



NEW YORK STATE SENATOR

Brian Kavanagh

## State Budget Provides for Huge Investments in Housing

BRIAN KAVANAGH April 7, 2021

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*Capital Investment and Expenditures, Including State and Federal Funds, Exceed \$5.3 Billion for: COVID-19 Rental and Homeowner Relief, New Affordable Housing Development Including Hotel Conversions, a New Rental Subsidy Program to House Homeless New Yorkers, Support for Public Housing, Increased Subsidies for Home Heating and Other Utility Costs*

(Albany, NY) April 7, 2021 -- **Senator Brian Kavanagh, Chair of the Senate Committee on Housing, Construction and Community Development**, announced details of the State budget, which was passed by the Senate late last night.

“The budget we passed, after extensive, at times difficult, negotiations, is a huge step forward in our immediate efforts to mitigate the hardships New Yorkers have endured during the COVID-19 pandemic and a downpayment on our long-term commitment to ensuring that no New Yorker is denied the right to a secure, stable, affordable home,” said Senator Kavanagh. “I thank everyone who advocated for the strongest possible response to our ongoing housing and homelessness crises, especially Senate Majority Leader Andrea Stewart-Cousins, all of my colleagues in the Senate Majority, and our extraordinarily dedicated Senate staff.”

Senator Kavanagh highlighted the following capital investments and other expenditures for housing and related services, benefitting renters, homeowners, and New Yorkers experiencing homelessness, which total \$5.3 billion.

- **COVID-19 Emergency Rental Assistance Program** ([S2506C](#), Part BB; [S2503C](#), pages 633 and 635-636): A comprehensive program, similar to Senate Bill S2742C (Kavanagh), to pay rent and utility arrears of tenants who have experienced financial hardship during the pandemic, with a total of \$2.4 billion, including \$2.3 billion in federal funds and \$100 million in State funding to expand eligibility beyond those covered by the federal rent relief program. (*New program.*)
- **Conversion of Under-Used Hotels and Other Commercial Properties to Affordable Housing** ([S2504D](#), page 405): A new allocation of \$100 million for the Division of Housing and Community Renewal to support the conversion of distressed hotels and other commercial properties into permanent affordable housing, through the Adaptive Reuse Affordable Housing Program. (*New program.*)

- **Home Energy Assistance (S2503C):** An increase of \$450 million, for a total of \$950 million, for the Home Energy Assistance Program (HEAP), which helps low-income people pay the cost of heating their homes.
- **Capital Funding for Public Housing (S2504D):**
  - \$200 million for New York City Housing Authority capital repairs and renovation.
  - \$125 million for other public housing authorities for capital repairs and renovation.
  - \$6.4 million for the statewide Public Housing Modernization Program.
- **Support for Homeowners:**
  - **Homeownership Relief and Protection Program (S2503C, page 918):** \$600 million in federal funds to provide assistance with mortgage, utility, or home energy payments, or other homeownership expenses. (*New program.*)
  - **Home Owner Protection Program (S2503C):** Restoring \$20 million a year for the next three years for this critical program, which prevents homeowners from losing their homes by providing assistance with loan modifications, legal representation in court proceedings, and homeownership counseling. (Included in the \$600 million above.)
  - **Mortgage Forbearance:** Extending the period during which homeowners experiencing hardship during the COVID-19 pandemic can benefit from the mortgage forbearance originally enacted in Senate Bill S8243C (Kavanaugh) of 2020, until the later of December 31, 2021 or the expiration of the COVID-19 emergency orders.
  - **Affordable Housing Corporation (S2504D):** Allocating \$26 million for the Affordable Housing Corporation, which creates homeownership opportunities for low- and moderate-income families by providing grants to government, non-profit, and charitable organizations to subsidize the cost of newly constructed houses and

renovation of existing housing.

- **Vacant and Blighted Housing (S2504D)**: \$25 million for projects to renovate vacant and blighted housing, for the purposes of creating affordable homes for first-time homebuyers. (*New program.*)

- **Permanent Housing for Homeless New Yorkers and Supportive Housing:**

- **Rental Assistance for Homeless New Yorkers (S2503C, pages 629-630)**: A new Transitional Rental Assistance Program to provide rent supplements to families and individuals who are homeless or facing imminent loss of housing, with initial State funding of \$100 million. This program falls short of the Senate proposal to allocate \$200 million and establish the Housing Access Voucher Program as provided in Bill S2804A (Kavanagh). (*New program.*)
- **New Supportive Housing (S2504D, page 408)**: Allocating \$186 million in new capital funding to support the creation of 1,200 new supportive housing units, part of the State's commitment to create 20,000 units over 15 years through the Empire State Supportive Housing Initiative.
- **Homeless Housing and Assistance Program (S2504D, pages 358-360)**: \$128 million in capital, matching last year's investment which had doubled the previous year's figure, for construction of housing for individuals and families experiencing homelessness, including:
  - \$5 million for supportive housing for veterans experiencing homelessness; and
  - \$5 million for counties outside of NYC to provide stable housing for those living with HIV/AIDS .

- **Neighborhood and Rural Preservation** (S2506C, Part O):
  - Providing \$12.8 million for the Neighborhood Preservation Program and \$5.4 million for the Rural Preservation Program, and ensuring that \$150,000 is available for each of the statewide coalitions that support these organizations.
  - A new allocation of \$500,000 (S2503C, page 1084) to **support local enforcement of housing, fire, and building safety codes**, pursuant to recommendations based on an **investigation** by the Housing and Investigations and Government Operations Committees.
- **Storm Recovery** (S2504D): \$130 million in new capital funding to continue the State's efforts to support recovery in communities across the state from catastrophic storms.
- **Low-Income Housing Subsidies** (S2504D): \$44.2 million for the Low-Income Housing Trust Fund, which helps provide high-quality, affordable housing by funding new construction, rehabilitation of vacant, distressed or underutilized residential property, or conversion of vacant or underutilized non-residential property to housing.
- **Small Cities Community Development Block Grant Program** (S2503C, page 919): \$40 million in funding for eligible cities, towns, and villages with populations under 50,000 and counties with an area population under 200,000, for community development, affordable housing, and economic opportunities for New Yorkers with low and moderate incomes.
- **Low-Income Weatherization Program** (S2503C, page 920): \$32.5 million to assist low-income homeowners and landlords with low-income tenants to reduce heating and cooling costs and improve safety through energy efficiency measures.
- **Operations of NYS Homes and Community Renewal** (S2500D, page 436): The budget maintains funding for the operations of HCR at \$116.2 million.
- Other Critical Housing and Community Development Programs, including:

- **Access to Home:** \$1 million to make homes accessible for people with disabilities;
- \$14 million for the **Homes for Working Families Program;**
- \$15 million for the **Housing Development Fund Program;**
- \$1.4 million for the **Housing Opportunities Program for the Elderly;**
- \$4.2 million for the **Main Street Program**, which helps smaller communities strengthen the; economic vitality of traditional Main Street downtown neighborhoods;
- \$5 million for the **Manufactured Home Advantage Program;**
- \$21.6 million for the **Rural Rental Assistance Program;** and
- \$1.1 million to support various **local housing organizations.**

The bills are the result of extensive negotiations among the Senate, the Assembly, and the Executive Chamber and are expected to be signed into law upon passing the Legislature.

*Updated April 9, 2021 to include HHAP and Housing Opportunities Program for the Elderly funding and to identify which items represent new programs.*

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