  
10 Could you please --

11 MR. STREB: Thank you.

12 Right now each of the Neighborhood  
13 Preservation Companies -- you know,  
14 on-the-ground not-for-profit housing  
15 organizations -- receive roughly \$129,723 for  
16 each organization. And that allows them to  
17 pay for staff, keep the lights on, keep the  
18 phone working. And that -- when somebody  
19 comes in, you know, a tenant or landlord that  
20 has a problem that they don't know how to  
21 solve or they need help with, that is what  
22 those staff, those organizations do.

23 So we're \$30,000 per company, which  
24 the cut would be -- that equates to not quite

1 a full-time staff person, but it equates to  
2 20 to 30 hours of staff work a week, and  
3 that's direct people that wouldn't be  
4 assisted or helped when they come into the  
5 office.

6 So it's -- you know, and that is  
7 roughly a 33 percent cut, 34 percent cut in  
8 their funding. And during a housing crisis,  
9 we should be going the other way. Last year  
10 was the first year -- thank you again -- that  
11 we actually saw our funding increase to make  
12 up for decades of flat funding, which is a  
13 cut in funding based on the inflation from  
14 the last 20, 25 years.

15 So people -- services would not be  
16 provided. New York State HCR, we have a lot  
17 of good programs. But if we can't get the  
18 programs to the people, they're no good.

19 ASSEMBLYWOMAN CHANDLER-WATERMAN:

20 Thank you so much.

21 And with the basement apartments, we  
22 know that during COVID there was a lot of  
23 regulations with garages and basement  
24 conversions, and we know we're trying to be

1 creative how we do affordable housing. I  
2 want to make sure as we make things legalized  
3 that the constituents are worrying about are  
4 they going to be overregulated now, is there  
5 going to be more stuff put on them, more  
6 burden, because now that it is -- become  
7 affordable -- how do you answer that?

8 MS. MORSE: So if this legislation  
9 were passed and New York City were able to  
10 create a basement legalization program, the  
11 only homeowners who would be subject to the  
12 new regulations would be those who applied  
13 and said, I want to bring my basement or  
14 cellar apartment up to code and provide  
15 housing.

16 ASSEMBLYWOMAN CHANDLER-WATERMAN:  
17 We'll talk offline. Thank you.

18 CHAIRWOMAN WEINSTEIN: Thank you.  
19 Assemblyman Burdick.

20 ASSEMBLYMAN BURDICK: Yes, thank you.

21 And thank you all for the work that  
22 you do in this space. It's incredibly  
23 important. You folks have been integral in  
24 increasing the supply of housing and

1 particularly affordable housing.

2 I don't know if you were following the  
3 exchanges with Commissioner Visnauskas, but  
4 you may have heard that my Hudson Valley  
5 colleague, Dana Levenberg, and I are  
6 introducing a package of housing bills. We  
7 believe they complement the Governor's  
8 policies and would appreciate your looking at  
9 them and considering supporting them.

10 And we'd appreciate your letting us  
11 know offline the appropriate person we'd  
12 email them to.

13 And this next question I think is  
14 directed primarily to CPC, and that is that  
15 while we welcome the Governor's proposals to  
16 expand housing, we believe it would be  
17 helpful to have more that is statewide in  
18 scope. And certainly there are things there,  
19 but what more might you suggest that we do?

20 MS. BURNS-MAINE: Thank you,  
21 Assemblymember, for that question.

22 You know, I think that the approach  
23 that was laid out in the Pro-Housing  
24 Communities is something that we're very

1           supportive of. I think we have to work  
2           across all levels of government, so there's  
3           also I think some federal housing resources  
4           that were raised a little bit earlier  
5           today -- we were talking about the affordable  
6           housing tax credit bill and the LIHTC  
7           expansion. These are things that would  
8           definitely support overall housing  
9           development in New York State and the  
10          provision of housing and subsidies flowing to  
11          the streets.

12                    I'd be happy to speak further and  
13          explore that more.

14                    ASSEMBLYMAN BURDICK: That would be  
15          great.

16                    MS. BURNS-MAINE: We'd be happy to,  
17          yes.

18                    ASSEMBLYMAN BURDICK: Any other on the  
19          panel who might add to that?

20                    (No response.)

21                    ASSEMBLYMAN BURDICK: Good. No, we'd  
22          be very interested in discussing that further  
23          with you offline. Thanks so much.

24                    CHAIRWOMAN WEINSTEIN: Assemblywoman

1 Lee.

2 ASSEMBLYWOMAN LEE: This question is  
3 for Mr. Simmons and Ms. Milstein.

4 You know, last year in the budget we  
5 were able to secure \$391 million statewide  
6 for public housing and Section 8 housing to  
7 fully fund the Emergency Rental Assistance  
8 Program. Can you talk about how that's being  
9 implemented across your developments and  
10 across your members' buildings and, you know,  
11 the benefits you've seen from that funding?

12 MR. SIMMONS: Well, in our case the  
13 program's been tremendous. It's helped out  
14 so many families. Because especially as you  
15 know, for those families who have to leave  
16 public housing with any arrears, they are no  
17 longer prohibited from participating in the  
18 public housing programs until those arrears  
19 are cleared up.

20 So initially, before the program was  
21 implemented, we had families that couldn't  
22 pay their rent, moved out of public housing  
23 and couldn't get into public housing nowhere  
24 else in the country, couldn't even get access

1 to the voucher program.

2 But with those resources, it helped  
3 many families out tremendously. It even  
4 helped out the housing authorities.  
5 Obviously those dollars went to pay for  
6 sorely needed staff to maintain the  
7 properties, and for the physical upkeep.

8 And so in Syracuse we had probably  
9 \$2.3 million in arrears. We were able to  
10 make a big dent in those dollars, and we're  
11 still getting dollars in. With your help and  
12 so many other Assemblymembers -- even the  
13 administration -- in flowing of the dollars  
14 and how they come to our properties, that  
15 process has been improved with the help of I  
16 know in particular Assemblywoman Chair  
17 Rosenthal helped out some of our public  
18 housing authorities.

19 Because oftentimes that resident had  
20 to accept those dollars when they came in,  
21 but many of them moved on and the housing  
22 authority still had that debt. And the  
23 New York State Assembly, in particular  
24 Assemblywoman Rosenthal, was able to help out

1 the Ithaca Housing Authority, and so many  
2 received those dollars.

3 So it has helped out tremendously.  
4 And it -- naturally more would help, but  
5 yeah, it really was a great program.

6 MS. MILSTEIN: Thank you for your  
7 question. NYSFAFH was very involved in  
8 advocating for those funds. And we didn't  
9 stop once the funds were appropriated, we  
10 actually got involved with OTDA. We were  
11 like a concierge service for public housing  
12 and for affordable.

13 And it really -- all of the tenants  
14 who had some sort of subsidy were at the back  
15 of the line, and this money allowed many  
16 subsidized tenants who legitimately suffered  
17 through COVID, to receive those funds. And  
18 we helped OTDA understand, from the tenant  
19 and landlord side, what was going on. And we  
20 really intermediated there and got those  
21 funds delivered very quickly and efficiently  
22 to tenants, which went through to landlords.

23 And now that the money's all been  
24 spent -- there's some slight overhang because



1 of timing -- we really need to make sure that  
2 those buildings can stay afloat.

3 CHAIRWOMAN WEINSTEIN: Thank you.

4 We go to Assemblywoman Kelles to close  
5 for this panel.

6 ASSEMBLYWOMAN KELLES: Thank you so  
7 much.

8 First question for Mark, Neighborhood  
9 Preservation Coalition. Can you just -- you  
10 touched briefly, but can you give us a  
11 comprehensive list of the projects that you  
12 all do that help keep people in their homes?

13 MR. STREB: Thank you. And thank you  
14 for your support.

15 The programs that our organizations  
16 provide run the entire gamut. Not every  
17 organization provides the exact same  
18 programs, but we -- you know, when somebody  
19 comes in and says "I don't have any heat" or  
20 "My landlord's going to evict me" or, you  
21 know, "A tree fell through my roof" or "I  
22 don't have any hot water" -- you know, the  
23 list goes on and on and on.

24 ASSEMBLYWOMAN KELLES: So you're the

1 catchall, really, for people to keep them in  
2 their homes, get them in their homes.

3 MR. STREB: When people need help,  
4 they come to us and we help them.

5 ASSEMBLYWOMAN KELLES: Is there any  
6 other entity in the state that does that?

7 MR. STREB: You know, we have a sister  
8 organization, you know, the Rural  
9 Preservation Coalition, the Rural Advocates.  
10 Great organizations. You know, we do more of  
11 the urban and suburban; they do more of the  
12 rural -- hence the name.

13 ASSEMBLYWOMAN KELLES: They're your  
14 counterparts, so it's the --

15 MR. STREB: Yes.

16 ASSEMBLYWOMAN KELLES: -- the rural  
17 and the neighborhood.

18 MR. STREB: Right.

19 ASSEMBLYWOMAN KELLES: But there's no  
20 other entity that does that work.

21 MR. STREB: No. I mean, there are  
22 other housing not-for-profits that do not  
23 participate in the Neighborhood Preservation  
24 Program, so those are great organizations

1           also.  So --

2                   ASSEMBLYWOMAN KELLES:  Okay, so  
3           there's some.

4                   MR. STREB:  But there's a subset that  
5           participate in this specific program.  And,  
6           you know, we all provide different services.

7                   Because when somebody comes in, even  
8           if we don't provide it, we don't say, Oh,  
9           sorry, we don't provide that service.  We  
10          say:  Let's find out how we can help you.

11                   ASSEMBLYWOMAN KELLES:  So there are  
12          organizations -- you all support each other,  
13          you're a network, but you create a  
14          foundation.  I understand there's 60 RPCs.  
15          How many NPCs are there?

16                   MR. STREB:  We're at around 134 right  
17          now.  They opened it up --

18                   ASSEMBLYWOMAN KELLES:  Okay, so we've  
19          got these 200 organizations that provide this  
20          work, we've got others that do this as well.  
21          You've got an over \$10 million cut between  
22          the NPCs and the RPCs in this budget.  This  
23          is used for operating funds, correct?

24                   MR. STREB:  Yes.  This is to allow the

1 doors to stay open -- the heat to be on, to  
2 pay for administrative costs. This is a very  
3 unique program that allows them to provide  
4 services.

5 ASSEMBLYWOMAN KELLES: So it will  
6 prevent you from being able to expand any of  
7 those supports and potentially lose staff.

8 MR. STREB: Right.

9 ASSEMBLYWOMAN KELLES: Okay. I just  
10 wanted to get a sense of what the impact  
11 would be across the entire state if we  
12 allowed for this 10 million cut.

13 And the other -- really quickly, and I  
14 apologize for this, I can't get to everyone.  
15 I love that you are all here. Thank you so  
16 much. The 150 million for the public  
17 authorities, can you describe a little bit  
18 what all of that would be used for around the  
19 state?

20 MR. SIMMONS: Sure.

21 Well, as I'd mentioned before, as the  
22 executive director for the Syracuse Housing  
23 Authority, we have a transformational program  
24 that takes some 675 units of public housing,

1 repurposes those, and adds on its footprint a  
2 total of 1,400 of mixed-income and  
3 market-rate units to deconcentrate poverty  
4 and repair these units.

5 And so we'll be doing this over a  
6 10-year period of time. And I think Buffalo  
7 has the same type of a project. And there  
8 are a number of other upstate organizations  
9 that need to repurpose their properties as  
10 well.

11 ASSEMBLYWOMAN KELLES: Thank you so  
12 much.

13 CHAIRWOMAN WEINSTEIN: Thank you.

14 I want to thank all of the witnesses  
15 in this panel.

16 And we move on to Panel B: Legal  
17 Services New York City, Jay Inwald;  
18 Legal Services Access Alliance, Erica Zimny;  
19 Center for New York City Neighborhoods,  
20 Christie Peale; Right to Counsel Coalition  
21 and Community Action for Safe Apartments/New  
22 Settlement, Randy Dillard; and Tenant  
23 Political Action Committee, Michael McKee.

24 Mr. Burdick, can you please take your

1 seat so we can begin?

2 Jay, you can begin.

3 MR. INWALD: Thank you so much.

4 Jacob Inwald from Legal Services NYC,  
5 director of litigation for economic justice.  
6 I'm here to talk today about the Homeowner  
7 Protection Program. Most of you are familiar  
8 with it.

9 I am not going to actually read my  
10 testimony because I think you've all really  
11 heard all the particulars. I want to just  
12 seize on a couple of things that the  
13 commissioner said and address some of those  
14 things.

15 Regrettably, this is an annual  
16 exercise. I know we're a couple of weeks  
17 past Groundhog Day, but it really feels like  
18 that. I do this every year. I got a  
19 Facebook memory generated this morning,  
20 Here's a memory from seven -- oh, and it was  
21 a press conference that we held in support of  
22 restoring funding for HOPP seven years ago to  
23 the day.

24 So if I'm expressing a little bit of a

1 tone of irritation, it is not directed at the  
2 Legislature. The Legislature has -- I have  
3 nothing but gratitude to the Legislature that  
4 has restored our funding for really more than  
5 a decade. But I am a little bit grumpy about  
6 it because there are better things that I  
7 could be doing with my time than trying to  
8 prevent us from being defunded.

9 And the annual threat of our defunding  
10 is not without -- it's not just the  
11 irritation of having to do the advocacy. It  
12 has real consequences. These are long,  
13 complex cases. And when there's a cloud of  
14 uncertainty about whether we continue to have  
15 funding come July, we cannot take new cases.  
16 Right? It inhibits our case acceptance.  
17 There are people who lose their homes because  
18 of that.

19 It causes staff attrition, right?  
20 Because there are staff who are at risk of  
21 losing their jobs, and there are other  
22 opportunities that they -- so it is not just,  
23 you know, this game of football without any  
24 consequences.

1                   And it was startling to hear the  
2                   candor of the commissioner to just say, well,  
3                   it was a legislative add. That to me is not  
4                   a satisfactory policy response for why the  
5                   Governor does not value this program. So I  
6                   think you're entitled to know why it is that  
7                   the Governor doesn't think that this is  
8                   worthy of funding.

9                   I want to also mention the subject of  
10                  deed theft. The commissioner mentioned that  
11                  there are provisions in the budget addressing  
12                  deed theft. And I want to point out that as  
13                  recently as November 14th the Governor signed  
14                  important legislation addressing deed theft  
15                  surrounded by two of our clients -- who we  
16                  restored their titles to -- and she sang the  
17                  praises of Brooklyn Legal Services, only to  
18                  two months later propose defunding the agency  
19                  that restored over -- almost a decade's worth  
20                  of litigation, that homeowner's -- those  
21                  homeowners' homes.

22                  So all these protections are great,  
23                  but if there are no advocates to actually  
24                  vindicate those rights, that's really a



1 problem.

2 I know I only have a few seconds left,  
3 but I also just want to mention this is an  
4 issue of racial justice. The mortgage  
5 default rate for communities of color is  
6 twice that of what it is for white  
7 homeowners. And if you are talking about  
8 depriving homeowners in need of these  
9 services, you're talking about depriving, you  
10 know, a few communities in particular. So  
11 that's also hugely problematic. And the need  
12 is still really egregious. We've doubled the  
13 number of clients that we've served over the  
14 past year.

15 So thank you, and I think I got the  
16 main points in.

17 CHAIRWOMAN WEINSTEIN: Thank you.

18 Erica?

19 MS. ZIMNY: Good afternoon, Senator  
20 Krueger and Assemblymember Weinstein, Senator  
21 Kavanagh, Assemblymember Rosenthal, and  
22 members of the Legislature and staff here  
23 today. Thank you for the opportunity to  
24 submit testimony regarding Governor Hochul's

1 fiscal year 2024-2025 Executive Budget as it  
2 pertains to housing.

3 My name is Erica Zimny, and I'm a  
4 deputy director at the Legal Aid Society of  
5 Northeastern New York. Our executive  
6 director at LASNNY is Nic Rangel, and she is  
7 a board member of the Legal Services Access  
8 Alliance.

9 The Legal Services Access Alliance  
10 represents the seven largest providers of  
11 free civil legal services outside of New York  
12 City and includes Neighborhood Legal  
13 Services, Legal Assistance of Western New  
14 York, Legal Services of Central New York,  
15 Legal Aid Society of Mid-New York, the Legal  
16 Aid Society of Northeastern New York, Legal  
17 Services of Hudson Valley, and Nassau Suffolk  
18 Law Services. We collectively serve every  
19 county outside of New York City and employ  
20 nearly 1,000 legal services workers.

21 We have two main budget requests we'd  
22 like to present to the committee for  
23 consideration.

24 First, continue support for legal

1 services for evictions. We are grateful for  
2 Governor Hochul's continued support of  
3 \$35 million in funding in the Executive  
4 Budget for the Legal Representation for  
5 Eviction Services Program. This program is  
6 also commonly referred to as the Eviction  
7 Defense and Housing Stability Program, and it  
8 was created to provide legal services and  
9 representation for eviction cases outside of  
10 New York City.

11 Last year the Legislature appropriated  
12 an additional \$15 million to further expand  
13 this program to New York City and other areas  
14 throughout New York, for which we and our  
15 partners are incredibly appreciative.

16 The Office for Temporary and  
17 Disability Assistance administers this  
18 program, and this funding has been critical  
19 to assisting struggling New Yorkers. OTDA,  
20 with expertise in providing services to those  
21 with housing instability, has been an  
22 excellent partner in implementing this  
23 program and serving the public. With this  
24 state support, the alliance members and

1 partner organizations have helped countless  
2 individuals navigate through their eviction  
3 crisis.

4 This funding has been transformative  
5 for eviction services in New York. With this  
6 state investment, all the alliance members  
7 and subcontracting partners' eviction  
8 programs have grown, as have the number of  
9 staff who can provide these legal services  
10 throughout New York. We have increased the  
11 network of eviction legal services and  
12 expanded representation in underserved areas,  
13 including city, town and village courts in  
14 our rural counties, and all other underserved  
15 tenants.

16 Additionally, the alliance is  
17 continuing to develop our partnerships with  
18 local law schools to recruit and train new  
19 lawyers, which will help to create a diverse  
20 and robust pipeline of civil legal service  
21 providers in New York. We have also hosted  
22 several statewide training programs, attended  
23 by hundreds of legal services attorneys, to  
24 help build out best practices in providing

1           eviction representation in New York.

2                       Lastly, with this state support,  
3           alliance members have obtained a federal  
4           Technology Initiative Grant to develop a  
5           statewide online intake portal to increase  
6           access to legal representation, and also  
7           created a toll-free hotline that tenants can  
8           call to be directed to.

9                       Thank you.

10                      CHAIRWOMAN WEINSTEIN: Next?

11                      MS. PEALE: Good afternoon. My name  
12           is Christie Peale, and I am the CEO and  
13           executive director for the Center for  
14           New York City Neighborhoods.

15                      I would like to thank Chairs Krueger,  
16           Weinstein, Kavanagh and Rosenthal for today's  
17           hearing and the opportunity to testify.

18                      I'm here today to call for the full  
19           restoration of the Homeowner Protection  
20           Program, also known as HOPP, at the level of  
21           the previous budget number of \$40 million.  
22           And I'd just like to take a moment to add to  
23           some of Jay's comments.

24                      So you probably know that the HOPP

1 network not only has amazing legal services  
2 partners, as you just heard from, but also  
3 high-quality housing counselors who serve  
4 every county across New York State. We serve  
5 15,000 families every year, and over the  
6 course of the decade-plus that we've been  
7 around, we have served 120,000. We've helped  
8 these New Yorkers avoid homelessness,  
9 crushing debt and displacement.

10 Just another piece of Jay's point,  
11 43 percent of our clients across the state  
12 are BIPOC New Yorkers. In New York City,  
13 that percentage is 75 percent.

14 We save New York State over  
15 \$1.2 billion in value preservation,  
16 property-value preservation, property taxes  
17 and other costs every year. So while this is  
18 a significant investment in this incredible  
19 network of service providers, we help the  
20 state maintain value, and we help the state  
21 maintain property tax revenue. Every  
22 million dollars invested in HOPP yields a  
23 return of over \$5 million in tax and property  
24 cost savings.

1           If the HOPP funding is not restored,  
2           we lose a huge number of assets, as you heard  
3           from Jay, including the statewide toll-free  
4           hotline, representation at mandatory  
5           settlement conferences. And again, I keep  
6           mentioning property tax payments because I  
7           think it's a really huge issue across the  
8           state, and the HOPP network has been really  
9           significantly impactful in making sure that  
10          municipalities, school boards, every taxing  
11          entity got paid through the Homeowner  
12          Assistance Fund over the past two years, to  
13          the tune of \$53 million. So we are  
14          maintaining revenue and returning revenue to  
15          the state.

16                 To that point, we are also calling on  
17          the state to find additional funding for  
18          direct financial assistance for homeowners.  
19          We're asking for \$50 million to help all of  
20          the homeowners who couldn't get assistance  
21          through the Homeowner Assistance Fund. They  
22          weren't eligible due to federal restrictions,  
23          or we weren't able to get to them. We served  
24          18,000 families, in partnership with the

1 state, but there are many others who we  
2 weren't able to help.

3 And on the revenue side, I just wanted  
4 to highlight Chair Rosenthal's vacancy  
5 registration and tax bill. This is an  
6 opportunity to generate revenue. In  
7 addition, the End Toxic Home Flipping Act  
8 could also generate revenue. We could look  
9 at affordable title insurance. We have a lot  
10 of ways that we can generate the revenue that  
11 we need to save New York families.

12 CHAIRWOMAN WEINSTEIN: Thank you.

13 Randy Dillard.

14 MR. DILLARD: Yes, I'm Randy Dillard.  
15 I'm with the Right to Counsel Coalition, and  
16 I'm also with Community Action for Safe  
17 Apartments.

18 I'm here today because I had an  
19 attorney, I went to court in 2013 for  
20 nonpayment, which money I did not owe.  
21 Section 8 did an inspection on my apartment,  
22 and my apartment didn't pass inspection, so  
23 my landlord took me to court.

24 I'm a single parent with five kids. I



1           was in court for two and a half years. And  
2           if I didn't have an attorney, I wouldn't be  
3           able to testify for rights for tenants so  
4           they can get an attorney today, after the  
5           suffering that me and my kids went through.

6                     My landlord was a police officer who  
7           harassed me and my family. My daughter  
8           dropped from As and Bs to Ds and Fs because  
9           she was afraid of going to a shelter. We  
10          started the Right to Counsel Coalition in  
11          2012. We won; it took us three years, we won  
12          it. After we won it, 84 percent of the  
13          tenants got to stay in their homes because  
14          they had legal representation. Evictions  
15          went down 40 percent, and landlords stopped  
16          suing, taking tenants to court by less than  
17          30 percent.

18                    Over 20 cities, states and counties  
19          have passed RTC laws since we won in 2017.  
20          Westchester County passed RTC last year.

21                    Right now over 175,000 tenants  
22          statewide are facing eviction right now.

23                    We have a solution. We have a  
24          solution. We are now working with over 100

1 statewide partners to pass statewide right to  
2 counsel for all New Yorkers. Our bill is  
3 S2721, introduced by Senator May, which would  
4 guarantee the right to a free lawyer for all  
5 tenants facing eviction across the state.  
6 We're asking for \$260 million in funding this  
7 year to begin implementing the right to  
8 counsel.

9 Two hundred sixty million is going to  
10 enable a wholesale change in our courts.  
11 It's going to allow tens of thousands more  
12 tenants to be represented. It is going to  
13 equip attorneys to fully litigate their cases  
14 and help ensure long-term housing stability  
15 for tenants. It's going to transform the  
16 workplace conditions for legal providers and  
17 help us to compete nationally, attracting the  
18 next generation of civil legal talent to  
19 New York State. It will support organizers  
20 who are working hard to ensure tenants know  
21 what their rights are.

22 CHAIRWOMAN WEINSTEIN: Thank you.

23 And just a reminder, everybody, your  
24 full remarks -- your written submitted

1 testimony is available on the websites. So  
2 not to worry if you run out of time.

3 Next, Michael McKee.

4 MR. McKEE: Good afternoon, and thank  
5 you for the invitation to testify. My name  
6 is Michael McKee, and I'm the treasurer of  
7 the Tenants Political Action Committee.

8 I want to talk about three things.  
9 First, I want to commend a new bill to you.  
10 Just recently Senator Cordell Cleare and  
11 Assemblymember Emily Gallagher introduced a  
12 bill to create a new social housing  
13 development authority. This will be a new  
14 state agency to create and manage and  
15 maintain genuinely and permanently affordable  
16 housing. It is a chance to change the  
17 conversation, to get away from the tired  
18 narrative that the only way we can build  
19 housing is to bribe the private sector to do  
20 it and to give them subsidies to build  
21 market-rate housing, and in return we get a  
22 little bit of supposedly affordable housing.

23 For 25 years I have heard Andrea  
24 Stewart-Cousins, including before she was

1           elected to the Senate, when she was a member  
2           of the Westchester County Board of  
3           Legislators, say "We need a new Mitchell-Lama  
4           program." Well, this is it.

5                     And we urge you to take this bill  
6           seriously. It is not pie in the sky. It's a  
7           very serious piece of legislation, and I want  
8           to commend Senator Cleare and  
9           Assemblymember Gallagher.

10                    Secondly, I want to talk about the  
11           housing package that is being cooked up at a  
12           leadership level, supposedly to go into the  
13           budget. From what we have learned about it,  
14           this housing package is totally unacceptable.  
15           I am speaking not only for Tenants PAC, I am  
16           speaking for the entire statewide tenant  
17           movement, including Housing Justice for All.

18                    Number one, the bill includes  
19           apparently an unacceptable version of  
20           good-cause eviction.

21                    Number two, it includes another  
22           iteration of the failed 421-a program with  
23           yet another numerical moniker, although it  
24           looks to me like the Governor might be

1 running at the end of the alphabet.

2 Finally, and most egregiously, it  
3 includes the CHIP/REBNY vacancy reset bill,  
4 which is a new form of vacancy decontrol. It  
5 is not about the 10,000 apartments that  
6 landlords are holding off the market,  
7 claiming that they cannot afford to renovate  
8 them. It would put a target on every  
9 rent-stabilized tenant's back who has been in  
10 occupancy for 10 years or longer. It took us  
11 25 years to repeal vacancy decontrol; we are  
12 not about to sit silent while it gets  
13 reimposed.

14 Finally, I want to call your attention  
15 to problems with the implementation of the  
16 ETPA-Upstate New York. Kingston and now  
17 Newburgh have opted into the system. There  
18 are other municipalities in the pipeline.  
19 What happened in Kingston was a disgrace. In  
20 my written testimony I have a reference to  
21 the chronicle I wrote about this called  
22 "Lessons from Kingston, New York." It's on  
23 our website. I urge you to read it. And I  
24 urge the two Housing Committees to do

1 oversight hearings about what's going on  
2 here.

3 Thank you very much.

4 CHAIRWOMAN WEINSTEIN: Thank you.

5 We go to Assemblymember Rosenthal.

6 ASSEMBLYWOMAN ROSENTHAL: Thank you.

7 And thank you all for all your great  
8 work in keeping tenants in their homes,  
9 homeowners in their homes, and just eking  
10 every -- using every penny that you get. And  
11 we're going to fight hard to get more for  
12 you.

13 I wanted to ask Mr. McKee if you could  
14 elaborate about the bill that you mentioned  
15 earlier.

16 MR. McKEE: The vacancy reset bill?

17 ASSEMBLYWOMAN ROSENTHAL: Yes.

18 MR. McKEE: Yes. This bill was  
19 drafted by CHIP, the Community Housing  
20 Improvement Program. It's lately been taken  
21 over by REBNY, the Real Estate Board of  
22 New York. I mean, REBNY has a lot more  
23 credibility in Albany.

24 It's a very dangerous bill. It would

1 reimpose a form of vacancy decontrol. It's a  
2 wolf in sheep's clothing -- it's a classic  
3 wolf in sheep's clothing. And as I said, it  
4 would apply not just to New York City and the  
5 three suburban counties, it would apply to  
6 any future municipality that opts into  
7 ETPA-Upstate New York.

8 This bill would put a target on the  
9 backs of long-term residential tenants,  
10 anyone who's been in occupancy for 10 years  
11 or longer. We saw this during the 25 years  
12 that vacancy decontrol was in effect when  
13 landlords had an incentive to get people out.  
14 They had an incentive to harass people and  
15 evict them because they could get a  
16 deregulated apartment.

17 This would allow them to do the same  
18 thing. And it's simply not thinkable that  
19 the Legislature would really be thinking  
20 about going down this road.

21 ASSEMBLYWOMAN ROSENTHAL: I took a  
22 quick look at it earlier. You know, we saw a  
23 lot of abuse with MCIs and IAIs over the  
24 years that we mostly fixed in the 2019 HSTPA.

1           But isn't there part of this bill that  
2           calls for doing this but with very little  
3           oversight?

4           MR. McKEE: Yes. I mean, if you were  
5           going to consider as part of a package  
6           increasing the amount that owners could spend  
7           on renovating an apartment upon vacancy, that  
8           would be one thing as long as you were doing  
9           it within the framework of the rent  
10          recognition regulation system.

11          If you want to amend the individual  
12          apartment improvement formula as part of an  
13          overall package that would give a greater  
14          allowance to landlords who want to fix up  
15          those vacant apartments, as long as that's  
16          done within the framework of the rent  
17          regulation system and it does not allow  
18          landlords to reset the rent at market, then  
19          that would not be as objectionable.

20          ASSEMBLYWOMAN ROSENTHAL: Okay, that's  
21          very helpful. Thank you.

22          CHAIRWOMAN WEINSTEIN: To the Senate.

23          SENATOR KAVANAGH: Thanks.

24          Just I guess to continue -- I'll start



1           where my colleague left off, just to say, you  
2           know, I think we've all seen the advocacy  
3           agendas of many organizations this year and  
4           last year, including, you know, CHIP and  
5           REBNY, the ones that you mentioned. But, you  
6           know, there's not, to my knowledge, any  
7           particular bill that's being cooked up right  
8           now that includes, you know, the package that  
9           you mentioned that is being -- you know, I  
10          think "cooked up" was your term at the --

11                   MR. McKEE: We only know what we hear,  
12          Senator. We don't -- we're not privy to  
13          what's going on behind closed doors.

14                   SENATOR KAVANAGH: Okay. I'm just --  
15          since that has been articulated on the record  
16          here, I'll just articulate my perspective,  
17          which is there is not at this point a bill  
18          that's being cooked up that I'm aware of that  
19          includes the elements that you referred to.  
20          But -- which I guess should be comforting to  
21          you.

22                   I think -- you know, just to say --  
23          I'll just -- in the interests of time I'll  
24          just say I agree very strongly that we should

1 not have a process where we fight for large  
2 amounts of money for really essential  
3 services for homeowners and tenants and then  
4 in January it's announced that those numbers  
5 are zero and then we spend about 80 days or  
6 so returning to the previous numbers. And  
7 then you all have to wonder if that cycle  
8 will be successful each time.

9 It is odd, particularly this year with  
10 respect to HOPP, because the Executive Budget  
11 had started having a baseline of \$20 million  
12 previously. So -- but just where -- you  
13 know, we are very attentive to the issues  
14 that arise from that process. And we're  
15 going to be working to ensure that we, you  
16 know, fully fund these programs.

17 But -- and just thank you all for  
18 being very effective at using that money for  
19 its intended purpose. We really appreciate  
20 it. But I'll stop there.

21 CHAIRWOMAN WEINSTEIN: Thank you.

22 We go to Assemblywoman  
23 Chandler-Waterman.

24 ASSEMBLYWOMAN CHANDLER-WATERMAN:

1 Thank you, Chair.

2 I appreciate your advocacy for the  
3 most vulnerable population, especially Black  
4 and brown communities, seniors, individuals  
5 living with mental health conditions.

6 But Jacob, Legal Services New York  
7 City. Deed theft, right, with our Black and  
8 brown and our older adults. Seniors  
9 experience deed theft and the burden of proof  
10 falls on the seniors to prove that the person  
11 who scammed them and the person who acquired  
12 the property unlawfully were in  
13 collaboration -- like they knew each other,  
14 they knew about it.

15 In your expert opinion, what needs to  
16 be done or is currently in place to support  
17 our older adults who are being preyed on?  
18 Because I know you mentioned deed theft.

19 MR. INWALD: So these are really tough  
20 cases. There was some legislation that was  
21 passed and signed, which I referenced that  
22 the Governor signed at the end of last year,  
23 that makes some improvements to the process.  
24 But all of these cases first of all represent

1 situations where someone was trying to avert  
2 foreclosure. Right? And had they reached  
3 members of the HOPP network, they would never  
4 have fallen for these scams. So that's the  
5 most important thing.

6 And then this is also the network that  
7 actually represents those homeowners to  
8 restore their title. But these are very  
9 resource-intensive and difficult cases. So  
10 every case -- every fact pattern is  
11 different, and the scams are constantly  
12 evolving. So I can't necessarily, you know,  
13 talk about the burden of proof in one  
14 particular type of instance because they're  
15 constantly, you know, changing in light of  
16 what's going on and --

17 ASSEMBLYWOMAN CHANDLER-WATERMAN: We  
18 can talk offline more about it.

19 MR. INWALD: Sure, I'd be happy to  
20 talk to you more about that. Probably more  
21 than you would ever want to hear.

22 (Laughter.)

23 ASSEMBLYWOMAN CHANDLER-WATERMAN:  
24 Okay. Legal Aid Services -- that's Legal Aid

1 Society, right?

2 MR. INWALD: Legal Services NYC. And  
3 we serve all five boroughs.

4 ASSEMBLYWOMAN CHANDLER-WATERMAN: So  
5 I'm talking about Legal Services Access?

6 MS. ZIMNY: The Access Alliance.

7 ASSEMBLYWOMAN CHANDLER-WATERMAN:  
8 Alliance, right. That's -- the Legal Aid  
9 Society falls under you, or no?

10 MS. ZIMNY: So Legal Aid Society of  
11 Northeastern New York is a member of the  
12 Access Alliance.

13 ASSEMBLYWOMAN CHANDLER-WATERMAN:  
14 Okay. And do you all deal with mental health  
15 supportive housing and support of those who  
16 are going through that process?

17 MS. ZIMNY: I'm sorry, I couldn't hear  
18 you.

19 ASSEMBLYWOMAN CHANDLER-WATERMAN:  
20 Mental health supportive housing, do you have  
21 jurisdiction or support in that area, of  
22 helping community members fill out the  
23 application to get support, like Form HRA  
24 2210E? You know, family members are having a

1 lot of issues, when their loved ones are in a  
2 mental health facility, getting that form  
3 filled out because they think it's too much  
4 paperwork in the hospitals.

5 So we're trying to figure out what  
6 support can be given or have you been giving  
7 to those particular families and those living  
8 with mental health conditions?

9 MS. ZIMNY: We have many different  
10 member programs, and so I'd love to talk to  
11 you more offline about that.

12 ASSEMBLYWOMAN CHANDLER-WATERMAN:  
13 Okay, thank you so much.

14 And we want to make sure that they are  
15 getting the supportive housing that's needed,  
16 and how we could build a plan to make sure  
17 that families are included in anything.  
18 Because, you know, in order for them to  
19 really recover, they need that support from  
20 their families. And family members need to  
21 know how to advocate, especially when they're  
22 hospitalized. And they need to have  
23 sustainable housing. If you don't have  
24 housing, you don't have food, you don't have

1           shelter, how can you really thrive in the  
2           community?

3                        So thank you all so much for your  
4           work, and I look forward to working with you,  
5           especially on these topics. Thank you.

6                        CHAIRWOMAN WEINSTEIN: Senate?

7                        SENATOR KAVANAGH: Senator Jackson.

8                        SENATOR JACKSON: So first I want to  
9           thank you all for coming in. You are  
10          extremely important for all of the people  
11          that are in court and having attorneys  
12          represent them. Right to counsel should be  
13          for everyone going into the courts.

14                       And so to the young man who fought the  
15          system and you're still alive and strong, let  
16          me just say that you have a lot --

17                       MR. McKEE: Flattery will get you  
18          everywhere, Senator.

19                       (Laughter.)

20                       SENATOR JACKSON: You have a lot of  
21          people behind you in order to -- for what  
22          you're doing.

23                       So I want to ask Mike, Mike, what do  
24          you consider the definition of good-cause

1 eviction?

2 MR. McKEE: A definition of good-cause  
3 eviction?

4 SENATOR JACKSON: Yes. Because I  
5 asked the commissioner about did she support  
6 good-cause.

7 And so I'm asking you, what is your  
8 definition as a housing expert?

9 MR. McKEE: First of all, all it is,  
10 ultimately, is a defense. It is a defense to  
11 an unfair eviction or an unfair rent  
12 increase. If a tenant is brave enough -- an  
13 unregulated tenant is brave enough to stay  
14 and fight.

15 And we know from experience -- I mean,  
16 organizers are always telling tenants: Do  
17 not self-evict. And unfortunately, many of  
18 them do because they just either are too  
19 afraid or they can't get a lawyer or they  
20 don't understand their rights.

21 So to have the real estate lobby  
22 characterize this as universal rent control  
23 or "lease for life" is so hypocritical and so  
24 nonsensical.



1           But the version that we understand is  
2           being discussed -- because the Governor has  
3           strongly opposed this bill ever since she  
4           became Governor -- and the Legislature has  
5           for five years in a row failed to pass it,  
6           leaving half the tenants in this state living  
7           in unregulated apartments with no defenses of  
8           any kind to unfair evictions or unfair rent  
9           increases.

10           A valid form of good-cause eviction  
11           must be mandatory, not local option. It's  
12           absurd to expect that upstate municipalities  
13           are going to have to do this by local option.  
14           And this whole formula that some staff member  
15           cooked up last year about a portfolio size --  
16           that, you know, a landlord who owns fewer  
17           than X number of apartments would not be  
18           covered by good-cause -- is a loophole so big  
19           you could drive a truck through it.

20           Those are unacceptable provisions. It  
21           has to be mandatory, not local option, and it  
22           has to be for specific units. Our bill,  
23           which is sponsored by Senator Salazar --

24           SENATOR JACKSON: I want to get in one

1 more question. Thank you --

2 MR. McKEE: -- would exempt one and --  
3 two- and three-family homes --

4 SENATOR JACKSON: I need to get one  
5 more question in.

6 MR. McKEE: -- owner-occupied.

7 SENATOR JACKSON: So, Jacob, you  
8 represent Legal Services of New York. Do all  
9 of the tenants going into court have counsel,  
10 yes or no? And what can we do to make sure  
11 that they get it?

12 MR. INWALD: I'm talking about --

13 SENATOR JACKSON: Talk into the mic,  
14 please.

15 MR. INWALD: I'm sorry, I can't  
16 speak -- I'm talking about the homeownership  
17 services we provide, so I'm not talking about  
18 tenants.

19 But it's a continuum of services. So  
20 some cases we'll represent them for the  
21 settlement conference phase. Sometimes we'll  
22 just be helping people put in an answer so  
23 that their defenses are preserved. And in  
24 some instances we're taking on full-on

1 representation defensively in a foreclosure  
2 case, and in other cases affirmative  
3 litigation.

4 SENATOR JACKSON: Thank you.

5 CHAIRWOMAN WEINSTEIN: Thank you.

6 Assemblywoman Kelles.

7 ASSEMBLYWOMAN KELLES: I wanted to  
8 thank you all. Thank you for coming,  
9 committing to this. And Randy, thank you so  
10 much for sharing your story.

11 It seems -- and there's another piece  
12 that irks me a bit about this, is that we  
13 have a pilot. It has been proven to be  
14 successful. And now not providing it to the  
15 rest of the state is the ultimate in  
16 inequity. And it is, I think, inhumane and  
17 unconscionable, since we already have the  
18 data that it works.

19 So thank you so much for coming.

20 MR. DILLARD: Thank you.

21 ASSEMBLYWOMAN KELLES: And I just  
22 wanted to add, thank you so much, Michael,  
23 for the definition for good-cause.

24 The one thing that I wanted to add

1           that bothers me about -- as it seems to  
2           bother you -- is that it is being used to say  
3           that now no one can evict for any reason. It  
4           has nothing to do with that. It is about,  
5           you know, the raising -- the unrealistic  
6           raising of rents, right, like evicting  
7           without cause.

8                     If someone breaks their lease by doing  
9           something in that lease agreement that they  
10          agreed not to do, that is still cause to  
11          evict. And those are being conflated, and I  
12          despise that. So thank you so much for  
13          saying it.

14                    I just wanted to give you an  
15          opportunity, though, to talk a bit about  
16          the -- your comments about a new  
17          Mitchell-Lama program, social housing. I  
18          want to take that phrase back, because it is  
19          so important that we create diversity of  
20          housing. We talk about it all the time. Why  
21          would we not allow for social housing so  
22          well, since it has worked so astoundingly  
23          well throughout the world. And there's this  
24          amazing bill, as you described, from Cleare

1 and Gallagher.

2 Can you talk a little bit about the  
3 proponents -- the pieces of it that you think  
4 really stand out that are so critical?

5 MR. McKEE: Well, thank you,  
6 Ms. Kelles.

7 And I just want to -- I think this is  
8 perhaps the first time we've seen each other  
9 since we were in Vienna together.

10 ASSEMBLYWOMAN KELLES: I think so too.

11 MR. McKEE: And both chairs of the  
12 Housing Committee were with us.

13 ASSEMBLYWOMAN KELLES: Blew my mind.

14 MR. McKEE: We spent a week in Vienna  
15 studying their social housing. I would urge  
16 any member of the Legislature -- maybe it's  
17 time to organize another trip to Vienna with  
18 more of you joining us. It was amazing what  
19 we saw. I mean -- beautiful --

20 ASSEMBLYWOMAN KELLES: Forty-four  
21 percent of the community --

22 MR. McKEE: -- public housing built  
23 more than a hundred years ago, still in  
24 operation. And still run by the City of

1 Vienna. And 62 percent of Viennese live in  
2 some form of social housing. Rents are low,  
3 even market rents. The private landlords  
4 have to compete with the social housing, so  
5 market rents tend to be fairly low.

6 I mean, 600 euros is a normal rent in  
7 Vienna. That's like, what, \$650? Something  
8 like that.

9 ASSEMBLYWOMAN KELLES: And this bill  
10 is modeled after that, what we --

11 MR. McKEE: Yeah. I mean, and it's  
12 mixed-income. Only the most affluent  
13 Viennese are not eligible for social housing.  
14 This is one of the reasons it's so popular.  
15 It's like Social Security: Everybody gets  
16 it. This is why the Republicans have not  
17 been able to do in Social Security.

18 So I strongly believe in mixed-income  
19 housing as long as the balance is correct and  
20 you have enough housing for really low-income  
21 people who need it the most.

22 CHAIRWOMAN WEINSTEIN: Thank you.

23 To the Senate. Brian, you have  
24 anybody else?

1                   SENATOR KAVANAGH: Next we have  
2                   Senator -- Senator Brisport's up next.

3                   SENATOR BRISPORT: Thank you,  
4                   Mr. Chair.

5                   And thank you to our panelists for  
6                   being here today.

7                   I have a couple of questions for  
8                   Mr. Inwald and also Mr. McKee from Tenants  
9                   PAC.

10                  Mr. Inwald, first up, do you come  
11                  across any tenants in 421-a apartments who  
12                  are being overcharged on their rent, despite  
13                  the state subsidizing the real estate sector?

14                  MR. INWALD: So I'm not the right  
15                  person to answer questions about tenants  
16                  because the practice that I oversee is really  
17                  all about representing and preserving  
18                  homeownership. So --

19                  SENATOR BRISPORT: Okay. Okay. I  
20                  only have questions for Mr. McKee, then.

21                  (Laughter.)

22                  SENATOR BRISPORT: Thank you.

23                  Mr. McKee, on brokers' fees, could you  
24                  tell us a bit more about the impact of

1           brokers' fees on tenants? In New York City  
2           we hear horror stories from our constituents  
3           all the time.

4           MR. McKEE: I assume you're talking  
5           about your bill that would prohibit landlords  
6           from passing brokers' fees on to tenants?

7           SENATOR BRISPORT: Yes.

8           MR. McKEE: I mean, this is a  
9           peculiarity of the New York City rental  
10          market. It is absurd that tenants who are  
11          looking for an apartment have to pay a broker  
12          who's hired by the landlord.

13          And there was an article in the New  
14          York Times, what, three days ago, four days  
15          ago? Something like that. The average cost  
16          of moving into an apartment now, including  
17          the broker's fee and one month's rent and  
18          security deposit, is like \$10,000. I mean,  
19          that's just a huge impediment to people who  
20          are looking for a place to live. And it's  
21          unfair. It's just absurd that tenants should  
22          have to pay a broker unless the tenant hires  
23          the broker. Period.

24          SENATOR BRISPORT: Yeah. Period.



1           And on the good-cause eviction bill,  
2           could you please describe what happened in  
3           the City of Kingston after they opted into  
4           ETPA and what the problems were with the lack  
5           of enforcement --

6           MR. McKEE: Oh, thank you for asking  
7           that, Senator. I could go on forever. I  
8           urge you all to read my chronicle, "Lessons  
9           from Kingston."

10           Once Kingston opted in -- we were not  
11           prepared for this. We should have been, but  
12           it was a good lesson. We should have started  
13           tenant education months before. Because once  
14           the City of Kingston opted in, there was mass  
15           confusion for three or four months.  
16           Landlords went wild with, you know,  
17           misconduct. Even though rents were legally  
18           frozen until the new Kingston Rent Guidelines  
19           Board was constituted and could vote on rent  
20           adjustments, landlords were demanding that  
21           tenants sign illegal leases and pay illegal  
22           rent increases.

23           Tenants at a seven-unit building who  
24           should have been protected by ETPA were

1           evicted, and the building was emptied by a  
2           speculator who bought it and told the tenants  
3           he was going to flip it for a million  
4           dollars. And they were evicted even though  
5           they were technically protected by ETPA as  
6           well as the Kingston good-cause eviction law,  
7           which at that point was in full force and  
8           effect. And they were evicted because they  
9           couldn't get a lawyer. They couldn't get a  
10          lawyer. And all seven families -- six of  
11          them Black -- are gone. One of them is now  
12          in a shelter, one's in a Section 8 building,  
13          and one moved to Albany. I don't know what  
14          happened to the others.

15                 We're seeing the same kind of illegal  
16          behavior in Newburgh, where we're seeing  
17          tenants reporting that landlords -- even  
18          though Newburgh rents are frozen, landlords  
19          are hitting them with demands for signing  
20          leases with a big rent increase.

21                 And the agency, DHCR, does nothing.  
22          There's no enforcement at all. Which is why  
23          I'm suggesting that the two Housing  
24          Committees have an oversight hearing about

1 this.

2 It's going to be the same problem in  
3 every other future municipality that opts in.

4 SENATOR BRISPORT: Thank you.

5 CHAIRWOMAN WEINSTEIN: Thank you.

6 We go to Assemblyman Brown.

7 ASSEMBLYMAN KEITH BROWN: Thank you,  
8 Chair.

9 Just one quick comment. I just  
10 appreciate all your help with the Homeowner  
11 Protection Program. I'm from Suffolk County.  
12 Our county is one of the hardest-hit when it  
13 comes to foreclosures. And in particular,  
14 Touro Law School has a clinic to help support  
15 your efforts. So I just wanted to say thank  
16 you.

17 MR. INWALD: Thank you. And Touro is  
18 actually part of the HOPP network.

19 ASSEMBLYMAN KEITH BROWN: Yes. Thank  
20 you.

21 CHAIRWOMAN WEINSTEIN: Back to the  
22 Senate.

23 SENATOR KAVANAGH: Senator Salazar.

24 SENATOR SALAZAR: Thank you.

1           Michael, could you speak more about  
2 specifically -- you know, you talked about a  
3 loophole, right, so large that you could  
4 drive a truck through it. What is the risk?  
5 Like what is actually lost? If you don't  
6 mind elaborating.

7           MR. McKEE: No.

8           SENATOR SALAZAR: Failing to protect  
9 the integrity of the bill.

10          MR. McKEE: Right.

11          Well, your bill defines it the way it  
12 should be. Your bill would subject every  
13 unit, every rental unit in the state that is  
14 not rent-regulated in some way -- public  
15 housing, Mitchell-Lama, whatever -- to the  
16 good-cause eviction law. And you would  
17 exempt two- and three-unit owner-occupied  
18 buildings, which is appropriate.

19          But some staff member last year cooked  
20 up a formula that a landlord who owns fewer  
21 than X number of apartments would be exempt  
22 from the law. I mean, this is the kind of  
23 things landlords -- some landlords are really  
24 good at manipulating. And with the Governor

1 now making the LLC registry not available to  
2 the public, it's going to make it harder for  
3 tenants to even know who their landlord is.

4 So the correct way to do this is the  
5 way it's done in your bill, to specify  
6 specifically that it's going to apply to  
7 these units.

8 SENATOR SALAZAR: Thank you.

9 And then I have a very different  
10 question for Christie. You mentioned the  
11 End Toxic House Flipping Act, S1569A -- thank  
12 you, I appreciate that -- in the context of  
13 potentially generating revenue.

14 How else could that bill help  
15 alleviate and address problems that are  
16 impacting the housing market in communities  
17 in New York City?

18 MS. PEALE: Well, certainly first from  
19 a preservation perspective, if we can deter  
20 purchasers who are just looking to, you know,  
21 slap a coat of paint on a property and flip  
22 it for, you know, 100, 200 percent profit,  
23 thereby evicting families from affordable  
24 rental units, you know, we certainly save a

1 lot in preserving owner-occupant and their  
2 tenants that are most likely receiving  
3 below-market rents through an owner-occupant  
4 landlord. So that's one piece.

5 And then I think that what we'd like  
6 to see is if there are short-term flips, that  
7 a percentage of that upside be returned to  
8 the community, either in the form of, you  
9 know, what we're all dreaming about, new  
10 affordable homeownership, whether that's  
11 through Mitchell-Lama or other multifamily  
12 affordable home ownership, such as subsidized  
13 co-ops, community land trusts. I imagine  
14 those would be a piece of a social housing  
15 approach.

16 But we're really interested in  
17 creating new affordable homeownership supply,  
18 as a part of the fact that we know we've lost  
19 tens of thousands of BIPOC homeowners across  
20 the city through the foreclosure crisis,  
21 through gentrification, through a lot of  
22 speculative pressure and all the deed theft  
23 schemes that Jay mentioned.

24 So there's a lot that we're fighting

1           against and we're really optimistic about the  
2           way revenue could help us address it.

3                     SENATOR SALAZAR: Thank you.

4                     CHAIRWOMAN WEINSTEIN: Thank you.

5                     Assemblywoman Levenberg.

6                     ASSEMBLYWOMAN LEVENBERG: Thank you so  
7           much to all of you for your testimony and for  
8           all of the good work you do.

9                     And Mr. Dillard, thank you for all  
10          your struggles and your testimony as well. I  
11          appreciate hearing that.

12                    I just wanted to agree with the idea  
13          of going to Vienna, number one. I think that  
14          sounds great. And I appreciate your  
15          clarifying some of the social housing pieces  
16          from the Gallagher legislation.

17                    I did want to just follow up with some  
18          of the questions about good-cause to some of  
19          the legal services teams because, you know,  
20          out of curiosity. You know, we hear a lot of  
21          pushback obviously about what would happen in  
22          the legal processes because of good-cause. I  
23          do support this legislation, but I'm  
24          wondering, again, what the other, you know,

1 perspective is in terms of just taking a lot  
2 of time to get through the process.

3 And if you could clarify some of that  
4 for us, I think it would be helpful, because  
5 I'm hopeful that it's not the lengthy process  
6 that we're hearing about from the other side,  
7 I guess you could say.

8 MS. PEALE: Again, you have a lot of  
9 folks here that spend a lot of time defending  
10 against the state process of foreclosure in  
11 the State Supreme Court. So I would love Jay  
12 to recommend some resources.

13 MR. INWALD: What I can say is my  
14 colleagues who work with rental housing, I'd  
15 be happy to connect you offline and I don't  
16 want to sort of overstep my bounds and sort  
17 of, you know, go beyond my lanes, which is  
18 sort of outside of my expertise.

19 So -- but I'd be happy to connect you.  
20 We have a huge amount of resources on that  
21 subject. It's just that I'm not that  
22 resource, so --

23 ASSEMBLYWOMAN LEVENBERG: I gotcha. I  
24 gotcha. Okay.



1           I guess -- I guess that's -- I mean, I  
2           don't know, Mr. McKee, if you wanted to  
3           comment on it then, you know, from -- from  
4           what you know. Mr. McKee?

5           MR. McKEE: Well, I don't think it  
6           would have a huge impact on the court system.  
7           What it would do is give unregulated tenants,  
8           which is roughly 1.6 million tenants  
9           statewide -- including tenants in rural  
10          areas, who are never going to have access to  
11          a lawyer, and where landlord/tenant cases are  
12          often heard by justices of the peace who know  
13          nothing about landlord/tenant law.

14          It gives people a defense. And if  
15          you're brave enough to stay and fight and  
16          say, No, I'm not going to pay that rent  
17          increase, or No, you can't evict me for no  
18          reason, that tenant will have a defense that  
19          they don't now have.

20          I mean, it's essential to give people  
21          the right to counsel. That's huge. And it's  
22          very important. But if you don't give people  
23          an affirmative defense, all a lawyer's going  
24          to be able to do is buy some time.

1 ASSEMBLYWOMAN LEVENBERG: Yeah. And  
2 shout out to --

3 MR. McKEE: You know, Kathy Hochul  
4 says we've got more tenant protections in  
5 New York State and therefore we don't need  
6 any more. Well, I'm sorry, half the tenants  
7 in this state live in unregulated apartments,  
8 and they are not protected in any way.

9 ASSEMBLYWOMAN LEVENBERG: Thank you  
10 very much. Appreciate it.

11 SENATOR KAVANAGH: Senator May.

12 SENATOR MAY: Thank you.

13 And thank you, all of you, for the  
14 great work you do and your advocacy. And  
15 Randy, for your work on right to counsel.  
16 I'm proud to carry that bill.

17 I wanted to say first to Mike, if  
18 going to Vienna is too far, we should go to  
19 Montgomery County, Maryland, and see the  
20 public developer model at work there, because  
21 they've done some really great work with  
22 mixed-income housing that people love living  
23 in. And so I would love to have a trip down  
24 there with you.

1           But on right to counsel, what I keep  
2           hearing is that we don't have enough lawyers  
3           to actually do the work that would need to be  
4           done statewide. So I want to pick your  
5           brains about how do we ramp up that pipeline  
6           of attorneys who can be -- who can make a  
7           program like that actually work statewide.

8           MS. ZIMNY: I think specifically from  
9           the legal services point -- oh, sorry.

10          Thank you for the question.

11          And specifically from the point of the  
12          Access Alliance, we are actively working with  
13          all of our law school partners across the  
14          state to create internships and fellowships  
15          with law clerks, to get them interested in  
16          the work that these organizations are doing  
17          so that when they come out of law school  
18          they're excited and ready to work within  
19          these organizations.

20          Additionally, across the state we've  
21          had to look at raising salaries to attract  
22          qualified candidates. And so I think the  
23          issue comes back to funding and to exercise  
24          those relationships early within the law

1 schools.

2 MR. INWALD: And if I could just jump  
3 in on that, sweeping funding from IOLA is not  
4 going to help. I know that's beyond the  
5 scope of this committee. But, you know,  
6 there is a huge problem with pay parity for  
7 legal services, so resolving that would be  
8 really helpful.

9 MR. DILLARD: And that's why we're  
10 asking for \$260 million, because it would  
11 help pay lawyers and to bring lawyers in.  
12 And it would help pay organizers. And it  
13 would help pay the office that we're getting  
14 ready to open up to get started.

15 SENATOR MAY: Yeah, I was wondering  
16 about that too, if there is an administrative  
17 level that needs to be funded --

18 MR. DILLARD: Yes.

19 SENATOR MAY: -- and supported in  
20 addition to just having enough attorneys to  
21 do this. Everyone's nodding. Make the  
22 record. Record, everybody is nodding. Okay,  
23 great.

24 Thank you so much. And again, thanks

1 for your leadership on all of these issues.

2 CHAIRWOMAN WEINSTEIN: Assemblyman  
3 Burdick.

4 ASSEMBLYMAN BURDICK: Thank you,  
5 Chair Weinstein.

6 And I want to thank each of the  
7 panelists for the terrific work that you're  
8 doing.

9 I should mention to Erica Zimny that  
10 we really appreciate the coalition that  
11 you've put together of legal services  
12 statewide, and the Westchester County  
13 delegation is certainly extremely supportive  
14 of Legal Services of the Hudson Valley, which  
15 I know is part of that alliance. So thank  
16 you for that work.

17 I'm just going to ask the same  
18 question I asked of the previous panel. I  
19 don't know whether any of you had heard the  
20 exchange with Commissioner Visnauskas about  
21 the work that my Hudson Valley colleague Dana  
22 Levenberg and I are doing about trying to do  
23 something more on a statewide basis, and if  
24 any of you might have any comments about it.

1 (No response.)

2 ASSEMBLYMAN BURDICK: Maybe you didn't  
3 hear it.

4 MS. PEALE: I'm sorry, doing more --

5 ASSEMBLYMAN BURDICK: So, you know,  
6 it's really to try to -- it does not have  
7 construction mandates. Instead, it provides  
8 that municipalities need to come up with  
9 something. They have to come up with a  
10 housing plan. They have to assess need.  
11 They have to take a look at mixed-use housing  
12 along the income range and require something.

13 In a housing hearing back in December,  
14 New York City said they're fine in putting  
15 together a plan. They do that anyway. So it  
16 seems that this can be done statewide, it  
17 doesn't have to be centered in just New York  
18 City or just upstate.

19 And so we would welcome your thoughts  
20 and would be happy to provide that to you and  
21 would appreciate your feedback and whether  
22 you might support it.

23 Thank you.

24 SENATOR KAVANAGH: Senator Cleare.

1                   SENATOR CLEARE: I want to thank all  
2 of you for being here today and the work that  
3 you're doing ongoing.

4                   Mike McKee, I am a huge fan of all the  
5 work that we've done together over the years.

6                   This is a comment question. I don't  
7 know if you were here when you heard about my  
8 testimony. My district which I represent,  
9 which includes Harlem and East Harlem and  
10 El Barrio, aggressively gentrified. You  
11 know, I feel like I'm fighting for the very  
12 soul of my community, the exodus of Blacks  
13 out of New York State, not just the city --  
14 that have left the state not because they  
15 wanted to, but because they could not afford  
16 to live here. And it's continuing across the  
17 city.

18                   I would like to know if there's more  
19 that we can do. And losing HPD, losing the  
20 community preference battle a couple of weeks  
21 ago, I just want to know what we can do to  
22 preserve and protect and allow us to maintain  
23 a diverse population in New York City. And  
24 also for the work that you do.

1           I chair the Aging Committee. Very  
2           concerned about our seniors who are getting  
3           defrauded. And I think it's a despicable  
4           crime. I think it's horrible. I sadly think  
5           more people get away with it than don't. And  
6           I'd like to know what we can do legislatively  
7           to help those cases that are so long and so  
8           arduous and take so much time and so many  
9           resources -- as well as allow us to even look  
10          back longer, and what can we do where there  
11          are cases where this has happened?

12                 Seniors, they don't have the strength  
13          to fight. You don't even have to be a  
14          senior. These cases wear people out. Even  
15          in landlord/tenant court, they will wear you  
16          out. When Mike McKee talks about folks in  
17          Kingston, you know, not having a lawyer, that  
18          makes a difference. Because even just to  
19          take off from work to show up -- they know  
20          that they can show up more than you.

21                 What can we do?

22                 MR. INWALD: Well, with one minute and  
23          6 seconds --

24                 SENATOR CLEARE: You can call me.



1           MR. INWALD: I would say, first of  
2 all, preserving existing homeownership, which  
3 is one of the reasons why I'm here, is  
4 really, really key. Right?

5           There's no reason to lose the -- all  
6 the talk about, you know, increasing the  
7 housing stock and everything, when our  
8 clients, if they're not represented by us and  
9 they lose their homes to foreclosure, that is  
10 the loss of affordable housing on several --  
11 in several respects. And it actually feeds  
12 gentrification, right? Because the people  
13 buying these properties at auction are  
14 private equity and speculative investors who  
15 are not maintaining these as, you know,  
16 community --

17           SENATOR CLEARE: I'm looking forward  
18 to a conversation later, with recommendations  
19 legislatively that we can --

20           MR. INWALD: Yeah, I'd be happy to  
21 have a -- yeah.

22           SENATOR CLEARE: Yes, please.

23           MR. McKEE: I would recommend that you  
24 put the 300,000 or so apartments that were

1           lost to vacancy decontrol back under  
2           regulation. And which, for some reason, were  
3           not included in the Housing Stability and  
4           Tenant Protection Act. That's a substantial  
5           chunk of the New York City and three county  
6           housing stock, and it was not reregulated for  
7           some reason.

8                     SENATOR CLEARE: Thank you.

9                     CHAIRWOMAN WEINSTEIN: Thank you.

10                    Senate?

11                    SENATOR KAVANAGH: I think we have no  
12           further questions.

13                    CHAIRWOMAN WEINSTEIN: Oh, we still  
14           have -- that's just the Senate. We have a  
15           couple of Assemblymembers.

16                    Assemblywoman Lee.

17                    ASSEMBLYWOMAN LEE: Thank everyone for  
18           being here.

19                    Just a question for Mike. You know,  
20           there have been conversations around  
21           including good-cause in the budget, but more  
22           including it in intention but maybe not  
23           naming it as good-cause. Does it make a  
24           difference as long as protections are there?

1 Do you care that the name is there or not?

2 MR. McKEE: It depends on the kind of  
3 protection.

4 I mean, the formulation that we've  
5 been told that is being pursued by -- at a  
6 leadership level, whether it's true or not,  
7 that's what we are being told -- is  
8 unacceptable. It's unenforceable. It would  
9 not -- it would leave out 85 percent of  
10 tenants in upstate New York. It would leave  
11 out a substantial number of tenants living in  
12 smaller buildings in New York City and in the  
13 suburban counties. They would be without any  
14 protections.

15 And we're simply not going to accept a  
16 watered-down good-cause eviction. If you  
17 can't give us a real good-cause-eviction  
18 bill, no bill is better. We don't want a  
19 screwed-up, watered-down bill that is not  
20 going to work just so some legislators can  
21 say "We passed good-cause."

22 I'm sorry, that may sound very blunt,  
23 but I tend to be a very blunt person.

24 ASSEMBLYWOMAN LEE: But if it is in

1           its totality but not named that, that's okay,  
2           is what -- you're okay with that?

3                     MR. McKEE: (Sighing; chuckling.)

4                     ASSEMBLYWOMAN LEE: Okay. And then  
5           this is just more of a comment, because I  
6           represent a district that has a lot of -- a  
7           large Asian community. And there's certainly  
8           a lot of misinformation about what good-cause  
9           is, and it gets propagated through, you know,  
10          the Asian property owners and things like  
11          that, when there are a lot of vulnerable  
12          Asian tenants who would benefit greatly from  
13          good-cause.

14                    So just something that I'd like to  
15          say, I'd like to just reemphasize for anyone  
16          providing legal services, we need -- and  
17          language services that are culturally  
18          competent, please come to our communities.  
19          We need that. And we need strong organizing  
20          as well so that we can build that groundswell  
21          of support for the tenant protections that  
22          really do help so many vulnerable members of  
23          the community -- but they get drowned out or  
24          lost because of, you know, the language and

1 other issues.

2 Thank you.

3 CHAIRWOMAN WEINSTEIN: Thank you.

4 And to close out this panel,

5 Assemblyman Manktelow.

6 (Audio echo.)

7 ASSEMBLYMAN MANKTELOW: Thank you,

8 Chair.

9 Jacob, I want to say thank you for  
10 everything HOPP does. I'm from the  
11 130th District, Wayne County, up near  
12 Ontario County, and you've done a lot of good  
13 work there through your organization, so  
14 thank you.

15 My second question, to Michael, if you  
16 have a few minutes. I appreciate you being  
17 blunt. I think you'd make a great  
18 Assemblymember being blunt.

19 (Laughter.)

20 ASSEMBLYMAN MANKTELOW: So you talked  
21 a little bit about social housing. So a few  
22 years ago I was in New York City; I've seen  
23 housing in NYCHA, the city housing authority.  
24 I've been overseas, I've seen housing, social

1 housing in different countries. I want to go  
2 see Vienna.

3 When you talk about social housing,  
4 how is that going to be different than some  
5 of the housings that I've seen around the  
6 world, and including New York City? What are  
7 you going to do to make sure that doesn't  
8 happen with this type of housing?

9 MR. McKEE: This is a very long  
10 conversation, and we would have to go back to  
11 the 1930s and what the federal government did  
12 in establishing public housing and some of  
13 the restrictions they put on it, including  
14 how much you could spend to construct it.  
15 Which is why so much of it is badly  
16 constructed and has maintenance problems.

17 Social housing in other countries,  
18 including France and Germany, is much  
19 different: It's beautiful, it's  
20 well-constructed, it's constructed at the  
21 highest standards of construction. They hire  
22 top architects to design it. It doesn't all  
23 look like projects. It's a very different  
24 approach.

1                   And that's what we're talking about.  
2                   We're not talking about, you know,  
3                   monolithic, you know, buildings that are all  
4                   red brick and badly built and where the  
5                   government does not meet its obligations in  
6                   terms of funding for maintenance. I mean,  
7                   these are low-income people. You can't --  
8                   you can't run a building on the rent rolls in  
9                   public housing. You've got to have  
10                   subsidies.

11                   And, you know, government at every  
12                   level, especially the federal government, you  
13                   know, just doesn't do what they should be  
14                   doing.

15                   ASSEMBLYMAN MANKTELOW: So I'm glad  
16                   you brought up Germany. I spent three years  
17                   of my life there, and I've been in a lot of  
18                   that housing. And I agree with some of the  
19                   things you say, maybe not all of them.

20                   But I'd love to spend a little time  
21                   with you on the side where we can spend a few  
22                   hours and really talk about this in depth,  
23                   because I want to see where you think we can  
24                   go, how we're going to fund it -- but more

1           so, how are we going to help the tenants that  
2           are in those homes, in those rental units,  
3           make that last long-term for them? Because  
4           we can't constantly throw state or federal  
5           dollars at that. We have to give them the  
6           ability to work and to help self-fund the  
7           rent.

8                        So I'm in full support of talking with  
9           you. I want to go to Vienna. Let's go see  
10          these places and let's talk.

11                       So thank you for your testimony, and  
12          thank you all for being here this afternoon.

13                       PANELISTS: Thank you.

14                       CHAIRWOMAN WEINSTEIN: Thank you.

15          While we plan our field trip, I want to thank  
16          you all for being here.

17                       And I'm going to call on Panel C:  
18          New York Building Congress; New York Housing  
19          Conference; American Institute of Architects  
20          New York; 32BJ SEIU; and Open New York.

21                       (Pause.)

22                       SENATOR KAVANAGH: So whenever you're  
23          ready.

24                       MS. WYLIE: Good afternoon,



1 Chairs Weinstein, Kavanaugh, Rosenthal and  
2 members of the Senate and Assembly.

3 My name is Megan Wylie, and I am the  
4 director of government relations at the  
5 New York Building Congress. And I want to  
6 thank you for allowing us to speak today  
7 regarding the Legislature's efforts to create  
8 a comprehensive plan in the FY 2025 budget to  
9 address our state's current housing  
10 affordability crisis.

11 The New York Building Congress  
12 represents over 500 constituent organizations  
13 comprising over 250,000 skilled tradespeople  
14 and professionals dedicated to the growth and  
15 prosperity of New York City and State.

16 With the lack of adequate affordable  
17 housing stock, one of the biggest obstacles  
18 to these goals, we applaud the Legislature's  
19 eagerness to shape a housing package that  
20 incorporates the diverse priorities of labor,  
21 property owners and developers, third-party  
22 stakeholders, the 46 percent of New Yorkers  
23 who rent their homes, and those currently  
24 struggling to find a place to call home.

1           The Building Congress has already  
2 committed to working with a broad coalition  
3 to take much-needed action once and for all.

4           We echo Governor Kathy Hochul's  
5 proposal in the Executive Budget to extend  
6 eligibility for the recently expired tax  
7 incentive program and enact a newer and more  
8 robust one to reinvigorate the development of  
9 affordable housing.

10           We also support the Governor's  
11 proposals to remove antiquated restrictions  
12 on the FAR cap that hinder development,  
13 streamline environmental reviews on  
14 affordable housing projects, boost the  
15 conversion of unused commercial space into  
16 residential units, and incentivize new  
17 opportunities for homeowners and tenants like  
18 accessory dwelling units.

19           We respectfully request that you  
20 consider these items to be included in any  
21 plan put forth by the Legislature. We  
22 believe the dire current statistics outlined  
23 in our recent Construction Outlook Report  
24 underscore this request.

1           New York's housing crisis went from  
2 bad to worse when we lost the number-one  
3 driver for residential housing development in  
4 decades. While the program had its critics,  
5 when 421-a expired in 2022 we saw a dramatic  
6 drop in the construction of new residential  
7 affordable housing. In New York City alone,  
8 our annual projections for new units dropped  
9 from 30,000 to just over 11,000. This  
10 situation is unsustainable, and we are  
11 counting on the Legislature to ensure a home  
12 for every New Yorker.

13           In the Governor's Executive Budget she  
14 introduced 485-x, a replacement program for  
15 421-a. We believe this proposal has the  
16 potential to provide a much-needed shot in  
17 the arm for our statewide housing stock and  
18 will address criticisms of previous incentive  
19 programs.

20           485-x would allow the Department of  
21 Housing Preservation and Development to  
22 determine updated affordability indexes, and  
23 includes extending the completion deadline  
24 for vested projects that qualified for 421-a

1 benefits but failed to start construction  
2 prior to the June 2022 deadline. This would  
3 save over 33,000 rental units currently in  
4 the pipeline. Extending the deadline is  
5 appropriate to account for delays and  
6 construction challenges due to the pandemic.

7 Furthermore, the Building Congress is  
8 most importantly committed to supporting the  
9 stipulation that makes the program dependent  
10 on the Building and Construction Trades  
11 Council and the Real Estate Board of New York  
12 agreeing to a memorandum of understanding.

13 With member organizations across both  
14 labor and development we are ready, willing,  
15 and able to use our unique position to help  
16 guide this program towards success. We have  
17 the opportunity in the FY 2025 budget to  
18 improve the lives of all New Yorkers, and we  
19 owe it to our great state to meet this  
20 crucial moment.

21 Thank you again for the opportunity to  
22 testify. Sorry.

23 SENATOR KAVANAGH: Thank you.

24 I just don't want Assemblymember

1           Weinstein to hear that, you know, once she  
2           left the room bedlam broke out, so.

3                   (Laughter.)

4                   MR. PASTREICH: All right. Thank you,  
5           Committee Chairs Rosenthal, Kavanaugh and  
6           Weinstein.

7                   I'm here today because what I am is --  
8           and very proud to be -- is the representative  
9           of nearly 100,000 working New Yorkers,  
10          members of SEIU Local 32BJ who call New York  
11          home. They're not just the heart and soul of  
12          the largest property service union, they're  
13          also the working people, the essential  
14          workers who are struggling to find affordable  
15          housing within a reasonable commute to their  
16          jobs.

17                  That's the common thread you've heard  
18          many times today, you will hear in coming  
19          weeks from other labor leaders -- like DC37  
20          and the hotel trades -- and you'll continue  
21          to hear until a new housing paradigm is  
22          established. Right now we have too few units  
23          of affordable housing too far away from where  
24          people work.

1           In years past, addressing the crisis  
2           may have been too big a mountain to climb,  
3           but I'm optimistic that if we take a  
4           different route, a middle ground, that we can  
5           collectively reach our common goal of  
6           reaching a set of policies that works for  
7           both tenants and workers.

8           First, we must recognize the problem.  
9           New York City's housing crisis didn't appear  
10          overnight. It's a result of years of new  
11          housing construction failing to keep pace  
12          with population and job growth. And it's a  
13          problem that unfortunately has grown more  
14          acute since the expiration in 2022 of 421-a,  
15          the program which spurred a majority of the  
16          new housing production in recent years.

17          From 2010 to 2020, New York City's  
18          population increased by approximately  
19          630,000 residents. The city gained a million  
20          new jobs while its housing stock increased by  
21          only 200,000 units. That discrepancy between  
22          job growth and housing production meant that  
23          for every job added, less than one in five  
24          units of housing was created. That's

1           literally the definition of demand  
2           overwhelming supply.

3                     And as the New York Times said, the  
4           housing availability is at a 50-year low.  
5           And the result is exactly what you'd think:  
6           Not enough housing to go around, and workers  
7           being forced to travel long distances,  
8           sometimes two hours, to live in the only  
9           neighborhoods they can afford.

10                    We need to produce hundreds of  
11           thousands of housing units to meet the  
12           projected half-million shortfall, and to do  
13           that we need to create and reinvigorate  
14           policies so we have tools to meet and  
15           maintain the housing needs of working people  
16           and all the residents.

17                    Specifically, we believe there's a few  
18           key actions that should be taken. The first  
19           is to extend the project completion deadline  
20           for 421-a and create new tax abatements for  
21           rental housing construction. It's been  
22           proven to increase supply, increase  
23           affordability, and have labor standards to  
24           ensure jobs and pay a living wage for

1 workers.

2 Second, we need to authorize tax  
3 incentives benefits for converting unused  
4 commercial property to affordable housing.

5 Third, we should lift the 12-FAR cap  
6 to allow for greater housing density.

7 Fourth, we should enact strong tenant  
8 protections to prevent arbitrary evictions,  
9 including the ability to renew leases at  
10 reasonable rent.

11 Fifth, we should establish a Housing  
12 Access Voucher Program to provide immediate  
13 rental assistance to avoid homelessness.

14 And sixth, provide a right to counsel.

15 SENATOR KAVANAGH: Thank you.

16 MS. DONOHUE: Good afternoon. I am  
17 Bria Donohue, senior manager of government  
18 affairs at AIA New York. We represent more  
19 than 5,000 architects and design  
20 professionals committed to positively  
21 impacting the physical and social qualities  
22 of our state.

23 Thank you, members of the joint  
24 legislative budget committee, for the



1 opportunity to participate in today's  
2 hearing.

3 To avoid being repetitive, I'm going  
4 to focus my testimony today on office-to-  
5 residential conversions. In order to  
6 maximize the opportunity in front of us,  
7 there are three key barriers that need to be  
8 addressed to create a feasible pathway for  
9 office to residential conversion.

10 First, AIA New York supports ELFA  
11 Part Q to authorize New York City and the  
12 New York State Urban Development Corporation  
13 to allow for denser residential development.  
14 Since 1961 there has been a cap on floor area  
15 ratio in New York City which limits the size  
16 of residential buildings to 12 times the size  
17 of the lot on which they are built.

18 This presents a challenge for  
19 conversion projects, because the FAR cap only  
20 applies to residential buildings. Many  
21 commercial buildings, however, are greater  
22 than 12 FAR, so this cap serves as one of the  
23 first impediments to office-to-residential  
24 conversion projects.

1           Second, AIA New York supports ELFA  
2 Part R to authorize tax incentive benefits  
3 for converting commercial properties to  
4 affordable housing.

5           Without government incentives,  
6 conversion projects with affordable units are  
7 effectively impossible. Conversion projects  
8 are expensive to start with, and adding on  
9 affordable units without government  
10 assistance to offset costs is not feasible.

11           In this current economic climate where  
12 interest rates and construction costs are  
13 high, a new tax incentive program is  
14 essential to producing housing in New York  
15 City and creating an opportunity for the  
16 inclusion of affordable units to be a  
17 realistic option.

18           Third, AIA New York recommends  
19 amending the date conversions are permitted  
20 in the Multiple Dwelling Law from 1961 to  
21 1990. By extending the date, approximately  
22 120 million square feet of office space will  
23 be eligible for conversion. This proposal is  
24 needed to open the full-scale opportunities

1 for conversion projects.

2           Additionally, one of the many  
3 challenges with conversion projects is that  
4 buildings are often not entirely empty and  
5 it's often too costly to buy or wait out  
6 tenants' leases. For buildings built before  
7 1961 this is not an issue, and conversions  
8 can begin with tenants in units. However,  
9 for buildings built after 1961, the Multiple  
10 Dwelling Law prohibits conversions beginning  
11 with a single tenant in place. Therefore,  
12 the date extension is essential to remedying  
13 this roadblock.

14           Additionally, AIA New York is  
15 supportive of the policies to create a  
16 replacement for 421-a, extend the completion  
17 date for 421-a projects, and create a pathway  
18 to legalize basement apartments included in  
19 Governor Hochul's Executive Budget, as well  
20 as legislation to encourage transit-oriented  
21 development and legalize accessory dwelling  
22 units.

23           Thank you again for the opportunity to  
24 testify today and for your consideration of

1 AIA New York's budget requests. Our full  
2 testimony has been submitted for your review,  
3 and I welcome any questions you may have.

4 SENATOR KAVANAGH: Thank you.

5 MS. FEE: Good afternoon. I'm  
6 Rachel Fee, executive director of the  
7 New York Housing Conference. Thank you for  
8 this opportunity to testify.

9 Last year I spoke in support of  
10 statewide zoning action to boost supply and  
11 improve affordability. We still believe  
12 New York needs to adopt a housing supply  
13 framework including transit-oriented  
14 development, tax incentives to spur  
15 development, and rental assistance to prevent  
16 homelessness.

17 New York's housing vacancy rate has  
18 dropped to the lowest in decades. Finding an  
19 affordable home in New York City and in much  
20 of New York State is nearly impossible. The  
21 Legislature should pass a budget with  
22 policies to encourage housing supply and with  
23 support for the lowest-income renters. All  
24 policies requested by the City of New York to

1 help them address the city's housing crisis  
2 should be granted.

3 Without a 421-a replacement, the  
4 city's local zoning authority is undermined  
5 and affordable housing development is only  
6 viable in the lowest-income neighborhoods,  
7 letting wealthy, resource-rich communities  
8 off the hook.

9 Projects that went through public  
10 review and were negotiated by New York City's  
11 City Council are also undermined. And Mayor  
12 Adams' City of Yes citywide zoning text  
13 amendment to add housing in every  
14 neighborhood is also undermined without a new  
15 rental tax abatement. And the City of Yes  
16 won't add much rental housing at all.

17 We support replacing 421-a with a  
18 tax abatement that requires affordable  
19 housing with rents affordable to low-income  
20 New Yorkers. We support a state Housing  
21 Access Voucher Program to prevent  
22 homelessness and help New Yorkers afford  
23 rent. We support linking aid to renters to  
24 adding supply, to ensure housing access. For

1           example, 485-x could require low-income  
2           housing in the highest-rent neighborhoods,  
3           where it could be cross-subsidized. And it  
4           could allow setting rents affordable to  
5           voucher-holders to give them access  
6           elsewhere.

7                     Outside of New York City, the  
8           Governor's Pro-Housing Community designation  
9           can be used to reward communities that add  
10          housing with a formula that increases HAVP.

11                    While we need to build more housing,  
12          we must also ensure continued investment in  
13          our housing stock and support for renters  
14          falling behind in rent, including in public  
15          housing. Arrears in affordable housing  
16          continue to be significant. A third of  
17          renters in affordable housing owing more than  
18          two months in rent were identified in a  
19          sample of 52,000 units of affordable housing  
20          we analyzed.

21                    Limitations for improvements in  
22          rent-stabilized buildings should be  
23          revisited. With high interest rates and  
24          rising operating costs, it's important that

1           this housing stock remains financially sound  
2           and in good repair.

3                       We're pleased Governor Hochul has  
4           taken the first steps towards regulating  
5           discriminatory practices in insurance, but  
6           more must be done.

7                       While addressing housing policy is  
8           challenging, the divided Congress just passed  
9           an expansion for the Low-Income Housing Tax  
10          Credit in the house, so we think here in  
11          New York the Legislature and the Executive  
12          can find compromises to our housing crisis.

13                      Thank you.

14                      SENATOR KAVANAGH: Thank you.

15                      MS. GRAY: Thank you, Chairs Kavanagh  
16          and Rosenthal. My name is Annemarie Gray.  
17          I'm the executive director of Open New York,  
18          an independent grassroots pro-housing  
19          nonprofit with hundreds of volunteer members  
20          across the state.

21                      New York's housing affordability  
22          crisis is rooted in the fact that we simply  
23          do not build enough homes. Displacement,  
24          exclusion, tenant harassment and homelessness

1 are all exacerbated by our dire housing  
2 shortage. Homeownership is out of reach for  
3 everyone but the wealthiest. Landlords know  
4 that renters have far too few options.

5 Frankly, your landlord should always  
6 be aware that you can find another apartment.  
7 We have the opposite. Nearly 1.4 percent of  
8 apartments, as many people have said, in  
9 New York City are vacant and available for  
10 rent. That is the lowest in over 50 years.

11 Not only are workers from doormen to  
12 janitors to architects to carpenters seeing  
13 their industries impacted by the lack of  
14 construction, but working people across the  
15 state don't have enough options to live near  
16 jobs and spend hours commuting to work -- or  
17 just leave New York entirely.

18 The proposals in the Governor's  
19 Executive Budget are positive steps to  
20 introduce new incentives for pro-housing  
21 communities, advance housing projects on  
22 state-owned land, and revive tax incentive  
23 tools in New York City to build mixed-income  
24 housing in well-resourced communities.



1           However, these proposals do not go nearly far  
2           enough.

3                       We need an "all of the above" approach  
4           to housing. We need incentives, we need  
5           subsidies, we need vouchers, we need tax  
6           tools, we need tenant protection measures to  
7           help people facing pressures right now. And  
8           critically, we need state-level zoning and  
9           land use reforms that ensure that all corners  
10          of the state are building more homes.

11                      Unlike many other states, New York  
12          allows local governments absolute power to  
13          ban housing growth, which perpetuates  
14          patterns of segregation and exclusion and  
15          worsens our housing crisis each year. The  
16          Legislature must come to the table with  
17          strong solutions. This will require a  
18          multiyear commitment from all levels of  
19          government, but we can take meaningful steps  
20          this year to build the foundation and clear  
21          away major hurdles to building housing in a  
22          more affordable way.

23                      The Faith-Based Affordable Housing  
24          Act, which empowers religious organizations

1 to develop affordable housing on their  
2 properties and includes proposals to reform  
3 environmental review practices and  
4 single-stair building design, is an important  
5 start that we can do this year.

6 We need our state leaders at every  
7 level of government to pass reforms that  
8 build more homes of all types this year, next  
9 year, and every single year for the  
10 foreseeable future.

11 Thank you.

12 SENATOR KAVANAGH: Thank you.

13 So we're going to begin with  
14 Senator Myrie.

15 SENATOR MYRIE: Thank you, Mr. Chair.

16 And thank you to the panel for your  
17 patience in waiting today.

18 My first question is directed at  
19 Manny. Firstly, congratulations on the new  
20 commercial cleaning contract.

21 My question is, you know, because we  
22 have this discussion about the needs and  
23 we're all clear about what the facts are, and  
24 at times we divide forces that could be

1 easily coalesced. And they do this with  
2 labor as well. So I'm asking from a labor  
3 perspective: Are you aware of how much of  
4 your members' wages they spend on rent?

5 MR. PASTREICH: Yeah, thank you for  
6 the question, Senator.

7 So our members in New York City  
8 range -- our commercial members and  
9 residential members are on the higher range  
10 of our members. And I would say, you know,  
11 our members are very much like working-class  
12 New Yorkers. And I think the stat roughly  
13 for working-class New Yorkers is that  
14 50 percent of New Yorkers spend a third of  
15 their salary on rent, and a third of  
16 New Yorkers spend 50 percent of their salary  
17 on rent.

18 And I think our members are not that  
19 different from that reality, from our  
20 better-paid members to the workers who've  
21 been most recently organized at airports and  
22 other places.

23 So the rent burden and the increases  
24 in rent have been a real stress for our

1 members and a major concern for us.

2 SENATOR MYRIE: Thank you for that  
3 response.

4 And in line with that, I would ask the  
5 entire panel -- and you don't have to give an  
6 extensive answer, but it was alluded to in  
7 several of your testimonies. We have been  
8 told that we can either do a lot on the  
9 supply side, we can do a lot on the zoning,  
10 or we can do a lot to protect tenants.

11 And I want to know from each person on  
12 the panel whether or not you think it is  
13 feasible for us to do all of those things and  
14 tackle them at the same time -- not perhaps  
15 to completion in every single area, but to  
16 not be paralyzed by not being able to  
17 accomplish every one of those things.

18 MS. FEE: Thank you. I'll start.

19 So I would just say that we know we  
20 have a housing supply shortage, especially  
21 for affordable units. So as we're building,  
22 we have to keep creating incentives and other  
23 tools to create affordable housing.

24 But building takes a long time, and

1 people can't pay their rent today. So we  
2 strongly support the Housing Access Voucher  
3 Program to make sure that we have more  
4 resources to help people stay in their homes  
5 and afford a home.

6 MR. PASTREICH: I'll just add that I  
7 think the answer is a simple yes. I think  
8 that when you look back over the past couple  
9 of years, I think there's been a lot of good  
10 ideas. And I think now is the moment. And  
11 we're very optimistic that we can put  
12 together key elements of capping rent so that  
13 tenants are not gouged -- but, as many people  
14 have said on this panel, ensuring that we  
15 have the supply that we need as well.

16 MS. GRAY: I'll also jump in and say a  
17 hearty yes. You're speaking my language,  
18 Senator.

19 But we -- you know, tenant protections  
20 and supply really go hand in hand, and we  
21 need all of the above. And it's very  
22 possible.

23 CHAIRWOMAN WEINSTEIN: Thank you.

24 We go to Assemblywoman Kelles.

1 (Pause.)

2 ASSEMBLYWOMAN KELLES: All right, I  
3 found all my notes.

4 So thank you all. Like the balance  
5 of, as you heard me say earlier, being able  
6 to walk and chew gum at the same time and be  
7 able to address the crisis today, which is  
8 that we have housing that's not affordable,  
9 and build at the same time -- so thank you  
10 for confirming -- for confirming that.

11 I would love -- Annemarie, we've  
12 spoken about this before, but I want to hear  
13 you talk a little bit more about the research  
14 between incentivizing the development of  
15 housing versus having a mandatory program  
16 across the state that requires that everyone  
17 participate. Create diversity, but it's  
18 mandatory participation.

19 MS. GRAY: Yes, thank you.

20 So this was a big topic of  
21 conversation last year. But all of the  
22 academic research is quite clear that an  
23 incentives-only approach doesn't work.  
24 Right? There are a lot of -- New York has

1           some of the most exclusionary zoning in --  
2           across parts of the state. And frankly just  
3           incentives and sort of asking some places to  
4           build more housing, it's just proven to not  
5           be the only way we can do things.

6                         So -- which is why our organization,  
7           we're really, we're really advocating for --  
8           of course you need incentives. There are a  
9           lot of things we can do. We also have to  
10          just be honest that we absolutely need the  
11          state to use all of the tools that it has to  
12          keep all parts of the state just accountable  
13          to fair housing and to really being part of  
14          the solution, that we just need more homes.

15                        ASSEMBLYWOMAN KELLES: Great, thank  
16          you. It does seem that having a program that  
17          is flexible enough so that communities can  
18          still decide how they want to participate,  
19          but that they simply have to participate,  
20          would be a great balance. So I think that  
21          housing compact kind of got there a little  
22          bit. I mean, I think it did a good job on a  
23          lot of it. So thank you on that.

24                        Another question: You've been

1           advocating for the Faith-Based Housing Act.  
2           Can you talk about the components of it, how  
3           this will help with our supply?

4           MS. GRAY: Yeah, absolutely.

5           So the Faith-Based Affordable Housing  
6           Act empowers religious organizations who have  
7           deep connections to their local communities  
8           to develop mixed-income and 100 percent  
9           affordable housing on their land across the  
10          state.

11          So this is actually something that has  
12          passed in other states. It's really making  
13          sure that we're both kind of using all of the  
14          powers of the state to, again, keep everyone  
15          accountable and just get rid of sort of  
16          outdated zoning restrictions that slow  
17          down -- something that a lot of religious  
18          organizations already want to do by serving  
19          their communities and their constituents with  
20          more affordable housing on land that they  
21          already have.

22          ASSEMBLYWOMAN KELLES: So has a lot of  
23          support been from the faith-based community?

24          MS. GRAY: It is. We're working with



1 a whole coalition of faith leaders.

2 ASSEMBLYWOMAN KELLES: All right. It  
3 seems like wonderful low-hanging fruit. So  
4 if they -- we so rarely have people say,  
5 Please let us help, let us be part of the  
6 solution. We've got a group that's saying,  
7 Please, please, let us do it. It just seems  
8 very strange to not prioritize it.

9 So thank you so much, appreciate it.  
10 Thank you, everyone, I really appreciate it.

11 CHAIRWOMAN WEINSTEIN: Senate?

12 SENATOR KAVANAGH: Senator May?

13 SENATOR MAY: Thank you.

14 And thank you all for your advocacy.  
15 I -- and Annemarie especially for keeping the  
16 term "zoning" on the table. Because I think  
17 just because local officials went nuts about  
18 it last year isn't a reason we need to table  
19 that.

20 In my city of Syracuse we know that as  
21 soon as you get outside the boundary of the  
22 city, there's almost no land that is zoned  
23 for multifamily housing.

24 And the very term "affordable housing"

1           seems to trigger so much opposition in local  
2           communities that it's just almost impossible  
3           to build -- to overcome the zoning  
4           restrictions.

5                     So I guess I -- this is partly for  
6           Bria. I feel like part of that is people  
7           don't have a vision of what can be beautiful,  
8           attractive, affordable housing that works,  
9           that, you know -- and especially mixed-income  
10          housing that creates communities and helps  
11          contribute to walkable, desirable  
12          neighborhoods and that kind of thing.

13                    So I'm just wondering, is there --  
14          have you all worked on like literature or a  
15          tour or something that helps us raise the  
16          profile of that kind of housing to something  
17          that communities might be able to imagine?

18                    MS. DONOHUE: Yeah, absolutely. Our  
19          members are a hundred percent committed to  
20          the whole built environment. It's not just  
21          about creating strong design, it's about  
22          incorporating it into the larger community  
23          and the public realm element of it.

24                    Which is why office-to-residential

1 conversions is something that we are really  
2 passionate about and supportive of, because  
3 it does not interrupt the character and the  
4 integrity and the connection to the  
5 neighborhood.

6 We're adaptively reusing existing  
7 buildings. And there's also a lot of  
8 sustainability benefits to it that I wasn't  
9 able to touch on in my testimony, but it's in  
10 my written comments. So it's about the  
11 larger connection to the city and to the  
12 state as a whole. And so we're trying to  
13 figure out and advocate for different ways to  
14 do that.

15 SENATOR MAY: Great. Thank you.

16 And then, Annemarie, I'm wondering --  
17 how much do you think about not just changing  
18 the zoning itself, but changing who is doing  
19 that? I feel like really trying to promote  
20 having young people on zoning boards who have  
21 a desire for walkable communities, for  
22 example. Or people who have a vision for the  
23 future rather than people who are just  
24 protecting their vision of the past.

1                   Is that something you're thinking  
2                   about? Is that something we can help with?

3                   MS. GRAY: Yeah. So Open New York,  
4                   we're a grassroots membership-based  
5                   organization, so we have hundreds of members.  
6                   A lot of them are on their own community  
7                   boards. They kind of go together to meetings  
8                   to really like be proponents of new housing  
9                   directly in their backyards. So we think  
10                  it's a model, and we've expanded across the  
11                  entire state.

12                  So it's really, really, really  
13                  important. This is a -- you know, we got  
14                  into this mess over decades, and it's going  
15                  to take us kind of everything to get out of  
16                  it and everyone really organized.

17                  CHAIRWOMAN WEINSTEIN: Thank you.

18                  SENATOR MAY: Thank you.

19                  CHAIRWOMAN WEINSTEIN: We go to  
20                  Assemblymember Grace Lee.

21                  ASSEMBLYWOMAN LEE: Good afternoon.  
22                  Thanks for waiting patiently to testify.

23                  And I want to thank especially our  
24                  labor unions here for being a good reminder

1 of all the great men and women who keep our  
2 city running and who also are struggling with  
3 housing.

4 So this is for Manny. I see many 32BJ  
5 members who work in big buildings in my  
6 district in Manhattan. What are their  
7 commutes like? And how does their access to  
8 affordable housing impact their commute?

9 And can you tell me how many of -- you  
10 know, more specifically, how many of your  
11 members are traveling more than an hour to  
12 get to their jobs?

13 MR. PASTREICH: Yeah. No, thank you,  
14 Assemblymember. The -- so approximately  
15 80,000 of our members work in New York City.  
16 And of those, 13,000 live outside the city  
17 and 6,000 live outside the state. So I think  
18 it's a fair assumption for those 13,000 that  
19 their commutes are over an hour.

20 We know that a few hundred of our  
21 members live in Pennsylvania because that's  
22 where they can afford to live, so they have  
23 at least a two-hour commute each direction.  
24 So it is a real stress in the realities of

1 it.

2 You know, it varies. We could have a  
3 discussion about the MTA. But the reality is  
4 13,000 are clearly over an hour commute in  
5 each direction.

6 ASSEMBLYWOMAN LEE: Great. Thank you.

7 MR. PASTREICH: Thank you.

8 SENATOR KAVANAGH: Senator Martins.

9 SENATOR MARTINS: Good afternoon,  
10 everyone. Thank you for your patience.

11 I happen to represent one of those  
12 urban districts that everyone is concerned  
13 about, with zoning and the like. I have  
14 about 45 villages in my district in  
15 Nassau County outside of New York City.

16 And, you know, I love the term  
17 "exclusionary zoning," especially when it's  
18 used by someone who doesn't live in a suburb  
19 or in a village, because it means villages  
20 make decisions for themselves and those  
21 communities get to decide what's permissible  
22 or, alternatively, what's excluded. We like  
23 to consider the possibilities.

24 So as a Mineola guy myself -- and we

1 built probably 1500 units or so in the last  
2 10 years in the village, based on downtown  
3 revitalization efforts. I guess I'm  
4 concerned because I know other communities  
5 that are socioeconomically challenged who are  
6 telling us: "Don't build any more low-income  
7 housing or affordable housing here, we have  
8 enough. We want to see market-rate housing,  
9 because we want people to build market rates  
10 in our downtown."

11 So there seems to be a disconnect --  
12 socioeconomically challenged communities that  
13 feel that they have too many affordable units  
14 in their downtowns, and they want market-rate  
15 because they want the activity that comes  
16 from that market-rate housing.

17 Do we support that? Should we support  
18 that? Because I think all kinds of housing  
19 should be an imperative here, and not a  
20 one-size-fits-all approach. Because there  
21 are communities out there that are asking us  
22 precisely for that.

23 So, Annemarie, what do you say?

24 MS. GRAY: Yeah, our organization --

1 we support all types of housing, very  
2 explicitly. We support market-rate housing,  
3 we support affordable. Frankly, I think you  
4 need a diversity of sizes of housing that  
5 serves different family structures. You need  
6 people to be able to upsize, downsize.

7 And frankly, we are -- we need all of  
8 it so badly, we just need to make sure that  
9 everyone is kind of taking that approach and  
10 being part of the solution.

11 But we're very much for that.

12 SENATOR MARTINS: Yeah, look, I happen  
13 to agree. I love housing diversity. I love  
14 the fact that people can buy a house when  
15 they're young, move into the suburbs if they  
16 choose to, and as they're older they can stay  
17 in the community where they live.

18 I'd just love to see us use an  
19 all-tools approach -- I think we heard that  
20 before from some of my colleagues -- about  
21 how we should put everything on the table and  
22 not emphasize one as opposed to others as a  
23 tool.

24 So I thank you all for your testimony



1           today. Looking forward to working with my  
2           colleagues in trying to figure out how we  
3           incentivize not only landlords to maintain  
4           apartments and make them livable and spend  
5           money in revamping them and not just looking  
6           at them as -- in a negative light, but also  
7           incentivizing our local communities to use  
8           their zoning laws. Because I do think the  
9           carrot works -- more likely to get a better  
10          result than that stick.

11                         So thanks again.

12                         CHAIRWOMAN WEINSTEIN: Thank you.

13                         We go to Assemblywoman

14           Chandler-Waterman.

15                         ASSEMBLYWOMAN CHANDLER-WATERMAN:

16           Thank you so much for all the hard work you  
17           do around housing.

18                         And this is going to go to Manny, of  
19           32BJ. Yeah, we're asking you a lot of  
20           questions today.

21                         So we talked about your union members,  
22           how hardworking they are, essential to  
23           buildings, essential workers. And they're  
24           working in housing facilities that they could

1 probably never afford to live in.

2 And then we have a community  
3 preference percentage change that was made  
4 with the mayor, the settlement, right, that  
5 changes that for affordable housing from 50  
6 percent to I think like 15 percent. How does  
7 that impact your members?

8 MR. PASTREICH: The thing that we're  
9 pushing for is to ensure that we get  
10 increased supply and that we use all the  
11 levers we can to ensure that with that  
12 increased supply there's a level of  
13 affordability.

14 And I think when we go through the  
15 affordability levels, I think as a number of  
16 people just said, we need different levels of  
17 affordability. Obviously for union members  
18 in New York City that affordability is a  
19 little higher than in other areas. And  
20 addressing the affordability levels that meet  
21 the needs of 32BJ members, hotel trades,  
22 public-sector groups is incredibly important.

23 But obviously, as others have said, we  
24 have to meet the needs of all New Yorkers up

1 and down the income ladder.

2 ASSEMBLYWOMAN CHANDLER-WATERMAN: And  
3 there needs to be more local community too,  
4 what their median income is for that  
5 particular community so they go for it to  
6 live there.

7 And for interfaith housing, what does  
8 it -- what can it look like to really include  
9 our faith leaders in part of development? Is  
10 there a plan that you may have? That would  
11 be great. Or is there one that we can work  
12 towards that's going to really have the faith  
13 leaders at the head of development in their  
14 communities, the Black and brown communities  
15 especially.

16 MS. GRAY: Yeah, I would love to sit  
17 down and talk more directly.

18 So this is a bill that just basically  
19 puts -- it gets rid of some red tape that  
20 stops faith-based organizations who want to  
21 use their land to build housing. It just  
22 makes it easier for them and makes it faster  
23 for them. They're in the driver's seat.

24 There's also some components to the

1 bill that allow some technical assistance  
2 programs and support, just to make sure that  
3 you know how to navigate some of the process  
4 with all of -- with different partnerships.

5 ASSEMBLYWOMAN CHANDLER-WATERMAN: And  
6 especially the financing part of it.

7 MS. GRAY: Exactly.

8 ASSEMBLYWOMAN CHANDLER-WATERMAN: To  
9 make sure they get the loans --

10 MS. GRAY: Exactly.

11 ASSEMBLYWOMAN CHANDLER-WATERMAN: --  
12 and remove the red tape as well, and get  
13 assistance throughout the whole process.

14 MS. GRAY: Exactly.

15 ASSEMBLYWOMAN CHANDLER-WATERMAN: So I  
16 appreciate definitely talking with y'all. I  
17 appreciate -- anybody want to add anything  
18 else -- we're talking about true  
19 affordability -- that we have not mentioned  
20 here? I have 30 seconds. Anybody want to  
21 say anything?

22 MS. FEE: We're supportive of funding  
23 for LISC NY that is looking to provide that  
24 technical assistance to faith-based

1 organizations and build affordable housing.  
2 And that's part of our budget request as  
3 well.

4 ASSEMBLYWOMAN CHANDLER-WATERMAN:

5 Thank you so much.

6 Twenty seconds. Anybody else?

7 MS. WYLIE: Oh, thank you. I included  
8 this in our written testimony as well, but  
9 the Building Congress is also in support of  
10 faith-based housing. But additionally,  
11 increasing as-of-right opportunities for  
12 areas where less than 10 percent of the  
13 housing in the area, in the units, are below  
14 market rate. And we think these will create  
15 affordability.

16 ASSEMBLYWOMAN CHANDLER-WATERMAN:

17 Thank you all for your support. Thank you.

18 CHAIRWOMAN WEINSTEIN: Thank you.

19 Assemblywoman Rosenthal.

20 ASSEMBLYWOMAN ROSENTHAL: Hi. Thank  
21 you all for your testimony.

22 So everybody here is basically  
23 supporting what the Governor put in her  
24 budget, and then you've mentioned some other

1 things you support.

2 Last year there were 213,000-plus  
3 filings for evictions across the state,  
4 135,000 of them were in the city. So they  
5 weren't all evicted, but they were all  
6 brought to court. So how do you think we  
7 deal with that situation in the contexts of  
8 building, converting commercial to  
9 residential -- and hopefully not a  
10 Fifth Avenue type, but a mixed-income  
11 commercial conversion -- and yet tenants  
12 don't have access to attorneys in the city  
13 because there's not enough of them and they  
14 don't have the right across the state?

15 So heavy on supply solutions, but less  
16 on keeping people housed and at decent rents.

17 MS. GRAY: Yeah, I'm happy to start.

18 That we -- you know, our policy  
19 platform very much believes that the root  
20 issue here is that we have -- we've had  
21 decades of underbuilding and lack of supply  
22 of all types, but frankly in the near term  
23 you need to make sure that you're keeping  
24 tenants in their homes and that these really

1 go hand in hand. And this is how it's also  
2 played out in other states.

3 So we're supportive of the good-cause  
4 eviction bill and of generally just making  
5 sure that you're really thinking about this  
6 holistically, both in the near term and who's  
7 suffering right now, but then also just  
8 taking a hard look at the root cause and  
9 making sure you're really addressing the fact  
10 that frankly right now landlords -- it's  
11 really easy to take advantage of tenants  
12 because they don't have other options. And  
13 we should switch that.

14 MS. FEE: I would just add that the  
15 eviction filings, we're really concerned  
16 because that number is growing. And the  
17 number of households that are actually being  
18 evicted has I think more than doubled in the  
19 last year.

20 So, you know, I think right to counsel  
21 has been proven to be really effective.  
22 We're certainly supportive of an expansion.

23 We're also supportive of rent arrears  
24 across the state. An emergency one-shot

1 program has been effective in keeping people  
2 in their homes in New York City, and that  
3 could go beyond New York City as well.

4 And then, you know, the Housing  
5 Voucher Program also is really critical. And  
6 I had mentioned our analysis of arrears and  
7 affordable housing where a third of tenants  
8 are still struggling. We have this left over  
9 from the pandemic, where renters --

10 ASSEMBLYWOMAN ROSENTHAL: I want to  
11 get other people, thank you.

12 MS. FEE: Yeah, sure.

13 MR. PASTREICH: I'll go quickly.

14 I mean, I think that in -- we strongly  
15 believe we need to set -- have some kind of  
16 rent cap so people don't get evicted for  
17 unreasonable rent increases. I think we need  
18 a right to counsel. And vouchers also are --  
19 I think need to be a key component as well to  
20 ensure that people can stay in their housing.

21 ASSEMBLYWOMAN ROSENTHAL: Anyone else?

22 MS. DONOHUE: Again, I'll just say  
23 quickly, AIA New York strongly supports just  
24 adding as many tools to the toolbox as



1 possible, to giving as many people an  
2 opportunity. But again, supply is really  
3 what we think is the core problem here.

4 ASSEMBLYWOMAN ROSENTHAL: Thank you.

5 CHAIRWOMAN WEINSTEIN: Thank you.

6 SENATOR KAVANAGH: I think we're good.

7 CHAIRWOMAN WEINSTEIN: Okay. So thank  
8 you to this panel for being here.

9 And we're going to go to Panel D:  
10 Association for Neighborhood and Housing  
11 Development; Interfaith Affordable Housing  
12 Collaborative; Enterprise Community Partners;  
13 Thurgood Marshall Institute, NAACP; Community  
14 Voices Heard; and Make the Road New York.

15 And if you're part of Panel E, which  
16 is our last panel, I might suggest that you  
17 make your way to the front of the room so  
18 people could get home for Valentine's night.

19 (Laughter.)

20 CHAIRWOMAN WEINSTEIN: It's musical  
21 chairs today.

22 MS. GOLDSTEIN: Yeah, right.

23 CHAIRWOMAN WEINSTEIN: So we'll go in  
24 the order that I said, so Emily Goldstein

1 first.

2 MS. GOLDSTEIN: Good afternoon. And  
3 thank you for the opportunity to testify and  
4 for sticking around through this long  
5 hearing.

6 My name's Emily Goldstein. I'm the  
7 director of organizing and advocacy at ANHD,  
8 which stands for the Association for  
9 Neighborhood and Housing Development.

10 There are a number -- there's a lot in  
11 my written testimony, so I'm just going to do  
12 highlights and try to keep it short.

13 First of all, we want to thank you for  
14 your support of the Displacement Alert  
15 Project and ask you to continue that support.  
16 We want to maintain the important data work  
17 that we're doing that provides our elected  
18 officials as well as community members with  
19 resources that they need to understand the  
20 housing situation and displacement risks in  
21 their communities.

22 Second, an initiative that's been  
23 highlighted a number of times by others who  
24 have testified but is really crucial for our

1 nonprofit developer members in particular, is  
2 we really need emergency preservation funding  
3 to address the unmet needs of rental arrears  
4 in nonprofit and in general affordable  
5 housing.

6 A lot of affordable housing never got  
7 ERAP, was not served by the money that was  
8 provided last year. We supported, you know,  
9 both those programs. We certainly don't ever  
10 want to be pitting different forms of  
11 affordable housing against each other. A lot  
12 of last year's money went to public housing,  
13 which was absolutely a necessity, but it  
14 means there are a lot of affordable buildings  
15 that are still carrying arrears from during  
16 the height of the pandemic when, you know,  
17 through nobody's fault, no one could pay.

18 This is particularly unsustainable for  
19 nonprofit mission-driven developers that  
20 operate on incredibly slim margins, because  
21 they underwrite their buildings to maximize  
22 affordability and they're always putting  
23 resources back into community programs. So  
24 this is becoming -- you know, this has been

1 an issue. It's hitting a crisis point where  
2 we're either going to see buildings start to  
3 fail or tenants start to get evicted, and we  
4 desperately don't want either of those things  
5 to happen.

6 Third, we support -- along with  
7 others -- both the legislation and the  
8 Governor's recommendations around addressing  
9 discrimination on insurance premiums in  
10 affordable housing. This has likewise become  
11 a huge challenge for our members.

12 Fourth, we absolutely need to pass and  
13 fund right to counsel statewide. We support  
14 good-cause. We agree with the BASE campaign  
15 and supportive of that campaign on passing  
16 legalization for basement and cellar  
17 apartments and allowing the city to address  
18 those housing needs.

19 And finally, I'll just say, unlike  
20 many of the others who have spoken here, we  
21 are not supportive of the -- what we've seen  
22 so far of proposals to replace 421-a. The  
23 numbers and letters keep changing. At its  
24 core, this still seems to be primarily use of

1 public resources for primarily market-rate  
2 housing, and we don't think that's the right  
3 priority for public resources.

4 CHAIRWOMAN WEINSTEIN: Thank you.

5 Rashida Tyler.

6 MS. TYLER: Hi, thank you. My name is  
7 Rashida Tyler. I'm the project manager for  
8 the Interfaith Affordable Housing  
9 Collaborative and the Partnership of  
10 Faith-Based Affordable Housing and Community  
11 Development, a/ka/a "the Partnership." I am  
12 also the deputy executive director of the  
13 New York State Council of Churches.

14 The Partnership is comprised of the  
15 New York State Council of Churches,  
16 Interfaith Affordable Housing Collaborative,  
17 and the Interfaith Assembly on Homelessness  
18 and Housing and Bricks and Mortals.

19 And so these organizations were begun  
20 to help faith-based organizations respond to  
21 housing and homelessness crises in their  
22 communities by providing them access to  
23 technical assistance and predevelopment funds  
24 to utilize their properties to help develop

1 housing that stabilizes and strengthens their  
2 communities.

3           Although it is well-known that  
4 New York State has been in a housing crisis  
5 for many years, post-pandemic this crisis has  
6 been deepening at an alarming rate.  
7 According to the Fiscal Policy Institute --  
8 and again, we all know these numbers, so I'm  
9 not going to go too in-depth -- but  
10 40 percent -- housing prices have increased  
11 40 percent in the three years since the  
12 pandemic.

13           According to the Point-In-Time housing  
14 survey, our homelessness count, New York  
15 State is second in the nation for the number  
16 of homeless individuals. And last year there  
17 were 212,000 eviction filings in New York  
18 State, according to the Eviction Dashboard.

19           So these numbers are worsening. And  
20 it should come as no surprise that our  
21 faith-based institutions are being impacted  
22 in unprecedented ways, particularly with the  
23 loss of population of over 100,000 people  
24 since last year.

1                   And so post-COVID, faith-based  
2                   organizations are facing economic pressures,  
3                   with over 50 percent of some pastors citing  
4                   negative impact on their congregations.

5                   Attendance at religious services is  
6                   decreasing. And although giving remains  
7                   stable, operating costs are rising and many  
8                   houses of worship are in economic distress.

9                   So we favor the Faith-Based Affordable  
10                  Housing Act, which allows faith-based  
11                  organizations to utilize their properties to  
12                  develop affordable housing. Outside of  
13                  New York City, you can build up to three  
14                  stories; inside of New York City, up to five  
15                  stories. It's based on population.

16                 The reason we favor the Faith-Based  
17                 Affordable Housing Act is that it allows  
18                 communities to determine and work with their  
19                 institutions of faith to find the type of  
20                 development that works best for them.

21                 The housing crisis really can be seen  
22                 as three crises in one -- a lack of vacancy,  
23                 a lack of affordability, and a lack of will.  
24                 Many faith-based institutions have the will

1 to develop, but there are many things such as  
2 zoning restrictions that actually hamper  
3 their ability to develop. So we urge a  
4 comprehensive housing plan that is  
5 pro-development, such as the Governor's  
6 Pro-Housing Communities plan, and also  
7 policies that help prevent homelessness, such  
8 as the Housing Access Voucher program and the  
9 right to counsel, which helps keep people  
10 housed.

11 Thank you.

12 CHAIRWOMAN WEINSTEIN: Thank you.

13 Next, Enterprise Community Partners.

14 MR. BOYLE: Hi. I'm Patrick Boyle,  
15 senior director with Enterprise Community  
16 Partners. Thank you for the opportunity to  
17 testify here today.

18 A number of issues, some of which were  
19 reflected in the Governor's budget and a few  
20 other additional ones we just wanted to  
21 highlight quickly today.

22 First is the Housing Access Voucher  
23 Program. We are co-conveners of that  
24 coalition, which has been growing. It's



1 really been growing in membership around the  
2 state. I think coming out of the pandemic,  
3 in terms of what we've seen around rental  
4 arrears and housing insecurity and  
5 homelessness, you know, more important than  
6 ever. And we certainly thank the Senate and  
7 the Assembly for their historical support of  
8 that proposal.

9 On insurance, you know, Enterprise is  
10 spending a lot of time thinking about  
11 insurance and convening about insurance  
12 lately. It really is a significant crisis in  
13 the affordable housing world. So we support  
14 the Governor's language in her  
15 Executive Budget around closing some of the  
16 discrimination loopholes -- and, you know,  
17 thank our Housing chairs for kind of beating  
18 the drum about this issue for a while now.

19 So that's an important first step.  
20 But we want do want to stress that that is a  
21 first step of what we think are a number of  
22 necessary steps. You know, it's going to be  
23 important to close the discrimination  
24 loophole, but it doesn't address root causes.

1           There's going to be funding relief that's  
2           needed here, and there's going to be sort of  
3           a number of, you know, regulatory and  
4           legislative solutions that we hope to partner  
5           with the Legislature on moving forward over  
6           this session.

7                     The Fair Housing Testing Network and  
8           Opportunity Program out of HCR, this launched  
9           last year, \$2 million to fund six  
10          full-service fair housing testing  
11          organizations around the state. That's gone  
12          a long way. That has grown out of an  
13          Enterprise pilot program called EBNY {ph}, is  
14          where that -- where this program was sort of  
15          seeded from. It needs more funding support.

16                    So it's \$2 million, and that's allowed  
17          these organizations to do a lot, but there's  
18          a lot of unreached areas around the state in  
19          terms of fair housing deserts. There's a lot  
20          more these organizations could be doing.  
21          There's a lot that they do that's not covered  
22          under the parameters of the program.

23                    So we would like to request an  
24          increase to \$8 million annually for that

1 program. There's still a tremendous amount  
2 of source of income discrimination that goes  
3 on around the state, and we'd really like to  
4 see a funding increase there to match the  
5 need.

6 We support the Supportive Housing  
7 Network and their ask for \$32 million to  
8 bolster the State Supportive Housing Program  
9 initiative and bring those up to ESSHI levels  
10 of funding.

11 And we support the Rural Housing  
12 Coalition and their ask for \$25 million  
13 around USDA 515 housing preservation. So,  
14 you know, this is a lot of housing units  
15 around the state that's coming up to the end  
16 of their sort of affordability regulatory  
17 periods, over 20,000 units around the state.  
18 And so, you know, that's a great preservation  
19 need that's going to become more apparent in  
20 the years and decade ahead.

21 So thank you for your consideration.

22 CHAIRWOMAN WEINSTEIN: Perfect timing.

23 Thurgood Marshall Institute.

24 DR. KAJEEPETA: Thank you.

1                   Good afternoon. My name is  
2                   Dr. Sandhya Kajeepeeta, speaking on behalf of  
3                   the NAACP Legal Defense Fund. Thank you for  
4                   the opportunity to testify in support of  
5                   good-cause eviction legislation, which has  
6                   been discussed already today.

7                   My testimony will focus on my original  
8                   research on racial disparities and evictions  
9                   in New York State and the ways in which  
10                  good-cause can help promote racial equality  
11                  in the state.

12                  In 2022, New York landlords filed  
13                  nearly 200,000 eviction filings. That's  
14                  almost triple the number in 2021. About  
15                  20 percent of these filings are for holdover  
16                  evictions, those initiated for a reason other  
17                  than nonpayment of rent. The concerning  
18                  reality is that many New York renters live in  
19                  their homes at the whim of their landlords,  
20                  and they can be evicted for reasons that are  
21                  no fault of their own.

22                  New research from LDF's  
23                  Thurgood Marshall Institute, where I am  
24                  senior researcher, documents that New York's

1           eviction crisis has a disproportionate impact on  
2           Black renters. We analyzed housing and  
3           demographic data from the census and the  
4           Statewide Eviction Dashboard.

5                       We found that, first, Black New York  
6           residents are significantly more likely to be  
7           renters than homeowners. Two of every three  
8           Black households in the state are renters,  
9           while two of every three white households are  
10          homeowners. As a result, tenant protections  
11          are particularly important for the hundreds  
12          of thousands of Black renter households in  
13          New York.

14                      Second, Black New Yorkers are  
15          4.6 times as likely as white New Yorkers to  
16          report being threatened with eviction.

17                      And finally, we found that New York  
18          counties and neighborhoods with higher  
19          Black renter populations face higher rates of  
20          total and holdover eviction filings. A  
21          10 percentage-point increase in the percent  
22          of Black renters in a county was associated  
23          with a 55 percent increase in the rate of  
24          total eviction filings and a 33 percent

1 increase in the rate of holdover eviction  
2 filings. We observed the same pattern at the  
3 zip code level.

4 The findings from our analysis provide  
5 evidence that Black communities in New York  
6 face a disproportionate risk of eviction,  
7 including holdover evictions where the renter  
8 is keeping up with rent payments.

9 Enacting good-cause-eviction  
10 protection in New York has the potential to  
11 reduce the rate of holdover evictions, help  
12 renters stay in their homes, and limit the  
13 negative impacts of housing instability. We  
14 anticipate that good-cause will significantly  
15 benefit renters in predominantly Black  
16 neighborhoods that currently face a  
17 disproportionate risk of total evictions and  
18 holdover evictions.

19 Thank you.

20 CHAIRWOMAN WEINSTEIN: Thank you.

21 And Community Voices Heard.

22 MS. WILLIAMS: Good afternoon, and  
23 thank you for having me this evening.

24 My name is Barbara Williams. I am a

1 member of Community Voices Heard, and I live  
2 in public housing in Washington Heights.

3 I've lived in public housing for  
4 33 years. I've also been the president of my  
5 resident association for two terms. I'm here  
6 today because of the living conditions that  
7 I'm seeing in public housing.

8 I've been in apartments with no  
9 kitchen. I've been in apartments with no  
10 walls. I've looked into closets where you  
11 couldn't see the ceiling because of black  
12 mold. I've smelled mold and mildew so strong  
13 that I almost passed out. I've opened  
14 kitchen cabinets infested with roaches. I've  
15 seen bathroom ceilings fall on my neighbors.  
16 And we've been going through these same  
17 issues for three decades. Three decades. No  
18 one should have to live like that.

19 The development where I live, the  
20 Polo Grounds, was constructed in 1968. In  
21 56 years, the piping has never been updated.  
22 Just Band-Aid fixes. And while all of this  
23 is going on, 800 people in Polo Grounds are  
24 likely to be evicted for rent arrears because

1 public housing residents were not covered in  
2 the pandemic aid. That's not right.

3 But this isn't just an issue in  
4 Polo Grounds or in NYCHA. Lack of repairs  
5 and evictions is a problem statewide. CVH  
6 members living in Newburgh public housing  
7 face the same issues. Their buildings are  
8 falling apart.

9 Nearly 600,000 people live in public  
10 housing across the state. Public housing is  
11 one of the largest sources of affordable  
12 housing. In the middle of a statewide  
13 housing crisis, the state can't afford to  
14 lose more public housing because of  
15 disinvestment. We depend on the state to  
16 protect us and provide us with healthy homes.

17 We voted you into office because we  
18 felt you would do the right things for people  
19 in public housing. I'm here on behalf of  
20 Community Voices Heard members from across  
21 the state to ask you to commit \$4.5 billion  
22 for public housing capital repairs to  
23 preserve 40,000 public housing units.

24 CHAIRWOMAN WEINSTEIN: Thank you for



1 your -- thank you for your oral testimony.

2 As I said earlier, all the written  
3 testimony is posted on the Assembly and  
4 Senate websites.

5 And to end this panel, Make the Road  
6 New York.

7 MS. HERNANDEZ: Yes. Thank you for  
8 allowing me to testify. My name is Jennifer  
9 Hernandez, and I'm a staff member at Make the  
10 Road New York, a 25-year-old organization  
11 building the power of immigrant and  
12 working-class communities.

13 New York faces an out-of-control  
14 housing and affordability crisis. Rents and  
15 basic costs have risen dramatically. Wages  
16 and government support have stagnated.  
17 Meanwhile, millions of people remain unjustly  
18 excluded from tenant protections and key  
19 safety-net programs like health insurance and  
20 unemployment.

21 Families are being pushed out of their  
22 homes and neighborhoods. We now have the  
23 highest homelessness level since the Great  
24 Depression, the consequence of decades of

1           inaction to ensure safe, affordable housing  
2           for all.

3           Governor Hochul continues to cater to  
4           real estate tycoons who see our homes as  
5           ATMs, raising rents, refusing to make basic  
6           repairs, and displacing us. She has no plan  
7           to address this crisis. We do. All  
8           New Yorkers deserve the freedom to stay in  
9           our homes -- affordable, comfortable and safe  
10          homes where we can watch our kids take their  
11          first steps, gather around the kitchen table  
12          to share meals, and unwind after a long day  
13          of work.

14          The Legislature must stand up to the  
15          Governor and prioritize the needs of Black,  
16          brown and immigrant families. We must give  
17          unregulated renters protections against  
18          unreasonable rent hikes and retaliatory or  
19          discriminatory evictions by passing a  
20          statewide good-cause eviction program, as  
21          introduced by Senator Salazar and  
22          Assemblymember Hunter.

23          We must create a statewide program  
24          that provides low-income New Yorkers who are

1 homeless or at risk of homelessness with  
2 money to pay their rent. Let's pass the  
3 Housing Access Voucher Program, as introduced  
4 by Senator Kavanagh and Assemblymember  
5 Rosenthal. And we must invest in the future  
6 of all New Yorkers by enacting the Invest In  
7 Our New York tax proposal to raise tens of  
8 billions of new public dollars for vital  
9 services by ensuring the wealthiest  
10 New Yorkers and big corporations pay what  
11 they owe in taxes.

12           These concrete policy steps can ensure  
13 that every tenant in New York gains the same  
14 basic protections. But you must stand up to  
15 the Governor and her real estate friends who  
16 will continue to try to take away our homes  
17 and even chip away at the rent-stabilization  
18 laws we have already fought so hard to  
19 strengthen.

20           Without action now, more and more  
21 families will find themselves on the streets  
22 or unable to live in our state. Our written  
23 testimony will lay out our additional policy  
24 priorities to ensure all New Yorkers have the

1 freedom to thrive.

2 Thank you.

3 CHAIRWOMAN WEINSTEIN: Thank you.

4 For our first questioner, we go to  
5 Assemblymember Chandler-Waterman.

6 ASSEMBLYWOMAN CHANDLER-WATERMAN:

7 Thank you, Chair.

8 I appreciate the advocacy. I  
9 appreciate all that you all have been doing,  
10 not only for yourselves, but advocating for  
11 others and our most vulnerable population,  
12 Black and brown communities. So I agree that  
13 we need to ensure community voices -- no pun  
14 intended, I'm saying just involvement with  
15 community members -- is at the table in a  
16 true way.

17 And we know this is a multilayer issue  
18 that requires a multifaceted approach. So  
19 creating a pathway for faith leaders to  
20 develop is one. As we know, they create  
21 more. We talk -- I talk so much about that.  
22 But tenants are not really being part of the  
23 discussion.

24 So unfortunately, individuals going

1 through heartbreaking experiences -- like  
2 what you said, Barbara; like what you're  
3 saying, Jennifer -- don't always know where  
4 to go, right? Or what to do or how to  
5 access, right? We know we need so much more,  
6 but what we have -- sometimes we don't even  
7 know what exists.

8           So educational awareness, in what ways  
9 can residents be more informed about the  
10 complex dynamics of housing -- you know, what  
11 they're going through and how to get support.  
12 The initiatives, the workshops. What do you  
13 think we could do more of, even as  
14 legislators or just in agencies, just to make  
15 sure that people are more aware of what  
16 access is out there and what support?

17           And I could -- Make the Road. I don't  
18 know if Community Voices Heard wants to start  
19 with that, especially the experiences you  
20 just talked about.

21           MS. WILLIAMS: Well, I feel that  
22 public housing has been being disinvested in  
23 ever since 1998. And each year, it's less  
24 funds with the expectation to do more.

1           We need funding. The funding is what  
2 allows the necessary work to be done.  
3 Capital projects are major. Where I live --  
4 as I mentioned, this development came up in  
5 1968. The piping has never been changed.  
6 According to law, it should be changed every  
7 20 years. So we're way past that year.

8           It's time that those things be done,  
9 those types of repairs.

10           ASSEMBLYWOMAN CHANDLER-WATERMAN:

11 Gotcha. Thank you.

12           MS. WILLIAMS: Mold, mildew.

13           ASSEMBLYWOMAN CHANDLER-WATERMAN:

14 Thank you so much for that. And --

15           MS. HERNANDEZ: Yeah, I mean, your  
16 question was around education. I mean, you  
17 know, as a community organizer, we do a lot  
18 of that education in the community, right?  
19 Obviously, one of the things that you could  
20 do is, you know, continue funding organizing,  
21 fund organizers organizing even more, right?

22           But also give us the tangible  
23 solutions that we can teach people about.  
24 Right? A lot of the times folks come to us

1 with a rent hike, with an eviction for no  
2 cause, right, and they come to us with -- in  
3 need of solutions. Right? Sometimes they  
4 don't even know that they don't have  
5 protections against rent hikes. Right?

6 And we like have to sit there and say  
7 to them: The most we can do, if you can find  
8 a lawyer and right to counsel, right,  
9 because -- you know, because of the -- so  
10 many cases, right, it's -- right? Like you  
11 might be able to delay your process of  
12 eviction, but we probably won't be able to  
13 stop your eviction. Right?

14 And so they ask questions, right?  
15 Where am I -- where else am I going to go?  
16 What apartments can I rent. Right? We don't  
17 have those tools.

18 CHAIRWOMAN WEINSTEIN: Thank you.

19 ASSEMBLYWOMAN CHANDLER-WATERMAN:

20 Thank you.

21 CHAIRWOMAN WEINSTEIN: We go to the  
22 Senate.

23 SENATOR KAVANAGH: Just I guess the  
24 first question for ANHD.

1           We had NYSAFAH here earlier talking  
2           about the -- what did they call it? I'm  
3           sorry, there's a -- NYSAFAH was also pushing  
4           for a \$250 million fund to stabilize existing  
5           housing, which sounded a little bit -- quite  
6           a bit like your emergency preservation fund.

7           I'm just trying to figure out, are  
8           these sort of distinct asks for distinct sets  
9           of housing? Or is there a consensus among  
10          ANHD and NYSAFAH and perhaps others that a  
11          new \$250 million fund would be what we'd be  
12          looking for this year?

13          MS. GOLDSTEIN: I think there's  
14          consensus that we're looking for funding for  
15          affordable housing. I think probably there's  
16          still some working out of the details of  
17          exactly how would the program work, who  
18          qualifies. You know, what types of -- yeah,  
19          the details.

20          SENATOR KAVANAGH: Okay. But just so  
21          there's not --

22          MS. GOLDSTEIN: It's the same  
23          \$250 million.

24          SENATOR KAVANAGH: That's what I was



1 getting at.

2 MS. GOLDSTEIN: I think there's still  
3 some sorting out of exactly how should it be  
4 distributed, what are the qualifications and  
5 criteria for prioritization.

6 SENATOR KAVANAGH: Right. And in  
7 response to questions earlier NYSAFAH said,  
8 you know, there would be, you know, an  
9 application process and some details to be  
10 worked out with HCR. I would, just for  
11 practical purposes in the next five weeks or  
12 so --

13 MS. GOLDSTEIN: It's the same -- it's  
14 the same pot.

15 SENATOR KAVANAGH: I think you should  
16 also come up with the same name for it, just  
17 so -- because it's going to be hard -- I  
18 think it's going to be hard for -- like  
19 people have trouble processing all the things  
20 that are being asked for. So it would be  
21 helpful if it's -- if there's a single kind  
22 of ask.

23 The -- there's -- you know, we've -- a  
24 lot of us have been advocating for a long

1 time for money for public housing, for  
2 capital. I really appreciate CVH's role in  
3 bringing, you know, the voices of people most  
4 affected by this to Albany over the course of  
5 many years now.

6 I just want to -- since there's only a  
7 few of us here now, one of the arguments we  
8 often get when we talk about putting more  
9 money into public housing capital is that  
10 public housing authorities, particularly the  
11 New York City Public Housing Authority, don't  
12 manage their capital particularly well. That  
13 they don't -- they haven't -- you know, they  
14 have management operational challenges. They  
15 don't spend the money they have.

16 Can you just, as someone who's  
17 advocating for \$4.5 billion over the next  
18 five years, which is something I support, can  
19 you just talk a little bit about, you know,  
20 how your advocacy for additional money fits  
21 within that argument?

22 MS. WILLIAMS: Well, I can't offer how  
23 the money is spent. I'm not on that level.  
24 I am not -- I'm not an employee of public

1           housing. I live in public housing, and I  
2           feel that my home should be as good as  
3           anybody else's home. And everybody who lives  
4           in public housing has the right to a safe and  
5           healthy home.

6                         And that's the responsibility of those  
7           that we put in place, to protect that. Poor  
8           management, on city and state -- if the money  
9           is not being used correctly, those people  
10          answer to those agencies, not to residents.

11                        So I feel that -- put people in place  
12          that check. I live in public housing. When  
13          I first came in, there were superintendents  
14          that came behind the workers to make sure  
15          that the work was done that they were  
16          allotted to do. That's not happening  
17          anymore.

18                        There were two apartment inspections  
19          yearly to make sure that what was needed in  
20          those apartments was done and the residents  
21          who lived there were doing their part to  
22          upkeep that apartment. That's no longer  
23          done.

24                        There's a lot of things that --

1           that -- I cannot go through the list here, it  
2           would just get too much time.

3           SENATOR KAVANAGH: I'm going to get in  
4           trouble if I let you go any further.

5           But thank you. That was very  
6           eloquent, though. We appreciate it.

7           CHAIRWOMAN WEINSTEIN: Thank you.

8           And, you know, again, there's  
9           opportunity later today to be able to submit  
10          in writing -- if these conversations have  
11          brought other issues to your thoughts, that  
12          you can submit additional information to the  
13          committees that will be posted as part of the  
14          official record.

15          We go to Assemblyman Manktelow.

16          ASSEMBLYMAN MANKTELOW: Thank you,  
17          Madam Chair.

18          Barbara, if I could ask you a  
19          question, please?

20          MS. WILLIAMS: Yes.

21          ASSEMBLYMAN MANKTELOW: And thank you  
22          all for your testimony, and thank you for all  
23          your comments.

24          I believe you gave us the number of

1           \$4.3 billion to fix up the housing, is that  
2           correct?

3           MS. WILLIAMS: 4.5 billion.

4           ASSEMBLYMAN MANKTELOW: 4.5 billion?

5           MS. WILLIAMS: Yes.

6           ASSEMBLYMAN MANKTELOW: So if you  
7           don't mind me asking, where did that number  
8           come from?

9           MS. WILLIAMS: That came from a lot of  
10          research into public housing. Getting to the  
11          necessary people to give us what the costs  
12          would be. And that is well published in  
13          NYCHA works. This is where we got it from.  
14          That's their numbers, saying what it would  
15          cost.

16          There are other areas that I didn't  
17          even mention. But --

18          ASSEMBLYMAN MANKTELOW: Well, Barbara,  
19          before you go on to that, just -- I want to  
20          finish. I don't mean to interrupt you, but  
21          I'm running out of --

22          MS. WILLIAMS: No, no, go right ahead.

23          ASSEMBLYMAN MANKTELOW: So is it safe  
24          to assume that you live in NYCHA housing,

1           then, is that correct?

2                   MS. WILLIAMS: I live in NYCHA  
3           housing. Yes, I do.

4                   ASSEMBLYMAN MANKTELOW: When is the  
5           last time, where you live -- when is the last  
6           time that has been updated?

7                   MS. WILLIAMS: Updated?

8                   ASSEMBLYMAN MANKTELOW: Mm-hmm. Like  
9           a change of paint. You know, we talk about  
10          lead poisoning in our water -- has all those  
11          lines been checked in your unit? Those are  
12          some of the questions we have.

13                   You talked about every 20 years it  
14          should be updated. I just want to know where  
15          that number came from as well.

16                   MS. WILLIAMS: Well, that's also part  
17          of NYCHA's literature. And what is needed,  
18          we have something called the Tenants Handbook  
19          to give you information.

20                   ASSEMBLYMAN MANKTELOW: Mm-hmm.

21                   MS. WILLIAMS: We get that  
22          information. We didn't all throw it away.  
23          It is something that was given out, like,  
24          when these developments first came up. Rules

1 and regulations and what needs to be done and  
2 when it should be done.

3 Painting used to be done every three  
4 years. If you don't request it now, you  
5 don't get it. And then when you do, you  
6 might get one room. The entire apartment is  
7 not done at the same time.

8 There's a lot of things that's not  
9 being done that should be done. So this is  
10 why we need this. But we need people who are  
11 taking the time to manage this.

12 ASSEMBLYMAN MANKTELOW: Mm-hmm.

13 MS. WILLIAMS: That money can go  
14 wherever it needs to go if it's managed  
15 properly.

16 ASSEMBLYMAN MANKTELOW: Okay. Because  
17 I know just in our Governor's proposed  
18 budget, we're going from 229 billion to  
19 233 billion. Well, there's your \$4 billion,  
20 or almost where you need to be.

21 And you're absolutely right, we throw  
22 dollars at a lot of different things at the  
23 state level and a lot of it doesn't get  
24 followed up on, to make sure those dollars

1 are spent wisely.

2 So I want to thank you for your  
3 testimony. And I totally agree with what  
4 you're saying. Your property should be  
5 updated. It should be taken care of. And  
6 you should have some pride in that home.

7 So thank you for your testimony.

8 MS. WILLIAMS: And thank you.

9 CHAIRWOMAN WEINSTEIN: To the Senate.

10 SENATOR KAVANAGH: Senator May.

11 SENATOR MAY: Thank you. And thank  
12 you all. Ms. Williams, for telling us really  
13 specifics about what some of the issues are  
14 that tenants confront.

15 Mr. Boyle, I wanted to ask you a  
16 couple of questions about source-of-income  
17 funding and what the Governor put in her  
18 budget, what you think about what's in her  
19 budget, and how we can further eliminate  
20 source-of-income discrimination.

21 MR. BOYLE: Sure.

22 So the HCR testing program as it  
23 exists is really successful for the amount of  
24 money that's put into it. It's \$2 million.



1           It funds six full-service fair housing  
2           testing organizations that operate around the  
3           state. That money has allowed them to hire  
4           new staff, it allows them to do testing, it  
5           allows them to do enforcement work and  
6           negotiate settlements with landlords, which  
7           is really a good outcome.

8                     I think what we're looking for is not  
9           just punitive damages against landlords that  
10          get -- you know, that a tenant is turned away  
11          and then down the line there's sort of a  
12          punitive damage, but the tenant hasn't been  
13          housed.

14                    A model that's been sort of  
15          increasingly popular and which we're very  
16          supportive of is sort of negotiated -- you  
17          know, when there's a tenant that's  
18          discriminated against, there is a quick  
19          action that's negotiated between the landlord  
20          and when there's a settlement, that landlord  
21          will have to put aside several units for  
22          voucher-holders for the future, and there's  
23          oversight of that.

24                    And the Governor in her budget has a

1 new unit between Human Rights and HCR that  
2 would staff some additional people to kind of  
3 help facilitate some of that up-front  
4 quick-action enforcement work. And so we are  
5 supportive of that new unit that the Governor  
6 has announced in her State of the State.

7 The Attorney General also has a pot of  
8 money, and that's intended to fund nonprofits  
9 in some fair housing deserts around the state  
10 that don't currently do fair housing work but  
11 that might have the capacity if they got some  
12 extra funding.

13 So what we're asking for is extra  
14 money specifically into that HCR Fair Housing  
15 Testing program, which is really kind of the  
16 best current state-supported vehicle for  
17 rooting out SOI. But which is just kind of,  
18 you know, based on what we've seen around the  
19 state, is really kind of in need of some  
20 extra support.

21 SENATOR MAY: Thank you.

22 And just quickly, Ms. Tyler, the  
23 faith-based affordable housing bill, I was  
24 part of writing that but then we realized

1           this really mostly affects New York City, and  
2           so we wanted a New York City sponsor for  
3           that.

4                     But I'm wondering if you're seeing  
5           pushback. Are there -- what do you expect to  
6           be the barriers to making that work?

7                     MS. TYLER: Well, I think that most  
8           communities want to make sure that the  
9           development that is proposed is specific and  
10          unique to their community.

11                    So I think the Faith-Based Housing Act  
12          is flexible in that way. So far we've had  
13          conversations with faith leaders across the  
14          state, and we've been working with the  
15          coalition to hold forums, and so we haven't  
16          had a lot of pushback.

17                    One of the things that has come up is  
18          around labor and prevailing wage, which we  
19          know that we want to make sure that there is  
20          space and room to have those conversations  
21          and make amendments to the bill, because we  
22          ultimately want to make sure that labor and  
23          prevailing wage are -- are included.

24                    SENATOR MAY: Great. Thank you.

1 MS. TYLER: Thank you.

2 CHAIRWOMAN WEINSTEIN: Thank you.

3 So thank you to this panel for being  
4 here with us today and being able to answer  
5 some of our questions. Thank you.

6 So we move on to our final panel of  
7 this hearing: Rural Housing Coalition of  
8 New York, Adirondack Foundation, and New York  
9 State Rural Advocates.

10 MR. BORGES: Can you hear me? There  
11 it goes. Okay.

12 Oh, good evening. Thank you for  
13 having me. I'm Mike Borges. I'm the  
14 executive director of the Rural Housing  
15 Coalition of New York. We represent rural  
16 housing nonprofit organizations and community  
17 development organizations that serve rural  
18 communities throughout the state.

19 I first want to thank the Legislature  
20 for really stepping up last year and  
21 supporting increases for a number of housing  
22 programs that serve rural communities. Kudos  
23 to you guys for really helping us and doing  
24 the things that unfortunately the Governor

1 didn't.

2           This past November the Rural Housing  
3 Coalition commissioned a Marist poll that  
4 showed 73 percent of New Yorkers believe  
5 housing affordability is a major concern in  
6 their communities and 71 percent believe the  
7 state is not providing enough resources to  
8 address this problem.

9           Given this overwhelming concern about  
10 housing availability and affordability, we  
11 had really high hopes that the Governor's  
12 Executive Budget would convene housing  
13 stakeholders from around the state to develop  
14 consensus proposals to address this housing  
15 crisis. The Executive Budget did not include  
16 that. Instead, the Executive Budget actually  
17 cut funding for a variety of housing  
18 programs, many of which serve rural  
19 communities.

20           As you know, funding was cut to  
21 RESTORE, which assists seniors with emergency  
22 housing repairs so they can remain in their  
23 homes. Funding was cut for Access to Home,  
24 which assists the disabled with accessibility

1 modifications like wheelchair ramps,  
2 handrails, so they can remain in their homes.  
3 Funding was cut to the Rural Preservation  
4 Program, which funds a network of nonprofit  
5 housing community development organizations  
6 that serve rural New Yorkers by repairing,  
7 rehabbing, and building housing for  
8 low-to-moderate-income New Yorkers. Funding  
9 was eliminated for the Small Rental  
10 Development Initiative, which funds  
11 affordable rental projects of 20 units or  
12 less that are more suitable for less densely  
13 populated areas with little to no  
14 infrastructure.

15           Lastly, we just released a report  
16 yesterday about the state of our USDA 515  
17 programs. This was all emailed to all the  
18 legislators, and we released it to the media.  
19 Again, it documents a great need in rural  
20 communities. If you're not familiar with it,  
21 the USDA 515 program was created by  
22 Harry Truman back in 1949 or so. And in  
23 New York State we built thousands of these  
24 affordable rental projects in the 1980s and

1 1990s.

2           Their mortgages are expiring now. And  
3 as those mortgages expire, they lose their  
4 affordability protections as well as their  
5 rental assistance. So thousands of  
6 New Yorkers in rural communities -- about  
7 15,000 households -- potentially could lose  
8 their homes because they can no longer afford  
9 to stay where they are. These properties are  
10 in great disrepair.

11           We're looking for an investment of  
12 about \$25 million, as Enterprise's Patrick  
13 Boyle mentioned earlier, to similar -- like  
14 with the Mitchell-Lama program. You know,  
15 there was about \$50 million in the  
16 State Budget last year to preserve and rehab  
17 the Mitchell-Lama housing. And so we're  
18 looking for something similar that serves  
19 rural New York.

20           Again, thank you for your support, and  
21 we appreciate it.

22           CHAIRWOMAN WEINSTEIN: Thank you.

23           Adirondack Foundation.

24           MS. BELLINGHAM: Sure. Hi. Thank you

1 for the opportunity to testify.

2 My name's Lori Bellingham, and I'm  
3 vice president for community impact with  
4 Adirondack Foundation. The foundation seeks  
5 to improve lives and expand opportunities for  
6 the people in our region by working with  
7 partners to identify and address challenges  
8 such as housing.

9 I'll share a brief description of our  
10 year-round residents. Approximately  
11 44 percent of the population are ALICE  
12 individuals and families. Nearly 60 percent  
13 struggle to earn enough income to access  
14 stable housing, reliable transportation,  
15 childcare and the like.

16 To compound our challenges, seasonal  
17 housing constitutes 24 percent of housing  
18 units, and in some communities it's as high  
19 as 70 percent.

20 Perhaps more critical, though, is that  
21 the housing affordability gap is growing. In  
22 Clinton and Franklin counties, 50 percent of  
23 families live in rent-burdened households.  
24 And income has not kept up with housing



1 prices. Median household income increased  
2 15 percent between 2015 and 2020; however,  
3 median home prices increased by 28 percent --  
4 and now we've heard 40 percent from  
5 elsewhere.

6           Until the gap between wages and  
7 affordability of housing comes into balance,  
8 our economy will be constrained. The gap and  
9 our region's unique scale are two of the most  
10 important points I'd like to make.

11           We noted in written testimony that our  
12 communities are, quote, truly rural --  
13 meaning there's rural and then there's the  
14 Adirondack region. While we are  
15 book-ended by population bases in Plattsburgh  
16 and Lake George, the majority of the more  
17 than 100 communities in between are home to  
18 fewer and often far fewer than 3,000 people.  
19 In these communities, housing projects of  
20 12 units or less for people making at least  
21 120 percent AMI make a significant impact on  
22 the schools and the economy.

23           Unfortunately, as we've heard, the  
24 Executive Budget fails to invest in proven

1 programs such as the Small Rental Development  
2 Initiative, Rural Preservation Program, and  
3 the Adirondack Community Housing Trust. We  
4 encourage the Legislature to fully support  
5 these programs, as they are some of the few  
6 that meet the unique needs and scale of our  
7 region.

8 In addition to these programs, our  
9 community has developed new ideas that can  
10 pilot public-private partnerships targeted at  
11 addressing the housing shortage in the  
12 North Country at first. With the state  
13 investment of 3.3 million and the partnership  
14 of foundations and municipalities, we can  
15 establish targeted resources to address the  
16 need for technical assistance and  
17 predevelopment support. Using state dollars  
18 to leverage private philanthropy can maximize  
19 and target our investments.

20 The housing crisis -- you know this --  
21 is a workforce crisis. It inhibits our  
22 region's economic development. Our residents  
23 seek to improve their rural communities by  
24 ensuring that teachers, first responders, and

1 municipal workers can live, work, and welcome  
2 visitors to the North Country.

3 Thank you for the opportunity.

4 CHAIRWOMAN WEINSTEIN: Thank you.

5 New York State Rural Advocates.

6 MR. SEBASTIAN: Thank you so much for  
7 the opportunity to testify this afternoon.  
8 Thank you for persevering through yet another  
9 marathon day. And happy Valentine's Day.

10 My name's Blair Sebastian. I'm with  
11 New York State Rural Advocates. Rural  
12 Advocates submitted written testimony that  
13 focused on some of the economic and  
14 demographic challenges that impact housing in  
15 New York's rural communities. We also offer  
16 our thoughts about some of the ways our  
17 not-for-profit community can contribute to  
18 addressing these challenges.

19 At the top of our list is the  
20 Rural Preservation Program. It's at the top  
21 because RPP provides the platform from which  
22 we deliver a whole array of state and federal  
23 housing and community development programs.  
24 RPP funds pay for the research and the

1 planning. It pays for the community building  
2 work that precedes every grant. It pays for  
3 the writing of the grants and for the  
4 reporting that comes at the end of a program.

5 When New York invests in rural  
6 preservation, it's buying powerful and  
7 flexible organizational capacity. We've  
8 often spoken of the ways these locally  
9 governed organizations are able to tailor  
10 their work programs to the specific needs of  
11 communities. That same flexibility and  
12 resourcefulness positions RPCs to respond to  
13 unforeseen events.

14 I can't tell you how many RPCs we have  
15 worked with who have responded to floods --  
16 big floods, little floods, tornadoes,  
17 ice storms, hurricanes, and fires. They are  
18 able to bring their general housing and  
19 community development skills to bear to focus  
20 resources and mitigate these crises because  
21 you have invested in their basic capacity,  
22 and for that we and the communities we serve  
23 thank you.

24 In the FY 2024 State Budget you were

1           able to return RPP borrowing power to the  
2           level that it had back at the turn of the  
3           century, back in 2000. The revised funding  
4           levels allowed Rural Preservation Companies  
5           to begin catching up and rebuilding old  
6           capacity.

7                     Unfortunately, and quite predictably,  
8           the Governor is proposing to return the  
9           program to historic funding levels. We're  
10          here to ask you to find a way to sustain  
11          those levels of funding.

12                    We understand the difficult budget  
13          decisions you face. We also understand that  
14          our funding comes through some kind of funky  
15          streams. But we are grateful for your past  
16          support, and we ask for your continued  
17          support and to fund RPC at \$7.86 million this  
18          year.

19                    Thank you.

20                    (Overtalk.)

21                    CHAIRWOMAN WEINSTEIN: Thank you.

22                    MR. SEBASTIAN: It's the end of the  
23          day. We're the last slot.

24                    (Overtalk.)

1                   SENATOR KAVANAGH: Senator May.

2                   SENATOR MAY: Thank you.

3                   And thanks for your testimony. And I  
4 want you to know, as chair of the Legislative  
5 Commission on Rural Resources, we are  
6 fighting to put these programs back in the  
7 budget. I'm very concerned about many of the  
8 cuts that you highlighted.

9                   I also want to say last year I think  
10 was the first time I ever heard the term  
11 "rural homelessness," and at first I thought  
12 it was an oxymoron. But it is a real thing.  
13 And you didn't mention that, but is -- would  
14 you -- how large a problem would you call  
15 that?

16                  MR. SEBASTIAN: It's a large problem,  
17 and it's invisible. You know, I ran Rural  
18 Preservation Companies in Western New York.  
19 We encountered folks living in barns, living  
20 in -- there was a sawmill up the road from  
21 our office that knowingly left boards  
22 flapping on the back because there were a  
23 handful of local fellows who were living in  
24 the mill at night and wandering the streets

1           during the day.

2                     And they're a particular challenge  
3           because they're -- often you find folks who  
4           are not particularly comfortable living in  
5           traditional sort of living environments.

6                     SENATOR MAY:   Sure.

7                     MR. SEBASTIAN:  So we offer housing,  
8           and it isn't particularly attractive to  
9           folks.  So some of this is imagining ways to  
10          allow particularly rural homeless people who  
11          have kind of this independent streak that  
12          comes with characters like that to be  
13          comfortable.

14                    It is a big problem.  Families -- we  
15          did a -- years ago in the Adirondacks we were  
16          looking at census data with the folks from  
17          one of the RPCs up there, and there were  
18          these anomalies that nobody could figure out,  
19          why we had more families than housing units.  
20          We found mobile homes with partitions through  
21          the middle of them --

22                    SENATOR MAY:  Wow.

23                    MR. SEBASTIAN:  -- with a front door  
24          and a back door.

1                   SENATOR MAY: So let me interrupt for  
2                   the last minute and ask about mobile homes,  
3                   because we had a conversation earlier about  
4                   the idea that maybe instead of replacing  
5                   mobile homes, if people owned the land --  
6                   building actual brick-and-mortar homes would  
7                   be a better way to proceed because it would  
8                   help people build equity.

9                   Do you want to, in 30 seconds, comment  
10                  on that?

11                  MR. BORGES: Well, I think, you know,  
12                  there are like 1800 mobile home parks in the  
13                  state. And I think there's like over 100,000  
14                  manufactured housing, making up 10 percent of  
15                  the housing stock in rural communities. So  
16                  mobile homes and mobile home parks are an  
17                  essential affordable housing option for  
18                  owner-occupied residents.

19                  So, yes, the cost of replacing a  
20                  mobile home now has risen to the point where  
21                  it's \$150,000, \$180,000. Which is why we  
22                  have a bill with Senator Mannion in the  
23                  Senate, and I think it's Assemblywoman  
24                  Barrett, Didi Barrett in the Assembly, to



1           replace that program and raise the amount  
2           that could be used to replace the mobile  
3           homes from \$100,000 to \$200,000.

4           So yeah, modular homes or mobile homes  
5           or stick-built homes -- we need all kinds of  
6           housing in rural communities, and we need you  
7           to do more. The state needs to do more to  
8           preserve the housing stock that we do have,  
9           because we have very old housing stock and  
10          dilapidated housing stock.

11          SENATOR MAY: Thank you.

12          CHAIRWOMAN WEINSTEIN: Thank you.

13          We go to Assemblywoman Rosenthal.

14          ASSEMBLYWOMAN ROSENTHAL: Thank you.

15          And thanks for sticking around.

16          I know a lot of what we talked about  
17          sounded like it centered on the city,  
18          New York City. But, you know, as a city  
19          person I have been educated by all of you  
20          over the past year and really believe that  
21          you need many more resources.

22          We can't forget about you, you're all  
23          struggling there to maintain your home in New  
24          York State and contribute to society. And we

1           can't leave you in the lurch, so we're going  
2           to fight for more funding for all of you.

3                     And thank you.

4                     PANELISTS: Thank you.

5                     CHAIRWOMAN WEINSTEIN: Thank you.

6                     So thank you to this panel for being  
7           here.

8                     So just before we conclude the Housing  
9           hearing, I just want to thank my cochair,  
10          Senator Liz Krueger, for all of the budget  
11          hearings; my cochair today for the  
12          Housing hearing, Senator Kavanagh; and our  
13          ranker on Ways and Means, Assemblyman Ra, and  
14          Senator O'Mara.

15                    So this concludes the -- not only the  
16          Housing budget hearing, but all of the budget  
17          hearings for the '24-'25 Executive Budget,  
18          until Senator --

19                    SENATOR KAVANAGH: And I would be  
20          remiss if I did not also thank our Ways and  
21          Means Chair Helene Weinstein, who I had the  
22          pleasure of serving with for many years in  
23          the Assembly, for all of her work over many  
24          of these hearings -- and everybody who

1 testified today. We really appreciate your  
2 input.

3 CHAIRWOMAN WEINSTEIN: Thank you.

4 (Whereupon, the budget hearing  
5 concluded at 5:26 p.m.)

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