

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 2025-2026 EXECUTIVE BUDGET
ON HOUSING

6 -----

7 Hearing Room B
8 Legislative Office Building
Albany, NY

9 February 27, 2025
10 12:14 p.m.

11 PRESIDING:

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

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

22 Senator Pamela Helming

23 Senator Rachel May

24 Assemblyman Edward C. Braunstein

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3 PRESENT: (Continued)

4 Senator Jabari Brisport

5 Senator Robert Jackson

6 Assemblywoman Dr. Anna R. Kelles

7 Assemblyman Demond Meeks

8 Assemblyman Chris Burdick

9 Senator Cordell Cleare

10 Assemblywoman Grace Lee

11 Assemblywoman Dana Levenberg

12 Assemblyman Brian Manktelow

13 Senator Shelley B. Mayer

14 Assemblywoman Monique Chandler-Waterman

15 Assemblywoman Nikki Lucas

16 Assemblyman Steven Otis

17 Assemblywoman Chantel Jackson

18 Assemblywoman Emérita Torres

19 Senator Mark Walczyk

20 Assemblyman Michael Novakhov

21 Assemblyman Lester Chang

22

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8	President and CEO		
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10	William J. Simmons		
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1 CHAIRMAN PRETLOW: Good afternoon.

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

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

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

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

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

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

1 Republicans.

2 SENATOR HELMING: Thank you,
3 Senator Krueger.

4 Joining me is Senator Mark Walczyk.

5 CHAIRWOMAN KRUEGER: I think that
6 covers the Senate.

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

13 And Assemblyman Ra will introduce his
14 members.

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

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

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

1 CHAIRWOMAN KRUEGER: That's okay.

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

5 Time limits. Governmental witnesses
6 have 10 minutes for their testimony, and the
7 chairs of the relevant committees have
8 10 minutes for questioning. All other
9 members of the relevant committees have
10 three minutes.

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

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

24 COMMISSIONER VISNAUSKAS: Hi, good

1 afternoon.

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

4 COMMISSIONER VISNAUSKAS: Oh, sure.
5 Sorry.

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

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

19 This year's proposals build upon last
20 year's momentous achievements when we passed
21 a budget and a package of reforms that
22 included new property tax incentives to
23 stimulate housing production across the
24 state; \$500 million to build up to 15,000

1 homes on state-owned land; and an enhanced
2 Pro-Housing Communities Program to help
3 ensure municipalities that share our housing
4 goals were given exclusive access to more
5 than \$600 million in state discretionary
6 funding.

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

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

21 I'm pleased to report that the
22 Governor's five-year Housing Plan has
23 surpassed the halfway point: We've created
24 and preserved more 55,000 affordable homes

1 toward our goal of 100,000. Included in this
2 number are 4,200 homes with support services
3 so that vulnerable individuals can live
4 independently. It also includes 5,700
5 mortgages that we made to first-time
6 low-income homebuyers.

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

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

19 And as of today, our Pro-Housing
20 Communities Program includes 277 certified
21 municipalities across the state. Last month
22 the Governor announced more than \$100 million
23 in state investments for projects located in
24 certified Pro-Housing Communities, part of a

1 total \$123 million allocated through the
2 latest round of the state's Regional Economic
3 Development Council initiatives.

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

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

20 Embedded within the Governor's budget
21 are creative new ideas to spur home
22 developments, including additional funding
23 for Pro-Housing Communities; new models to
24 drive down costs in home construction; and

1 down-payment assistance for first-time
2 homebuyers.

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

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

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

1 We've seen examples of large investors
2 making instant cash offers that take homes
3 off the market before anyone else has a
4 chance to even bid. The Governor's proposals
5 will level the playing field by instituting a
6 75-day waiting period before institutional
7 investors can make offers to buy one- and
8 two-family homes.

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

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

22 In closing, I can confidently say that
23 the Governor's initiatives, as expressed in
24 her Executive Budget, cover our next-

1 generation ideas for meeting the housing
2 needs of New Yorkers. I'm fortunate to
3 travel the State listening to what
4 New Yorkers have to say, attending meetings,
5 seeing our work firsthand, and best of all,
6 welcoming people to their new homes. Each
7 encounter makes such an indelible impression,
8 and I take heart in all that we continue to
9 accomplish.

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

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

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

24 Assemblywoman Linda Rosenthal, for

1 10 minutes.

2 ASSEMBLYWOMAN ROSENTHAL: Thank you.

3 Maybe I can have those extra four minutes.

4 (Laughter.)

5 CHAIRMAN PRETLOW: No.

6 (Laughter.)

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

10 And good to see you, Commissioner.

11 COMMISSIONER VISNAUSKAS: Thanks.

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

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

22 COMMISSIONER VISNAUSKAS: Sure. I'm
23 actually happy to say we also have a new head
24 of the TPU division. Our prior head left,

1 and we recently had someone start about two
2 weeks ago who came from Brooklyn Legal
3 Services, and we're very excited to have new
4 leadership at TPU.

5 ASSEMBLYWOMAN ROSENTHAL: And what's
6 the name?

7 COMMISSIONER VISNAUSKAS: Her name is
8 Jooyeon Lee.

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

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

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

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

4 ASSEMBLYWOMAN ROSENTHAL: So Buffalo,
5 for example?

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

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

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

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

17 Last year HPD distributed
18 \$18.3 million in LIHTC over 11 projects to
19 create 875 units. Is there any way to
20 forecast what steps we can take to manage the
21 potential lack of funding on just that LIHTC
22 for next year?

23 COMMISSIONER VISNAUSKAS: Sure.
24 Sorry, the stats you gave, did you say they

1 were for HPD?

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

4 COMMISSIONER VISNAUSKAS: Sure. So we
5 get --

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

8 COMMISSIONER VISNAUSKAS: Sure, yes.

9 So as the state we receive around
10 \$45 million in 9 percent Low Income Housing
11 Tax Credit allocation to the state, and we
12 suballocate to the city, and the HPD takes
13 that portion, as you just mentioned.

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

19 ASSEMBLYWOMAN ROSENTHAL: Okay. In
20 terms of Mitchell-Lamas, the Governor's
21 budget includes a reduction to just
22 5 percent for shelter rent tax. Can you tell
23 us a breakdown of Mitchell-Lama developments
24 based on the tax exemption level they

1 receive? And I don't expect you to recite
2 it, but that would be interesting to see.

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

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

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

21 But we know that, you know, a lot of
22 them are in precarious, I'd say, financial
23 conditions. So what do you think about the
24 state investing more money in trying to

1 stabilize them so they don't turn into
2 public-housing type where they're built and
3 then people walk away and then they
4 deteriorate and then we are in trouble?

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

11 We also, through our joint efforts in
12 our five-year Housing Plan, invest 50 to
13 \$100 million of capital each year into
14 Mitchell-Lamas. We work with sort of a
15 series of them each year, having them do
16 physical needs assessments and making sure
17 that we can provide funding for large capital
18 investments that they need to do to --
19 exactly as you say, to make sure they can
20 maintain their buildings up to the quality
21 standards that we want them to.

22 So we look forward to continuing to do
23 that work.

24 ASSEMBLYWOMAN ROSENTHAL: Okay. Last

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

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

10 ASSEMBLYWOMAN ROSENTHAL: A few
11 hundred?

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

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

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

21 ASSEMBLYWOMAN ROSENTHAL: Okay. For
22 the -- okay, so we imposed a hefty fine on
23 landlords and building owners that did not do
24 their yearly registration of rent-regulated

1 apartments. So from what I understand,
2 that's been wildly successful.

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

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

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

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

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

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

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

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

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

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

23 ASSEMBLYWOMAN ROSENTHAL: Can you
24 extrapolate from this year's registration

1 that an apartment that is listed as
2 rent-stabilized was not registered for the
3 past, let's say, four or five years? And why
4 that was, and are there actions that HCR can
5 take to say: Wait a minute, if you didn't
6 register it, maybe you were charging a market
7 rate, which you shouldn't have.

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

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

18 ASSEMBLYWOMAN ROSENTHAL: And what
19 about more than one year?

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

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

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

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

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

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

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

8 There is no great answer to if the HUD
9 ceases to exist or the programs go away.
10 These are -- the Section 8 program, for
11 example, right, has been in existence since
12 1978 and it covers a large number of people
13 in the State of New York. And we would rely
14 on the federal government to continue to fund
15 that program.

16 CHAIRMAN PRETLOW: Thank you, Madam
17 Commissioner.

18 ASSEMBLYWOMAN ROSENTHAL: Thank you.

19 CHAIRWOMAN KRUEGER: Thank you.

20 Housing Chair Senator Brian Kavanagh,
21 10 minutes.

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

24 It's great to have you here today.

1 Thank you for your testimony.

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

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

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

23 COMMISSIONER VISNAUSKAS: Yes. We're
24 very excited to be able to have additional

1 resources to invest in the City of New York.
2 The demand is great and the need is great.

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

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

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

1 priorities.

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

6 SENATOR KAVANAGH: Okay, great.

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

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

21 And so in order to sort of unlock what
22 we think is sort of stalled development that
23 would help the housing supply and also ease
24 what -- the housing sort of crisis around the

1 state, we proposed what would be a
2 construction loan, sort of second a mortgage
3 that would allow projects that aren't
4 penciling out right now to get into
5 construction. Then, once complete, that
6 funding would come back and we would fund
7 additional projects.

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

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

18 But just briefly, so it's a revolving
19 fund so the money's in the budget this year,
20 it's allocated to projects, and then it
21 returns to the fund. Can you talk a little
22 bit about the time frame? Like if
23 \$50 million is in this year's budget, is some
24 of that available in next year, next fiscal

1 year, or is there a longer time frame?

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

10 Generally new construction projects
11 take about two years to complete and convert
12 to permanent financing. So we would expect
13 the dollars would come back sort of every
14 24 months. If they could come back sooner,
15 that would be great. And some may take
16 longer. But that it would revolve at about
17 that pace.

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

22 COMMISSIONER VISNAUSKAS: Yeah. I
23 mean, we would hope that it would be a great
24 success, it would really revolve and provide

1 a lot. But -- so we'll see.

2 SENATOR KAVANAGH: We'll see how it
3 goes.

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

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

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

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

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

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

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

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

21 SENATOR KAVANAGH: And the original
22 program required that there be a cyclical --
23 basically that over the course of three years
24 units be inspected. There's an

1 implementation date that's sometime in the
2 fall of this year.

3 COMMISSIONER VISNAUSKAS: Mm-hmm.

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

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

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

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

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

23 There's a series of items that were in
24 the adopted budget last year that were not

1 in -- that are not in the Executive Proposal
2 this year. I think that often is, you know,
3 the way this process works, and I think there
4 may be some expectation that the Legislature
5 will be coming forth with some proposals for
6 capital on certain items.

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

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

23 COMMISSIONER VISNAUSKAS: Yes. We
24 work with public housing authorities across

1 the state and have a -- certainly this year I
2 think we have Buffalo, Schenectady, Syracuse,
3 White Plains all lined up to get funding from
4 us.

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

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

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

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

20 But can you just talk about -- it was
21 40 million for each, I think we've had quite
22 a bit of activity getting these up. Can you
23 just talk about the status of those and,
24 again, whether there might be some use if

1 there were more capital?

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

7 So for -- in the case of V-RIP, it was
8 \$40 million last year, I believe, and we have
9 fully contracted all that money out to the
10 organizations and they will begin to -- they
11 have two-year contracts to spend those funds
12 down. So we will continue to sort of monitor
13 spending there. But they're fairly early in
14 their spend.

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

23 COMMISSIONER VISNAUSKAS: Yes. I
24 mean, I think for better or worse we are

1 generally oversubscribed in many of our
2 programs, which is, you know, a good thing
3 and a bad thing.

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

6 SENATOR KAVANAGH: And Senator Hinchey
7 is not a member of this committee and is not
8 here today, but I'll just -- I'll ask -- the
9 Small Rental Housing Development Initiative,
10 which is a great program that funds smaller
11 buildings in rural and village areas, it was
12 \$7 million last year.

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

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

24 So we also really appreciate the

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

5 SENATOR KAVANAGH: And just more
6 generally, you mentioned that we're in the
7 midst of a five-year plan -- I've got
8 36 seconds left. But the -- the majority of
9 those units are now kind of in process, and
10 many completed.

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

18 COMMISSIONER VISNAUSKAS: Yes.
19 Absolutely.

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

22 COMMISSIONER VISNAUSKAS: Mm-hmm.

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

1 COMMISSIONER VISNAUSKAS: Yeah.

2 SENATOR KAVANAGH: Okay, thank you.

3 COMMISSIONER VISNAUSKAS: Absolutely.

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

6 CHAIRMAN PRETLOW: Thank you, Senator.

7 Assemblymember Novakhov, for five
8 minutes.

9 ASSEMBLYMAN NOVAKHOV: Thank you.

10 Welcome, Commissioner.

11 COMMISSIONER VISNAUSKAS: Thank you.

12 ASSEMBLYMAN NOVAKHOV: Thank you.

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

19 COMMISSIONER VISNAUSKAS: Well, the
20 City of Yes, which was passed by the
21 City Council, I think it was projecting to
22 add 80,000 units through all the measures
23 that they -- I think I have that number
24 right -- through their efforts. I think

1 this -- and that's all types of housing.

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

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

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

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

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

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

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

10 COMMISSIONER VISNAUSKAS: Through the
11 \$1 billion?

12 ASSEMBLYMAN NOVAKHOV: Yeah.

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

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

23 COMMISSIONER VISNAUSKAS: We would
24 anticipate that the spend would align with

1 the types of term sheets that we have now,
2 which require income testing to live in the
3 apartments, it requires long-term regulatory
4 agreements so those apartments stay
5 affordable far into the future.

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

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

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

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

21 COMMISSIONER VISNAUSKAS: I mean, I
22 can't really speak to the city administration
23 and how it will be, but I would assure that
24 the funding that comes through the state that

1 goes into affordable housing in the city will
2 absolutely be spent well.

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

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

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

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

1 So we would think it would create additional
2 housing.

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

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

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

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

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

22 COMMISSIONER VISNAUSKAS: Thanks.

23 CHAIRWOMAN KRUEGER: Thank you.

24 Senator Rachel May.

1 SENATOR MAY: Thank you.

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

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

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

18 I would say that we have talked to, as
19 I'm sure you have as well, different
20 developers in different parts of the state.
21 And there are kind of projects of all shapes
22 and sizes. So I think that the exact unit
23 count we would get would sort of depend on
24 who's sort of most ready and how quickly we

1 can get the money out the door and get it
2 back.

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

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

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

17 COMMISSIONER VISNAUSKAS: Yes. Yeah.

18 SENATOR MAY: Okay, great.

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

24 COMMISSIONER VISNAUSKAS: Yes, so

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

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

13 SENATOR MAY: Wonderful.

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

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

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

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

10 SENATOR MAY: Just single-family
11 homes, though?

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

15 SENATOR MAY: Okay, great. Thank you.

16 CHAIRMAN PRETLOW: Thank you.

17 Assemblywoman Grace Lee.

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

21 Just for some context, DHCR approved
22 the sale of Knickerbocker Village, a historic
23 rent-regulated housing complex in my
24 district, a sale from Cherry Green Property

1 to L+M Fund Management last April.

2 And through that development project
3 it was promised that tenants would receive
4 capital improvements alongside annual rent
5 increase caps at 2.5 percent. We've heard
6 from numerous -- along with some capital --
7 \$50 million of renovations and capital
8 improvements.

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

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

21 How is DHCR overseeing the planned
22 \$50 million in capital improvements to ensure
23 these improvements are completed with
24 high-quality standards and proper oversight?

1 COMMISSIONER VISNAUSKAS: Thanks for
2 the question.

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

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

16 (Overtalk.)

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

19 (Overtalk.)

20 COMMISSIONER VISNAUSKAS: So we
21 approve -- when Mitchell-Lama housing
22 companies take mortgages for capital
23 improvements or take loans, we have oversight
24 of that and we are approving looking at

1 scopes of work. Again, if -- as --

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

4 COMMISSIONER VISNAUSKAS: We --

5 ASSEMBLYWOMAN LEE: -- on a regular
6 basis?

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

9 ASSEMBLYWOMAN LEE: Yeah, that's the
10 question.

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

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

21 ASSEMBLYWOMAN LEE: Okay, great.

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

1 Knickerbocker Village Board was only given
2 \$6,000 to hire an outside accountant to
3 represent them.

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

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

16 ASSEMBLYWOMAN LEE: Okay, great.

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

19 CHAIRWOMAN KRUEGER: Thank you.

20 Ranker -- Acting Ranker Senator
21 Walczyk.

22 SENATOR WALCZYK: Thank you,
23 Madam Chair.

24 You mentioned the institutional

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

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

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

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

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

1 SENATOR WALCZYK: So maybe in the
2 thousands statewide?

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

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

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

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

23 SENATOR WALCZYK: How about on the
24 seller end, are the sellers generally -- are

1 these vacant properties that are sellers that
2 are absentee? Are they New Yorkers? Do they
3 stay in New York after they're selling this
4 property to an institutional investor? Any
5 concept there?

6 COMMISSIONER VISNAUSKAS: I think it
7 probably runs the gamut.

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

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

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

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

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

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

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

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

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

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

24 COMMISSIONER VISNAUSKAS: I think the

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

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

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

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

21 In the case of owners who own
22 rent-stabilized properties, they would
23 utilize either the MCI, for a major capital
24 improvement, or IAI, for an individual

1 apartment, if they want to make investments
2 in the building and recoup a return.

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

7 COMMISSIONER VISNAUSKAS: I have not
8 heard that.

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

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

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

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

24 SENATOR WALCZYK: Can you give me a

1 ballpark number how many we can expect?

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

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

9 COMMISSIONER VISNAUSKAS: I believe
10 the mayor announced that he wants to build
11 500,000 units in 10 years, is his moon shot.

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

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

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

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

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

4 CHAIRWOMAN KRUEGER: Thank you.

5 Senate -- excuse me. Assembly.

6 CHAIRMAN PRETLOW: Assemblyman Ed Ra,
7 five minutes.

8 ASSEMBLYMAN RA: Thank you.

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

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

24 COMMISSIONER VISNAUSKAS: And are you

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

3 ASSEMBLYMAN RA: Yes.

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

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

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

24 COMMISSIONER VISNAUSKAS: In terms of

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 Thank you.

24 COMMISSIONER VISNAUSKAS: Okay.

1 Thanks.

2 CHAIRWOMAN KRUEGER: Thank you.

3 Senator Jackson.

4 SENATOR JACKSON: Thank you.

5 Good afternoon, Commissioner. How are
6 you?

7 COMMISSIONER VISNAUSKAS: Good, how
8 are you doing?

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

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

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

21 So we work really closely with them.

22 SENATOR JACKSON: In looking at MCIs,
23 major capital improvements, that goes to your
24 office, is that correct? As far as

1 verification and/or if someone wanted to
2 appeal the MCI because it's not really what
3 the landlord is saying, is that within your
4 office or HPD?

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

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

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

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

17 COMMISSIONER VISNAUSKAS: Absolutely.

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

23 And I don't -- I was wondering why, in
24 my opinion, that you, meaning your office,

1 doesn't, you know, help them to stand on
2 their two feet overall? Can you make them do
3 something, or do you have to ask them can
4 they do it?

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

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

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

1 maybe will come down a little bit.

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

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

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

14 COMMISSIONER VISNAUSKAS: Okay,
15 thanks.

16 CHAIRWOMAN KRUEGER: Assembly.

17 CHAIRMAN PRETLOW: Assemblyman Steve
18 Otis.

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

24 One issue that's been a challenge

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

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

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

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

23 Our primary interaction with them is
24 around capital and making sure that we can

1 facilitate investment into roofs and boilers
2 and mechanical systems that are often very
3 old in those buildings.

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

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

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

22 Thank you.

23 COMMISSIONER VISNAUSKAS: Thank you.

24 Thanks.

1 CHAIRMAN PRETLOW: Senate?

2 CHAIRWOMAN KRUEGER: Senator Helming.

3 SENATOR HELMING: Good afternoon,
4 Commissioner.

5 COMMISSIONER VISNAUSKAS: Hi.

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

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

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

24 So I would say two things. We

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

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

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

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

20 And I'm also worried about that
21 \$100 million. One of my builders was told
22 that to bring electric in for 186 homes, it
23 was going to cost \$3.2 million. So I'm not
24 sure how far that 100 million is going to go.

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

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

9 SENATOR HELMING: Just -- how much?

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

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

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

20 SENATOR HELMING: Is there anything
21 new?

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

24 SENATOR HELMING: Okay. And then we

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

9 Something that's really important to
10 me -- and troubling to me, too -- is that in
11 2024 the number of veterans suffering
12 homelessness is just -- again, it's the
13 highest in the entire nation. How can that
14 be when we're spending so much money on
15 housing?

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

18 COMMISSIONER VISNAUSKAS: So we
19 still -- and similar to my prior answer -- in
20 the supportive housing budget that we have
21 from our original housing plan, we had
22 \$1.2 billion. We are still spending down
23 that.

24 I agree with you, it is hard to be

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

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

9 CHAIRMAN PRETLOW: Thank you, Senator.

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

12 CHAIRWOMAN KRUEGER: Thank you.
13 Assembly.

14 CHAIRMAN PRETLOW: Assemblyman Chang.

15 ASSEMBLYMAN CHANG: Oh, it works here.
16 Thank you very much, Commissioner.

17 Thank you for being here. Several questions.

18 And a math question here is in your
19 testimony you tried to lower the cost,
20 initially tried to lower the cost of
21 construction in housing. So how can we lower
22 the cost if our costs of labor are going up
23 and minimum wage going up, plus increasing
24 construction costs? Now we have to compete

1 for the same material as in Los Angeles,
2 which is, as you know, devastated -- we have
3 to compete for those material costs.

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

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

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

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

21 ASSEMBLYMAN CHANG: But modular
22 doesn't help in New York City, which most of
23 the budgets we are allocating for are
24 New York City. So how to do it with modular

1 buildings in New York City, which is not
2 possible.

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

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

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

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

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

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

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

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

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

24 ASSEMBLYMAN CHANG: Again, a math

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

10 (Time clock sounds.)

11 CHAIRWOMAN KRUEGER: Thank you.

12 We have Senator Brisport.

13 SENATOR BRISPORT: Thank you,

14 Madam Chair.

15 And thank you, Commissioner.

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

20 I bring this up because deed theft is
21 a huge issue in my district especially. It's
22 rapidly gentrifying, and primarily older
23 black homeowners are targeted and oftentimes
24 their home is stolen from them by some of

1 these institutional investors, often by way
2 of an LLC.

3 I'm looking at some of the language in
4 the way it's defined, and I see things such
5 as owning 10 or more residences, having
6 \$50 million in assets. I'm just concerned if
7 an LLC could get around this definition by
8 creating a new and separate LLC that's fresh,
9 for the purpose of acquiring a home. And if
10 so, was that the intention?

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

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

1 SENATOR BRISPORT: I would appreciate
2 that.

3 And then just to throw out -- my
4 second question is on the City of Yes, the
5 \$1 billion. I have a very large development
6 happening in my district along
7 Atlantic Avenue, part of the City of Yes
8 proposal.

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

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

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

22 SENATOR BRISPORT: Okay. Thank you.

23 COMMISSIONER VISNAUSKAS: Yup.

24 CHAIRWOMAN KRUEGER: Assembly.

1 CHAIRMAN PRETLOW: Assemblywoman
2 Emérita Torres.

3 ASSEMBLYWOMAN TORRES: Thank you,
4 Commissioner.

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

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

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

23 We are trying to work with our owners
24 to stabilize their buildings to allow them to

1 make capital investments so they can drive
2 down their sort of risk profile as it relates
3 to insurance providers.

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

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

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

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

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

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

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

17 ASSEMBLYWOMAN TORRES: Awesome.

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

24 And what I notice and some of what my

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

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

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

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

21 ASSEMBLYWOMAN TORRES: Thank you.

22 CHAIRWOMAN KRUEGER: Senator Cleare.

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

1 In the case of state-owned land, which
2 is a precious, scarce resource, especially in
3 my district -- and specifically, you know I'm
4 talking about the Seneca project -- is there
5 a way to use the City of Yes funding, to use
6 any other funding to ensure that this
7 project, when it is built, will be truly
8 affordable? Not at the current rate of
9 basically upwards to 44,000 a year for a unit
10 in a community that the average income is
11 \$55,000 a year pretax income.

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

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

24 So certainly happy to continue to work

1 with you on that.

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

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

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

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

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

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

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

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

17 So sort of all of the above.

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

24 How can DHCR be helpful? HCR, I'm

1 sorry, be helpful?

2 COMMISSIONER VISNAUSKAS: That's okay.

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

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

9 COMMISSIONER VISNAUSKAS: Yup.

10 CHAIRMAN PRETLOW: Assemblywoman
11 Chantel Jackson.

12 ASSEMBLYWOMAN JACKSON: Thank you,
13 Chair.

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

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

20 COMMISSIONER VISNAUSKAS: So many of
21 the Mitchell-Lamas in New York City and the
22 rest of the state pay 10 percent shelter
23 rent. It's sort of a formula. And so this
24 bill would drop that 10 percent to 5 percent

1 automatically; in New York City, allow
2 New York City to drop it further should they
3 so choose; and the rest of the state has to
4 opt into the change.

5 ASSEMBLYWOMAN JACKSON: Okay, sounds
6 good.

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

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

24 And then we are happy to work with

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

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

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

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

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

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

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

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

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

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

19 ASSEMBLYWOMAN JACKSON: Got it.

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

24 Is there anything that's going to

1 enforce the drawdown for this 25 million in
2 capital?

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

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

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

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

24 So we have just begun to do outreach.

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

4 ASSEMBLYWOMAN JACKSON: Thank you.

5 CHAIRMAN PRETLOW: Thank you.

6 Senator Tom O'Mara.

7 SENATOR O'MARA: Thank you, Chairman.

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

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

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

19 And I know that the Governor put in
20 \$1 billion. The billion that is coming from
21 the state budget is specifically for housing,
22 so we would anticipate that would go -- sort
23 of to your comment about the language -- into
24 the types of uses that are in the

1 appropriation language.

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

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

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

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

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

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

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

17 So we really need to get more details
18 on these programs. And I'm certainly not
19 asking you about Sustainable Futures. But on
20 the City of Yes program, is it the intention
21 of the Executive to be negotiating that kind
22 of detail in this proposal throughout the
23 next month for us to get to a final budget so
24 that detail is in there and it's not just a

1 flat 1 billion dollar lump sum to New York
2 City?

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

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

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

20 SENATOR O'MARA: Okay, thank you.

21 COMMISSIONER VISNAUSKAS: Yup.

22 CHAIRMAN PRETLOW: Assemblyman Chris
23 Burdick.

24 ASSEMBLYMAN BURDICK: Thank you,

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

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

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

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

1 ASSEMBLYMAN BURDICK: I have a
2 different question.

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

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

20 COMMISSIONER VISNAUSKAS: I mean, I
21 think we feel very proud about the fact that
22 there are \$650 million available in the
23 budget, and hopefully this year even more
24 that's available exclusively -- while it

1 would have been to all 1500 localities across
2 the state, it's now available to 278, who --

3 ASSEMBLYMAN BURDICK: No, I saw that.

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

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

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

21 COMMISSIONER VISNAUSKAS: So we heard
22 two things this past year. One is: We need
23 technical assistance, we need grant dollars
24 so that if we want to do a rezoning or we

1 want to do an electric -- an e-file
2 permitting system -- and so we have funding
3 in the budget this year to give the
4 localities, to do master plans and zoning,
5 grant dollars.

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

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

13 COMMISSIONER VISNAUSKAS: Yes,
14 definitely.

15 ASSEMBLYMAN BURDICK: They would.

16 COMMISSIONER VISNAUSKAS: Yes.

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

20 COMMISSIONER VISNAUSKAS: Yeah, grants
21 for planning, absolutely.

22 ASSEMBLYMAN BURDICK: Super. Thank
23 you.

24 CHAIRWOMAN KRUEGER: Thank you.

1 Senator Shelley Mayer.

2 SENATOR MAYER: Thank you, Chair.

3 Hello, Commissioner.

4 COMMISSIONER VISNAUSKAS: Hi.

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

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

17 COMMISSIONER VISNAUSKAS: So we have a
18 funding line called Affordable Housing
19 Opportunities Program. That is our primary
20 homeownership funding source. It had
21 \$400 million in it that we funded two years
22 ago. I can come back to that.

23 But to answer your specific question,
24 for the Housing for the Future, our term

1 sheet is up. We haven't gotten any
2 applications to use that funding, to date.
3 But we do continue to fund homeownership
4 through our Affordable Housing Opportunities
5 Program. We had \$400 million. We are well
6 in -- we have committed a majority of that
7 funding.

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

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

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

18 SENATOR MAYER: Yes.

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

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

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

15 SENATOR MAYER: It doesn't apply --

16 COMMISSIONER VISNAUSKAS: -- for
17 tenants.

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

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

23 SENATOR MAYER: Lastly, on resilient
24 and ready, which I know you've worked on

1 funding for flood preparedness, again, it
2 didn't include co-ops and condos in the prior
3 iteration.

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

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

12 SENATOR MAYER: Okay. Thank you very
13 much.

14 COMMISSIONER VISNAUSKAS: Mm-hmm.

15 CHAIRWOMAN KRUEGER: Thank you.

16 Next is Assemblywoman Levenberg.

17 ASSEMBLYWOMAN LEVENBERG: Thank you so
18 much, Chair.

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

21 I wanted to just follow-up on some of
22 my colleagues' discussions about the
23 Pro-Housing Communities Program outside of --
24 obviously outside the city. I'm really glad

1 to hear there's 278. How many are in the
2 process above and beyond that?

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

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

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

18 And -- what was your third question?

19 ASSEMBLYWOMAN LEVENBERG: I forget.

20 (Overtalk.)

21 ASSEMBLYWOMAN LEVENBERG: How much
22 money --

23 COMMISSIONER VISNAUSKAS: Oh, how many
24 units, how much of the housing has started

1 building.

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

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

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

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

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

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

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

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

1 in place.

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

12 COMMISSIONER VISNAUSKAS: Yup,
13 understand --

14 ASSEMBLYWOMAN LEVENBERG: -- someplace
15 to get the grants.

16 COMMISSIONER VISNAUSKAS: Okay.

17 ASSEMBLYWOMAN LEVENBERG: Thank you.

18 CHAIRWOMAN KRUEGER: Thank you.

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

23 So we've put \$4.5 billion into a
24 five-year Housing Plan. The questions I keep

1 getting are -- because I think it was
2 supposed to be 10,000 supportive housing
3 units within that plan. Where are we on that
4 schedule? People are desperate, desperate,
5 desperate for more supportive housing units
6 in my city.

7 I have business groups begging me to
8 move this faster. They say there's
9 250 million for specifically supportive
10 housing that groups are trying to get, and
11 they're not allowed to.

12 So help me understand where we are on
13 all this.

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

17 But we -- the 10,000 units is
18 7,000 new units and 3,000 units of
19 preservation of supportive housing. We are
20 sort of well on track, I don't know the exact
21 number -- but we can get it to you -- of the
22 7,000 where we are halfway through. But we
23 track about halfway on everything.

24 We do an enormous amount of supportive

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

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

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

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

20 COMMISSIONER VISNAUSKAS: I think that
21 it's hard for organizations who are running
22 buildings to sometimes sort of stop and have
23 capacity to hire a consultant, get a
24 contractor, figure out the needs, take the

1 whole building through a construction
2 process. You know, preservation is
3 disruptive.

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

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

12 COMMISSIONER VISNAUSKAS: Yeah.
13 Absolutely.

14 CHAIRWOMAN KRUEGER: Thank you.

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

23 So is there any housing model that you
24 are investing in specifically to help seniors

1 stay in their communities?

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

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

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

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

21 CHAIRWOMAN KRUEGER: Okay. And you
22 answered a question earlier about the private
23 investment funds buying up single-family
24 homes. I have to tell you, I think the

1 numbers are much larger in New York State
2 than you think.

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

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

16 COMMISSIONER VISNAUSKAS: Offer, yeah.

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

1 What do you think of my bill?

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

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

21 CHAIRWOMAN KRUEGER: Again, I'm not
22 opposed to the Governor's proposal, I just
23 think these companies are way more
24 sophisticated than we are as private buyers,

1 and they will just figure out to how to play
2 out the 75-day clock without any impact on
3 the numbers being purchased.

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

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

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

19 SENATOR KAVANAGH: In Woodside.

20 CHAIRWOMAN KRUEGER: Yes, in Woodside,
21 thank you.

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

1 87 percent lowering of the costs. And it was
2 much cheaper to insulation than imagined. It
3 was much quicker. And now it's basically
4 going to save everyone who lives there and
5 public housing an enormous amount of money.

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

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

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

20 COMMISSIONER VISNAUSKAS: Yes, I
21 totally agree with everything you said. And
22 we, as you know, switched sort of all of our
23 production on the new construction side to
24 all-electric several years ago, a little bit

1 ahead of the curve, but on the heels of the
2 CLCPA.

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

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

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

1 get, to create new technologies.

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

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

13 COMMISSIONER VISNAUSKAS: Yes.

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

1 have.

2 COMMISSIONER VISNAUSKAS: Absolutely.

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

9 And I'm wondering whether, even if you
10 can't comment on my bill, you've got a better
11 answer. Because these people are basically
12 middle-class people who ended up in co-ops
13 that are land leased and suddenly, because of
14 the skyrocketing value of land, they're
15 literally sitting in buildings where the
16 landowners are saying, I'm going to go up
17 10 times your rent and you're not going to be
18 able to stay here.

19 Got an answer?

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

24 I -- we have not found a way that we

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

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

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

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

16 So to continue, Assemblymember Kelles.

17 ASSEMBLYWOMAN KELLES: Fantastic.
18 Wonderful to see you.

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

1 last 14 years in homeless children.

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

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

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

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

21 ASSEMBLYWOMAN KELLES: Absolutely.

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

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

12 So anything to do more short-term?

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

20 So we have, as we talked about a
21 little before, the Small Rental Development
22 Initiative, we have a homeownership program,
23 we have a series of other programs that can
24 create housing in communities outside of our

1 bond program. They are generally for smaller
2 projects, which is oftentimes more
3 appropriate and great for sort of an
4 upstate-scale redo.

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

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

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

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

18 ASSEMBLYWOMAN KELLES: So we could use
19 14 -- we could use 14 million, probably, in
20 that project. That gives me a good sense of
21 it.

22 I saw, too, there are projects -- the
23 RESTORE and Access to Homes, those are
24 significantly overprescribed {sic} currently

1 as well.

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

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

12 But thank you so much.

13 CHAIRWOMAN KRUEGER: Thank you,
14 Assemblywoman.

15 Next is Assemblywoman
16 Chandler-Waterman.

17 ASSEMBLYWOMAN CHANDLER-WATERMAN:
18 Thanks, Chair.

19 Commissioner, thank you for your
20 testimony today.

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

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

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

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

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

20 We also have multifamily preservation
21 dollars, which was -- I think it was two or
22 \$300 million from a couple of years ago that
23 we are spending down that also goes for what
24 is often like naturally occurring sort of

1 senior housing even if it's not -- wasn't
2 that at the get-go.

3 ASSEMBLYWOMAN CHANDLER-WATERMAN:

4 Okay, I got you.

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

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

16 ASSEMBLYWOMAN CHANDLER-WATERMAN:

17 Okay. And also, as you know, throughout the
18 state -- and I know you're working hard on
19 this, with the flooding and sinkholes. So
20 what is HCR doing to address the issues of
21 homeowners being impacted by the floods and
22 sinkholes?

23 COMMISSIONER VISNAUSKAS: So we had
24 funding last year, and there is now new

1 funding in the budget this year for two
2 different -- one is sort of a resiliency
3 program and one is kind of an after-storm
4 funding to go to help people repair their
5 home.

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

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

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

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

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

22 ASSEMBLYWOMAN CHANDLER-WATERMAN:
23 Okay. And then the other question I have is
24 for Neighborhood Preservation Programs. I

1 know there's major cuts that will reverse the
2 state's response to services such as
3 evictions, home buying, counseling, housing
4 preservation. How do you think this will
5 ultimately impact those things, the cuts by
6 the Governor?

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

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

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

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

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

7 ASSEMBLYWOMAN CHANDLER-WATERMAN:
8 Thank you.

9 CHAIRWOMAN KRUEGER: Thank you.
10 Assemblymember Lucas.

11 ASSEMBLYWOMAN LUCAS: Good afternoon,
12 everybody.

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

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

1 effort?

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

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

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

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

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

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

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

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

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

21 ASSEMBLYWOMAN LUCAS: Right --

22 COMMISSIONER VISNAUSKAS: -- access
23 homeownership.

24 ASSEMBLYWOMAN LUCAS: I hate to cut

1 the Assembly is Senator Manktelow -- is that
2 correct?

3 ASSEMBLYMAN MANKTELOW: Assemblyman.

4 Thank you, Senator.

5 CHAIRWOMAN KRUEGER: Assemblyman

6 Manktelow.

7 ASSEMBLYMAN MANKTELOW: Good

8 afternoon, Commissioner, you're doing a great
9 job.

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

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

20 COMMISSIONER VISNAUSKAS: Yes, there's
21 obviously a -- there are manufactured homes
22 and modular homes throughout the state, but
23 certainly a lot of it in -- you don't have to
24 drive too far into upstate New York to see

1 them. And we are -- we actually have a
2 series of programs, not just that 50 million,
3 that are really trying to get at an upgrade
4 of those homes.

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

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

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

20 ASSEMBLYMAN MANKTELOW: Okay.

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

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

1 COMMISSIONER VISNAUSKAS: Our capital
2 or operating?

3 ASSEMBLYMAN MANKTELOW: Capital.

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

9 I would just remark we -- obviously we
10 have spent some of that, but we over the
11 course of the five years will spend north of
12 \$3 billion.

13 ASSEMBLYMAN MANKTELOW: How much,
14 3 billion?

15 COMMISSIONER VISNAUSKAS: Over the
16 five-year period.

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

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

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

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

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

11 COMMISSIONER VISNAUSKAS: Mm-hmm.

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

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

22 COMMISSIONER VISNAUSKAS: I think that
23 we -- as I sort of said earlier, we have
24 definitely heard, when we've gone across the

1 state, that infrastructure is a real
2 impediment to this. And it's why we have
3 this \$100 million in the budget, to really
4 get at unlocking some of that infrastructure,
5 whether it's water, sewer, electric.

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

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

14 COMMISSIONER VISNAUSKAS: Okay.

15 ASSEMBLYMAN MANKTELOW: Thank you for
16 your time this afternoon.

17 COMMISSIONER VISNAUSKAS: Yeah.

18 ASSEMBLYMAN MANKTELOW: Thank you,
19 Senator.

20 CHAIRWOMAN KRUEGER: Thank you.

21 And we missed one Assemblymember,
22 Assemblymember Meeks.

23 ASSEMBLYMAN MEEKS: Thank you,
24 Commissioner.

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

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

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

17 ASSEMBLYMAN MEEKS: Thank you.

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

22 COMMISSIONER VISNAUSKAS: It's really
23 anywhere that has consistent and sort of
24 persistent flooding. So it doesn't have to

1 be waterfront, for sure.

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

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

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

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

21 And then we're seeing -- I'm from
22 Rochester, and we're seeing a number of --
23 doing some great projects in the communities
24 there. But one of my major concerns is we're

1 numbers are currently as they relate to
2 MWBEs.

3 COMMISSIONER VISNAUSKAS: Okay.

4 ASSEMBLYMAN MEEKS: All right, thank
5 you.

6 CHAIRWOMAN KRUEGER: Okay, thank you.

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

9 Senator Brian Kavanagh.

10 SENATOR KAVANAGH: Thank you.

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

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

19 But can you just talk a little bit
20 about the need there as you perceive it and
21 to what extent -- you know, there's a
22 proposal that we're going to hear about in a
23 moment with some capital as well as some
24 operating money behind that. Can you just

1 talk a little bit about how that -- you know,
2 the need and whether there might be something
3 we should be addressing?

4 COMMISSIONER VISNAUSKAS: Yes,
5 absolutely.

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

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

24 We are sort of trying to consistently

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

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

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

22 COMMISSIONER VISNAUSKAS: Yes, we were
23 obviously very happy when the Milford Street
24 captive was up and running. It serves as a

1 great test case for affordable owners to
2 continue to join that.

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

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

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

24 COMMISSIONER VISNAUSKAS: Yeah, I mean

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

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

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

13 COMMISSIONER VISNAUSKAS: Thanks.

14 CHAIRWOMAN KRUEGER: Thank you.

15 Chair Linda Rosenthal.

16 ASSEMBLYWOMAN ROSENTHAL: Thank you.

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

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

1 be very helpful.

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

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

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

21 ASSEMBLYWOMAN ROSENTHAL: Okay. For
22 PARs and other MCI overcharge things,
23 applications from different tenant groups,
24 how can HCR speed up the processing within

1 the agency? Some take, you know, two, three
2 years to get through and tenants pay while
3 their question is being researched.

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

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

18 ASSEMBLYWOMAN ROSENTHAL: Yeah, but
19 not just for PARs.

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

23 ASSEMBLYWOMAN ROSENTHAL: But it would
24 be great if they could be sped up and so -- I

1 mean, this was a longstanding problem before
2 you. But maybe you could clear it up.

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

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

13 How can HCR address that issue?

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

23 ASSEMBLYWOMAN ROSENTHAL: Well,
24 Senator Kavanagh and I have a bill about a

1 loan fund for these kinds of properties. But
2 I think we have to do more. Because so many
3 people live in these subsidized buildings and
4 apartments, and we may lose them.

5 Thank you.

6 COMMISSIONER VISNAUSKAS: Thank you.

7 CHAIRWOMAN KRUEGER: Thank you.

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

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

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

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

21 CHAIRWOMAN KRUEGER: Yeah.

22 COMMISSIONER VISNAUSKAS: Well, the
23 fines -- thank you to all of you -- that
24 through the -- that got passed last year,

1 that gave us more enforcement, has been
2 great.

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

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

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

18 COMMISSIONER VISNAUSKAS: I mean, I
19 think that is something we do more through
20 TPU, where we -- especially now that we have
21 actual sort of on-time registering, we can
22 spend less time tracking down people who just
23 aren't registering their buildings and more
24 time actually looking at the patterns in the

1 buildings that are now all registered about
2 where rents are and where registrations are.

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

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

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

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

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

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

4 COMMISSIONER VISNAUSKAS: Oh, come on.

5 (Laughter.)

6 COMMISSIONER VISNAUSKAS: Just not
7 here.

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

11 (Laughter.)

12 COMMISSIONER VISNAUSKAS: Thank you.

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

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

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

1 Housing; the Neighborhood Preservation
2 Coalition; the Community Preservation
3 Corporation; the New York State Public
4 Housing Authorities Directors Association;
5 and the Local Initiatives Support Corporation
6 of New York.

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

10 (Off the record.)

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

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

22 So Jolie, would you -- thank you.

23 MS. MILSTEIN: Is this on?

24 CHAIRWOMAN KRUEGER: No, it's not.

1 The green light. There it is.

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

3 CHAIRWOMAN KRUEGER: Now it's on.

4 MS. MILSTEIN: I'm Jolie Milstein from
5 NYSFAFH.

6 CHAIRWOMAN KRUEGER: Thank you.

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

10 CHAIRWOMAN KRUEGER: Thank you.

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

13 MR. STREB: Mark Streb, Neighborhood
14 Preservation Coalition.

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

19 That happens. Not to worry.

20 So shall we start with Jolie?

21 MS. MILSTEIN: Yes.

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

24 We only get three minutes. There's no

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

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

13 (Laughter.)

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

16 Okay, Jolie, let's go with Housing.

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

22 Critical to NYSFAFH's work are the
23 resources and policies advanced each year at
24 the local, state and federal level. Our

1 successes have been made possible thanks to
2 the commitment of Governor Hochul and you,
3 the New York State Legislature, as well as
4 the talented staff of New York State HCR.

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

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

19 However, the affordable housing crisis
20 has no geographic boundaries, and neither
21 should the solutions. We're therefore asking
22 the Legislature to support a billion-dollar
23 "State of Yes" Housing for All plan. This
24 would include \$150 million for an affordable

1 housing relief fund to support preservation
2 and for many properties that have not
3 recovered from COVID financial losses and now
4 lack the financial stability to remain
5 affordable.

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

12 We support the Governor's proposal to
13 double funding for the State Low-Income
14 Housing Tax Credit Program, SLIHC, to
15 \$30 million annually for the next four years.
16 Currently there is a limit to transferring
17 the credits only once to a potential
18 investor, which limits its value in the
19 financing process. We're asking for
20 transferability for more than once to help
21 increase this value and provide private
22 investment in affordable housing projects.

23 We also need to address escalating
24 insurance costs. The Milford Street captive

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

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

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

16 NYSPHADA is very grateful to the
17 Legislature and the Executive for increasing
18 their support in the past several budget
19 cycles to help modernize and rehabilitate our
20 aging facilities, including last year's
21 \$75 million. Over the last several years, 30
22 to 40 of our members have utilized this
23 funding to pursue modernization projects. We
24 are expecting more housing authorities to

1 pursue major projects in the Rental
2 Assistance Demonstration project in the next
3 two years to come.

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

12 This allocation would be the second
13 half of last year's requested 150 million.
14 We think that by every measure, this public
15 housing modernization has been a huge win for
16 all of New York State. We have taken
17 advantage of over 250 million in the last
18 five years to help public housing authorities
19 across New York State modernize their
20 facilities.

21 We want to continue that momentum for
22 our public housing authorities and provide
23 the highest quality of life for our
24 residents. Several of our authorities have

1 undergone renovations utilizing the New York
2 State tax incentive programs, and there are a
3 list of over 20 housing authorities that have
4 done so in our report.

5 In addition to our budget requests, we
6 want to address the issue pertaining to the
7 rising cost of insurance for public housing
8 authorities. This is a major issue,
9 crippling our public housing authorities.
10 Many of our authorities have seen a
11 40 percent increase in insurance costs. I've
12 included a graph in our presentation.

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

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

22 Thank you for the opportunity today.

23 CHAIRWOMAN KRUEGER: Thank you.

24 Hi. Next?

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

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

8 Over the last 50 years, CPC has
9 invested over 15 billion to finance the
10 creation and preservation of more than
11 230,000 units of housing through our lending
12 and investing platforms, many across New York
13 State.

14 Of note to the earlier conversations,
15 CPC is currently administering the state's
16 Climate Friendly Homes Fund, which includes
17 \$250 million to electrify 10,000 units across
18 the state, which includes high-efficiency
19 heat pump projects. And public housing
20 projects are eligible.

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

1 Assemblymembers who continue to advance
2 housing solutions across the state.

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

11 We're also very supportive of the
12 \$1 billion commitment to help fund the
13 necessary infrastructure upgrades needed to
14 ensure the success of New York City's
15 recently passed City of Yes zoning text
16 amendment. As we begin to build a little
17 more housing in every neighborhood of
18 New York City, this financial support will
19 help ensure that the city's infrastructure
20 will be ready to meet the new demand.

21 Despite these successes, our state's
22 housing crisis is still very much ongoing.
23 For far too many New Yorkers affordable,
24 quality housing is either unsustainable or

1 unattainable, leaving our neighbors
2 housing-insecure or, worse, on the brink of
3 homelessness.

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

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

1 these two go together.

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

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

14 I'll stop there. Thank you.

15 CHAIRWOMAN KRUEGER: Sorry, we make
16 you stop.

17 MS. BURNS-MAINE: Thank you.

18 CHAIRWOMAN KRUEGER: Hi, Mark. Three
19 minutes.

20 MR. STREB: Mark Streb, Neighborhood
21 Preservation Coalition.

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

1 housing workers during this housing crisis.
2 It is your steadfast support of the
3 Neighborhood Preservation Program that allows
4 essential services to be provided. These
5 boots-on-the-ground community leaders are
6 often the difference between a family living
7 in a home versus a shelter versus the
8 streets. The incredible value of that cannot
9 be overlooked.

10 Now my ask. For this year's budget,
11 18.8 million in requested to fund the
12 Neighborhood Preservation Program. This
13 reflects a 6 percent cost-of-living increase
14 from last year's final budget amount of
15 17.63 million, to cover two years of flat
16 funding and inflation.

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

22 The Neighborhood Preservation Program
23 was originally created as a response by the
24 forward-thinking State Legislature to the

1 recognition that Neighborhood Preservation
2 Companies face significant challenges due to
3 inadequate funding. These not-for-profit
4 housing organizations play a crucial role in
5 addressing the escalating demand for
6 affordable housing and community services,
7 those services ranging from housing
8 counseling to home improvement and
9 rehabilitation projects, to food programs, to
10 eviction protection.

11 Unbelievably, Governor Hochul's
12 proposed budget presents an incredibly
13 concerning reduction of 4.8 million from last
14 year's funding level, lowering the NPP
15 allocation to 12.83 million. This decrease
16 will severely impact the vital services
17 provided. Cutting funding for the frontline
18 workers fighting the housing crisis is wrong
19 and must be reversed. Families and
20 children's lives will be negatively affected
21 if this draconian cut is instituted.

22 In addition to the program's
23 investment in human capital, the economic
24 development investment of this program is

1 incredible. By working with the community
2 and leveraging other resources, this
3 program's return on investment is 10 to 1.

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

10 The urgency of the housing crisis
11 cannot be overstated. In closing, we request
12 the Neighborhood Preservation Program be
13 funded at 18.8 million, with a \$350,000
14 carveout.

15 CHAIRWOMAN KRUEGER: Thank you.

16 Our first questioner is Brian
17 Kavanagh.

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

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

22 Just starting with Jolie from NYSFAFH,
23 can you talk -- you have a \$150 million
24 proposal for a affordable housing relief

1 fund. I'd asked the commissioner about this
2 a minute ago. But can you talk a little bit
3 about how you arrived at the proposal of
4 \$150 million?

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

8 SENATOR KAVANAGH: Yes indeed.

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

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

21 It's hard for us to rightsize the
22 need. We're working with NYU right now and
23 the agencies to try and get some good data.
24 We have a lot of anecdotal information; we're

1 not sure how big the problem is. I suspect
2 it's big. Bigger and getting bigger.
3 Especially with all of the noise at the
4 federal level, I think we're going to have
5 increasing numbers of problems.

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

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

13 MS. MILSTEIN: Yes.

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

20 MS. MILSTEIN: Right now -- several
21 years ago we were successful in bifurcating
22 and certificating the state credit, which
23 means that while most projects have federal
24 and state tax credits in them, it was

1 previously required that there be one buyer
2 for both sets of credits, even if the federal
3 tax credit buyer didn't have a state tax
4 liability. By separating the two, we can
5 have two separate buyers.

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

16 So we think that if you're able to
17 transfer this tax credit somewhere during the
18 10 years, it will increase the value at the
19 onset and increase the resources.

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

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

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

9 MS. MILSTEIN: Am I allowed to say
10 anything?

11 CHAIRWOMAN KRUEGER: You're not
12 allowed, sorry.

13 MS. MILSTEIN: I can't answer.

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

17 MS. MILSTEIN: If somebody else wants
18 to ask me about the 2 million versus our
19 3 million, I'm happy to answer.

20 CHAIRWOMAN KRUEGER: Fine, thank you.
21 Assembly. I'm sorry, I have to tell
22 you who.

23 Linda Rosenthal, chair of Housing.

24 ASSEMBLYWOMAN ROSENTHAL: Thank you

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

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

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

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

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

21 MR. STREB: It's the whole gamut. You
22 know, a veteran not being able to get his
23 roof fixed. A senior not having power. A
24 family not being able to have an after-school

1 program. The list goes on.

2 ASSEMBLYWOMAN ROSENTHAL: Okay, thank
3 you.

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

6 MS. MILSTEIN: Yeah, yeah. The
7 2 million is to backstop the loss pool in the
8 Milford -- the Milford captive.

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

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

23 MS. MILSTEIN: The relief fund.

24 ASSEMBLYWOMAN ROSENTHAL: Yes.

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

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

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

1 ASSEMBLYWOMAN ROSENTHAL: Thank you.

2 CHAIRWOMAN KRUEGER: Thank you.

3 Senator May.

4 SENATOR MAY: Thank you. And thank
5 you all for your testimony.

6 I want to start with Mr. Simmons.

7 Welcome from Syracuse to Albany.

8 I appreciate your request for money
9 for modernizing the public housing. Talking
10 about the Syracuse housing authority, how
11 much money already has gone to SHA for that?
12 How much would you appreciate of the money
13 that you're asking for for the oldest housing
14 project in the state that you oversee?

15 MR. SIMMONS: Yeah, as you know, for
16 Syracuse we're getting ready to launch our
17 transformative project that's going to
18 demolish 600 units -- well, yeah, about
19 600 units of public housing. Pioneer Homes
20 is one of the first in New York State, built
21 in 1937 --

22 SENATOR MAY: I'm hoping for a quick
23 answer here, so --

24 MR. SIMMONS: Oh, sorry.

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

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

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

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

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

1 protection vouchers.

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

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

6 MR. SIMMONS: Yeah, absolutely.

7 SENATOR MAY: Okay, good.

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

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

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

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

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

5 SENATOR MAY: No, just before that.

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

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

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

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

18 MS. BURNS-MAINE: Yes.

19 (Laughter.)

20 SENATOR MAY: Okay, thank you.

21 MS. BURNS-MAINE: Thank you.

22 CHAIRWOMAN KRUEGER: Thank you.

23 Next we have Assemblymember Lucas.

24 ASSEMBLYWOMAN LUCAS: Good afternoon.

1 This question is for Ms. Milstein.

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

8 MS. MILSTEIN: Thank you for the
9 question.

10 NYSFAFAH has a longstanding commitment
11 to MWBE programs. We have a committee that
12 meets regularly to vet the various programs
13 that the state comes with. We partner with
14 HPD and HCR and run technical trainings.
15 We've worked with CPC to run mentorship
16 programs.

17 Recently we were asked by the state's
18 MWBE program administrators to bring people
19 in to vet a new program they were
20 considering. So we have a whole
21 classification of membership within our
22 organization for MWBE firms. And at our
23 annual conference we usually run a track or
24 at least a panel on discussing MWBE

1 procurement and business-building kinds of
2 ideas.

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

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

11 ASSEMBLYWOMAN LUCAS: Thank you.

12 CHAIRWOMAN KRUEGER: Thank you.

13 Excuse me. Senator Cleare.

14 SENATOR CLEARE: Good afternoon,
15 everyone. Thank you.

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

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

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

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

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

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

11 SENATOR CLEARE: Provided that type of
12 a fund was available in New York City, could
13 it address what I find is just these
14 not-affordable affordable units? Especially
15 in communities like mine, of Harlem and
16 West Harlem, East Harlem -- predominantly
17 Black communities where the income is \$55,000
18 a year, average, and housing costs are
19 44,000, 50,000 -- impossible amounts for that
20 community to pay.

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

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

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

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

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

20 SENATOR CLEARE: Thank you.

21 CHAIRWOMAN KRUEGER: Thank you.

22 Assemblymember Burdick.

23 ASSEMBLYMAN BURDICK: Thank you. And
24 I want to thank each of you for the work that

1 you do to promote housing in the state,
2 particularly affordable housing.

3 And this is a question for NYSFAFH and
4 Jolie Milstein.

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

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

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

22 We certainly endorse increasing by
23 \$50 million the fund for infrastructure
24 investment in communities. I think at least

1 \$50 million more.

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

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

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

20 MS. MILSTEIN: Yes.

21 ASSEMBLYMAN BURDICK: -- legislative
22 proposals.

23 Also, have you given thought to how
24 that program in HCR might be improved, might

1 be made more accessible, might enable more
2 communities to be certified and to get the
3 resources that they need in order to do the
4 infrastructure and so forth?

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

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

20 ASSEMBLYMAN BURDICK: Great. Thanks
21 very much.

22 MS. MILSTEIN: Thanks for your
23 question.

24 CHAIRWOMAN KRUEGER: Thank you.

1 I'm sorry, next is Senator Walczyk.

2 SENATOR WALCZYK: Thank you,

3 Madam Chair.

4 Do we need more public housing?

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

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

18 MR. SIMMONS: Yes.

19 SENATOR WALCZYK: How much does that
20 cost?

21 MR. SIMMONS: Well, it's going to be
22 an eight-phase project, probably close to
23 800 million when it's all said and done.

24 SENATOR WALCZYK: Eight hundred

1 million?

2 MR. SIMMONS: Yes.

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

7 MR. SIMMONS: Correct.

8 We requested 150 million last year; we
9 were able to get 75. We've come back for
10 75 more.

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

15 SENATOR WALCZYK: So how much of that
16 75 million would end up in Syracuse for your
17 project in the 15th Ward?

18 MR. SIMMONS: We, as I pointed out
19 earlier, will be doing it in phases. And of
20 that 75 million, we'll probably have close to
21 30, maybe 25 million in that first couple of
22 years.

23 SENATOR WALCZYK: So in your testimony
24 that's the -- you talked about demolition and

1 replacement. That's specifically what you
2 were talking about, is projects like the
3 East Adams --

4 MR. SIMMONS: Correct.

5 SENATOR WALCZYK: -- Neighborhood
6 Transformation Project?

7 MR. SIMMONS: Yes. We recently won a
8 \$50 million competitive revitalization grant
9 from HUD this year, which will go towards
10 demolition and a number of those kinds of
11 expenses that you really can't get from the
12 NYSPHADA program.

13 So while HCR has done a great job of
14 prioritizing our transformation plan with the
15 housing component, you know, we're working
16 with the city and county for infrastructure,
17 putting in new pipes and streetways, making
18 neighborhoods safer. But we did get a
19 \$50 million grant from the HUD department for
20 the relocation of families, demolishing the
21 buildings, and helping clean up some of the
22 land.

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

1 MR. SIMMONS: Absolutely.

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

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

10 MR. SIMMONS: Well, in Syracuse,
11 that's the beauty of the transformation
12 project, because we currently have 600 public
13 housing units and we're going from 600 to
14 1400, creating more housing for market rate
15 and affordable in Syracuse.

16 CHAIRWOMAN KRUEGER: Thank you.

17 Assemblymember Lee.

18 ASSEMBLYWOMAN LEE: Good afternoon.

19 This question is for Mr. Simmons.

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

1 NYSPHADA?

2 MR. SIMMONS: Yeah, we've had some
3 20 housing authorities that are included in
4 my testimony that have done work. And as you
5 remember, I came to HCR about six years ago
6 when the previous -- Governor Cuomo gave
7 200 million to NYCHA for their roofs. And I
8 said, "Well, wait a minute, what about us?
9 You know, we're getting cut back from the
10 federal government, and we could use some
11 roofs as well."

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

19 And we've been doing that for the past
20 five years, using up most of the
21 \$250 million. And we've been getting
22 additional dollars -- 75 million last year.
23 We hope to get -- your colleagues have been
24 successful in putting in another 75 for us

1 this year, and it's worked out tremendously
2 to really help public housing and affordable
3 housing maintain itself in New York State and
4 upstate New York. Thank you for your help.

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

7 MR. SIMMONS: Absolutely.

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

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

19 ASSEMBLYWOMAN LEE: Thank you.

20 For Jolie, just in the last minute
21 here, I wanted to understand better the
22 insurance and the \$2 million backstop. That
23 seems like a very small amount of money,
24 given -- if you're thinking about a portfolio

1 of a number of buildings that are going to be
2 insured by this captive insurance fund.

3 Can you talk more about that?

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

7 We think that that will help -- every
8 company that becomes part of this cooperative
9 insurance effort has to put some money in.
10 There's some less-well-endowed
11 not-for-profits than others, and the
12 3 million is a stopgap, really, intended to
13 help more companies participate in
14 Milford-like captives.

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

22 ASSEMBLYWOMAN LEE: Okay, great.

23 Thank you.

24 CHAIRWOMAN KRUEGER: Okay, thank you.

1 Our next is Assemblywoman Levenberg.

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

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

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

20 Nobody really talked at all about the
21 Housing Access Voucher Program. Maybe that's
22 not really in your bailiwick, I don't know.
23 But it's something that, you know, we've
24 talked a lot about and seemed like something

1 that would have been really, really helpful.
2 Okay, you guys are going to be talking about
3 it. But in case you had any thoughts about
4 that.

5 And finally, I wanted to know a little
6 bit sort of about the Mitchell-Lama or any of
7 the affordable housing, after it's
8 recapitalized, if there's any oversight after
9 modernization that the buildings are actually
10 keeping up with their promises that they made
11 to get that recapitalization.

12 Go.

13 (Laughter.)

14 MS. BURNS-MAINE: I can talk
15 electrification --

16 MS. MILSTEIN: It's one of my favorite
17 topics, but you guys are in the weeds.

18 MS. BURNS-MAINE: I didn't get there,
19 but we actually in the submitted testimony
20 are very supportive of an HAVP program or any
21 sort of state voucher program to look for,
22 and have continued to support that year after
23 year that we've considered it.

24 We know that it's expensive to

1 consider a statewide housing assistance
2 voucher program, but we are very supportive
3 of that in our priorities.

4 As it pertains to climate resiliency,
5 it's definitely a priority of CPC's. We've
6 been looking at any opportunity we have in
7 terms of the resources available to build
8 those into our lending tools.

9 In addition to the electrification and
10 the work that we're doing through the
11 Climate-Friendly Homes Program, we are
12 working with a number of different developers
13 on climate resilient programs. This is
14 something as we consider the insurance
15 premium crisis and all of the work ahead,
16 that we also need to consider from an
17 insurance perspective kind of rising costs as
18 we face more and more climate-related
19 disasters. There's a lot of work to be done.

20 I'll hand it to Jolie I think next on
21 this.

22 MS. MILSTEIN: Thank you.

23 Look, all the new affordable housing
24 that gets built, public, affordable,

1 mixed-income, is all electric across the
2 state. I think our big challenge on
3 electrification is retrofitting.

4 So, you know, we are running webinars,
5 we're working with CPC and other lenders,
6 we're doing everything we can in the larger
7 picture about infrastructure and making sure
8 the grid is resilient and we can actually
9 electrify all these buildings. Because let's
10 be honest, there's not enough grid capacity
11 to electrify all of New York City, and the
12 state has problems where -- that are
13 different but also very challenging.

14 So we're working holistically with the
15 state, with the city, with other small
16 cities, and with federal resources to make
17 sure we're ahead of the game.

18 ASSEMBLYWOMAN LEVENBERG: Thanks.
19 I'll follow up with the recapitalization
20 question.

21 CHAIRWOMAN KRUEGER: Thank you.

22 Assemblyman Mank-telow. I'm trying.

23 ASSEMBLYMAN MANKTELOW: Perfect,
24 Madam Chair.

1 William, a question for you.

2 I think your ask was again 75 million
3 this year in the budget.

4 MR. SIMMONS: Yes.

5 ASSEMBLYMAN MANKTELOW: And it was
6 75 million last year as well?

7 MR. SIMMONS: Yes, correct.

8 ASSEMBLYMAN MANKTELOW: How much of
9 that goes to actual admin costs, of the
10 75 million? Or is that total project money?

11 MR. SIMMONS: Yeah, most of that is
12 capitalization, utilizing the Low Income
13 Housing Tax Credit Program, the 9 percent and
14 the 4 percent program. That's where those
15 dollars go.

16 Very little to none goes to
17 operational costs.

18 ASSEMBLYMAN MANKTELOW: So if you had
19 to take a wild guess, how much goes to admin?

20 MR. SIMMONS: Again, I think all of
21 it -- all those dollars are capital,
22 committed to the capital --

23 MS. MILSTEIN: They're capital
24 expenses, and they have some over -- you

1 know, project administration fees built into
2 the LIHTC construction program. So it's less
3 than a market-rate project would usually see
4 in terms of project oversight and things like
5 that. It's pretty tight.

6 ASSEMBLYMAN MANKTELOW: So if most of
7 that money goes there, where does the funding
8 go for you? Or how do you get paid?

9 MR. SIMMONS: I get paid because I'm a
10 member of the Public Housing Authority. And
11 so we get our money from the federal
12 government.

13 They pay -- we have a contract with
14 the federal government for the maintaining
15 of --

16 ASSEMBLYMAN MANKTELOW: Okay.

17 MR. SIMMONS: And so we're building
18 out new and affordable housing or repurposing
19 our existing housing, but my salary is paid
20 for by the Department of Housing and Urban
21 Development.

22 MS. MILSTEIN: It's not a capitalized
23 expense as the industry is.

24 MR. SIMMONS: No.

1 ASSEMBLYMAN MANKTELOW: I was just
2 wondering, because every dollar that we can
3 put out there on the ground is a dollar well
4 spent. And I'm not saying spending money on
5 you is not well spent, but I like to see the
6 projects.

7 And I believe your association was
8 very instrumental in the St. Francis
9 apartments in Geneva.

10 MR. SIMMONS: Yes.

11 ASSEMBLYMAN MANKTELOW: And I just
12 wanted to give you a shout out on that. I
13 followed that project. I live in Lyons, just
14 a little ways north, and that project was
15 really, really well done. So I just want to
16 give you kudos to a great job, because that
17 was good to see and it's good to see those
18 dollars go there into something that's
19 really, really useful for the community.

20 So thank you for what you've --
21 however you helped that project, thank you.

22 MR. SIMMONS: We have a lot of
23 hardworking public servants who are very,
24 very committed to public and affordable

1 housing. Thank you.

2 ASSEMBLYMAN MANKTELOW: Thank you for
3 the time, and I'll yield the rest of my time,
4 Madam Chair.

5 CHAIRWOMAN KRUEGER: Thank you.

6 Senator Steve -- Assemblymember Otis.

7 ASSEMBLYMAN OTIS: Thank you very
8 much.

9 A question for Mr. Simmons. Thank you
10 for being here.

11 Could you give us a sense for the
12 outside of New York City housing, municipal
13 housing authorities? How's the financial
14 health and physical health compared to a
15 couple of years ago, where there were some
16 real stress points?

17 MR. SIMMONS: In my testimony today
18 there's about 22 housing authorities that
19 have used the state funding for the tax
20 credit program, along with the money that
21 they had from the Department of Housing and
22 Urban Development. Many of them have spent
23 anywhere from 10 million to \$20 million
24 revitalizing their properties, and many of

1 these properties prior to getting involved
2 with New York State were really just dying
3 the death of a thousand cuts because the
4 Department of Housing and Urban Development
5 really wasn't funding to the level for the
6 capital needs of public housing.

7 So many of them are doing great, and
8 there's quite a list more of housing
9 authorities that are utilizing the program
10 now. It wasn't easy in the beginning because
11 many of these housing authorities were
12 getting their federal funds from HUD and
13 getting an allotment and they would just
14 apply it to their repairs as much as they
15 could do, but getting involved in tax credits
16 is a lot more complicated -- lawyers,
17 developers, architects, engineers -- and it
18 took a little bit of work to change the
19 paradigm for so many of these housing
20 authority members and their boards.

21 But we got there, and it's been
22 working out great.

23 ASSEMBLYMAN OTIS: We need to keep the
24 money flowing. We need to keep that

1 continued work a reality.

2 MR. SIMMONS: Yup. Yup.

3 ASSEMBLYMAN OTIS: Thank you very
4 much. Thank you for what you do.

5 MR. SIMMONS: Thank you.

6 CHAIRWOMAN KRUEGER: Senator -- you
7 know, I'm in a pattern of I call the Senators
8 and an Assemblymember calls the
9 Assemblymembers, so I keep rolling it wrong,
10 I apologize.

11 SENATOR KAVANAGH: I'm willing to jump
12 in, though.

13 (Laughter.)

14 CHAIRWOMAN KRUEGER: No, we don't get
15 anymore, sorry.

16 (Laughter.)

17 CHAIRWOMAN KRUEGER: Assemblymember
18 Novakhov.

19 ASSEMBLYMAN NOVAKHOV: Thank you.

20 So Neighborhood Preservation Coalition
21 and the Community Preservation Corporation --
22 my question is to Erin and Mark. How are you
23 going to preserve New York City
24 private-houses-only communities and

1 neighborhoods from the City of Yes? So how
2 can I avoid a 10-story building next to my
3 two-story house? And how much money is
4 intended for that cost?

5 Thank you.

6 MR. STREB: So Neighborhood
7 Preservation Coalition, our companies are
8 not-for-profits on the ground. We utilize
9 the tools of the toolbox. The tools are all
10 the great programs that HCR runs and you guys
11 fund, because each instance is a unique
12 challenge of its own. So the goal is to make
13 sure we maintain people living in their
14 homes. If that's making sure that their
15 boiler works or there's a hole in the roof or
16 whatever type of service that they need, our
17 companies are the ones that will help
18 identify that, work with that constituent,
19 and make sure they can stay in that home.

20 MS. BURNS-MAINE: And CPC is a
21 construction lender. We also have permanent
22 mortgage products. We absolutely will be
23 working with any sort of new developments to
24 advise City of Yes.

1 We're excited to see New York City
2 neighborhoods embrace a little bit more
3 housing in every district, and we're grateful
4 to the state for their commitment to build
5 the infrastructure to allow those
6 neighborhoods to embrace it.

7 ASSEMBLYMAN NOVAKHOV: So there's
8 nothing -- because I'm coming at it from the
9 name of your organizations. So there's
10 nothing to preserve the community or
11 neighborhood and to protect it from the
12 larger developments of the City of Yes
13 program?

14 MS. BURNS-MAINE: I don't think I
15 understand the question.

16 ASSEMBLYMAN NOVAKHOV: I mean, for me,
17 preserving the community and preserving the
18 neighborhood is exactly, you know, the
19 opposite of the City of Yes. Right?

20 MS. BURNS-MAINE: Understood. Sure.

21 ASSEMBLYMAN NOVAKHOV: Are your
22 organizations doing anything to preserve
23 those communities and neighborhoods?

24 MS. BURNS-MAINE: So CPC has been

1 around for 50 years. Our preservation is
2 really looking at housing and affordable
3 housing as a precious resource, which it is
4 in New York City.

5 We absolutely are committed to
6 preserving affordable housing,
7 rent-stabilized housing. Our investments
8 into the signature portfolio I think speak to
9 that, as well as, you know, our 50-year
10 history in the rent-stabilized stock.

11 We see investing in new construction
12 and a little bit more housing in every
13 neighborhood as something that we need to do
14 to preserve the City of New York. So
15 absolutely, that's part of our commitment to
16 preservation.

17 MR. STREB: Every home, every
18 apartment building that we can make sure
19 stays in good working order or every small
20 landlord or every landlord can maintain that
21 property, I think that is a step in the right
22 direction.

23 CHAIRWOMAN KRUEGER: Assemblymember
24 Meeks.

1 ASSEMBLYMAN MEEKS: Thank you.

2 I think this question can go across
3 the board.

4 Are you meeting state MWBE regulations
5 or guidelines that are set forth? And what
6 are you doing to meet those regulations or
7 those standards?

8 MR. SIMMONS: From the Syracuse
9 Housing Authority standpoint, our goals are
10 30 percent participation. Not only do we
11 meet the goals in terms of our capital
12 improvement programs, but for our vacant
13 apartment prep turnaround program from
14 operational monies, the vast majority of our
15 contractors are MWBE.

16 We meet and exceed the goals all the
17 time. We do constant outreach for
18 contractors and promoting of our programs.
19 And what helps us out tremendously is that
20 many of our vendors get paid on a biweekly
21 basis. So if I'm a contractor and I do work
22 with the federal government or state
23 government, I may have to wait 20, 30 days.
24 Syracuse Housing Authority, we pay you in two

1 weeks. And so guys love to work and they
2 keep coming back.

3 So we run a very active program, been
4 doing it for years.

5 ASSEMBLYMAN MEEKS: Thank you.

6 MS. MILSTEIN: All of our developers
7 that build affordable housing are required,
8 because of the public/private partnership, to
9 meet a minimum threshold -- maybe you know
10 it. I think it's 30 percent of the workforce
11 is required to be MWBE certified by the city
12 or the state, depending upon the funding
13 mechanism.

14 And those funds are overseen and
15 checked on. And NYSAFAH, for our part, runs
16 forums where developers who are hiring and
17 contractors who are hiring, we have job
18 forums where we bring together vendors and
19 MWBE companies with those who are seeking to
20 hire those companies as part of their
21 public/private contract financing, so.

22 ASSEMBLYMAN MEEKS: So what percentage
23 would you say you're meeting as it relates to
24 MWBE?

1 MS. MILSTEIN: Everyone is required,
2 to get funded -- I believe it's 30 percent.

3 ASSEMBLYMAN MEEKS: We're familiar
4 with what the requirement is, but we know
5 that often that's not met. So are you --

6 MS. MILSTEIN: Well, in our program
7 they have to be met or you don't get paid.
8 So if you don't have certified and checked
9 and vetted 30 percent compliance, you won't
10 get -- the funds won't flow.

11 So for those public/private
12 partnerships -- I don't know what happens on
13 other projects, but for all of our projects,
14 it's nonnegotiable. I mean, if you don't
15 meet the requirements -- there are huge fines
16 if you don't meet the requirements and stay
17 certified.

18 ASSEMBLYMAN MEEKS: Thank you.

19 MS. BURNS-MAINE: That's right. I
20 would add to that it's the same answer I
21 think for CPC's portfolio.

22 And I would also add we understand
23 that the real estate industry has a very high
24 threshold for entry, so we've been doing a

1 tremendous amount in the last few years to
2 invest in -- we've been providing technical
3 assistance and training through our ACCESS
4 Incubator program to -- I think we're in our
5 fourth cohort of new, up-and-coming
6 developers, many of them are led by people of
7 color, to develop their own small businesses
8 and their own real estate projects, building
9 the industry up. We've invested \$40 million
10 of CPC's money in that program.

11 ASSEMBLYMAN MEEKS: Thank you.

12 CHAIRWOMAN KRUEGER: Thank you.

13 All right, with that, thank you all
14 for your participation and your testimony
15 today, and your work on behalf of New Yorkers
16 every day.

17 We're going to excuse this panel, and
18 we're going to call up Panel B: Legal
19 Services for New York City; Center for
20 New York City Neighborhoods; Center for
21 Public Enterprise; Strong Economy for All
22 Coalition.

23 (Off the record.)

24 CHAIRWOMAN KRUEGER: I think we only

1 have two of the four representatives.

2 (Off the record.)

3 CHAIRWOMAN KRUEGER: Is Charles Khan,
4 Strong Economy for All, here? I actually
5 know he was at the earlier hearing this
6 morning, so maybe there was just a little
7 confusion.

8 So hi. Because, let's see, there's
9 only one of you -- but there's one, two,
10 three, four, five, six on the next panel --
11 please start.

12 You have to press it to green -- oh,
13 there, you had it. Oh, there you go.

14 MS. BLACK: Good afternoon. I'm
15 Rosalind Black. I'm the Citywide Housing
16 Director of Legal Services NYC, the nation's
17 largest provider of free civil legal
18 services --

19 CHAIRWOMAN KRUEGER: Pull it a little
20 closer so people can hear. Thank you.

21 MS. BLACK: I'm the housing director
22 at Legal Services NYC, the nation's largest
23 provider of free civil legal services to
24 low-income households.

1 Thank you for allowing me to speak
2 today about the innovative Housing-Public
3 Benefits Initiative built with the funding
4 allocated to legal services for
5 representation for eviction, starting in
6 2023.

7 In 2023 we were very pleased to
8 receive \$10 million administered by OTDA and
9 presented as a renewable three-year grant to
10 provide eviction prevention services. We
11 knew this funding could have a huge impact on
12 tenants facing eviction if we could figure
13 out how to break the eviction cycle by
14 increasing income and rental subsidies for
15 those coming before us.

16 So we built this Housing-Public
17 Benefits Initiative. We now have 40 public
18 benefits advocates who partner with our
19 housing attorneys. Here's an example of our
20 work.

21 Mr. A is a 65-year-old disabled
22 veteran who was living in a rent-stabilized
23 Manhattan apartment for 15 years. His
24 landlord sued him for \$33,000 in back rent.

1 His SSD income was too low to afford his
2 rent. A public benefits attorney immediately
3 partnered with our housing attorney. Using
4 legal strategy we won a \$4,000 reduction in
5 the rent owed. We increased his income by
6 getting him on food stamps at 230 a month.
7 We got him a CityFHEPS rental subsidy that
8 paid the arrears of \$29,000, and now he has
9 an ongoing rental subsidy from CityFHEPS of
10 \$550 a month.

11 Given this disabled veteran's serious
12 health issues -- he had been hospitalized for
13 five months with a leg infection and faces
14 amputation -- losing his home would be
15 devastating. Fortunately, our team's
16 tenacious and holistic advocacy allowed him
17 to remain in an affordable home and gain
18 long-term financial stability.

19 This is just one of the thousands of
20 examples of how we've been able to expand our
21 work. We can now evaluate every one of the
22 many thousands of tenants who come to us at
23 risk of eviction to make sure they receive
24 every cent of benefits and rent subsidies

1 they qualify for -- from the Medicaid savings
2 plan to food stamps, FHEPS, CityFHEPS, and
3 SCRIE/DRIE rental subsidies and benefits.

4 With our help, tenants get the income
5 and rental subsidies that all of you in the
6 Legislature have fought so hard for.

7 From the program's inception in
8 October 2023 through 2024, our organization
9 handled over 7,000 cases. We went from
10 handling 690 benefits cases in all of 2023 to
11 over a thousand cases every quarter in 2024,
12 which is more than a 480 percent increase.

13 Crucially, the number of cases where
14 we get back-rent money from public assistance
15 or charities is going down relative to the
16 number of more permanent affordability
17 solutions like FHEPS or CityFHEPS or
18 SCRIE/DRIE.

19 While we received 10 million the first
20 year, our funding was reduced to 4 million
21 the second year as other providers were
22 brought in to share a \$10 million pool.

23 (Time clock sounds.)

24 CHAIRWOMAN KRUEGER: Thank you.

1 Senator Robert Jackson.

2 SENATOR JACKSON: First, thank you for
3 staying the course.

4 MS. BLACK: Absolutely.

5 SENATOR JACKSON: And Legal Services
6 of New York City, that only deals with
7 housing or it deals with other aspects of
8 legal services?

9 MS. BLACK: Well, our organization
10 is -- you know, we provide all legal
11 services. I'm here as the housing director
12 speaking on behalf of the funding that we
13 receive in particular from the state that
14 funds the Housing-Public Benefits Initiative
15 that we have.

16 SENATOR JACKSON: And you said that
17 your request was \$10 million, is that what
18 you said earlier?

19 MS. BLACK: Yeah, I didn't quite get
20 to finish. We received \$4 million this year,
21 so we're requesting that we receive
22 10 million and that the overall pool, which
23 for New York City right now is at 10, be
24 increased to 30 million, and the other

1 providers doing this work be similarly
2 proportionally increased in funding.

3 SENATOR JACKSON: So the 10 million is
4 not only for housing, it's for the entire
5 New York City legal services? Or is the
6 10 million for only housing?

7 MS. BLACK: The \$10 million is going
8 towards the innovative project that really
9 supports the housing, that gets the people
10 the public benefits that they are entitled to
11 in order to prevent their eviction and
12 provide them with long-term affordability.
13 So yes.

14 SENATOR JACKSON: Well, let me thank
15 you, as I said earlier, for staying the
16 course. Obviously you and your team that you
17 supervise down in New York City are doing a
18 great job. I mean, the needs are great and
19 as attorneys working in order to help people
20 stay in their home and/or whatever the
21 problem is, it's so, so important.

22 And I want to thank you on behalf of
23 all of the constituents no matter where they
24 live at -- my district is in Northern

1 Manhattan in the Bronx -- but anywhere, it
2 doesn't matter. You're doing a good job.

3 And I want to just ask you about that.
4 How many people under your jurisdiction as
5 the citywide housing director are dealing
6 with housing?

7 MS. BLACK: How many housing staff do
8 we have?

9 SENATOR JACKSON: Yeah.

10 MS. BLACK: Over 200. I mean, it's
11 been amazing to be able to grow the size of
12 our staff and have -- you know, with the
13 resources mostly from the city, right -- that
14 we are engaging in right to counsel and
15 engaging in affirmative tenant work, yeah.

16 SENATOR JACKSON: And last year, what
17 was in the budget?

18 MS. BLACK: Last year New York City
19 received \$10 million.

20 SENATOR JACKSON: You received the
21 10 million, you said?

22 MS. BLACK: New York City got
23 10 million, yeah.

24 SENATOR JACKSON: And is that what

1 you're asking for, the same thing?

2 MS. BLACK: We're asking that -- well,
3 right now -- right now it's not in the
4 Executive Budget at all, it's in the -- I
5 believe it's in the Assembly budget and it's
6 in the Senate budget. It's in I think the
7 Senate at 10 and the Assembly I think at 30.

8 We were asking that it be, you know,
9 part of the state budget at 10 and we are
10 asking for an increase overall to 30 so that
11 our org would get 10 and the other orgs would
12 get I think 10 and 10 as well.

13 SENATOR JACKSON: Okay, thank you.
14 I'll follow up with you later.

15 CHAIRWOMAN KRUEGER: Thank you.

16 MS. BLACK: Thank you,
17 Senator Jackson.

18 SENATOR JACKSON: Thank you.

19 CHAIRWOMAN KRUEGER: Assemblywoman
20 Rosenthal.

21 ASSEMBLYWOMAN ROSENTHAL: Thank you
22 very much. And thank you for your work.

23 Have you seen good-cause eviction
24 cases during the past year?

1 MS. BLACK: Yes. I mean, good-cause
2 eviction is having a huge impact in a lot of
3 very positive ways. It's giving, you know,
4 tenants defenses and reasons to be able to
5 stay in their homes.

6 It's also impacting our work in the
7 sense that housing eviction defense is
8 becoming more complicated and more
9 time-consuming because the law -- there was a
10 lot of vagueness in the law, right? I'm
11 sure, you know, intentionally left that way
12 that will be resolved through litigation.
13 Right? Like what is a small landlord who
14 owns this building, so the litigation coming
15 out of that is making Housing Court cases
16 much more complex.

17 ASSEMBLYWOMAN ROSENTHAL: I mean, in
18 my office I found tenants who live in a
19 good-cause-eligible apartment building often
20 do not get those lease riders where they need
21 to be informed if they are or are not subject
22 to good cause, and the increases are much
23 steeper than 8.84 allowed. Have you seen
24 that as well?

1 MS. BLACK: We -- the people who come
2 to us, there have been a few who have been in
3 that situation. We've been able to clear it
4 up, obviously. Right?

5 And so we hope that more people
6 continue to contact us with their questions,
7 right, who come to us proactively who say I
8 didn't get the notice, is my building subject
9 to good cause? And you really need a lawyer
10 to navigate it. It's almost impossible on
11 your own to be able to do the investigation
12 to uncover whether you qualify.

13 So we are available as a legal
14 services provider to engage on those issues.

15 ASSEMBLYWOMAN ROSENTHAL: But, you
16 know, more case law is being developed on
17 this matter?

18 MS. BLACK: Case law is being
19 developed every day. Yes, absolutely. You
20 have to give a notice, and when, and we're
21 litigating all those meaty issues,
22 absolutely.

23 ASSEMBLYWOMAN ROSENTHAL: Yeah. Well,
24 hopefully we can fix some of that and make it

1 better in the future.

2 I carry the bill with Senator Kavanagh
3 establishing the Housing Access Voucher
4 Program. Since you mentioned the other
5 voucher programs, I wonder if you'd just say
6 a few words about the necessity for a
7 statewide voucher program.

8 MS. BLACK: Yeah, absolutely. I feel
9 that, you know, the tenants who are lucky
10 enough to qualify for the limited voucher
11 programs -- we fight really hard to get them
12 in, but most of the people who come to us are
13 not qualifying for it, right? They don't
14 have a way to afford their apartments and
15 have them -- be able to have rents that they
16 can sustain.

17 You know, if there were to be such a
18 program, what we're doing here will go really
19 nicely hand in hand to support it. Right?
20 We can make sure people qualify for it, make
21 sure people have it at the right level, fight
22 for all those things. So absolutely. It
23 couldn't be more crucial to have those kinds
24 of vouchers for tenants.

1 ASSEMBLYWOMAN ROSENTHAL: Okay. Thank
2 you, and thanks for your work.

3 MS. BLACK: Thank you.

4 CHAIRWOMAN KRUEGER: Senator Brian
5 Kavanagh.

6 SENATOR KAVANAGH: I'll try to be
7 brief here.

8 Just -- this is partly just to clarify
9 what the ask is and what happened in response
10 to some of the questions from my colleague
11 Senator Jackson.

12 So just -- this is your -- you're
13 talking about the funding that has been added
14 over the last few years by the Legislature
15 for legal assistance specifically for tenants
16 throughout the state. And obviously you
17 handle the New York City portion of that,
18 right?

19 MS. BLACK: Yes.

20 SENATOR KAVANAGH: So this is the
21 program that we had 25 million -- we
22 originally had \$25 million that was sort of
23 carved out of ERAP money, and that was only
24 for non-New York City, I believe. And then

1 we -- over the last couple of years we got it
2 up to 40 million; in last year's adopted
3 budget, \$40 million for outside New York
4 City, and you had a \$10 million pot for
5 within New York City, of which your
6 organization got \$4.2 million, is that right?

7 MS. BLACK: Our organization receives
8 \$4 million of the \$10 million New York City
9 pot. I believe there's 35 million that
10 goes -- 40 million went to the upstate
11 communities and 10 for New York City.

12 SENATOR KAVANAGH: Forty for upstate
13 and 10 for New York City.

14 MS. BLACK: Yes.

15 SENATOR KAVANAGH: And that was
16 divided among Legal Services and
17 Legal Aid and a few others.

18 MS. BLACK: Legal Aid Society is
19 getting 4 and I think 2 goes to New York
20 City -- {inaudible} civil justice.

21 SENATOR KAVANAGH: And you're
22 proposing for this year, for within New York
23 City, a total of \$30 million, of which you
24 would hope to get 10 million for Legal

1 Services NYC, is that right?

2 MS. BLACK: Yes, that's correct.

3 SENATOR KAVANAGH: Okay, good. I'm
4 going to leave it there. I appreciate your
5 work and obviously you have been very
6 supportive -- going to make sure this money
7 is available.

8 But I don't have any further
9 questions. Thanks.

10 MS. BLACK: Okay, absolutely. Thank
11 you.

12 CHAIRWOMAN KRUEGER: Thank you.
13 Assemblywoman Levenberg.

14 ASSEMBLYWOMAN LEVENBERG: Thank you so
15 much.

16 I was so interested to hear about the
17 Housing-Public Benefits Initiative -- is that
18 what you said? Is that also available
19 outside the city? Like some of that money
20 that Senator Kavanagh was just mentioning, is
21 that also going to that same initiative
22 outside the city?

23 MS. BLACK: So there's a pool of money
24 that goes to the upstate organizations. How

1 they are using their funding will vary. So a
2 lot of those organizations are using it for
3 eviction defense in Housing Court, for legal
4 representation, because they don't have any
5 funding to do that. So they are prioritizing
6 how they're spending their money.

7 I'd say upstate communities, they also
8 have maybe less access to a lot of those
9 benefits. A lot of those subsidies are
10 specific to New York City. A lot of the
11 ability to get money for public assistance
12 for rent arrears don't exist, unfortunately,
13 for the upstate communities.

14 So I think they're doing different
15 things with their pool of funds.

16 ASSEMBLYWOMAN LEVENBERG: Interesting.
17 It would be interesting to learn more about
18 it and how some of that could help inform our
19 decisions about what we could do to support
20 upstate communities as well.

21 And I was just wondering if
22 Legal Services of the Hudson Valley is
23 your -- is that a counterpart of yours in --

24 MS. BLACK: Yeah, they're one of the

1 organizations statewide that's part of the
2 group from OTDA that is funded. Absolutely.

3 And I think the New York City model is
4 a great model and I would hope the upstate
5 communities could have the resources to do
6 something similar.

7 ASSEMBLYWOMAN LEVENBERG: Absolutely.

8 And I guess the other question was
9 just how can we help more people qualify for
10 HAVP. You said that -- basically it just
11 sounded to me like you said we need to expand
12 it and most people don't qualify. And
13 obviously I'm interested in upstate since I
14 represent communities in Westchester and
15 Putnam.

16 So do you have suggestions for --

17 MS. BLACK: Right. So in addition to
18 creating the pool, I believe there are bills
19 out there -- I think, you know,
20 Assemblymember Rosenthal sponsored a bill to
21 increase the availability of the SCRIE and
22 DRIE where your rent freezes, and extend that
23 to upstate to allow upstate communities to
24 opt in and to increase the amount -- you

1 know, the income levels for which people
2 qualify. I think those are all great starts.

3 ASSEMBLYWOMAN LEVENBERG: Awesome.

4 Thank you so much.

5 MS. BLACK: Okay, thank you.

6 CHAIRWOMAN KRUEGER: Okay, thank you.

7 Assemblymember Burdick.

8 ASSEMBLYMAN BURDICK: Yes, thank you.

9 And thank you for the work you do.

10 And this is similar to the line of
11 questions that my colleague Dana Levenberg
12 had asked. That, you know, one of the things
13 that I see is so many of the terrific
14 programs like yours that take place in the
15 city. And, you know, we are proud of the
16 work that Legal Services does in
17 Westchester County.

18 But, you know, looking at it from a
19 statewide basis, you know, what do you see as
20 some of the overarching lessons that you've
21 learned yourself as well as in talking to,
22 you know, folks like Legal Services of the
23 Hudson Valley?

24 MS. BLACK: I know there's obviously

1 been a lot of efforts made to try to have a
2 statewide right-to-counsel bill passed. I
3 know that that hasn't been successful. But
4 we've been attacking it piecemeal, right,
5 some of the Westchester -- Westchester now
6 has a right to counsel, right, which is
7 pretty amazing. And it's kind of gone
8 community by community where we've been able
9 to uplift these efforts.

10 And I'd say, you know, upstate can --
11 it's a resource issue, right, in terms of
12 like having the ability to have money out
13 there to prevent the evictions. Right? Like
14 we can go to court and as lawyers we are
15 usually successful, right? Like from our
16 organization, 90 percent of the people with
17 lawyers don't get evicted. But in part that
18 works because we have a pool of money that we
19 can count on to solve these crises.

20 And I think, you know, a lot of the
21 upstate communities don't have those pools.
22 And we see kind of unique things being done
23 in other jurisdictions -- like Philadelphia,
24 for example, where they have small pools of

1 money and they can like have resolution of
2 cases with some smaller funds of money. And
3 so I think that's part of maybe having those
4 resources there.

5 ASSEMBLYMAN BURDICK: And can I ask
6 you, do you see on a statewide basis that
7 there's -- to be honest, is it fragmented or
8 is it unified in terms of legal services
9 organizations working together to try to, you
10 know, promote their shared needs and such on
11 a statewide basis?

12 MS. BLACK: Yeah, and absolutely we
13 coordinate with all the legal services
14 community. There's quite a lot of
15 coordination that goes on.

16 I'd say what legal services look like
17 in different communities, it varies a lot,
18 right, from having the resources, to like
19 give advice only to cases, to being able to
20 like, in New York City, fully litigate
21 things. And that's like somewhat of a
22 resource question, right? Can you only have
23 a lawyer for a day and can you have a lawyer
24 on your case?

1 ASSEMBLYMAN BURDICK: But it's not
2 just money, of course, it's also ways in
3 which to go about it. And is there sharing
4 among the organizations?

5 MS. BLACK: Yeah, absolutely. We meet
6 together. There's a coalition of, you know,
7 housing providers statewide, and so we share
8 those resources.

9 I think the state is also working on
10 creating like a technical assistance thing
11 that's happening in terms of like maybe a
12 centralized statewide intake system that the
13 Judiciary Committee is working on.

14 So I think there's a lot of efforts to
15 like pool resources statewide that happen and
16 are really important, right?

17 ASSEMBLYMAN BURDICK: Well, thank you
18 very much for the work you do.

19 MS. BLACK: Thank you.

20 CHAIRWOMAN KRUEGER: Thank you.

21 And to close this one up,
22 Assemblymember Novakhov. You'll tell me how
23 to say it correctly at some point.

24 ASSEMBLYMAN NOVAKHOV: Perfect.

1 CHAIRWOMAN KRUEGER: Perfect? Thank
2 you.

3 ASSEMBLYMAN NOVAKHOV: Hello. Thank
4 you for being here.

5 So my first question is about the ADU
6 program. Has this program been successful?

7 MS. BLACK: You're talking about the
8 accessory dwelling units?

9 ASSEMBLYMAN NOVAKHOV: Yes.

10 MS. BLACK: I'm not an expert on
11 accessory dwelling units. It's not really in
12 the wheelhouse of what we do.

13 I know, you know, in general it's a
14 source -- could be potentially a source of
15 housing, right, affordable housing, and allow
16 homeowners to, you know, get some more income
17 as well as provide affordable housing.

18 My understanding of the program so
19 far, it's been pretty limited, right? Maybe
20 the communities that got it weren't the same
21 communities that really were looking for the
22 resources to do it. But I don't have all the
23 exact details of how successful -- I know
24 they've put more money into it, right, with

1 part of the City of Yes, I believe.

2 ASSEMBLYMAN NOVAKHOV: That's fine.

3 Okay. So yeah, it is a part of City of Yes.

4 And since it's legal services, how are
5 we going to protect, legally protect those
6 small private-house communities and
7 neighborhoods from larger developments within
8 the City of Yes program?

9 MS. BLACK: The ask is how we protect
10 the homeowners or the --

11 ASSEMBLYMAN NOVAKHOV: Yeah, how do
12 you help -- how can you help to protect the
13 homeowners, their neighborhoods, from the
14 City of --

15 MS. BLACK: Yeah. I mean, we do have
16 a homeowners protection program in our
17 organization that this -- you know, you all
18 as a state body have supported, you know,
19 very consistently over time. And so the work
20 there is to like, you know, prevent people
21 from losing -- you know, prevent deed theft,
22 prevent discrimination and help those small
23 homeowners hold on to their homes.

24 So absolutely, that's a huge priority

1 for the organization. Yeah.

2 ASSEMBLYMAN NOVAKHOV: And how much
3 money is intended for that cause?

4 MS. BLACK: How much money is in that
5 program? It's \$40 million a year. I think
6 it's in the state budget for 40 million this
7 year.

8 ASSEMBLYMAN NOVAKHOV: Is there a
9 specific allocation for the -- like
10 protecting those small communities? Is there
11 a specific allocation of money? How much
12 money specifically?

13 MS. BLACK: From what I know, and
14 Senator Kavanaugh probably knows a lot more
15 about it than me, that money is part of the
16 homeowners protection program. It's
17 specifically allocated for those legal
18 services to make sure the homeowners know
19 their rights and can enforce their rights and
20 hold on to their homes.

21 ASSEMBLYMAN NOVAKHOV: Understand.
22 Thank you so much.

23 MS. BLACK: Thank you.

24 CHAIRWOMAN KRUEGER: Thank you.

1 Thank you very much for your
2 attendance. You got your whole panel to
3 yourself. I'm not quite sure how that worked
4 out, but appreciate your work and the work of
5 all of legal services.

6 MS. BLACK: Thank you. Appreciate you
7 all as well.

8 CHAIRWOMAN KRUEGER: Thank you.

9 And next I'm going to call up Panel C,
10 which I think is a full panel. We'll see.
11 New York Building Congress; New York Housing
12 Conference; American Institute of Architects;
13 Habitat for Humanity New York; Open New York;
14 Association for Neighborhood and Housing
15 Development.

16 (Off the record.)

17 CHAIRWOMAN KRUEGER: Hi, everybody.
18 So we did lose -- or we don't have the
19 New York Building Congress.

20 So just first start off by introducing
21 yourselves so the people in the booth know
22 what face and name to match up when you do
23 testify. Please.

24 MS. ROBBINS-CUBAS: My name is Shakti

1 Robbins-Cubas, New York Housing Conference.

2 CHAIRWOMAN KRUEGER: Okay.

3 MR. BARRETT: Michael Barrett. I am
4 the CEO of Habitat for Humanity New York
5 State.

6 MS. DONOHUE: Bria Donohue, with the
7 American Institute of Architects.

8 MS. GRAY: Annemarie Gray, executive
9 director, Open New York.

10 MS. GOLDSTEIN: Emily Goldstein,
11 Association for Neighborhood and Housing
12 Development.

13 CHAIRWOMAN KRUEGER: Great. So we're
14 going to start again at the right. You're
15 going to have three minutes, and the clock
16 will go off when your three minutes is up.

17 And I have to excuse myself for just a
18 few minutes, but I leave you in the very
19 capable hands of Senator Brian Kavanagh.

20 Please start.

21 MS. ROBBINS-CUBAS: Good afternoon.
22 My name is Shakti Robbins-Cubas. I'm a
23 senior policy analyst at the New York Housing
24 Conference, a nonprofit affordable housing

1 policy and advocacy organization. We work to
2 advance policies and funding to support the
3 development and preservation of decent and
4 affordable housing for all New Yorkers.

5 Thank you to the committee chairs and
6 the other members of the Legislature for the
7 opportunity to testify today.

8 Crushing costs are pushing families to
9 the brink. Housing insecurity is rising as
10 supply shortages are locking New Yorkers out
11 of affordable homes. Meanwhile, the threat
12 of federal funding cuts looms large, making
13 it even more critical for New York State to
14 step up.

15 We do support the Governor's
16 \$1 billion commitment to the City of Yes for
17 Housing Opportunity, but note that spread
18 over five years and broadly allocated, it
19 risks being diluted at a time when the crisis
20 is accelerating. NYCHA and Mitchell-Lamas,
21 two of the city's most vital sources of
22 permanent affordable housing, could easily
23 absorb the full \$1 billion allocation and
24 still fall short of their capital needs.

1 We strongly support several proposals
2 to increase housing supply, including the
3 \$110 million for infrastructure and technical
4 assistance for Pro-Housing Communities. We
5 support the \$50 million mixed-income
6 revolving loan fund. We support doubling
7 SLIHC to \$30 million per year through 2029
8 and the expansion of the New York State
9 Historic Tax Credit. We're also very pleased
10 to see \$40 million included in the
11 Executive Budget for the Homeowner Protection
12 Program, and we strongly support the new
13 proposals to expand and strengthen
14 homeownership.

15 At the same time, with almost 200,000
16 residential eviction filings in New York last
17 year -- and the number of New Yorkers
18 experiencing homelessness more than doubling,
19 to almost 160,000 in just two years -- it is
20 crucial to address the urgent and ongoing
21 needs of vulnerable low-income renters. We
22 support 250 million for the Housing Access
23 Voucher Program to provide rental assistance
24 to families and individuals who are at risk

1 of or already experiencing homelessness.

2 We continue to support a statewide
3 program to provide emergency housing
4 assistance to prevent evictions. And we also
5 encourage the Legislature to maintain strong
6 funding levels for existing HCR programs that
7 protect homeowners and make affordable
8 production and preservation across the state
9 possible.

10 We also support the proposal to
11 increase funding for supportive housing and
12 additional bills that have been introduced
13 that would further increase housing supply,
14 such as the amendments to the Martin Act to
15 preserve and expand affordable housing, and
16 the Faith-Based Affordable Housing Act. We
17 encourage the Legislature to include them in
18 your one-house budgets.

19 Thank you again for the opportunity to
20 testify. The written testimony is much
21 longer and has more details and
22 recommendations.

23 SENATOR KAVANAGH: Thank you.

24 MR. BARRETT: Thank you,

1 Senator Kavanagh, and thank you,
2 Chair Rosenthal, and to members of the
3 committee for all your great work in
4 supporting affordable housing throughout
5 New York State.

6 Habitat for Humanity is appreciative
7 of and supports the Governor's various
8 housing proposals, but given the limited time
9 I'll just address one. It appears in ELFA
10 Part K of the Governor's Executive Budget and
11 is referred to as the fair taxation or fair
12 assessment proposal, and it's crafted to
13 address a reoccurring problem that we face.

14 When Habitat is able to use state and
15 other subsidies to help make a home
16 affordable, perhaps taking a \$400,000 home to
17 a 250,000 purchase price, the taxes that are
18 then assessed are based on that fair market
19 value as opposed to the subsidized amount,
20 and the result is that the home becomes once
21 again unaffordable. This undermines the
22 intention of the state housing subsidies.

23 Anecdotally, our experiences on the
24 ground are the local assessor says, Look, I'd

1 really be happy to help you out here, but
2 there's nothing in the law that I can point
3 to that will allow me to assess in some other
4 way.

5 And so we are delighted that the
6 Governor has put forth a proposed correction
7 to this in the Executive Budget which would
8 allow local assessors to apply a 25 percent
9 to 50 percent discount on the assessment of
10 qualifying families who use state subsidies
11 through a housing nonprofit like Habitat or
12 land banks.

13 Looking to the extent of the subsidies
14 contained in this proposal, we know that
15 we've historically needed more of a reduction
16 to facilitate homeownership. So we'd ask
17 that in your one-house bills that you
18 increase the range of this proposal from 25
19 to 50 percent to 25 to 75 percent. We think
20 that it would maximize the potential of that
21 proposal.

22 You know, I should point out that
23 there's a similar proposal with ideal
24 language that's carried in the majority of

1 both houses by both Senator Hinchey and
2 Assemblymember Barrett, who we thank for
3 sponsoring this long-time legislation. Those
4 proposals set the maximum discount at
5 75 percent, and we would encourage and
6 respectfully ask that you include that
7 language in your one-house proposals.

8 I should point out that we are yet to
9 come across any objection to this proposal.
10 It's a revenue-positive proposal. It's good
11 to come to a joint budget hearing with a
12 revenue-positive proposal. It respects local
13 control, it helps facilitate homeownership.
14 And these homes, of course, you know, can't
15 be sold without it being conveyed to another
16 qualifying family. So there's restrictive
17 covenants on these homes. So we'd appreciate
18 that.

19 And also funding the AHC at 36 million
20 would be our second ask.

21 Thank you very much for all you do.

22 SENATOR KAVANAGH: Thank you.

23 MS. DONOHUE: Good afternoon.

24 Thank you, Chair Krueger, Chair

1 Pretlow and members of the joint legislative
2 budget committee for the opportunity to
3 participate in today's hearing.

4 I am Bria Donohue, director of
5 government affairs at the American Institute
6 of Architects New York. We represent more
7 than 5,000 architects and design
8 professionals committed to positively
9 impacting the physical and social qualities
10 of our state.

11 I want to commend you for your
12 demonstrated commitment to tackling our
13 communities' affordable housing crisis this
14 past session by enacting meaningful policies
15 and providing critical funding -- such as
16 raising the Floor Area Ratio cap, creating
17 the Affordable Housing from Commercial
18 Conversions Tax Incentive Benefits Program,
19 extending the 421-a tax incentive and
20 replacing it with the Affordable
21 Neighborhoods for New Yorkers tax incentive
22 program, and many other great initiatives.

23 These tools are absolutely essential,
24 and now we need to work together to establish

1 a meaningful statewide strategy to streamline
2 environmental review processes, enable
3 transit-oriented development, and eliminate
4 parking mandates.

5 In New York we have the privilege of
6 having the nation's most robust transit
7 system, making a policy like transit-oriented
8 development well-positioned to make a
9 meaningful impact and provide an opportunity
10 for every neighborhood to do their part to
11 address our supply needs.

12 This policy must go hand in hand with
13 eliminating parking mandates, as they detract
14 from the intended outcome of a
15 transit-oriented development policy by
16 restricting the number of units and
17 encouraging car usage even in transit-rich
18 areas, as well as add costs due to the
19 structural demands of underground parking.

20 Additionally, reforms to SEQRA will
21 help get projects online faster, eliminating
22 hundreds of thousands of dollars and years
23 off a project.

24 We have spent the past year laying the

1 groundwork to unlock opportunities for more
2 housing in the city, and now we need the
3 financial tools to go alongside, to build the
4 housing we have enabled through zoning;
5 specifically, the 25 billion investment in
6 the five-year Housing Plan and 1 billion
7 commitment for City for All in the Governor's
8 Executive Budget.

9 One other topic I wanted to mention is
10 adaptive reuse, specifically embodied carbon.
11 Embodied carbon refers to the greenhouse gas
12 emissions generated by the manufacturing,
13 transportation, installation, maintenance and
14 disposal of construction materials used in
15 buildings, roads, and other infrastructure.

16 Currently materials used in
17 construction of buildings represent about
18 7 percent of the total global greenhouse gas
19 emissions. We've already implemented a
20 number of policies to address the operational
21 emissions of buildings, and now it's time to
22 tackle embodied emission.

23 The first step is to allocate
24 \$10 million to establish financial tools to

1 assist local low-carbon material
2 manufacturers to develop environmental
3 product declarations via grants of up to
4 \$10,000 per manufacturing plant to develop
5 third-party verified environmental product
6 declarations, and expand pays to cover
7 embodied carbon improvements.

8 We look forward to continuing to work
9 with the Legislature to unlock the tools to
10 help our communities address the housing
11 crisis and appreciate your consideration of
12 our recommendations.

13 Thank you.

14 MS. GRAY: Thank you, Chairs Weinstein
15 {sic}, Krueger, Rosenthal and Kavanagh. I am
16 Annemarie Gray, executive director of
17 Open NY, an independent grassroots
18 pro-housing nonprofit with hundreds of
19 volunteer members across the state.

20 To get right to the point, the
21 proposals in the Executive Budget do not
22 match the urgency of this moment. New York
23 ranks among the most unaffordable states in
24 the country. Half of renters spend more than

1 30 percent of their income on rent; nearly a
2 third pay over 50 percent. Homeownership is
3 out of reach for everyone but the wealthiest.
4 Homelessness has reached record levels, with
5 more than 100,000 New Yorkers in shelters
6 each night.

7 Our housing shortage is not just a
8 crisis of affordability, it's a crisis of
9 displacement, exclusion and loss of
10 opportunity, with both fewer homes per capita
11 than any other state, pushing families out
12 and limiting our economic potential. We
13 cannot sustain a thriving economy if people
14 cannot afford to live where they work.

15 New York is even projected to lose
16 three congressional seats in 2030 due to
17 population decline. This weakens our voice
18 in national politics and makes it harder for
19 Democrats to win national elections.

20 Albany has the power to stem this loss
21 if it chooses to act. There are impactful
22 and ready-to-go solutions right now, is the
23 good news. We support the proposed
24 Mixed-Income Revolving Loan Fund. It is a

1 step in the right direction, but it does not
2 go nearly far enough. And the Legislature
3 has the opportunity to enact bolder solutions
4 right now.

5 First, the Faith-Based Affordable
6 Housing Act. This empowers religious
7 organizations to build contextual, affordable
8 housing on their land. It is projected to
9 create over 60,000 new homes over the next
10 decade. It expands the property tax base,
11 making it revenue-positive and a
12 community-driven solution.

13 Second, the Sustainable Affordable
14 Housing and Sprawl Prevention Act. This
15 removes unnecessary, costly barriers to
16 building sustainable infill housing. It
17 stops wealthy anti-housing neighbors from
18 delaying projects for years with frivolous
19 litigation.

20 Third, we need an "all of the above"
21 approach. We need to increase housing
22 production; we also need strong tenant
23 protections and voucher expansion with the
24 Housing Access Voucher Program.

1 The overwhelming majority of
2 New Yorkers support these measures.
3 Seventy-four percent of voters back the
4 Faith-Based Affordable Housing Act and are
5 more likely to support legislators who back
6 it. This support cuts across regions,
7 demographics and party lines. So this is not
8 a partisan issue. It's a housing crisis that
9 demands urgent action.

10 Albany must act now. The housing
11 crisis threatens our communities, economy,
12 and political influence. And the solutions
13 are right in front of us if we have the will
14 to implement them.

15 Thank you.

16 MS. GOLDSTEIN: Good afternoon, and
17 thank you for the opportunity to testify
18 today. My name is Emily Goldstein. I'm the
19 director of organizing and advocacy at the
20 Association for Neighborhood and Housing
21 Development, or ANHD.

22 First, I'd like to thank you for your
23 ongoing support over the years -- for six
24 years running now -- of ANHD's Displacement

1 Alert Project, which is a tool that's used by
2 many of your offices particularly to do
3 constituent services and to better understand
4 the particular sort of building-by-building
5 threats, hazards and needs that are facing
6 your districts.

7 We respectfully ask for \$250,000 to
8 continue to maintain and expand this tool,
9 which we hope that many of you are finding
10 useful, and which we know that many of the
11 organizers and advocates in our communities
12 are using as well.

13 Second, we'd like to urge you to fund,
14 at \$250 million, a Housing Access and
15 Preservation Initiative, HAPI -- hopefully
16 people like it. This is our proposal sort of
17 revised from what we came with last year, to
18 provide funding to stabilize and address the
19 financial needs of our 100 percent affordable
20 housing buildings throughout New York State.
21 As you've heard already in many of the
22 testimonies, our affordable housing stock is
23 in pretty dire straits. A combination of
24 rising costs and sort of pandemic arrears and

1 nonpayment hangover is really putting our
2 portfolios at risk. This is particularly
3 true for ANHD's members, all of whom are
4 nonprofits, and so operating on incredibly
5 thin margins and really have been, frankly,
6 overextending themselves to avoid needing to
7 evict tenants, with the result that we're now
8 in a bind where either tenants are at risk,
9 portfolios are at risk, or both.

10 So we're asking for an infusion of a
11 fund into the New York State Housing Trust
12 Fund which would enable the provision of
13 forgivable loans to address both capital sort
14 of debt restructuring needs as well as some
15 of the operating needs of the buildings, to
16 sort of provide an emergency stabilization.

17 Third, I'd like to say that I truly
18 hope this is the year that we pass and fund
19 HAVP. There's never been a more critical
20 time to create and fund a tool to really try
21 to immediately tackle the homelessness crisis
22 throughout the state.

23 Not only has this crisis been sort of
24 building and expanding for years, we sort of

1 all know that we're facing uncertain federal
2 times, and I think many of us are deeply
3 concerned that some of the federal programs
4 that we rely on for, you know, vouchers and
5 other forms of subsidies may not be as stable
6 as they've been in the past. It's crucial
7 that the state have some sort of mechanism in
8 place to be able to have the flexibility to
9 step in and pivot as needed over the next
10 year and more.

11 And finally, I'd just like to urge you
12 to leave HSTPA alone and avoid any further
13 loopholes to this valuable protection.

14 CHAIRWOMAN KRUEGER: Thank you.

15 SENATOR KAVANAGH: So first off we'll
16 have Assemblymember Levenberg.

17 ASSEMBLYWOMAN LEVENBERG: Oh, okay.
18 I'm just very happy to hear all this work
19 just for HAVP just because I am a big
20 supporter. I also -- I think we're in
21 competition, because I have a bill that's
22 Housing Action Plans for Everyone, which I
23 also have called HAPE.

24 I'm very supportive of the assessment

1 change that you mentioned, and I do think
2 that that's something that we're going to be
3 working on one way or another. So I will
4 continue to support that.

5 And I'm also very interested to hear
6 about the low-carbon material manufacturing,
7 a little bit more about that. It's something
8 that I've just been personally interested in.

9 Also, I just got back from the
10 Netherlands, and so many of their parking
11 garages are underground. They're built on
12 water. Like if they can do it, why can't we?
13 New Amsterdam, I think we're called, right,
14 in the city. It seems like we should be able
15 to build a lot of parking underground. I
16 don't think we have figured that out yet. I
17 don't know why.

18 But between low-carbon materials that
19 we should be using and underground parking
20 that we should have, it seems like we should
21 be able to do much, much better.

22 MS. DONOHUE: Yeah, absolutely.

23 So two separate questions for the
24 low-embodied-carbon materials. Really

1 wanting to give our local manufacturers
2 specifically of concrete the financial tools
3 to be able to produce these environmental
4 product declarations of their low-carbon
5 materials, so that as requirements for
6 low-carbon materials come online, the Port
7 Authority has a very robust program like this
8 that local manufacturers have the ability to
9 comply with those regulations.

10 And longer term, we would love to see
11 a New York State policy modeled off of what
12 California and Washington are doing to
13 require more robust embodied carbon
14 regulation.

15 But to answer your parking question,
16 the reason it's so complicated is because
17 there's a lot of very different
18 constructional constraints for putting
19 parking underground. So the way the loads
20 and the columns need to be just designed
21 requires very different structural demands
22 that add a lot of cost.

23 And so this is something that we spoke
24 a lot about when we were this past year

1 affordable housing. Obviously I carry the
2 bill, and the sustainable affordable infill
3 housing. The statistics you have about how
4 popular they are, are -- go directly in
5 conflict with the resistance that we have
6 from local officials. And I'm wondering --
7 how do we get like popular things past those
8 guardians who are so intent on preventing any
9 kind of change to local zoning?

10 MS. GRAY: Sure. And just on those
11 statistics again, this is like even in
12 Long Island, which is, you know, one of the
13 often examples you hear, 70 percent --
14 77 percent, actually support this bill.

15 So, one, I think that there's always
16 keeping in mind that this is a small minority
17 of people who are making the most noise.
18 It's not necessarily representative of
19 everybody.

20 I think there's also just something to
21 really keep in mind: This is an extremely
22 sensible bill. I mean, we're talking about
23 we're doing this with a whole coalition of
24 faith leaders. One of them is trying to

1 build a three-story building in a community
2 that already has three-story buildings.
3 They've been working on it for three years,
4 trying to build deeply affordable housing on
5 their parking lot, and they got down-zoned in
6 the dead of night by their local town.

7 It's just -- it's not working, if
8 that's what we're fighting against. And
9 New York is actually really alone among
10 states in the entire country right now of
11 having zero mechanism for the state to allow
12 some sort of accountability when places have
13 overly, frankly, exclusionary or restrictive
14 zoning.

15 This is a really, really smart bill
16 that I do think actually has a lot of
17 popularity and is really, really sensible --
18 and again, supported by people who are really
19 rooted in their own communities. So -- and
20 we have talked to some local officials who
21 are supportive. Of course, that is a -- you
22 know, it is a common concern.

23 But I really do think this is just an
24 extremely important bill for the state to

1 show leadership on and has a lot more support
2 than you might hear.

3 SENATOR MAY: Good. Well, that's good
4 to hear.

5 And then for an architect's view, we
6 passed last year the single-stair bill that
7 requires a review of the Fire Code for that.
8 It looks like it's going to take years for
9 that to happen.

10 Do you have recommendations about how
11 to move that along and how to help people
12 understand how valuable that could be?

13 MS. DONOHUE: Yeah, I think that's a
14 great question. And this is something that
15 we're seeing all over the place that code
16 changes are unfortunately a very slow, long,
17 onerous process, as we're seeing just
18 tomorrow from the Energy Code.

19 So I can get back to you with more
20 information on that.

21 SENATOR MAY: I would appreciate that,
22 because I think it could be transformative.

23 Thank you.

24 SENATOR KAVANAGH: Assemblymember

1 Kelles.

2 ASSEMBLYWOMAN KELLES: Wonderful.

3 I just wanted to start by thanking you
4 on pushing the initiative to reduce -- or
5 give the ability for local assessors to
6 reduce taxes.

7 There is one county that does that in
8 New York State, and that's my county. And
9 we've been doing it for many years. It was a
10 home-rule bill, and it has absolutely
11 increased the amount of affordable housing
12 that we have, but it has also enabled people
13 who are low-income to be able to afford to
14 own a home and move into stable housing.

15 So thank you. I just wanted to say
16 thank you for that.

17 About the Sustainable Affordable
18 Housing and Sprawl Prevention, my first
19 question is, what is the average length of
20 time that a project is delayed going through
21 the SEQRA process right now?

22 MS. GRAY: It's an excellent question
23 that I'm happy to get back to you on with
24 more details.

1 But, for example, there is a project
2 called Heat & Green in New York City. It's
3 public land, deeply affordable senior housing
4 that has been delayed in lawsuits for over a
5 decade, in the middle of SoHo, rezoning one
6 of the most resourced places in the entire
7 country.

8 It's a really good case study of this
9 bill would have -- would have made it
10 impossible for those lawsuits to continue and
11 have such an incredibly long delay. And
12 there are tons of stories like that. Happy
13 to talk more about it.

14 ASSEMBLYWOMAN KELLES: So it creates a
15 full, comprehensive environmental evaluation,
16 just not allowing the state SEQRA process
17 that creates the ability to block it
18 completely by NIMBY people who don't want
19 development.

20 MS. GRAY: Yeah, it's basically
21 fast-tracking things that make a huge amount
22 of sense. Right? This is sustainable infill
23 housing, and really taking away the ability
24 for frivolous lawsuits that are not actually

1 adding anything to our understanding of
2 climate impacts and things like that.

3 ASSEMBLYWOMAN KELLES: But I'm
4 assuming they also probably increase the cost
5 of the development significantly, so they're
6 no longer affordable.

7 MS. GRAY: There was a fantastic
8 Citizens Budget Committee -- Citizens Budget
9 Commission report on this that -- I mean,
10 this is tens of -- hundreds of thousands of
11 dollars, in a lot of cases, on projects that
12 literally translates to, I want to say,
13 hundredish dollars of literal raising the
14 rent. Don't quote me on that figure, but I
15 can send you the report.

16 But they really did a deep dive of
17 this is cost, this is time, this is literally
18 translating into both housing units and the
19 cost of housing itself.

20 ASSEMBLYWOMAN KELLES: Thank you so
21 much. Seems crazy, it's the opposite of what
22 we probably intended to do, but it's being
23 used against us.

24 And I wanted to put one last -- HAVP,

1 could not agree with you more. The one thing
2 that drives me nuts and stresses me out is
3 that our solution to housing cannot be build
4 our way out of it, because people right now
5 are becoming homeless. So anything you
6 wanted to say on that in the last 25 seconds,
7 please, by all means.

8 MS. GOLDSTEIN: Yeah. I mean,
9 wholeheartedly agree. ANHD is not
10 anti-development by any means. A lot of our
11 members are developers, but just sort of
12 build, build, build is never going to get us
13 to where we need to be.

14 And in particular, when we're thinking
15 about homelessness, when we're thinking about
16 people who are at risk of eviction today,
17 right, if you start building affordable
18 housing, it's years before that comes online.
19 Vouchers can help people today.

20 ASSEMBLYWOMAN KELLES: Thank you.

21 (Off the record.)

22 CHAIRWOMAN KRUEGER: Assemblywoman --
23 Linda, do you have questions?

24 ASSEMBLYWOMAN ROSENTHAL: Yes, thank

1 you. I have a question for Bria.

2 Last year we voted to allow former
3 office buildings to be converted. Do you
4 know how many are planned for it? Because
5 there was discussion about how certain ones
6 had such large floor plates that it would be
7 impossible to convert at an affordable price.

8 So as far as you know for architects,
9 have they been involved in this?

10 MS. DONOHUE: Yeah, I don't have a
11 specific number for you, but I can get back
12 to you. But one of the really great ways
13 that that tool was going to be able to build
14 housing is with the new rezoning that's
15 happening in the Midtown South Mixed-Use
16 Plan, because there's a lot of commercial
17 buildings that can be converted into housing,
18 and so we're really excited about the
19 opportunity there.

20 But we're still trying to work out the
21 kinks. But the large floor plates -- so
22 around home office requirements, court
23 requirements, and things like that around
24 windows and light, air, safety, things of

1 that nature. So we're still working through
2 the kinks and we have a whole working group
3 put together to work closely to try to figure
4 out how we can tie affordable housing into
5 these quite costly renovations.

6 ASSEMBLYWOMAN ROSENTHAL: Great.

7 Thank you.

8 And for Annemarie, in terms of
9 landmark protections for some of the
10 religious institutions, some people seem
11 alarmed that those will be thrown aside. I
12 wonder if you could address that issue.

13 MS. GRAY: Yes, absolutely.

14 We want to be extremely clear that the
15 bill exempts any current landmark properties.
16 We even clarified the bill language last year
17 to do that. And actually I have copies, if
18 there's an interest, but Sara Bronin, a
19 really extremely well-respected national
20 preservationist, has been extremely
21 supportive of this bill because historic
22 properties, often they really need -- they
23 don't have much revenue to invest in historic
24 buildings. And so there's actually a lot of

1 synergy of using a parking lot, excess land,
2 to make sure you're actually, you know,
3 investing in such a great historic resource
4 and being extra-clear this does not -- this
5 exempts historic properties, does not
6 override that in any way.

7 ASSEMBLYWOMAN ROSENTHAL: Thank you.

8 And Emily, in 45 seconds, please tell
9 me why HAVP is so necessary in this state.

10 MS. GOLDSTEIN: Sure. I mean, it's
11 because of the homelessness crisis. We have,
12 you know, what's become really an intractable
13 crisis even as asylum seekers, you know,
14 coming into the city and the state have
15 declined, homelessness has increased.

16 ANHD works in New York City and I know
17 there's a kind of perception that this is a
18 New York City issue, but that's really not
19 true. There was a great report by the
20 State Comptroller sort of showing effects
21 statewide.

22 So, you know, at the end of the day it
23 is humane and also, frankly, cheaper to house
24 people than to have people continue to be

1 homeless. And without a resource like HAVP,
2 it's not possible.

3 CHAIRWOMAN KRUEGER: Thank you.

4 And as our last questioner, Chair
5 Brian Kavanagh.

6 SENATOR KAVANAGH: Thank you very
7 much. Thank you all for, you know, all of
8 your testimony, for all the work you do.
9 I've had the opportunity to work with each of
10 you quite a bit.

11 Just a couple of quick questions.

12 First of all, on the -- Bria, if you
13 could address this, the need -- you know,
14 there's a desire sometimes not to do policy
15 in the budget, and measuring embodied carbon
16 in materials sounds a lot like policy.

17 Can you talk about the extent to which
18 there's a fiscal need to facilitate that?

19 MS. DONOHUE: Yeah, absolutely.

20 So our ask, \$10 million to really
21 support local New York manufacturers to
22 create the environmental product declarations
23 necessary to comply with a lot of the
24 regulations the Port Authority, for example,

1 has, and other things that we're looking to
2 achieve down the line in code changes for --
3 to enable low-embodied-carbon materials to be
4 used and that we can long-term reduce the
5 embodied emissions that we're seeing.

6 One of the main ways that -- we're
7 doing a lot of policies around operational
8 emissions, so that's Local Law 97, the carbon
9 coming out of your building, but the most
10 effective way to reduce embodied carbon in
11 construction is through adaptive reuse and
12 recycling materials. And so having
13 low-embodied-carbon materials, having
14 manufacturers be able to fund the
15 environmental product declaration process,
16 development and soft costs associated with
17 that, is absolutely essential.

18 And so we're happy to share more
19 information with you all about our kind of
20 big-picture requests on how we can reduce
21 embodied carbon.

22 SENATOR KAVANAGH: Great. I'll just
23 say there will be a bill forthcoming very
24 soon. We've been working on language with

1 Michael, just I have 26 seconds. But you
2 said the Part K change is revenue-positive.
3 Can you talk about why that is?

4 MR. BARRETT: Yeah. Our argument is
5 that if not but for Habitat, the home
6 wouldn't have been built. The home would
7 still be dilapidated if we didn't renovate
8 it. And so these are homes sometimes that
9 are not on the tax rolls, no longer on the
10 tax rolls, and we put them back on the tax
11 rolls.

12 SENATOR KAVANAGH: Got it. Okay. And
13 that's my time. Thank you so much. Thank
14 you, all of you.

15 CHAIRWOMAN KRUEGER: Thank you very
16 much. Thank you for your time with us today,
17 your testimony, and your work every day.

18 And next up, as we welcome back our
19 chair of Ways and Means from his economics
20 training, Panel D: Interfaith Affordable
21 Housing Collaborative; Enterprise Community
22 Partners; Rochester-Monroe Anti-Poverty
23 Initiative; and Community Voices Heard.

24 And if Panel E wouldn't mind heading

1 towards the front, since you're going to be
2 after this panel. It moves things along
3 pretty quickly. Thank you.

4 Turns out we only have three of you
5 here, so we're not looking for the fourth.

6 And if you don't mind starting from
7 the right, just introduce yourself so the
8 people in the booth upstairs can match name
9 and face.

10 MS. MEYER: Hi. My name is Rebekah
11 Meyer, and I am with the Rochester-Monroe
12 Anti-Poverty Initiative, or RMAPI.

13 CHAIRWOMAN KRUEGER: Okay. Sir?

14 MR. BOYLE: Hi, Patrick Boyle, senior
15 director with Enterprise Community Partners.

16 CHAIRWOMAN KRUEGER: Great.

17 MS. TYLER: Hi. My name is Rashida
18 Tyler. I'm the project manager for the
19 Interfaith Affordable Housing Collaborative.

20 CHAIRWOMAN KRUEGER: Okay, let's start
21 on the right here.

22 MS. MEYER: All right. Good
23 afternoon, members of the Legislature, and
24 thank you for this opportunity.

1 RMAPI is a multi-sector community
2 collaborative dedicated to breaking the cycle
3 of poverty by shifting power and enabling
4 upward mobility for all families. Our work
5 is deeply rooted in community engagement, and
6 we hear directly from those impacted by
7 poverty every day.

8 One of the most urgent concerns we
9 hear is the pressing need for increased
10 affordable housing options, particularly for
11 low and very low income households. Our
12 community members have spoken clearly, and
13 these are all quotes:

14 "Decent affordable housing is
15 essential and should be a right."

16 "There isn't enough affordable or
17 income-based housing to meet the needs of the
18 people in Rochester. The waiting lists are
19 long."

20 "People lack dignity when they live in
21 decrepit apartments, houses, and
22 neighborhoods. These conditions foster
23 instability and crime."

24 "Stop penalizing those without homes

1 for not following complex and unrealistic
2 rules."

3 And "There's no affordable housing for
4 minimum-wage workers."

5 The data support these statements. In
6 2024, New York State had more than 150,000
7 homeless individuals. New York has one of
8 the highest rates of homelessness in the
9 country, and a lack of affordable housing has
10 exacerbated this crisis.

11 RMAPI is currently diving deep into
12 the issue of child homelessness in our
13 community. According to data pulled by our
14 colleagues at Enterprise Community Partners,
15 over 3,000 children in the City of Rochester
16 experience homelessness each year, including
17 more than 600 under the age of five. More
18 than half of renter households in Rochester
19 are rent-burdened, spending more than
20 30 percent of their income on housing.

21 Housing instability leads to a cascade
22 of negative consequences that put families at
23 risk: Loss of employment, family
24 disruptions, poor educational outcomes, and

1 increased reliance on emergency services. We
2 cannot allow these conditions to persist.

3 So our recommendations: RMAPI
4 strongly supports the Housing Access Voucher
5 Program, HAVP, which would establish a
6 statewide Section 8-like rental assistance
7 program providing housing stability for
8 individuals and families at risk of
9 homelessness. It would also support
10 landlords by ensuring a steady rental income.

11 HAVP is particularly important because
12 it will be available to individuals
13 regardless of immigration status or criminal
14 record. Research has consistently shown that
15 rental assistance programs significantly
16 reduce homelessness and housing instability
17 and lead to substantial cost savings by
18 reducing reliance on shelters and emergency
19 services.

20 Only one in four eligible households
21 receives federal housing choice vouchers, and
22 localities outside of New York City, like
23 Rochester, lack their own voucher programs.
24 HAVP would provide close to 13,000 households

1 with vouchers.

2 It also aligns with the recently
3 released recommendations of the Child Poverty
4 Reduction Advisory Council. Their
5 recommendations call for the creation of a
6 state housing voucher program. And according
7 to their research from Urban Institute, a
8 state housing voucher would reduce child
9 poverty by over 15 percent.

10 Beyond HAVP, RMAPI supports additional
11 policy changes to increase housing security,
12 including increasing the shelter allowance to
13 100 percent of HUD's fair market rent. This
14 allowance has not been updated since 2003,
15 despite significant rent increases in that
16 time period.

17 We also support investing in housing
18 navigation and other support services to
19 ensure that people with vouchers can utilize
20 those effectively. But we also know that we
21 need longer-term solutions.

22 Oh, that's my three minutes.

23 MR. BOYLE: Hi. Again, my name is
24 Patrick Boyle. I'm a senior director with

1 Enterprise Community Partners.

2 Enterprise is a national nonprofit.

3 We support community development

4 organizations on the ground, aggregate and

5 invest capital for impact, advance housing

6 policy at every level of government, and

7 build and manage communities ourselves.

8 Since our New York office opened in 1987,

9 we've committed more than \$5.7 billion in

10 equity loans and grants to affordable housing

11 to create and preserve over 84,000 affordable

12 housing units across New York State.

13 Thank you for the opportunity to

14 deliver this testimony today.

15 In last year's session there were many

16 important housing measures enacted along the

17 lines of housing supply, office-to-residual

18 conversions, ADUs, renewed tax incentives,

19 and changes to the FAR cap. And those were

20 all very important, as housing supply is a

21 very important aspect of solving our housing

22 crisis.

23 But I think what is on Enterprise's

24 mind a lot these days is really the stability

1 of tenants and the rising homelessness rate,
2 as well as the operational challenges to
3 housing, the housing that exists now and some
4 of the strains that we're seeing in the
5 affordable housing stock.

6 So to touch on a few of those issues,
7 on the homelessness front, we'll join the
8 chorus that many others have said today with
9 respect to the Housing Access Voucher
10 Program, which would be the single most
11 impactful measure that could really be
12 adopted this year to really tackle
13 homelessness around the state.

14 We're also calling for around
15 \$47 million in housing navigation and related
16 services for people with vouchers. More
17 resources for people with vouchers is an
18 equally important part of the picture. The
19 voucher utilization rate or the ability of
20 someone with a voucher to find housing with a
21 voucher is very, very low in New York
22 compared to other areas of the country. And
23 this pool of funding would help everyone who
24 has a voucher looking for housing find the

1 housing navigation support they need to be
2 able to obtain housing.

3 We call for the advancement of the
4 recommendations of the Childhood Poverty
5 Reduction Advisory Council, including, as
6 Rebekah said, a statewide state housing
7 voucher.

8 Fifty million dollars for the Shelter
9 Arrears Eviction Forestallment, or SAEF
10 program, to really address rent arrears
11 outside New York City, where oftentimes there
12 are more limited resources available.

13 And on the affordable housing
14 preservation front, we'll join the call that
15 others mentioned before to really help
16 resource captives beyond the captive that has
17 been recently launched in New York City, to
18 further allow groups outside New York City
19 and other nonprofits to be able to access
20 captives and launch captives of their own.

21 I also just want to call, on the fair
22 housing front, for \$7 million for HCR's Fair
23 Housing Testing Program. This increase in
24 funding would be really necessary not only to

1 help groups do kind of what they already do
2 in the fair housing space, but to really
3 expand that in other areas. And based on
4 what we're seeing at the federal level, we're
5 going to need more investment around fair
6 housing enforcement here in New York.

7 Thank you.

8 MS. TYLER: Good afternoon. Thank you
9 for allowing me to share my testimony today.

10 My name is Rashida Tyler. I'm the
11 project manager for the Interfaith Affordable
12 Housing Collaborative. The collaborative is
13 a statewide organization that helps
14 state-based organizations respond to the
15 housing and homelessness crisis in their
16 community by providing them technical
17 assistance and pre-development funds so that
18 they can develop housing within their
19 communities.

20 We work with faith leaders across
21 New York State in rural, suburban and urban
22 communities who want to help keep families in
23 their communities by providing safe, stable,
24 affordable housing.

1 We all know the statistics surrounding
2 the housing crisis. A recent report from the
3 New York State Comptroller's office found
4 that homelessness increased 53 percent alone
5 from January 2023 to January 2024. Let there
6 be no confusion. The housing crisis is an
7 affordable-housing crisis, which is most
8 severe among low-income families, Black and
9 brown communities, and women.

10 Yes, we need to create more housing at
11 all levels of affordability, but let us not
12 lose sight of where the greatest need is:
13 Housing for New Yorkers who, no matter how
14 hard they try, cannot escape housing
15 insecurity.

16 While the problem is growing each day,
17 many communities are taking actually to
18 criminalizing homelessness and banning
19 activities such as camping and other
20 activities associated with being homeless.
21 This is actually causing and may discourage
22 those who are seeking assistance from seeking
23 out those resources.

24 We do not support the reestablishment

1 of involuntary commitment for those suffering
2 from mental illness as a substitute for
3 providing safe, affordable housing solutions.
4 Nor do we support the employment of hostile
5 architecture or the limitation of the
6 provision of necessary facilities such as
7 restrooms or the removal of public seating,
8 as is happening right here in the New York
9 State -- on the Concourse.

10 These efforts to discourage the
11 homeless from finding places to rest,
12 especially when they have no other options,
13 are not doing our state any favors. Solving
14 the housing crisis actually requires a
15 multifaceted solution. We support policies
16 that promote rapid rehousing and shelter,
17 such as the increase in temporary housing
18 assistance -- that is S113/A108.

19 We support the expansion of supportive
20 housing funding and the combating of youth
21 homelessness. We support the Housing Access
22 Voucher Program. As many here have said,
23 this will be one of the single most effective
24 anti-homelessness programs that could be

1 enacted this session.

2 We support also the right to counsel
3 and the Shelter Arrears Eviction
4 Forestallment -- SAEF -- Act.

5 We also support the creation of
6 affordable housing through the Faith-Based
7 Affordable Housing Act.

8 CHAIRMAN PRETLOW: Thank you.

9 Questions?

10 CHAIRWOMAN KRUEGER: Senator Brian
11 Kavanagh.

12 SENATOR KAVANAGH: Thank you.

13 Thank you all for your testimony and
14 for all your work.

15 This has been a somewhat
16 downstate-heavy day because of just the folks
17 that signed up to testify, so it's great to
18 have people with a statewide perspective and
19 some upstate perspective here.

20 Just -- can you just talk a little --
21 we -- from the Senate side we've had less
22 talk about HAVP and SAEF partly because we
23 had a six-hour hearing last week on that, on
24 rental assistance. But can you just -- each

1 of you has said that one of the single most
2 effective things we can do is expand
3 statewide -- rental assistance statewide and
4 make it available.

5 Can you just talk a little bit more
6 about in your areas why that would be so
7 critical?

8 And Ms. Tyler, you mentioned the
9 Shelter Arrears Eviction Forestallment
10 program. Can you just talk a little bit more
11 about how that -- that's a new program, but
12 what your sort of hopes and expectations are
13 for that?

14 MS. TYLER: Yes, absolutely.

15 So the New York State -- we cover the
16 whole state, but I myself am from Ulster
17 County, where it has been the center of the
18 housing crisis in many cases.

19 So in Ulster County we have seen many
20 people who have not recovered from the
21 pandemic and are still trying to even keep up
22 and to catch up on those rental payments. So
23 they've started paying their rent, but
24 they're still in arrears. And so it's very

1 important to get them caught up, because that
2 threat of eviction is hanging over their
3 head.

4 Having the ability to have people get
5 caught up on their rent is something that
6 will help landlords and it will also help,
7 you know, the community as a whole. We have
8 people who are working three and four jobs,
9 are doing Instacart and gig work just to
10 survive, and not getting ahead. I think this
11 program is vital, and I think that it will
12 provide a lifeline for many people who want
13 to remain in the community.

14 SENATOR KAVANAGH: Thank you.

15 CHAIRWOMAN KRUEGER: Senator May.

16 SENATOR KAVANAGH: I think Patrick
17 wanted to say something.

18 CHAIRWOMAN KRUEGER: Oh, I'm sorry.

19 MR. BOYLE: That's okay.

20 Just wanted to briefly touch on the
21 Senator's question.

22 So Enterprise is statewide in our
23 focus, and as was mentioned, you know -- and
24 this is an argument I think for both HAVP and

1 the SAEF program -- you know, different areas
2 can vary a lot in their resources around
3 rental assistance.

4 So having something that's sort of
5 statewide, that's sort of centrally focused
6 and it's not kind of something that goes out
7 to different social service agencies and it's
8 a little difficult to track and it's a little
9 difficult to see the statewide impact, I
10 think would be huge. You know, not everyone
11 has a CityPHEPS or other kind of existing
12 resources like that.

13 And, you know, one thing that gets a
14 little less focus on the HAVP side is, you
15 know, also a potential ability to really
16 project-base it would really help kind of an
17 affordable housing supply, affordable housing
18 pipeline perspective. And, you know, as was
19 mentioned, the impact on landlords,
20 particularly affordable housing landlords who
21 are kind of struggling with their
22 collections, vouchers are a really important
23 part of that picture. So it's really a
24 win/win both for the tenants and for the

1 owners.

2 MS. MEYER: Am I able to answer too?

3 So, you know, I think in Rochester,
4 which has a high poverty rate -- it's going
5 down, but it is still high -- we want people
6 to have quality housing. Landlords need to
7 be able to cover their costs. Like the math
8 just doesn't work when we have a city with a,
9 you know, 26, 27 percent poverty rate, median
10 income around, you know, in the 30,000 range.

11 If we want people to have affordable
12 housing, we have to be able to pay for what
13 that housing costs. We have to subsidize the
14 cost of that housing. Vouchers are the most
15 direct, effective way to do that, and a way
16 of providing that long-term stability that
17 people need in order to, you know, find
18 employment, pursue education, so that they
19 aren't, you know, maybe needing that voucher
20 forever. But it can be that long-enough
21 support to provide that stability that people
22 need.

23 SENATOR KAVANAGH: Thank you.

24 SENATOR MAY: Am I up? Thank you.

1 I just wanted to ask Ms. Tyler the
2 same question I asked in the previous panel
3 about the faith-based affordable housing.
4 Such a popular idea, but there is a kind of
5 targeted pushback against it.

6 What is your plan for getting past
7 some of that so that we can actually get
8 things done that so many people want to see?

9 MS. TYLER: Right. So I think in
10 general when you're looking at trying to
11 overcome objections based on home rule, you
12 actually want to try to find ways that you
13 can adapt the Faith-Based Affordable Housing
14 Act to be more flexible for the community.

15 So one way would be is height
16 necessarily the measure that you want to
17 utilize. I think that's up to the
18 Legislature to make sure that the measurement
19 that is being utilized is something that is
20 adaptable for communities. You might be able
21 to overcome the barriers that you faced on
22 places like Long Island and places like
23 other -- like upstate New York, where there
24 are -- communities are more sensitive to

1 height.

2 And so being able to find measures
3 that work for each community and are flexible
4 I think is key. I think that it's not
5 something that should prohibit there being
6 discussion and there being -- this bill from
7 being included in either one-house. There's
8 room for amendments and there's room for each
9 community to weigh in.

10 But I think being flexible and
11 offering each community an opportunity to
12 find a measure that works for them is
13 something that could be done.

14 SENATOR MAY: It seems to me that one
15 factor might be if some of these properties
16 were coming back on the property tax rolls.
17 Is that something that's been discussed?
18 Because that would matter a lot to local
19 officials if, you know --

20 MS. TYLER: So you mean like faith
21 properties coming back onto the tax rolls?

22 SENATOR MAY: If they're being rented.
23 Yeah.

24 MS. TYLER: I'm not sure. I don't

1 want to give you a wrong answer, so I'm not
2 100 percent sure if that would be -- we'd
3 have to again talk with faith communities and
4 see if that's something that would be
5 something that they're interested in doing
6 too.

7 So I don't want to give you a wrong
8 answer, but I'd love to explore that more
9 with our faith communities that we work with.

10 SENATOR MAY: Thank you.

11 MS. TYLER: Yeah, of course.

12 But I -- if I could, I will say we
13 have talked to faith leaders from Brooklyn
14 all the way to Buffalo, and they are
15 interested in building and they are
16 frustrated by the red tape that they are
17 encountering. Because they have property and
18 many are, again, land rich and cash poor and
19 are unable to actually take advantage of or
20 help their communities by developing their
21 parcels of land.

22 SENATOR MAY: Thank you.

23 CHAIRMAN PRETLOW: Thank you.

24 I want to thank you for your testimony

1 and appreciate your staying with us till the
2 end.

3 Calling Panel E: Rural Housing
4 Coalition of New York; Rural Ulster
5 Preservation Company; New York State
6 Rural Advocates; and For the Many.

7 (Pause, off the record.)

8 CHAIRWOMAN KRUEGER: So introduce
9 yourselves first for the people in the booth.

10 MR. BORGES: Good evening. I'm
11 Michael Borges. I'm the executive director
12 of the Rural Housing Coalition of New York.
13 We're the counterpart to Mark Streb and the
14 Neighborhood Preservation Coalition.

15 MS. RAMADHAN: I'm April Ramadhan.
16 I'm with New York State Rural Advocates.

17 CHAIRWOMAN KRUEGER: Okay. Please.

18 MR. BORGES: So again, Mike Borges
19 with the Rural Housing Coalition.

20 I first want to thank the Legislature
21 for their support last year in providing
22 funding for several programs targeted to
23 small and rural communities, particularly the
24 \$10 million in new funding for the

1 preservation and rehabilitation of USDA 515
2 affordable rental properties, and \$7 million
3 in continued funding for the Small Rental
4 Development Initiative, which builds
5 affordable rental housing of four to 20
6 units.

7 Despite several new initiatives like
8 the Vacant Rental Improvement Program, VRIP,
9 and the Plus One ADU program, the housing
10 shortage and affordability crisis continues.
11 Unfortunately, the Executive Budget continues
12 a trend of adding new programs while cutting
13 existing ones that serve Rural New York. The
14 funding for the aforementioned USDA and the
15 Small Rental Development Initiative were both
16 eliminated in the Executive Budget. Funding
17 for the Rural Preservation Program, which
18 provides capacity-building funding for the
19 60 nonprofit housing and community
20 development organizations serving rural
21 New York, was cut by over \$2 million.

22 In November 2024, the Rural Housing
23 Coalition, in collaboration with the
24 Association of Towns, conducted a joint

1 survey of rural municipal leaders to identify
2 the primary obstacles to constructing housing
3 in rural areas. Survey respondents
4 identified the lack of infrastructure,
5 insufficient local capacity and a lack of
6 state funding targeted to rural areas as the
7 three main obstacles to building housing in
8 rural areas.

9 We were pleased that the Executive
10 Budget included \$100 million for
11 infrastructure improvements in support of
12 housing development, but the funding was
13 limited to Pro-Housing Communities.
14 Infrastructure funding should be allocated or
15 prioritized for those communities that have
16 identified the lack of infrastructure as a
17 barrier to developing additional housing.

18 Local capacity was another obstacle to
19 building housing in rural areas. Again, the
20 Executive Budget reduced funding for the
21 Rural Preservation Program, which supports
22 our 60 nonprofit Rural Preservation
23 Companies. These nonprofit organizations are
24 the primary providers of housing rehab and

1 repair services, as well as building new
2 affordable housing in rural communities.
3 Without strong and financially stable local
4 capacity, rural communities cannot preserve
5 the existing housing stock or build new.

6 The Rural Housing Coalition urges the
7 Legislature to reject the Executive Budget's
8 cuts to the Rural Preservation Program and
9 increase funding by approximately \$500,000 to
10 \$8.05 million so that Rural Preservation
11 Companies Neighborhood Preservation Companies
12 each receive equal funding. Currently, NPCs
13 are funded at approximately around \$130,000,
14 \$131,000 each. RPCs, their equivalent in
15 rural areas, are funded at \$121,000 each.

16 We also ask that the \$250,000 carveout
17 out of RPP funding for the Rural Housing
18 Coalition be continued.

19 The last obstacle identified in the
20 joint survey with the Association of Towns
21 was the lack of funding specifically targeted
22 to rural areas. Again, as mentioned
23 previously, the Executive Budget zeroed out
24 the programs that were mentioned earlier.

1 CHAIRMAN PRETLOW: Thank you.

2 MR. BORGES: Thank you.

3 MS. RAMADHAN: Good afternoon, all
4 distinguished members of our panel. Thank
5 you, everybody, who hung around until the end
6 of the day.

7 I'm April Ramadhan, and on behalf of
8 New York State Rural Advocates, we would like
9 to thank you for allowing us to share our
10 thoughts on the proposed 2026 Executive
11 housing budget.

12 As New York's rural communities
13 continue to face many challenges, Rural
14 Preservation Companies serve as vital
15 conduits for delivering both state and
16 federal resources. In just the past year,
17 preservation companies undertook
18 204 infrastructure projects, wrote over
19 564 grants, rehabilitated thousands of homes,
20 and managed nearly 4700 affordable rental
21 units.

22 However, we are disappointed to report
23 that Governor Hochul's 2026 budget proposes a
24 30 percent funding cut to the Rural

1 Preservation Program. We advocate for a 2026
2 Rural Preservation budget of 8.6 million to
3 correct this course and to provide these
4 nonprofits with the COLA increase that they
5 desperately need.

6 Homeownership has historically been a
7 cornerstone for building generational wealth
8 for rural families, but this is currently
9 under threat. It is increasingly difficult
10 for young families to secure a home because
11 of soaring housing costs, inadequate housing
12 stock, and competition from out-of-area
13 buyers.

14 Existing homeowners also face many
15 challenges, particularly seniors and
16 low-income families struggling to maintain
17 their homes.

18 We remain committed to our request for
19 36 million in funding for the Affordable
20 Housing Corporation, as well as additional
21 support for vital programs like Resilient and
22 Ready, RESTORE, and ACCESS, all crucial for
23 maintaining our communities.

24 As we seek to support homeownership,

1 we must also prioritize foreclosure
2 preservation. We support \$40 million for the
3 Homeowner Protection Program, and we are
4 advocating for high-quality prepurchase
5 counseling to safeguard against a worsening
6 housing crisis.

7 While homeownership is crucial, access
8 to quality rental housing is just as
9 important. The rural rental housing
10 portfolio, especially Section 515 properties,
11 is at risk due to aging infrastructure and
12 the potential loss of affordable units. We
13 support Governor Hochul's proposal for the
14 Rural Rental Assistance Program, alongside
15 advocating for additional funds to preserve
16 Section 515 properties.

17 We are also requesting funding to
18 establish a statewide small rental
19 development initiative that we affectionately
20 refer to as SRDI. Our rural communities are
21 vibrant spaces filled with families and
22 potential. We must not backtrack but rather
23 push forward. Today I urge you to stand with
24 us and support our funding requests for rural

1 communities and assure affordable housing for
2 all.

3 Thank you.

4 CHAIRMAN PRETLOW: Thank you.

5 MS. RAMADHAN: Wow, 7 seconds extra.

6 (Laughter.)

7 CHAIRMAN PRETLOW: Senate?

8 CHAIRWOMAN KRUEGER: Senator May.

9 SENATOR MAY: So as the chair of the
10 Legislative Commission on Rural Resources, I
11 am very grateful that you are here and for
12 the work that you do.

13 And I guess you covered a lot of the
14 specifics -- great job. I want you to know
15 there are a lot of advocates in the
16 Legislature for exactly what you're asking
17 for.

18 I would -- I am conscious,
19 representing Central New York, of the rise in
20 rural homelessness. And I would like you to
21 just say -- what are the main drivers? Is it
22 cost of housing? Is it availability of
23 housing? Or is it something altogether other
24 than that?

1 MS. RAMADHAN: A lot of it is the
2 quality of housing stock too. And that's why
3 the preservation funds are so important.

4 They said earlier -- like I've heard
5 people say earlier that preservation takes
6 longer and it's more difficult, and that's
7 true. But this is what we have to work with.
8 And we have a lot of -- like the new funding,
9 like Resilient and Ready for the storms, and
10 there's a lot of stuff, a lot of programs
11 that are working to keep people in their
12 homes. And we think that's vital.

13 MR. BORGES: Yeah, I think
14 homelessness in rural areas tends to be
15 invisible. You don't have people camping out
16 in front of, you know, storefronts and things
17 like that. So sometimes it's hard to
18 diagnose this and address it.

19 But yeah, I mean homelessness is real.
20 I think, you know, when we try to build new
21 housing, that's one way to address the
22 housing crisis. But in rural communities we
23 also need to do a lot more to preserve our
24 housing stock, right? Because we have a lot

1 of older housing stock that needs rehab work,
2 repair work and things like that.

3 So I think we need to emphasize both
4 building new and preserving the housing stock
5 that we do have, because we have a lot, it's
6 just not -- it's in disrepair or it's not
7 habitable, and we need to invest in both at
8 the same time.

9 SENATOR MAY: And the barriers to
10 building new are?

11 MR. BORGES: Well, it's that survey I
12 did with the Association of Towns.
13 Especially in rural communities, it's
14 infrastructure. That was their number one --
15 you know, we surveyed -- I think we got like
16 900 responses back, which is pretty good, of
17 all the municipalities in the state. And
18 they identified infrastructure.

19 I think the Governor was listening --

20 SENATOR MAY: Was it water --

21 MR. BORGES: Water, sewer. You know,
22 roads. I mean, you know, you take for
23 granted when you do an infill -- I have a
24 friend who works for the Albany Land Bank.

1 And, you know, when they do an infill
2 project, they don't have to worry about
3 sidewalks and roads and sewer, it's just
4 right there. Right?

5 Where when you're building something
6 rural in the middle of a field, well, you've
7 got to think about sidewalks, you've got to
8 think about the road, because that's not just
9 out there.

10 So there's a lot more barriers to
11 building housing in rural communities than
12 you would normally face as an infill project,
13 say, in the City of Albany or some other
14 urban area.

15 MS. RAMADHAN: And rural
16 infrastructure can be wells and septic too.

17 MR. BORGES: Yup, exactly.

18 MS. RAMADHAN: And in rural areas
19 without public water and sewer, well and
20 septic can run \$50,000, \$60,000 just for a
21 single home. And we have people going years
22 without water or septic because of those
23 costs.

24 SENATOR MAY: I understand the

1 Governor is trying to address some of that
2 too, so -- great. Thank you so much.

3 CHAIRMAN PRETLOW: Thank you all.

4 SENATOR KAVANAGH: Thank you for being
5 here.

6 MS. RAMADHAN: Thank you.

7 MR. BORGES: Thank you.

8 CHAIRMAN PRETLOW: All right, Panel F:
9 West Side Federation for Senior and
10 Supportive Housing; Selfhelp Community
11 Services; Neighbors Together; National Union
12 of the Homeless; Coalition for the Homeless;
13 VOCAL-NY; and Win NYC.

14 Good evening, everyone. Could you,
15 just for the recordkeepers up there, just
16 state your name so they know which name to
17 put under it when they post your pictures?

18 We can start from my right, your left.

19 MR. MANN: Hi. Chris Mann, from Win.

20 MS. SMITH: Eustacia Smith from

21 West Side Federation for Senior and
22 Supportive Housing.

23 MS. DENIO: Annalyse Denio, on behalf
24 of Selfhelp Community Services.

1 MS. FRANCIS: Bebhinn Francis,
2 National Union of the Homeless.

3 MS. ADAMS: Tracie Adams, from
4 VOCAL-NY.

5 CHAIRMAN PRETLOW: Okay. You can
6 start from either side.

7 MR. MANN: Sure, thanks. Thank you,
8 Chairs and esteemed members of the
9 Legislature, for the opportunity to testify
10 today.

11 My name is Chris Mann. I'm the
12 assistant vice president of policy and
13 advocacy at Win, the largest provider of
14 shelter and supportive housing in New York
15 City for families.

16 We operate 16 shelters and nearly
17 500 units of permanent supportive housing --

18 CHAIRWOMAN KRUEGER: Move the
19 microphone a little closer?

20 MR. MANN: Sure, sorry.

21 Each night, more than 7,000 people
22 call Win "home," including 3800 children.
23 Win's also a proud member of Housing Access
24 NY, a statewide coalition of more than

1 70 organizations that have been fighting for
2 the Housing Access Voucher Program.

3 New York's facing the worst
4 homelessness crisis in its history. Last
5 year homelessness doubled, with nearly
6 160,000 people experiencing homelessness
7 statewide. Since 2022, the number of
8 children experiencing homelessness has also
9 doubled, reaching over 50,000 kids in
10 shelter.

11 This is not just a New York City
12 issue. Homelessness has skyrocketed across
13 the state. Families with children make up
14 60 percent of the state's homeless
15 population, and closer to 70 percent in
16 New York City.

17 The faces of homelessness in New York
18 City and the state are children. At Win,
19 more than 50 percent of the 3800 kids are
20 under the age of six. So we're talking about
21 very young children.

22 Additionally, there were just under
23 200,000 eviction filings statewide last year,
24 and 2.9 million renters are cost-burdened,

1 meaning they are much more at risk of
2 homelessness.

3 As a statewide rental assistance
4 program modeled after Section 8, HAVP would
5 help fill a critical gap, supporting families
6 regardless of immigration status and criminal
7 justice involvement. The need is obvious.
8 When NYC opened the Section 8 waitlist this
9 summer for the first time in 15 years, over
10 600,000 people applied in just six days.

11 We also know that vouchers reduce
12 child poverty, stabilize communities, and
13 prevent homelessness. A new report from
14 Robin Hood found that one in four New Yorkers
15 can't afford essentials, and the share of
16 poverty is nearly double the national average
17 in New York.

18 Governor Hochul's own CPRAC recognizes
19 the importance of a statewide voucher. They
20 included a recommendation for a statewide
21 voucher that looks very similar to HAVP.

22 In an analysis conducted by Win last
23 year we found that a \$250 million investment
24 in HAVP would provide nearly 13,000

1 households with vouchers, offering stability
2 and preventing eviction. That equates to
3 around 30,000 individuals.

4 We need to be honest; homelessness and
5 eviction have substantial associated costs
6 that are skyrocketing due to inaction. We
7 found that HAVP could save the state up to a
8 billion dollars over the course of five years
9 through reductions in associated costs.

10 I'm pretty much out of time, so I'll
11 just say we also support investments in
12 supportive housing -- and I'll leave it at
13 that. Thank you.

14 CHAIRMAN PRETLOW: Thank you.

15 MS. SMITH: Thank you to the joint
16 legislative committee on housing for the
17 opportunity to testify.

18 My name is Eustacia Smith, and I'm
19 from West Side Federation for Senior and
20 Supportive Housing, or WSFSSH. For nearly
21 50 years, WSFSSH has developed and operated
22 low-income housing for older adults and
23 currently houses over 2500 residents across
24 21 buildings in Manhattan and the Bronx.

1 We know intimately that stably housing
2 residents as they age in place depends
3 crucially on providing services along with
4 housing. That is why I urge you to fund the
5 Affordable Independent Senior Housing
6 Resident Assistant Program. This program
7 would fund a staff member in independent
8 affordable senior housing, called a resident
9 assistant, to assist residents with obtaining
10 a broad range of services that will enable
11 them to age in place, even as a person's
12 needs change over time.

13 While affordable senior housing
14 supports independent living, a key link is
15 often missing -- help navigating complex
16 government and community programs. These
17 services can be difficult to obtain and
18 maintain, particularly in a tech-centric
19 world where basic appointments are often made
20 online. Without support, many seniors give
21 up, leading to faster health declines.

22 Sometimes there are barriers beyond
23 just technical. Accessing home health aide
24 services can be a complex, lengthy process,

1 but also can trigger tough emotions regarding
2 loss. After a lifetime of caring for
3 themselves and their families, now they must
4 come to terms with the fact that they need
5 care.

6 A resident assistant builds a
7 personal, trusting relationship and supports
8 them past those barriers. Resident
9 assistants also help address social issues so
10 often faced by older adults -- noticing when
11 someone is isolated, reconnecting them to
12 community activities. A wealth of recent
13 data shows that loneliness leads to poor
14 health and decline, while social connections
15 support better health and longer independent
16 living.

17 It's critical that we implement
18 programs like this as the older adult
19 population is booming. A recent comptroller
20 report shows that while New York City's total
21 population declined by 6.2 percent, the
22 population of those 65 and older increased by
23 6.4 percent. At the same time,
24 long-term-care options are shrinking.

1 This program is a cost-effective
2 solution to keep older adults housed in the
3 community, reducing reliance on expensive
4 nursing homes.

5 A similar program funded by HUD
6 provides data that this kind of program works
7 to reduce hospitalizations and reliance on
8 nursing facilities, and saves significant
9 dollars. But it is underfunded and only
10 available to a small fraction of buildings
11 that could qualify for it.

12 The Resident Assistant bill asks for
13 just 2 million per year over five years.
14 Estimates from LeadingAge New York indicate
15 that this amount would roughly provide a
16 yearly net savings to Medicaid of 4.5 million
17 and would service approximately 1600 older
18 adults.

19 Help us ensure older adults can age in
20 place and avoid institutional care by funding
21 the Affordable Independent Senior Housing
22 Resident Assistant Program. And thank you to
23 Assemblymember Rosenthal and Senator Kavanagh
24 and all those who have supported this bill.

1 CHAIRMAN PRETLOW: Thank you.

2 MS. DENIO: Hi, there. My name is
3 Annalyse Denio. It's nice to see many of you
4 again. I am a senior policy analyst with
5 LeadingAge New York, but I thank you today
6 for giving me the opportunity to present the
7 testimony of our member Stuart Kaplan, who is
8 CEO of Selfhelp Community Services. And
9 although he wasn't able to be here, he's
10 honored to be able to share his insights on
11 the critical needs of aging adults across the
12 state.

13 Selfhelp's unique approach to serving
14 all older adults is rooted in its
15 longstanding work with Holocaust survivors,
16 which has taught them that every person
17 deserves compassionate, trusted and
18 innovative care that respects their life
19 experiences. Today Selfhelp provides
20 affordable housing, home care, and
21 community-based services to 25,000
22 individuals in the Greater New York City
23 metropolitan area.

24 A 2023 study conducted by the

1 Joint Center for Housing Studies of
2 Harvard University concluded with the
3 well-acknowledged fact that the population of
4 older adults is rapidly growing, and with it
5 comes an urgent need to expand innovative
6 housing solutions that allow older adults to
7 age at home, safely, and with the support
8 that they need.

9 New York State is no exception to that
10 need. For older adults, the stress of
11 unstable housing worsens existing mental and
12 physical conditions, and unfortunately
13 Selfhelp is increasingly seeing homelessness
14 in this population and how the provision of
15 housing is life-changing at any age.

16 Affordable senior housing is therefore
17 not just an investment in the brick and
18 mortar, it's an investment in its people, in
19 communities, and in the financial
20 sustainability of our healthcare systems.
21 And it can help low-income older adults avoid
22 unnecessary crises, hospitalizations, and
23 premature institutional care, all of which
24 come at a high human and financial cost to

1 individuals and taxpayers alike.

2 Proudly serving as a key stakeholder
3 on the Master Plan for Aging with colleagues
4 from across the state, Stuart would like to
5 commend the plan's emphasis on housing as a
6 critical social determinant of health and its
7 recognition of innovative models like the
8 Resident Assistant Program outlined in
9 legislation carried by Chairs Rosenthal and
10 Kavanagh.

11 This type of program, modeled for more
12 than 50 years at Selfhelp, brings social
13 services on-site to affordable senior
14 housing, connecting residents to the supports
15 they need as they age safely in their own
16 home.

17 Most affordable senior housing
18 buildings, however, including those financed
19 by the state or the city, currently have
20 little or no financial path to providing this
21 much-needed service. That's why we're urging
22 the committees to support this legislation as
23 well as an investment of \$10 million over
24 five years -- as Stacey said, \$2 million per

1 year -- in the budget to bring resident
2 assistants into every affordable senior
3 housing building statewide.

4 Years of published research has shown
5 us that this model yields extraordinary
6 returns. And by championing affordable
7 senior housing and ensuring on-site services,
8 this year's budget could be pivotal in
9 empowering older New Yorkers who have given
10 so much to our communities and the state,
11 letting them age with dignity in their
12 communities while safeguarding the
13 sustainability of our healthcare system.

14 Thank you.

15 CHAIRMAN PRETLOW: Thank you.

16 MS. FRANCIS: Hello. My name is
17 Bebhinn Francis. I'm an organizer with the
18 National Union of the Homeless Albany
19 chapter, and a coalition member for Housing
20 Justice for All.

21 I work closely with the unhoused
22 community of Albany, and we are exhausted.
23 We are exhausted by the system and the
24 housing crisis in New York State, and we are

1 not alone in our exhaustion. Thousands of
2 New Yorkers are suffering from the threat of
3 eviction and homelessness. I experienced
4 homelessness for the second time from 2021
5 through 2024. My 19-month crisis began when
6 my marriage suddenly came to an end.

7 In the blink of an eye, I went from
8 having the support of my husband's income to
9 only my own. I received Social Security
10 disability and I worked part-time, but I
11 could not afford to secure and maintain
12 housing on my own. I needed help. One
13 hundred forty thousand New Yorkers need help.

14 I immediately applied for public
15 housing and, after the arduous application
16 process, I was placed on the waiting list.
17 The estimated wait is two years or longer. I
18 am still on that list three years later.

19 For 19 months, 578 days, I looked in
20 the mirror and watched my health decline. I
21 became malnourished, and my body stopped
22 making white blood cells. I watched as I
23 lost weight and I virtually faded away.

24 Housing is healthcare. Housing is a

1 human right.

2 According to State Comptroller
3 DiNapoli's report released this year,
4 Albany city and county saw a 38 percent
5 increase in homelessness between 2022 and
6 2024. In total, 1011 people experienced
7 homelessness in 2024, along with myself.

8 Living at or below the poverty line is
9 like walking a tightwire. We try to maintain
10 balance under the extraordinary pressure.
11 The Housing Access Voucher Program is the
12 safety net that New York State needs when we
13 fall.

14 The Housing Access Voucher Program
15 will uplift over 20,000 people out of
16 homelessness. The Housing Access Voucher
17 Program can prevent tens of thousands of
18 non-payment evictions. The Housing Access
19 Voucher Program can subsidize low-income
20 housing so it does not fall into disrepair.

21 HAVP is a commonsense policy and one
22 solution New York State wants and needs. And
23 with the threats to federal subsidies, it is
24 more important than ever to pass this bill.

1 I know that the Senate and Assembly support
2 HAVP. So I ask that all of you push for this
3 in the Executive Budget.

4 Please, and thank you.

5 CHAIRMAN PRETLOW: Thank you.

6 MS. ADAMS: Good afternoon.

7 And I want to thank Chairs Rosenthal
8 and Kavanagh for sponsoring the HAVP, the
9 Housing Access Voucher Program.

10 This program is very important. And
11 if we'd have had it five years ago, things
12 would have looked a lot better. I'm
13 HIV-positive. I was homeless. Okay? And I
14 have two felonies. So I don't qualify for
15 Section 8, where HAVP will help people,
16 individuals like me.

17 I applied for apartments, and the
18 first sheet of the paper says "Have you ever
19 been convicted of a crime?" So I don't
20 qualify.

21 Another thing HAVP will help me. When
22 we go look for apartments, you've gotta pay
23 an application fee, which is \$25. So if I go
24 for four of them, that's a hundred dollars --

1 which I don't have. Okay?

2 HAVP would help a lot of us from
3 having to go into a shelter. You know what
4 it's like to live in a shelter and you're
5 HIV-positive or you have cancer or any
6 underlying, you know, health issues that are
7 occurring?

8 Shelters get millions and millions on
9 our heads, being in there. That money you
10 put into shelters, we could use that for
11 HAVP, \$250 million for the first phase.

12 I don't know what the problem is.
13 Children are becoming homeless. You can't
14 become an astronaut, a politician or a
15 teacher if you don't have proper housing.
16 Housing is healthcare. People diminish, they
17 die when they don't have healthcare.

18 If you walk outside, you see people
19 living in the corners, living behind
20 buildings. HAVP will rectify all of this.
21 It's just a piece of paper that needs to be
22 signed. We can eradicate homelessness in the
23 State of New York. We're a big state. We're
24 a powerful state. I don't know why we have

1 all these homeless people. We should ask
2 ourselves, What are we doing that is wrong?

3 These people come out every day. A
4 lot of them are taxpayers, a lot of them are
5 registered voters. Nobody wants to be
6 homeless. Okay? Last year I was one of the
7 people in the 191,000 people that was getting
8 evicted. Okay? Where was HAVP? We need it
9 in the worst way or we ain't going to have no
10 New Yorkers. Either they're going to be dead
11 or they're going to go to another state.

12 We need our state. We're a bad state.
13 We're a strong state. Keep us together.
14 Help us, our people that are homeless.
15 People already get evicted. I was one of
16 them. I'm 62 years old. Shouldn't have to
17 live like that. I fight for the community,
18 your-all community, our community, to help
19 put everybody where they at.

20 So please, please think about it real
21 hard. HAVP is the answer, the common
22 solution to homelessness.

23 Thank you.

24 CHAIRMAN PRETLOW: Thank you.

1 Questions?

2 ASSEMBLYWOMAN ROSENTHAL: Well, thank
3 you all for your important testimony.

4 As you know, I'm the Assembly sponsor
5 of HAVP. And -- I mean, you've -- I couldn't
6 have scripted it better.

7 But seriously, both the Senate and the
8 Assembly for some years now have supported
9 it, have put \$250 million in our one-house
10 budgets. So I would say that the missing
11 link would be the Executive.

12 And perhaps turn some of your
13 firepower to the second floor. And, you
14 know, you all put it in very human terms, and
15 that's the best way to understand it, is --
16 you know, it's not just words, it's people.
17 And we desperately need to house those who
18 are living on the street or behind buildings.

19 So thank you for speaking out and
20 sharing your personal story, and thank you
21 for working hard in the trenches to uplift
22 all New Yorkers.

23 Thank you.

24 CHAIRMAN PRETLOW: Senator?

1 CHAIRWOMAN KRUEGER: Senator Brian
2 Kavanagh.

3 SENATOR KAVANAGH: Thank you again.

4 We had a several-hour hearing last
5 week on rental assistance particularly,
6 because that was a hearing about things that
7 were not in the Executive Budget. And so we
8 thought it was important to do that to
9 highlight that.

10 But I just -- I want to just start by
11 thanking all of you, and particularly those
12 who are sharing your experiences not having
13 adequate services and funding available in
14 housing. Because that's just an incredibly
15 important perspective for us to hear every
16 time we gather for an event like this to talk
17 about policy and dollars and cents. You
18 know, it's absolutely critical.

19 And, you know, your testimony I
20 hope -- hopefully will have, you know, an
21 impact on others that are part of the
22 decision making that we need to make over the
23 next few weeks.

24 I do want to just take a moment to

1 just highlight the Affordable Independent
2 Senior Housing Resident Assistant Program,
3 just because it is sort of a -- it's, for
4 some people on the panel and in the
5 Legislature, maybe a new idea even though the
6 bill's been around for a few years. And this
7 is another bill that I cosponsor with
8 Assemblymember Rosenthal.

9 But just talking -- there's a -- this
10 is services to provide resident assistants in
11 existing housing that is otherwise -- where
12 the housing has been funded by the state and
13 there are not services that are comparable in
14 federal -- that would be available in
15 federally funded housing for a similar
16 population.

17 Is that accurate? And can you just
18 elaborate a little more on why that would be
19 so beneficial to provide that? And again, I
20 would just note this is not -- most of the
21 things we've been talking about today have
22 been capital expenditures. This is an
23 operating cost which, you know, is a little
24 harder for us to do sometimes.

1 But if you can just talk about the
2 need for that.

3 MS. SMITH: Yeah. This is for
4 independent senior housing, so maybe it's
5 202, HUD housing, or it could be LIHTC or
6 some other housing. But independent. So
7 where there's not services.

8 And what we find is that people go --
9 you know, if their needs increase, some of
10 the services are really difficult to get,
11 like home health aide. And so without it,
12 the only alternative is a nursing home or
13 higher level of care, when that could be
14 avoided.

15 So we see this as an easy way to avoid
16 some of those really expensive ...

17 MS. DENIO: Yeah, and I will say that
18 while there is a comparable program in
19 federal funded buildings, as Stacey
20 mentioned, it's very underfunded and only
21 about a third of the buildings in New York
22 State that are HUD-funded that could qualify
23 for a service coordinator do actually have a
24 service coordinator.

1 And of course with everything
2 happening at the federal level, you know,
3 that funding is in question.

4 But the resident assistants are
5 available on-site when that resident
6 requests, and when they need it, to connect
7 them with the services they need.

8 SENATOR KAVANAGH: Okay, thanks.

9 And that's all the time I have. But
10 again, thank you all so much.

11 CHAIRMAN PRETLOW: Any other Senators?

12 CHAIRWOMAN KRUEGER: I do have a
13 question.

14 Hi. Sorry, I had to run out and come
15 back.

16 But -- so we know there's an enormous
17 homeless population problem in the city, and
18 it's skyrocketing. And throughout the
19 country. I get the feeling that it's so much
20 worse how the shelter system is working now
21 than it was under the previous mayor. I just
22 wanted to do a reality check.

23 Anybody have an opinion?

24 MR. MANN: I mean, I think one of the

1 big problems is getting paid on time for the
2 shelters.

3 I think, you know, under the mayor the
4 shelter system has expanded a lot. You know,
5 and there was a huge need with the influx of
6 new arrivals. And so, you know, I will give
7 credit where credit is due. Like we have
8 stood up a significant amount of new beds in
9 New York City.

10 But I think in terms of operation,
11 there's that significant challenge of getting
12 paid on time. It's really hard for operators
13 to work under those conditions when they're
14 owed millions and millions of dollars. It's
15 a little easier for larger providers like Win
16 -- still very challenging, but, you know,
17 there are other providers that are, you know,
18 struggling to make payroll given that they're
19 waiting so long to get paid.

20 CHAIRWOMAN KRUEGER: So I wasn't
21 trying to criticize any of the providers,
22 so -- if I sounded that way.

23 But it does seem like nobody's getting
24 paid on time, contracts are very bizarre.

1 And then the city-run shelters themselves
2 seem to be much more chaotic than I've seen
3 them for at least a decade. So I was just
4 wondering whether it was my gut instincts or
5 whether -- you're sort of shaking your heads
6 yes -- whether there's just something else
7 going wrong now.

8 MS. ADAMS: It is. There's a lot of
9 things going wrong. In the shelters right
10 now -- and I'm talking about upstate,
11 Syracuse and Rochester. That's who I
12 oversee, both of the cities. The people are
13 sanctioned, so if you're sanctioned, you
14 can't go in the shelter because you have no
15 form of payment. So that means I gotta
16 sleep outside. Okay?

17 So to help people, we need HAVP and we
18 need to lift the sanctions. But with HAVP,
19 it wouldn't make a difference if you was
20 sanctioned because you could get housing.
21 But if I don't have HAVP and I go for
22 anything else, I'm sanctioned. So there's no
23 money for me to get to go anywhere. So I
24 don't get no food, and I don't get no cash

1 assistance. Means why I can't get in the
2 shelter.

3 CHAIRWOMAN KRUEGER: Thank you.

4 MS. FRANCIS: I just want to add
5 really quick, here in Albany, specifically
6 shelters, that's exactly what I was going to
7 say, was talk about sanctions.

8 If you're sanctioned from food stamps
9 or public assistance, you are sanctioned from
10 a shelter. If you're sanctioned from the
11 shelter, you are sanctioned from food stamps
12 or public assistance.

13 And the application process for these
14 programs, all of them, is hard for a lot of
15 people to navigate. They might make
16 mistakes. And like a simple mistake could
17 add -- lead to your sanction.

18 That's all.

19 CHAIRMAN PRETLOW: Thank you.

20 Assemblyman Chang.

21 ASSEMBLYMAN CHANG: Okay, works now.

22 Okay. Thank you very much. Thank you for
23 being here, and I know it's quite late here.

24 I represent Brooklyn, South Brooklyn,

1 and I've been -- I was born in New York City,
2 so homelessness has been changed drastically
3 for decades. And it seems like we're not
4 solving this problem. So what's the real --
5 I mean, we can give all the housing we can
6 but still come out with homelessness.

7 What -- where are the people? Are
8 they from outside New York City or are they
9 within? Just from my impression, when I'm
10 out in the subway, I ask people, Where you
11 from? And many of them are not locally
12 New York City.

13 So are they coming here because of the
14 benefits that we offer to them? Or -- or
15 addiction issues? Or mental health issues?

16 MS. ADAMS: People leave upstate to go
17 downstate because they think if I go
18 downstate, I could find an apartment faster
19 and I'll get paid more money, not
20 understanding that you get -- there's more
21 money down there because the cost of living
22 is more.

23 So a lot of people are coming from
24 other states here and then going downstate.

1 So our shelters are fluctuating with people
2 coming from different states.

3 ASSEMBLYMAN CHANG: That's why it's
4 always never-ending. Because if we offer all
5 these services to other than our own New York
6 State residents, we'll never solve this
7 problem. It will be like a continuous black
8 hole.

9 Okay, so the next question I have is
10 we --

11 MR. MANN: Could I respond?

12 ASSEMBLYMAN CHANG: Sure. Certainly.

13 MR. MANN: I'll just say -- I mean,
14 nobody wants to be homeless. So people
15 aren't flocking to New York City to become
16 homeless. Right?

17 You know, we have seen a large influx
18 of new arrivals, obviously. And many of
19 those new arrivals enter the shelter system
20 because they -- a lot of them were bussed
21 from the southern border, came to New York,
22 didn't have connections, right? And many of
23 them move on relatively quickly from the
24 shelter system.

1 But one of the challenges there
2 obviously has been the lack of legal
3 assistance to get asylum, TPS, and then work
4 authorization. So that's been a challenge
5 that obviously needs to be addressed on the
6 federal level.

7 But I think in terms of homelessness
8 in New York City, right, before the influx of
9 new arrivals we had a homelessness crisis.
10 Right? We still have a homelessness crisis
11 for New Yorkers -- long-term New Yorkers and
12 some new New Yorkers.

13 So I think the main issue, right, is
14 that we need to invest in services for the
15 lowest-income people, and we need to build
16 housing. I mean, no one -- no one is
17 disagreeing that the housing supply is an
18 issue. So that's one key component of it.
19 But I think also, you know, we're all in
20 favor of -- or so many of us are in favor of
21 the Housing Access Voucher Program because it
22 helps people get out of shelter immediately.
23 And we know that the cost of housing someone
24 with a voucher is less than housing someone

1 with shelter long-term.

2 ASSEMBLYMAN CHANG: I'm almost out of
3 time. Another question too is the math
4 doesn't add up. We've got 20 million people
5 in New York State and declining. We lost
6 ten -- half a million people from the whole
7 state. And the math doesn't come up. And
8 we've been building all this housing.

9 So is it because it's -- the supply
10 is different from upstate than downstate?

11 CHAIRWOMAN KRUEGER: I'm sorry, I have
12 to cut you off, Assemblymember.

13 And we have Senator Rachel May.

14 ASSEMBLYMAN CHANG: Sorry. Thank you.

15 SENATOR MAY: Thank you.

16 And thank you for your very personal
17 testimony. I wanted to just call attention
18 to Central New York, where the homelessness
19 crisis has risen so fast that for the first
20 time ever, last year the census of homeless
21 individuals found that there were more people
22 in families who were homeless than individual
23 adults, which they'd never found that before.

24 So this is -- this is so much about

1 affordability, about lack of housing for
2 families, that it's shocking and something we
3 really have to work on.

4 I also just wanted to mention I do
5 carry a bill for sanctions relief, Senate
6 Bill 4417. I hope that you all call some
7 attention -- it's been very hard to get any
8 traction for this bill. So I appreciate you
9 elevating that issue, because it is kind of
10 invisible and -- but really important that we
11 deal with it.

12 So thank you all.

13 CHAIRMAN PRETLOW: And thank you all
14 for your testimony. And actually the -- your
15 two was really moving, when we went through
16 that. But I wish you all the best.

17 PANELISTS: Thank you.

18 CHAIRMAN PRETLOW: Thank you.

19 I call on Panel G: New Economy
20 Project; Housing Conservation Coordinators;
21 and Fifth Avenue Committee.

22 Okay, just for the people in the
23 booth, just tell us your name and -- from the
24 three of you, and then you can start your

1 testimony from the same direction. If you'd
2 start on my right, your left.

3 MS. DIAZ: Chelsea Diaz, New Economy
4 Project.

5 MR. YOUNG: Jared Young, HCC.

6 MR. MORALES: Julian Morales, the
7 Fifth Avenue Committee.

8 MS. DIAZ: Good afternoon, Chairs and
9 Assembly and Senate members. Thank you for
10 the opportunity to testify today on behalf of
11 New Economy Project, a New York City-based
12 economic justice organization.

13 Founded in 1995, New Economy Project
14 works with community groups to fight systemic
15 discrimination and to build a just economy
16 rooted in cooperation, racial justice, and
17 ecological sustainability.

18 We cofounded and coordinate the
19 New York City Community Land Initiative, an
20 alliance that has fostered the growth of more
21 than 20 community land trusts, which serve as
22 vehicles to create and preserve permanently
23 affordable housing and combat displacement.

24 We urge the Legislature to pass and

1 fund the Tenant Opportunity to Purchase Act,
2 or TOPA, at \$250 million annually for the
3 next four years.

4 I've written detailed testimony, but I
5 want to underscore three points.

6 First, TOPA is a powerful and proven
7 tool to stabilize housing, empower tenants,
8 and combat displacement. TOPA gives tenants
9 a first opportunity to collectively buy their
10 buildings when a landlord sells, on their own
11 or in partnership with a qualified community
12 land trust or nonprofit housing developer.

13 Similar opportunity-to-purchase
14 policies have preserved tens of thousands of
15 affordable units and shared-equity
16 cooperatives in Washington, D.C., since 1980;
17 San Francisco, since 2019; and other
18 jurisdictions. New York's TOPA bill
19 incorporates best practices and lessons
20 learned from those and other programs.

21 Second, robust funding is essential to
22 TOPA's success. A \$250 million annual
23 appropriation will enable tenants and
24 qualified nonprofits to seize purchase

1 opportunities on fast-moving timelines.
2 Funding will also support technical
3 assistance to help tenants exercise their
4 TOPA rights and convert buildings to resident
5 control.

6 Third, TOPA would bolster and multiply
7 tenant purchases already on the rise. I've
8 cited several examples in my written
9 testimony in which tenant associations have
10 partnered with community land trusts and
11 other nonprofits to successfully purchase
12 their buildings from neglectful landlords.

13 Enactment of TOPA would create similar
14 pathways for tenants statewide, who too often
15 face rent hikes and eviction threats when
16 their buildings change hands.

17 New York State is home to a robust and
18 growing network of CLTs, nonprofit housing
19 developers, and legal and technical
20 assistance providers that support TOPA and
21 are ready to partner to ensure its effective
22 implementation.

23 Finally, TOPA would go far in
24 combating the real estate speculation that is

1 driving New York's affordability crisis. As
2 you heard today, Governor Hochul's budget
3 proposal calls for a 75-day waiting period
4 before corporate buyers could purchase one-
5 and two-family homes. But that proposal
6 leaves millions of tenants in the crosshairs
7 of predatory investors.

8 Passing and funding TOPA will give
9 tenants and nonprofits statewide a powerful
10 tool to interrupt speculative building sales
11 and bring housing into stable resident
12 control.

13 New York's affordability crisis
14 demands bold investments that address root
15 causes of housing insecurity and
16 homelessness. We urge the Legislature to
17 pass and fund TOPA at \$250 million in the
18 budget.

19 Thank you for the opportunity to
20 testify.

21 CHAIRMAN PRETLOW: Thank you.

22 MR. YOUNG: Good afternoon,
23 Chairs Kavanagh and Rosenthal. I know it's
24 been a long day, but bear with me. We're

1 almost there.

2 My name is Jared Young. I am a leader
3 in my building's tenant union and a community
4 organizer with HCC.

5 I am also a constituent of
6 Chair Rosenthal in Hell's Kitchen.

7 I was born and raised in a red-brick
8 tenement in Hell's Kitchen. This building is
9 my heart and soul. My mother has been living
10 in it for over 30 years, and during the same
11 time our living has been dominated by a
12 neglectful and abusive landlord, Daniel
13 Ohebshalom.

14 Suffering his constant horrific living
15 conditions, deception and injustice has been
16 the standard of this building. But today I
17 am on a mission to purchase it.

18 The stark realities of housing
19 insecurity, corporate negligence and tenant
20 disenfranchisement defined my childhood, a
21 brutal cycle that will repeat if left
22 unchecked. But I have a vision for the
23 future of housing in New York, and you have
24 the power to make it a reality.

1 I urge you to support and fund the
2 passage of the Tenant Opportunity to Purchase
3 Act, or TOPA. TOPA is the key to what I call
4 housing freedom. It represents a pathway to
5 dignity, stability and autonomy for
6 New Yorkers, and it's a solution to a housing
7 crisis that needs any help it can get.

8 I've seen generations of families come
9 and go at my home on 45th Street, crushed
10 under the weight of an unjust system that
11 prioritizes profits over people. My
12 surviving neighbors form our community. Our
13 tenant union has been organized since 2020,
14 and we are bound by our shared struggle and
15 resilience.

16 We're now looking to claim the rights
17 to buy our physical home. Under TOPA, with
18 funding, we could partner with a community
19 land trust or CLT to buy our home. We're
20 currently in conversations with This Land is
21 Ours CLT. It's been years of managing the
22 building ourselves, including boiler
23 maintenance, general issues, and anything
24 else our landlord chooses to evade.

1 They don't want this building. We do,
2 and we're ready to take it over right now.

3 So I ask you to imagine a better
4 New York and think boldly. What if, instead
5 of living under the boot of corporate
6 ownership, tenants had the right to purchase
7 and control their own buildings? What if our
8 rent went directly toward the maintenance of
9 our homes instead of lining pockets?

10 TOPA makes this vision a reality. It
11 gives tenants a fighting chance to reclaim
12 our homes, protect our neighbors, and build
13 communities, and it really just makes sense.

14 By passing and funding TOPA -- because
15 we need that money -- we take a leap toward a
16 New York where tenants have real power and
17 real security, and a leap towards housing
18 freedom. So I invite you to stand with us
19 and take action toward making TOPA a reality.
20 Our building can't wait, New York can't wait,
21 and our freedom can't wait.

22 Thank you.

23 MR. MORALES: Thank you, everyone.

24 Thank you all, members of the joint

1 budget hearing for housing, for allowing me
2 to testify today.

3 My name is Julian Morales, and I am
4 the organizing and advocacy manager at the
5 Fifth Avenue Committee, FAC.

6 I am here to discuss FAC's support for
7 several housing proposals that must be funded
8 in the FY '26 budget.

9 A little bit about FAC. FAC is an
10 award-winning nonprofit, comprehensive
11 community development corporation committed
12 to serving 7,000 New Yorkers, low- and
13 moderate-income New Yorkers, each year for
14 the past 47 years. FAC strongly supports
15 TOPA, the Tenant Opportunity to Purchase Act.

16 An example of how TOPA can impact FAC
17 is that we are actively pursuing a
18 purchase -- a preservation purchase of a
19 former LIHTC building with a regulatory
20 agreement which is in its extension period
21 and expires next month. If we are not
22 successful, then over 30 low-to-moderate-
23 income rent-regulated families will be
24 displaced and be homeless.

1 The tenants support FAC's preservation
2 purchase of the building. The passage of
3 TOPA needs to come with dedicated capital
4 funding, including predevelopment funding so
5 nonprofit CDCs like FAC can quickly assess
6 the properties to ensure informed and fair
7 purchase prices.

8 We urge the Legislature to pass TOPA
9 in the state budget along with an annual
10 appropriation of \$250 million to support TOPA
11 building acquisitions and technical
12 assistance.

13 We also urge you all to adequately
14 fund the Neighborhood Preservation Program,
15 NPP, securing funding for NPP at
16 \$18.8 million -- versus what the Governor is
17 proposing, which would enact a 30 percent
18 cut. And some groups like FAC and our
19 affordability organization, Neighbors Helping
20 Neighbors, use these funds to do eviction
21 prevention work, and FAC also uses it to
22 support our capacity to advance our
23 2000 Brooklyn Homes Campaign and to preserve
24 affordable housing as well as managing over

1 600 units of affordable housing.

2 I'll be quick in the last few other
3 things. We have an extensive testimony that
4 we submitted previously.

5 But the last few things, we are in
6 dire need for ANHD's policy proposal Housing
7 Access and Preservation Initiative that will
8 allow nonprofit CDCs to create a revenue
9 stream to help some of us who have properties
10 since COVID that, you know, we've had to
11 build out some of our affordable housing
12 units that we've had to step in during these
13 times.

14 And then lastly, I'll just say --
15 which has been heard all day today -- we
16 strongly support HAVP.

17 We submitted our testimony last week,
18 and so we just want to thank you for the
19 opportunity to testify. And thank you.

20 CHAIRMAN PRETLOW: Thank you.

21 Assemblyman Chang.

22 ASSEMBLYMAN CHANG: Thank you for
23 being here. And it's great to have
24 homeownership, because that's a proper way of

1 American dream -- even though it's not the
2 smoothest way, but homeownership is, rather
3 than NYCHA. That's not homeownership itself.

4 But this 250 million, would that
5 encompass the whole state or just only for
6 New York City?

7 MS. DIAZ: It would be for the whole
8 state.

9 ASSEMBLYMAN CHANG: Okay. Have they
10 figured out what allocation would be New York
11 City or upstate for this 250, if applied for
12 that?

13 MS. DIAZ: We don't have an allocation
14 for -- based on state or upstate.

15 ASSEMBLYMAN CHANG: And do we have
16 targeted -- do we have like this centralized
17 system of what buildings are being targeted
18 for TOPA, a listing or other -- I mean, how
19 do you prioritize who would be getting this
20 funding if they go through all the regulatory
21 hoops? Do you have any idea on that?

22 MS. DIAZ: Well, in order to apply for
23 the funding, the tenants will then have to go
24 through the TOPA process. And so that's a

1 few steps ahead.

2 So some tenants may not go through
3 that, and so it's just hard to determine
4 exactly what that number would be or to
5 prioritize. It would just depend on the
6 number of TOPA participants itself.

7 But we can think about that and get
8 back to you.

9 ASSEMBLYMAN CHANG: Where do you get
10 the money -- where do you get the numbers,
11 250 million?

12 MS. DIAZ: It was based on property
13 sales and costs throughout New York City.
14 And it had some estimates based on upstate,
15 where there's less data, and also New York
16 City.

17 And again, I'm happy to follow up with
18 some details on that.

19 ASSEMBLYMAN CHANG: If it's 250, I
20 don't want it to be just a pie-in-the-sky
21 number. I mean, what -- how do you -- based
22 on how many potential properties would be up
23 within one calendar year or fiscal year or
24 would it be multiyear funding on this?

1 I don't -- it's great to have
2 homeownership, but 250 is a lot of money.
3 So -- and we'll want to make sure that we
4 spend it wisely and also fairly all across
5 the board.

6 So I hope there's a process on that
7 and so on.

8 MS. DIAZ: Yes. So the 250 million
9 over four years, we anticipate it being up to
10 thousands of units. And again, I'm happy to
11 follow up with you with those numbers and
12 data.

13 ASSEMBLYMAN CHANG: Well, thank you.
14 Thank you.

15 And Jared, this is a great -- what
16 circumstances lead you to really need to
17 purchase this building? And have there been
18 obstacles from the building owner to prevent
19 this?

20 MR. YOUNG: So we have had heat
21 outages from the time I was a child. I used
22 to take showers with boiled water every
23 winter, consistently. We had people breaking
24 into the building constantly. During COVID

1 our building was entirely abandoned.

2 So there was a whole picture of abuse
3 and neglect. And we realized that once we
4 organized we had power by being together, and
5 taking ownership of the building needs to be
6 finalized with something like legislation.

7 Some of the hurdles have been just
8 harassing us and trying to get us out. But
9 right now they don't really have too much
10 power. They are mandated to fix several
11 violations before they sell the building, so
12 we're trying to intervene in that process.

13 ASSEMBLYMAN CHANG: Thank you. Thank
14 you.

15 SENATOR KAVANAGH: Just a brief
16 question.

17 So we've been working on, you know,
18 the TOPA legislation. There are now two
19 different versions of the bill. Senate
20 Housing Committee did report the bill last
21 spring.

22 Just from testimony here and from all
23 of your experience in the field, there are --
24 I want to -- I guess I'm looking for

1 actionability. There are buildings,
2 including the one that you actually live in,
3 that are, in your view, sort of available to
4 be purchased by the tenants if there were
5 adequate capital. Is that a fair --

6 MR. YOUNG: Absolutely, yeah. We're
7 ready right now.

8 SENATOR KAVANAGH: Because I just
9 would note that the budget -- you know, the
10 budget's coming around fast. The budget is
11 the moment when we figure out whether there's
12 money available for a particular purpose.

13 You know, we have had -- I think some
14 of your organizations are actually working on
15 some amendments to the -- proposed amendments
16 to some of the existing legislation. And we
17 do have an Assembly version and a Senate
18 version which are somewhat different.

19 I think Housing Justice for All, one
20 of the broad coalitions we work with,
21 supports either of those bills.

22 But just to say, if we were to find
23 some money in this budget for capital, for
24 acquisition, for tenant opportunity to

1 purchase with partners, nonprofit partners,
2 you think you'd be able to conclude some --
3 make some of those transactions in the coming
4 year?

5 MR. YOUNG: Yeah, absolutely.

6 For my building, I can speak for us,
7 we're more than ready. We've been organized
8 for a long time. We would purchase our
9 units. There's other things that we know
10 that need to be fixed in the building. Some
11 of the things that we've taken on out of our
12 own pockets.

13 But we know exactly what it would go
14 towards. And I'm sure if we itemized it,
15 Assemblyman {sic}, we could check off pretty
16 easily.

17 SENATOR KAVANAGH: Okay, thank you.

18 CHAIRMAN PRETLOW: Assemblywoman
19 Rosenthal.

20 ASSEMBLYWOMAN ROSENTHAL: Thank you.

21 Thanks for your testimony.

22 How long has the TOPA idea been
23 around? I mean, we've talked about it for
24 some years now. Maybe you could talk about

1 the origin of it.

2 MS. DIAZ: Yeah, at the -- it's been
3 around -- not just the idea, but it's been
4 implemented in D.C. since 1980. And it's
5 been successful. Since 2006 it's created
6 16,000 units of affordable housing and
7 hundreds of permanently affordable
8 cooperatives as well.

9 ASSEMBLYWOMAN ROSENTHAL: Is there any
10 reason to think this wouldn't be successful
11 here?

12 MS. DIAZ: With adequate funding, I
13 don't think so.

14 ASSEMBLYWOMAN ROSENTHAL: Okay. And
15 maybe, Jared, you could talk a little bit
16 more about -- you still suffer through
17 harassment and neglect in your building,
18 right?

19 MR. YOUNG: Yes. We are currently
20 owned by a private equity firm who is pretty
21 absent. They don't have any experience with
22 managing buildings, so they hire outside
23 firms who are pretty absent as well.

24 They are on delay for any repairs or

1 any of our requests. They are mandated to
2 fix several violations before the building is
3 allowed to be sold. And they're just going
4 at a snail's pace with fixing those
5 violations. Because once they fix them, that
6 investment will not be a profit for the firm.

7 So they don't see it as a valuable
8 asset. And yeah, they see it as an asset
9 rather than our home. So we just want to
10 intervene in that process and slow the
11 struggle down, slow down some of the
12 suffering, and take it into our own hands.

13 MS. DIAZ: And --

14 ASSEMBLYWOMAN ROSENTHAL: Okay, thank
15 you. Yeah?

16 MS. DIAZ: Chair, if I may add two
17 points to your question.

18 In addition to the excess, in addition
19 to the funding, I also just want to note that
20 we have lessons learned that we've already
21 incorporated in the bill. And like you said,
22 we have qualified purchasers like community
23 land trusts that are standing ready to work
24 with tenants as well.

1 ASSEMBLYWOMAN ROSENTHAL: And then do
2 you think it would be -- you know, spread out
3 among the boroughs, right?

4 MS. DIAZ: Yes.

5 ASSEMBLYWOMAN ROSENTHAL: I mean, all
6 of -- you know of opportunities throughout
7 the city, for example.

8 MS. DIAZ: Yes.

9 ASSEMBLYWOMAN ROSENTHAL: Yes. Okay.
10 That's it. Thank you.

11 And thank you, Jared, for enduring all
12 the harassment but still coming out of it
13 with the zeal to succeed and provide a safe
14 home for you and your neighbors.

15 MR. YOUNG: Yes, absolutely. We will
16 win. Thank you.

17 ASSEMBLYWOMAN ROSENTHAL: Thank you.

18 CHAIRWOMAN KRUEGER: I'm sorry, I need
19 to do a follow-up question.

20 So I think turning to Jared, so what
21 is the building estimated to sell for? What
22 do you think you need to buy this building?

23 MR. YOUNG: It is listed as 4 million
24 right now. And I think that has a lot to do

1 with some of the conditions that it's in.

2 But we aren't sure exactly what the
3 valuation is. That's probably just a flimsy
4 price. They bought the building for a
5 thousand dollars. If TOPA had existed, we
6 would have been able to purchase it for that.
7 And that was because the city mandated
8 Ohebshalom to get rid of his assets and
9 liquidate, and that was the minimum price.

10 CHAIRWOMAN KRUEGER: And how many
11 units?

12 MR. YOUNG: Well, so I should add that
13 this is a joint building. So it's two
14 buildings, 30 units. And 15 each.

15 CHAIRWOMAN KRUEGER: With an estimated
16 sales price of 4 million.

17 MR. YOUNG: Right. Not bad.

18 CHAIRWOMAN KRUEGER: No. I mean,
19 again, it's all dependent also on the
20 infrastructure and how much more money you'd
21 have to put into it.

22 I mean, I ask because I'm not so
23 familiar with the modeling that people are
24 using right now. My concern would be back in

1 the eighties the City of New York was
2 allowing tenants to buy the buildings they
3 were living in after they had been taken
4 through tax liens.

5 And -- how to describe it -- you would
6 have tenants ending up taking buildings that
7 were in horrendous condition because
8 basically the landlords had sucked everything
9 out of the building they could and then
10 stopped paying their taxes and walked away,
11 right? I made my money, I'm walking away.

12 So then the city said, Okay, tenants,
13 you want to buy them? And the tenants said
14 yes, please. And then tenants ended up with
15 very difficult situations because they didn't
16 necessarily understand how much
17 infrastructure work was required and how
18 their tax -- I'm sorry, their rent rolls
19 weren't going to be enough to afford to take
20 on the capitalization that was -- I just
21 don't want us to be walking ourselves down a
22 path that ended up pretty sadly for a lot of
23 tenant ownership buildings back in the '80s.

24 So I guess I would suggest we all

1 review some of the reports that were written
2 by advocacy groups at the time.

3 MR. YOUNG: Well, I'll say that I
4 think we're in really good hands with CLTs
5 and some of the groups that really know what
6 they're doing that have sprung up since then.
7 I think there's been a lot of research that
8 you can speak to.

9 But yeah, I know a lot about burning
10 buildings in the Bronx and uptown in
11 Hell's Kitchen. I think we've moved past
12 that, but also we have groups that know what
13 they're doing now.

14 MS. DIAZ: And I'll just add that
15 while a majority of the \$250 million would go
16 towards acquisition, an amount of that money
17 would also go towards technical assistance,
18 both in the immediate and long term, to
19 ensure the long-term success of those
20 buildings.

21 And just reiterating Jared's point
22 about CLTs being ready to be that partner in
23 the long term.

24 CHAIRWOMAN KRUEGER: Thank you. Thank

1 you.

2 CHAIRMAN PRETLOW: Thank you.

3 And I'd like to thank the three of you
4 for your testimony, and I wish you all the
5 luck in getting what you're trying to get,
6 because homeownership is a great thing.

7 This formally closes the 14th and
8 final hearing of the Legislature's public
9 hearings series on the Governor's '25-'26
10 fiscal year budget. I want to thank everyone
11 for their participation. I want to thank you
12 for staying till the end. You're our closing
13 act, and we appreciate your participation.

14 Thank you very much.

15 MR. YOUNG: Thank you all so much.

16 CHAIRWOMAN KRUEGER: Thank you very
17 much.

18 (Whereupon, at 5:20 p.m., the budget
19 hearing concluded.)

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