

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 2020-2021 EXECUTIVE BUDGET
ON HOUSING

6 -----

7 Hearing Room A
8 Legislative Office Building
Albany, New York

9 February 5, 2020
10 12:45 p.m.

11 PRESIDING:

12 Senator Liz Krueger
Chair, Senate Finance Committee

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

15 PRESENT:

16 Senator James L. Seward
Senate Finance Committee (RM)

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

19 Assemblyman Steven Cymbrowitz
Chair, Assembly Housing Committee

20 Senator Brian Kavanagh
21 Chair, Senate Housing Committee

22 Senator Zellnor Myrie

23 Assemblywoman Carmen N. De La Rosa

24 Assemblyman Harvey Epstein

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3 PRESENT: (Continued)

4 Assemblyman Colin Schmitt

5 Assemblyman Michael J. Fitzpatrick

6 Senator Brad Hoylman

7 Assemblyman Victor M. Pichardo

8 Assemblyman Eric M. Dilan

9 Senator Julia Salazar

10 Assemblyman Charles Barron

11 Senator John Liu

12 Assemblywoman Yuh-Line Niou

13 Senator Robert Jackson

14 Assemblyman Walter T. Mosley

15 Senator Brian A. Benjamin

16 Assemblywoman Latoya Joyner

17 Assemblyman William Colton

18 Senator Diane J. Savino

19 Assemblywoman Linda B. Rosenthal

20 Senator George M. Borrello

21 Assemblyman Mark Johns

22 Senator Todd Kaminsky

23 Assemblyman Michael Blake

24 Senator Gustavo Rivera

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3 PRESENT: (Continued)

4

Assemblyman Michael Blake

5

Senator Jessica Ramos

6

Assemblywoman Diana C. Richardson

7

Assemblywoman Latrice Walker

8

Senator Jamaal T. Bailey

9

Assemblywoman Aravella Simotas

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Assemblyman Robert J. Rodriguez

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Assemblyman Kevin A. Cahill

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Assemblywoman Marjorie Byrnes

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Assemblyman Félix W. Ortiz

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1 CHAIRWOMAN WEINSTEIN: We're about to
2 start the Housing hearing. I thought we had
3 some guests who were outside who wanted to
4 come in for the Housing hearing, but we'll
5 see if that happens. I -- we don't solicit
6 extra people necessarily.

7 So good afternoon. I'm Assemblywoman
8 Helene Weinstein, chair of the New York State
9 Assembly's Ways and Means Committee, cochair
10 of today's hearing.

11 Today we begin the eighth in a series
12 of hearings conducted by the joint fiscal
13 committees of the Legislature regarding the
14 Governor's proposed budget for fiscal year
15 2020-2021. The hearings are conducted
16 pursuant to the State of New York
17 Constitution and the Legislative Law.

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

22 I'll introduce members who are here
23 from the Assembly majority, and then
24 Senator Krueger, chair of Senate Finance,

1 will introduce members from the Senate. And
2 then our ranker on Ways and Means, Ed Ra,
3 will introduce members from his conference.

4 So we have -- in no particular order,
5 we have with us Assemblywoman Niou,
6 Assemblyman Epstein, Assemblyman Barron,
7 Assemblyman Colton, Assemblywoman Rosenthal,
8 Assemblyman Blake, Assemblywoman Richardson,
9 Assemblywoman De La Rosa, Assemblywoman
10 Joyner, and Assemblyman Mosley.

11 Liz?

12 CHAIRWOMAN KRUEGER: Thank you.

13 Good afternoon. So I'm joined by
14 quite a few Senators. We have, starting at
15 the bottom row, our new Senator George
16 Borrello, Senator Brad Hoylman, Senator
17 Robert Jackson, Senator Gustavo Rivera,
18 Senator Todd Kaminsky, Senator Diane Savino,
19 and up at the top here Senator John Liu,
20 Senator Zellnor Myrie, Senator Julia Salazar,
21 Senator Jessica Ramos, chair of Housing Brian
22 Kavanagh, ranker on Finance James Seward, and
23 I am Liz Krueger.

24 Thank you.

1 CHAIRWOMAN WEINSTEIN: Assemblyman Ra.

2 ASSEMBLYMAN RA: We're joined by
3 Assemblyman Mike Fitzpatrick, ranking member
4 on the Housing Committee, as well as Colin
5 Schmitt and Assemblyman Mark Johns.

6 CHAIRWOMAN WEINSTEIN: Thank you.

7 So before introducing our first
8 witness, I'd like to remind all the witnesses
9 testifying today to keep your statement
10 within your allotted time limit so everyone
11 can be afforded the opportunity to speak.

12 And you can figure out your time by
13 looking at the clock. It's 10 minutes for
14 governmental witnesses for testimony, up to
15 five minutes for nongovernmental witnesses.

16 Members should also be mindful of the
17 countdown clocks. The chair of the
18 respective Housing Committees have 10 minutes
19 to ask questions of the governmental
20 witnesses, five minutes for the
21 nongovernmental witnesses. Other members of
22 relevant committees have five minutes to ask
23 questions. And only the chairs have a second
24 round of five minutes. And when we get to

1 the nongovernmental witnesses, members have
2 three minutes.

3 So I know there are a bit of rules,
4 but we found that by adhering to these
5 guidelines we get an opportunity to hear from
6 everybody who signed up to be a witness.

7 And for the witnesses coming who are
8 the nongovernmental witnesses, we have most
9 of your testimonies electronically, they've
10 been shared with all of the members of the
11 Ways and Means and Housing Committees. We
12 encourage you to summarize rather than read
13 your testimony, because what most people find
14 is they get halfway through their written
15 testimony if they read it and then we get
16 to -- we miss all the important parts that
17 you have on the last page.

18 So with that being said -- and also,
19 just a reminder both for the witnesses and
20 the members, this is a budget hearing on the
21 Governor's housing budget. I know that there
22 are -- from looking at some of the
23 testimonies submitted, a number of people
24 have written urging us to adopt certain

1 legislation. The discussion on legislation
2 will take place at another time. This is to
3 focus on the Governor's Executive Budget.

4 So with all that being said, I think
5 we are ready to begin the hearing. And our
6 first witness, commissioner of New York State
7 Homes and Community Renewal, RuthAnne
8 Visnauskas.

9 Welcome, Commissioner.

10 COMMISSIONER VISNAUSKAS: Thank you.

11 And good afternoon, Chairs Krueger,
12 Weinstein, Kavanagh, Cymbrowitz, and
13 distinguished members of the Legislature. My
14 name is RuthAnne Visnauskas, and I'm
15 commissioner and CEO of New York State Homes
16 and Community Renewal. I'm honored to
17 testify before you today on the housing
18 portion of Governor Andrew Cuomo's Executive
19 Budget proposal for the '20-'21 state fiscal
20 year.

21 Once again the Governor's budget
22 demonstrates his unwavering dedication to a
23 progressive agenda that addresses
24 homelessness and sweeps away barriers that

1 block New Yorkers' opportunity to have a safe
2 and affordable place to live in the community
3 that they choose.

4 National data on the housing landscape
5 across the U.S. reinforces the need for a
6 strong commitment here in New York State, and
7 I'm happy to report today on our
8 accomplishments on the Governor's Housing
9 Plan to date.

10 A study released last month from
11 Harvard's Joint Center on Housing Studies
12 provided data supporting some troubling
13 factors in the U.S. rental housing market.
14 Vacancy rates are at their lowest levels
15 since the 1980s. The number of people
16 experiencing homelessness nationally is more
17 than 500,000, and one in four renters is
18 cost-burdened and pays more than 30 percent
19 of their income on rent.

20 I'm thrilled to work for a Governor
21 who understands the need to tackle each of
22 these issues: Housing supply, the need for
23 supportive housing, and the rising cost of
24 rentals.

1 For proof of this commitment, look no
2 further than the progress we've made to date
3 in carrying out the state's \$20 billion,
4 five-year Housing Plan to create and preserve
5 more than 100,000 affordable housing units
6 and 6,000 supportive housing units.

7 On supply, I'm pleased to announce
8 that as of the end of this past December, we
9 have produced more than 62,000 affordable and
10 supportive homes. And in keeping with our
11 initial vision for this investment,
12 approximately half of the units are in
13 New York City and half are located across the
14 rest of the state, with every region
15 benefiting. This includes new construction,
16 preservation, and home mortgages for
17 low-income first-time homebuyers.

18 This is a strong investment in our
19 communities and creates job opportunities as
20 well as neighborhoods of opportunity. But
21 don't take it from me. Here are some words
22 of a resident at one of the projects we
23 financed near Albany: "My family and I were
24 chronically homeless. My son attended five

1 different schools by the time he reached the
2 eighth grade, because we were always moving.
3 At the time I was offered affordable housing,
4 I was spending 89 percent of my gross income
5 on rent and utilities, and avoiding
6 homelessness was my top priority.

7 "Since securing an affordable
8 apartment, I was able to enroll in college,
9 and I am now one semester away from earning
10 my bachelor's degree. Additionally, I was
11 able to secure full-time employment doing
12 work I love at an organization that values my
13 lived experiences."

14 And while this story is from a woman
15 who lives near Albany, we enable this
16 transformation across the state and across
17 diverse groups of people. We're serving
18 seniors and veterans, public housing
19 residents and Mitchell-Lama residents, and
20 thousands and thousands of first-time
21 homebuyers.

22 And we are incredibly focused on our
23 supportive housing goals. Across the state
24 we have created homes for survivors of

1 domestic violence, for the growing senior
2 population, individuals suffering from mental
3 illness, youth aging out of foster care, and
4 the developmentally disabled -- and, of
5 course, for those who are at risk of being
6 homeless.

7 I'm proud to say we've financed more
8 than 4,600 supportive apartments to provide
9 housing with essential services that allow
10 people to live independently in the
11 communities that they call home. This puts
12 us on target to meet the 6,000 supportive
13 unit commitment by the end of next year.

14 There is always more to do, but we
15 believe we are making a real impact in the
16 fight to reduce homelessness and housing
17 insecurity and are truly grateful for the
18 support we have come to count on from our
19 partners in government, finance, and the
20 nonprofit and private sectors.

21 And while creating opportunities and
22 increasing access to affordable housing is
23 paramount to HCR's mission, so too is
24 addressing the issue of housing-cost burden.

1 In 2019, together we further protected the
2 rights of New York's 2.5 million
3 rent-regulated tenants. When I sat before
4 you last year, we were on the precipice of
5 what became the most sweeping changes in
6 history of the state's rent laws. You played
7 an essential role in making these much-needed
8 reforms a reality, and it is obvious that
9 these new laws have had an immediate impact
10 for many renters in New York.

11 As Governor Cuomo said in his budget
12 presentation, it's not what you say, it's
13 what you do that makes changes in people's
14 lives. Together we've done a great deal.
15 Together we have made tremendous progress.
16 I'm honored to work with all of you. And on
17 behalf of my great HCR team who sits right
18 behind me, I ask for your continued support
19 securing the resources and advancing the
20 legislation we need to continue to make a
21 real difference in New Yorkers' lives and
22 communities.

23 Thank you, and I'm happy to address
24 your questions.

1 CHAIRWOMAN WEINSTEIN: Thank you.

2 We go to the chair of our Housing
3 Committee, Assemblyman Cymbrowitz.

4 Before he begins, we've been joined by
5 Assemblyman Rodriguez and Assemblyman Cahill.

6 Assemblyman Cymbrowitz now.

7 ASSEMBLYMAN CYMBROWITZ: Thank you,
8 Chairs.

9 And thank you, Commissioner. I
10 wanted -- and I thank you for your testimony.
11 Thank you for being here.

12 I wanted to dig down a little deeper
13 into your testimony and talk about the
14 \$2.5 billion, five-year Housing Plan that was
15 put together jointly. It was a first. It
16 was terrific. We're all very, very proud to
17 have put that together. But can you tell us,
18 you know, of the \$2.5 billion, how much money
19 has been spent, how many units have been
20 produced, what's in the pipeline? I don't
21 know if you can break it down to city,
22 upstate, Long Island -- but that would be
23 helpful for us.

24 COMMISSIONER VISNAUSKAS: I'd be happy

1 to. So of the \$2.5 billion that was
2 allocated in the budget, we have spent
3 \$1.5 billion of that. We've produced a
4 little over 62,000 units to date. They are
5 roughly split between New York City and rest
6 of state, with a little less than 50 percent
7 in New York City and a little more upstate at
8 this point. But we still have two years left
9 to go to spend the balance of the funds.

10 ASSEMBLYMAN CYMBROWITZ: Of those
11 units, how many are less than 60 percent AMI,
12 how many of them are permanently affordable?

13 COMMISSIONER VISNAUSKAS: So we track
14 below 80 AMI -- what I would have for you
15 today is below 80. We track at multiple
16 levels. But the units that we produce that
17 are below 80 and above 80, which is the
18 low-income -- federal definition of
19 low-income, 75 percent of the units we
20 produced are 80 percent of AMI or below, and
21 25 percent are 80 percent and above.

22 ASSEMBLYMAN CYMBROWITZ: And what are
23 the plans for the rest of the money and the
24 number of units that are being produced with

1 that?

2 COMMISSIONER VISNAUSKAS: So we are on
3 schedule for the next two years to complete
4 the full 100,000 affordable units and 6,000
5 supportive units. As I said, we have about a
6 billion dollars left to spend, and we will
7 make sure that we start construction on every
8 unit that we committed to before the end of
9 the five years.

10 ASSEMBLYMAN CYMBROWITZ: How much is
11 in the pipeline?

12 COMMISSIONER VISNAUSKAS: Excuse me?

13 ASSEMBLYMAN CYMBROWITZ: How much --
14 how many units, how much money is in the
15 pipeline ready to go out?

16 COMMISSIONER VISNAUSKAS: So we -- so
17 across all the different spending programs --
18 I don't have all the numbers by program, but
19 the total left to spend would be the billion
20 of the 2.5.

21 And we have a very full pipeline of
22 projects. We traditionally and annually
23 receive more applications than we can fund in
24 any given year across our different programs,

1 so we won't have any trouble meeting those
2 targets.

3 ASSEMBLYMAN CYMBROWITZ: A hundred
4 million dollars was allocated for the
5 preservation and creation of truly affordable
6 housing, especially in New York City. Could
7 you talk about how many units have been
8 produced with those dollars?

9 COMMISSIONER VISNAUSKAS: Sure. I
10 don't have the exact figure for the units for
11 the -- this is the 100 percent affordable
12 New York City program? I can get back to you
13 with the expected number of units for that
14 program.

15 But we have, certainly in the last
16 year, funded two or three projects that I can
17 recall, and I believe we did some the year
18 before that. So we can get back to you with
19 the exact units.

20 ASSEMBLYMAN CYMBROWITZ: Funds were
21 also allocated for substantial or moderate
22 rehab. Could you tell us what types of
23 projects received funding for that?

24 COMMISSIONER VISNAUSKAS: This would

1 be for the multifamily preservation program?

2 ASSEMBLYMAN CYMBROWITZ: Yes.

3 COMMISSIONER VISNAUSKAS: So it serves
4 a variety of different project types. It can
5 be existing affordable that is at the end of
6 its regulatory period, and we would be
7 lending to do sort of another, you know, 20-
8 or 30-year investment in scope and then
9 extend the regulatory agreement for those
10 projects by another 30 years.

11 And that's I think one of the most
12 common things that we use the multifamily
13 preservation for. So whether that's a 202
14 or -- a HUD 202, a senior project, or an
15 existing tax credit project that might have
16 been done 25 years ago. And they can be big
17 or small, upstate or in New York City. It
18 runs the whole gamut.

19 ASSEMBLYMAN CYMBROWITZ: Funds were
20 made available for Mitchell-Lama. Could you
21 talk a little bit about the Mitchell-Lama
22 program?

23 COMMISSIONER VISNAUSKAS: Sure. So we
24 have been very successful deploying the funds

1 in the Mitchell-Lama program. I believe we
2 had \$75 million in total, and I think we've
3 spent 60 or 70 percent of that to date, to
4 fund both co-ops and rentals -- because we
5 have a mix in our portfolio of co-ops and
6 rentals -- to do capital improvements, and
7 then also extend their affordability for
8 another 40 years.

9 ASSEMBLYMAN CYMBROWITZ: Was there a
10 process for their allocation?

11 COMMISSIONER VISNAUSKAS: People
12 apply. So we work with all -- obviously we
13 work fairly closely with all of our
14 Mitchell-Lamas. And so we certainly work
15 with the ones that are most in need of
16 capital to make sure that they can develop a
17 scope and come in and apply for those funds.

18 ASSEMBLYMAN CYMBROWITZ: Supportive
19 housing receives a large amount of dollars in
20 the budget. Can you talk about where we are
21 in that, what year -- that's -- they're in
22 the fourth year of the -- no, they started a
23 year early, I think. Right? So they're in
24 the last year of their fifth year.

1 Can you talk about how much has been
2 allocated, number of units?

3 COMMISSIONER VISNAUSKAS: Yup, happy
4 to.

5 So the Supportive Housing Program, as
6 we think of it, is sort of in two pieces.
7 There are service contracts that are awarded,
8 and those are done through a variety of the
9 state agencies, including OMH and OTDA and
10 OASAS and others. And then there's a capital
11 budget, which is what sits primarily in HCR's
12 budget. And those two things fund the
13 supportive housing, both the service
14 contracts and the capital.

15 So there was \$950 million in HCR's
16 budget for supportive housing when the
17 Housing Plan was started. To date we have
18 spent about \$650 million of that \$950 million
19 towards the creation of and have financed the
20 construction of 4500 supportive housing
21 units. So we are well on our way to
22 completing, in this calendar year, the 6,000
23 commitment.

24 ASSEMBLYMAN CYMBROWITZ: And what's in

1 the pipeline?

2 COMMISSIONER VISNAUSKAS: We have many
3 projects in the pipeline. You know, the
4 supportive housing community I think has been
5 extremely appreciative of the amount of
6 capital that was put into HCR's budget, and
7 so they have been busy buying sites and
8 bringing them to us. It's a mix of New York
9 City and rest-of-state projects.

10 ASSEMBLYMAN CYMBROWITZ: The Governor
11 put out a press release today touting
12 \$20 billion for housing. Is that the same
13 20 billion that he talked about two weeks
14 ago? Is this an additional 20 billion? How
15 many 20 billions are going to be in this new
16 program?

17 COMMISSIONER VISNAUSKAS: So the press
18 release today was announcing that we have
19 started construction on the 62,000 units,
20 which is a combination of the affordable and
21 the supportive, towards the 100,000 and the
22 6,000 unit goal. And it was in the context
23 of the original \$20 billion that funded that.

24 ASSEMBLYMAN CYMBROWITZ: It's

1 essential for the supportive housing
2 community to know how much money they're
3 going to have in order to go forward and
4 plan. As you know, it takes several years to
5 put one supportive housing project together,
6 going through the community process, putting
7 all the different funding together to make a
8 project work.

9 Can you talk about the next five years
10 for supportive housing?

11 COMMISSIONER VISNAUSKAS: I would say
12 that since we have the -- funding left of the
13 950 million that we have left, we will be
14 very busy over the next two years deploying
15 that. And I certainly agree with you, I
16 think it takes a very long time for all
17 developers, but especially for supportive
18 housing developers, to put their projects
19 together. They are complex and involve
20 multiple sources of funds.

21 But we look forward to working with
22 them, to continuing on our commitment for the
23 next two years.

24 ASSEMBLYMAN CYMBROWITZ: So does the

1 Governor have -- does he plan on putting out
2 another five-year plan with dollars?

3 COMMISSIONER VISNAUSKAS: I think for
4 the moment we're very focused on completing
5 the plan we committed to already.

6 ASSEMBLYMAN CYMBROWITZ: But you can
7 understand the supportive housing community
8 being extremely concerned on what they can go
9 forward and build if they don't know what is
10 going to happen after this year.

11 COMMISSIONER VISNAUSKAS: I think
12 that's true not just for the supportive
13 housing community but for the affordable
14 housing community writ large, as well as for
15 all of you and for neighborhoods and
16 advocates and all of us who work in this
17 business.

18 I think everybody is appreciative of
19 the existing commitment and looks forward to
20 that continuing in the future.

21 ASSEMBLYMAN CYMBROWITZ: So I'm sure
22 the Governor will then want to come out with
23 another five-year plan so that we can
24 continue to go forward.

1 COMMISSIONER VISNAUSKAS: I suspect a
2 five-year plan will be something that the
3 Governor and the Legislature would work on
4 together.

5 ASSEMBLYMAN CYMBROWITZ: We look
6 forward to it.

7 Let's talk about public housing a
8 little bit. Upstate public housing has many
9 of the same or has the same problems that
10 New York City Housing Authority has. We put
11 money into the budget. Can you talk about
12 how much money has been spent, how it was
13 allocated and who it was allocated to?

14 COMMISSIONER VISNAUSKAS: Yes. So we
15 had \$125 million in the Housing Plan for
16 public housing around the state. We have
17 spent almost all of that money, as of the end
18 of December, on housing authorities around
19 the state, including in Auburn, in Albany, in
20 Yonkers and really across the whole -- in
21 Southampton, Easthampton, across the state.

22 And then additionally we received
23 another \$20 million last year in the budget
24 for additional public housing, which was --

1 we are very thankful for. And we are
2 currently working with Schenectady and Auburn
3 and still with Albany on several other public
4 housing --

5 ASSEMBLYMAN CYMBROWITZ: Are these all
6 RAD projects or are they --

7 COMMISSIONER VISNAUSKAS: No, they are
8 not all RAD.

9 ASSEMBLYMAN CYMBROWITZ: So they're
10 using their dollars for other issues -- or
11 other programs?

12 COMMISSIONER VISNAUSKAS: They're a
13 mix, yeah. Some people will utilize RAD --
14 some developers will utilize RAD; others will
15 do a tax credit execution that might not
16 involve converting their public housing
17 dollars into a RAD contract.

18 ASSEMBLYMAN CYMBROWITZ: Thank you,
19 Commissioner.

20 COMMISSIONER VISNAUSKAS: Thanks.

21 CHAIRWOMAN WEINSTEIN: Thank you.

22 Before we go to the Senate, I just
23 wanted to say we were joined by
24 Assemblyman Dilan, Assemblyman Pichardo and

1 Assemblywoman Byrnes.

2 CHAIRWOMAN KRUEGER: Thank you.

3 We were joined by Senator Brian
4 Benjamin and Senator Jamaal Bailey, but they
5 might have also walked out again. But
6 they'll be back.

7 And our first questioner is Housing
8 Chair Brian Kavanagh.

9 SENATOR KAVANAGH: Thank you, Chairs.
10 And I acknowledge my colleague Chairman
11 Cymbrowitz, who's been a very great partner
12 on many of these issues as well.

13 And thank you, Commissioner, for being
14 here, for testifying.

15 Just as a preliminary matter, just to
16 follow up on some of Chairman Cymbrowitz's
17 questions about the kind of overall status of
18 our effort to provide capital funding, so the
19 \$20 billion which has been kind of a
20 multi-yearly commitment for a while now,
21 looking at this year's Executive proposal,
22 just to be clear, there's no new funding for
23 New York City Housing Authority, correct?

24 COMMISSIONER VISNAUSKAS: For the

1 New York City Housing Authority? No.

2 SENATOR KAVANAGH: And no new funding
3 for other public housing authorities.

4 COMMISSIONER VISNAUSKAS: No.

5 SENATOR KAVANAGH: And no new funding
6 for the supportive housing program that you
7 were discussing with Chairman Cymbrowitz as
8 well, right?

9 COMMISSIONER VISNAUSKAS: No. We
10 still have funding in our budget for
11 supportive housing and for --

12 SENATOR KAVANAGH: So we're working
13 our way through the five years there, and
14 with -- in some years we work on allocating
15 specific funds and in other years we're just
16 kind of leaving in place what's passed. And
17 with respect to those programs, we're just
18 sort of working off old money at this point.

19 Talking about NYCHA, for a while we --
20 for several years we were holding -- the
21 executive was holding funding, the
22 \$450 million that had been allocated in prior
23 state budgets. There was a positive
24 announcement that money is now available and

1 as I understand it, NYCHA is now authorized
2 to move forward with projects that will be
3 reimbursed.

4 There was an additional \$100 million
5 that was allocated in June. Has there been
6 any movement on getting that money out the
7 door to be available to NYCHA?

8 COMMISSIONER VISNAUSKAS: I don't
9 believe at this time there's been an
10 agreed-upon plan between NYCHA and the
11 Executive for the last hundred from last
12 year's budget, yes.

13 SENATOR KAVANAGH: I just -- I'm
14 sorry --

15 COMMISSIONER VISNAUSKAS: So your
16 question was is there a plan to spend that
17 money?

18 SENATOR KAVANAGH: Right.

19 COMMISSIONER VISNAUSKAS: I don't
20 believe at this time there's a plan. As you
21 had mentioned, the \$450 million from 2016 and
22 2018 was approved by the federal monitor late
23 in 2019, so that work will begin and the
24 state will reimburse NYCHA for that. I don't

1 believe there's an agreed-upon plan for the
2 2019 funding of \$100 million.

3 SENATOR KAVANAGH: To your knowledge,
4 has there been discussion about how to spend
5 that money?

6 COMMISSIONER VISNAUSKAS: Excuse me?

7 SENATOR KAVANAGH: Has there been
8 discussion between NYCHA and the state about
9 how to spend that money, to your knowledge?

10 COMMISSIONER VISNAUSKAS: I'm not
11 sure.

12 SENATOR KAVANAGH: Okay. Turning
13 to -- you know, we -- in the Housing
14 Stability and Tenant Protection Act, we
15 imposed a great many obligations on your
16 agency to enforce those laws. We've had
17 numerous opportunities to have conversations
18 about the efforts of the agency to implement
19 that, and we know that's been a big challenge
20 and we appreciate that work.

21 Can you just talk a little bit about
22 the status of those efforts and the resources
23 the agency needs, including the status of
24 hiring up? You know, we added 94 positions

1 to the agency last year in the Office of Rent
2 Administration and TPU.

3 COMMISSIONER VISNAUSKAS: I'd be happy
4 to.

5 We spent a lot of time in the summer
6 and in the early fall updating all of our
7 documents, which include, you know, the ways
8 we communicate with both tenants and
9 landlords about the rent laws, which included
10 fact sheets and advisory opinions and lease
11 amendments. And we'd produced all of those
12 in what we felt was the priority order of
13 importance so that we could get information
14 out -- the most important information out as
15 quickly and timely as we could.

16 In addition to that, we have gone out
17 to many public forums, both for tenants and
18 landlords, and also to borough presidents and
19 any other sort of elected official that has
20 asked, to talk about where we are in the --
21 both what the changes to the rent laws are
22 and what they mean, and then also our process
23 for updating documents.

24 So we feel, you know, at this time we

1 are -- have sort of completed I think what we
2 felt was our sort of public process for that.
3 There are still a couple of things that have
4 to get done, including, most largely, the
5 regulations. And those regulations will get
6 published this spring. They will go through
7 the SAPA process this year, with an aim to be
8 complete by the end of 2020.

9 On staffing, we were very appreciative
10 to get 94 additional full-time employees last
11 year prior to the rent laws actually even
12 being passed, but as part of the budget
13 process. That was the largest influx of
14 staffing that ORA had ever had, and it had
15 had quite a decline in staff over the period
16 of time before that.

17 So since we received that over the
18 past year, we are estimating that by June --
19 by March, sorry, of this year -- so one year
20 since the budget -- we will have hired and
21 have working, in seats in the office, 75 new
22 employees of the 94.

23 I would caveat that by saying in the
24 same period of time we've had a lot of

1 the full impact of the productivity of those
2 94 new heads really probably for a year from
3 now.

4 SENATOR KAVANAGH: I assume there will
5 probably be other panelists with questions
6 about that and also about hard costs like
7 computer systems and other that are part of
8 the administration of that. But I'll leave
9 it there for now, given my time.

10 Just on the issue of how this money
11 changes hands, the Executive is proposing
12 to -- instead of the city reimbursing the
13 department for the cost of this, to -- it
14 seems that the proposal is that at any given
15 point the state can just remove money from
16 virtually any payment that would otherwise go
17 to the city for whatever service, and also
18 charge the cost of that billing to the city.

19 Can you estimate what the reduction,
20 the net reduction in payments to the city
21 would be as a result of that change?

22 COMMISSIONER VISNAUSKAS: The -- yes.
23 So the change has been made so that instead
24 of the city and the state sending checks back

1 and forth for a myriad of things, that
2 instead the city would -- the state would
3 have an offset to payments to the city for
4 the cost of running ORA. There's no change
5 in the cost of running ORA. There's no
6 change to our processes, our procedure or our
7 staffing as a result of that change. It's
8 just a process change, so that instead of
9 trading checks there's just an offset of
10 expenses.

11 SENATOR KAVANAGH: So we shouldn't be
12 concerned about the language that says the
13 city can -- in addition to the cost of
14 running, of administering the rent system,
15 the city can -- the state can also bill the
16 city for the cost of that accounting
17 mechanism?

18 COMMISSIONER VISNAUSKAS: For the
19 account -- their cost of what?

20 SENATOR KAVANAGH: There's additional
21 language that suggests the city could also --
22 the state could also bill the city for the
23 cost of billing them for this payment. Okay.
24 I'll leave that there as well.

1 The -- but it also eliminates the
2 notion that HCR is the agency that
3 administers these laws in New York and
4 instead substitutes the idea that just
5 generically the state administers them. Can
6 you talk about the purpose of that and what
7 its implications would be?

8 COMMISSIONER VISNAUSKAS: Sure. So
9 since -- the change in the language would
10 allow the state to offset city payments for
11 any other expenses due. It wouldn't nec --
12 it wouldn't be DHCR expenses, it could be
13 other expenses of the state. So that's what
14 that language is meant to reflect.

15 SENATOR KAVANAGH: So the purpose of
16 that is to allow the state to bill the city
17 for expenses of other agencies as well as HCR
18 for the administration of the rent laws?

19 COMMISSIONER VISNAUSKAS: No, I think
20 the notion would be that rather than just
21 billing the city and having the city pay the
22 state back, that the state could offset other
23 payments that are other expenses of other
24 aspects of the state that aren't just

1 DHCR-specific expenses. Hence the
2 substitution of the word.

3 SENATOR KAVANAGH: Okay. Again, with
4 the clock ticking, I'll just note that it
5 seems -- from our reading of the language, it
6 seems to be that there's, in addition to this
7 payment mechanism, there's also a change in
8 the nature of the agency that is supposed to
9 administer these laws in New York. Which
10 we're not -- it's very unclear to a lot of us
11 why that -- how -- why that would even be
12 necessary, or what its effect would be.

13 Foreclosure prevention -- we had this
14 conversation last year. This is the HOPP
15 program, sometimes called Communities First.
16 You know, we had a fight right down to the
17 wire about finding \$20 million. This was
18 originally, I believe, funded through your
19 agency; in more recent years it's been funded
20 through the AG.

21 Can you just talk about the -- does
22 the administration have plans to ensure that
23 those programs continue? As we know, this
24 funding expires March 31st, which was a

1 situation that was very problematic last
2 year. Can you --

3 COMMISSIONER VISNAUSKAS: Yes, I
4 recall the conversation from last year.

5 My understanding is that there is a
6 \$10 million -- the funding that was provided
7 last year will carry through -- halfway
8 through the next year, because it was a
9 \$30 million total against a \$20 million
10 annual cost.

11 And I would anticipate that through
12 this budget process we continue to work on
13 the balance of that.

14 SENATOR KAVANAGH: Is that \$10 million
15 in the Executive Budget?

16 COMMISSIONER VISNAUSKAS: I think it
17 was in -- the 30 from last year covered 20 of
18 one year and half of the -- of a following
19 year.

20 SENATOR KAVANAGH: Okay, so we just --
21 we're -- you know, we're reading it as zeroed
22 out, but we I guess -- we'd like to have
23 further conversations with you about ensuring
24 that that \$10 million is available at this

1 stage, obviously so we continue the programs
2 and look for additional funding to get
3 through the year.

4 Just very briefly -- I have 10 seconds
5 left. On code enforcement, we have had some
6 conversations. You know that the Legislature
7 has looked through this. Can you talk about
8 whether the state should be assisting
9 localities in ensuring that the codes are
10 enforced?

11 COMMISSIONER VISNAUSKAS: If it's
12 blinking, do you --

13 SENATOR KAVANAGH: I'm not sure what
14 the rules are and what's -- if the question
15 is out the door.

16 CHAIRWOMAN WEINSTEIN: RuthAnne, why
17 don't you just answer.

18 COMMISSIONER VISNAUSKAS: Yes. We --
19 housing quality is very important to us, so
20 too the intersection of code enforcement with
21 sort of housing funding policy generally is
22 important.

23 As I'm sure you see when you travel
24 the state, local municipalities are often

1 challenged with resources to ensure good
2 quality and just sort of general code. And
3 so we are -- we work with municipalities
4 around the state to try and assist where we
5 can and to make sure that we can provide
6 funding where they have buildings that are
7 not meeting, you know, local code in
8 municipalities across the state.

9 So we're happy to continue to talk
10 about that as well.

11 SENATOR KAVANAGH: Okay. Thank you
12 for all your work throughout the year and for
13 your testimony today.

14 COMMISSIONER VISNAUSKAS: Thank you.

15 CHAIRWOMAN WEINSTEIN: Thank you.

16 Now we go to Assemblyman Barron.

17 ASSEMBLYMAN BARRON: Thank you very
18 much.

19 Commissioner, as you know, we've had
20 several meetings, so I like to always put my
21 micro perspective in a macro perspective. As
22 you know and may or may not agree, we live in
23 a very racist, parasitic, predatory,
24 exploitative, capitalist system that affects

1 housing. Exploitative. And I think the real
2 solution is revolution: Radical systemic
3 change of the system. But in the meantime,
4 we're in the budget process now --

5 (Laughter.)

6 ASSEMBLYMAN BARRON: -- so I want to
7 talk about gentrification. Honesty compels
8 me to say we've done very productive work
9 together in East New York. I'm not going to
10 say things to you privately and not say them
11 publicly, that we've done a very good job
12 working together at 888 Fountain Street,
13 Fountain Avenue. And the housing development
14 there is 40 to 60 percent of the AMI. And we
15 talked about getting more black developers
16 getting contracts and not just the white men
17 getting all the contracts out of these
18 multi-billion-dollar programs, and we've
19 actually done that in East New York. And I
20 have to give my partner in East New York, and
21 in my house, my wife, Inez Barron, Council
22 member -- we were able to stop gentrification
23 in our districts and maintain real affordable
24 housing as we define affordability in our

1 district.

2 My concern is what about the rest of
3 the state, where we are 80 percent, I heard
4 you say -- 75 percent of the housing is at
5 80 percent of the AMI. And that does not
6 match affordability in Brownsville and East
7 New York and Harlem and many of our
8 districts. So HUD cannot define
9 affordability for us.

10 In New York City I think the AMI is
11 \$95,000 for a family of three. So 80 percent
12 of that would be like \$75,000 for a family of
13 three. And if you look at the neighborhood
14 AMI, we're talking \$36,000 for a family of
15 three? So that's not affordable. So I want
16 you to address that.

17 Also I want to criticize the Governor
18 for eliminating the Advantage Program years
19 ago. That is subsidies for the homeless.
20 We've got subsidies for rich developers, but
21 we don't have subsidies to help the homeless
22 pay their rent. So that's a criticism.

23 The RAD program, I'm concerned about
24 privatization of public housing and public

1 property. In some instances it can work if
2 it maintains affordable. If you take
3 property and maintain the affordability of
4 it, it can work.

5 And finally, we will never get out of
6 poverty paying rent. At some point we've got
7 to build real affordable homeownership for
8 those of us in black and brown high-poverty
9 neighborhoods. Homeownership. And I do
10 understand that the state and the city gives
11 a lot of subsidies to these developers for
12 rentals, but when it comes to homeownership
13 and building homeownership, the subsidies
14 aren't there.

15 So I don't want them to see our
16 community as ching-ching, profit-making time,
17 and making money because it's more
18 profit-making to do rentals than it is to do
19 homeownership. So I'm very, very concerned
20 about that as well.

21 So I believe that we need some radical
22 changes in our system, but in the meantime we
23 need to address these very serious issues of
24 foreclosures and gentrification,

1 homeownership and the housing crisis that
2 we're in, especially homelessness.

3 COMMISSIONER VISNAUSKAS: Okay. That
4 was a lot. So I'll do my best to address it
5 all.

6 I thank you for your words on the
7 Brooklyn Developmental Center work that we
8 are doing together, and I thank you for your
9 partnership. As someone who's been working
10 on affordable housing for a long time, it is
11 incredibly sort of -- it really is a
12 privilege to be able to work on really
13 large-scale projects like that that will
14 bring thousands and thousands of units in one
15 project of affordable housing to one
16 community. It's not something we get to do
17 all the time, so we feel very lucky to be
18 able to work on that with you.

19 And I think -- feel very grateful for
20 your partnership and think that we've arrived
21 at a place that we are producing housing at a
22 variety of income levels that really serves
23 the people who live in East New York.

24 I think as it relates to AMI -- and

1 we've talked about this in the past -- we use
2 one standard, and we use that for a variety
3 of reasons that relate to how we get our
4 funding and to also having sort of a standard
5 that we use across the city. But that
6 doesn't mean we produce the same AMI of units
7 across the city, right? So we produce 30
8 AMI, 40 AMI, 50 AMI. We're not always at 80
9 when we're -- or 60 when we're producing.

10 So we try to work with you and other
11 local electeds to make sure that we are
12 providing units at household incomes that are
13 reflective of the neighborhoods where we're
14 working in. We might not do it a hundred
15 percent all the time, but we certainly try.

16 I would -- can I keep going to answer?
17 I'll be quick. I would say on RAD we have
18 done several RAD transactions. And while I
19 think people are -- often have concerns about
20 them, I think from my perspective we see that
21 as a way to get really significant investment
22 into housing that has been disinvested in for
23 a very long time. And so as the federal
24 government has pulled back on its capital

1 that it provides to public housing
2 authorities, they have so little money to
3 make what are really significant and needed
4 investments. So I think for us, we see RAD
5 as really a way to do major capital
6 improvements into buildings that have been
7 neglected for a long time.

8 And then lastly I would say on
9 homeownership, we do have AHC, which is our
10 homeownership program, that does thousands of
11 units around the state every year, and we'd
12 be happy to work with you more on
13 homeownership opportunities.

14 ASSEMBLYMAN BARRON: Thank you.

15 CHAIRWOMAN WEINSTEIN: Thank you.

16 We go to Assemblyman Liu -- I mean
17 Senator Liu. I'm sorry, John.

18 SENATOR LIU: {Inaudible; mic off.}

19 How about now? Thank you.

20 Commissioner, you testified that the
21 Governor has committed \$20 billion for this
22 five-year Housing Plan to create 100,000
23 units of affordable housing and 6,000
24 supportive housing units. What are the main

1 tools that the state employs to create this
2 affordable housing?

3 COMMISSIONER VISNAUSKAS: We have many
4 tools that we use, but I think the two most
5 common ones that people think of in terms of
6 production and preservation of multifamily
7 housing would be that we get federal
8 resources in the form of volume cap, which
9 would be tax-exempt bonds that come with
10 4 percent tax credits. And we also get from
11 the federal government 9 percent tax credits.
12 So we use both of those as a main driver for
13 production of new affordable housing and
14 supportive housing.

15 SENATOR LIU: So federal tax
16 incentives for developers to build affordable
17 housing.

18 COMMISSIONER VISNAUSKAS: They
19 are somewhat tax --

20 SENATOR LIU: Okay. Well, what about
21 the \$20 billion of state money? Where does
22 that go?

23 COMMISSIONER VISNAUSKAS: Where does
24 it what?

1 SENATOR LIU: How does that manifest
2 itself, the \$20 billion? Is that straight
3 capital spending? Is it subsidies, is it tax
4 breaks? What is it?

5 COMMISSIONER VISNAUSKAS: Yes. So
6 it's a variety of things that would probably
7 take a while to go through. I think from
8 our -- the key one that we utilized would be
9 that there was \$2.5 billion of state capital
10 put into HCR's budget that we've been
11 spending over the past couple of years, in
12 connection -- alongside federal resources
13 that we get in order to create housing.

14 SENATOR LIU: All right, I'm just
15 focused on the state's \$20 billion.
16 According to your testimony, \$2.5 billion of
17 that is straight capital expenditures.

18 COMMISSIONER VISNAUSKAS: Correct.

19 SENATOR LIU: Is there an accounting
20 for tax incentives? For example, the 421-a
21 program, does that cost money out of this
22 \$20 billion?

23 COMMISSIONER VISNAUSKAS: It does not.

24 SENATOR LIU: All right. So where's

1 the other 17.5 going? I mean, it's got to be
2 going somewhere.

3 COMMISSIONER VISNAUSKAS: So the
4 \$20 billion includes federal resources that
5 we use to do the affordable housing plan, so
6 the credit, the volume cap that I was
7 speaking of. But only a portion of that is
8 the housing that we produce at HCR. There's
9 also a portion of that \$20 billion that is
10 for shelters and other --

11 SENATOR LIU: Got it, okay. So that
12 \$2.5 billion is -- I presume that's going to
13 NYCHA or public housing -- no?

14 COMMISSIONER VISNAUSKAS: No. The
15 \$2.5 billion is in HCR's budget, and we're
16 spending it for affordable and supportive
17 housing.

18 SENATOR LIU: Okay. Cities like
19 New York City employ what they now call
20 mandatory inclusionary housing, right?

21 COMMISSIONER VISNAUSKAS: Mm-hmm.

22 SENATOR LIU: That's something that
23 the state doesn't really have, because the
24 state doesn't govern zoning laws, whereas

1 using their own zoning to create affordable
2 housing, that's within their jurisdiction,
3 yes.

4 SENATOR LIU: Okay, great. And then
5 one last set of questions has to do with the
6 new tenant reform -- the rent reform that I
7 was very happy and proud to be a part of last
8 year. There was just one item in the new
9 rent laws that are -- is harming a large part
10 of my constituency. These are co-op owners,
11 who of course they -- under the law they are
12 classified as shareholder tenants.

13 And so they're some kind of tenant,
14 and they're swept up into the tenant reforms.
15 But in fact they're shareholder tenants,
16 meaning they basically own their apartments,
17 and they I guess legally, technically pay
18 rent to themselves. But the problem that
19 they're faced with is that some of the
20 restrictions on the fees, the deposits,
21 et cetera, it's harming the ability for many
22 of these co-op buildings to govern
23 themselves.

24 Is there any look that your department

1 is taking to see what can be done to mitigate
2 some of the problems here?

3 COMMISSIONER VISNAUSKAS: Yes, I think
4 you're referring to part of the Housing
5 Stability and Tenant Protection Act that is
6 commonly referred to as Part M, which had a
7 series of protections that were sort of
8 outside of the rent stabilization aspects of
9 the law.

10 We don't have any jurisdiction over
11 the condo and co-op portion of the law and
12 the changes that were made. My understanding
13 is that -- but I certainly have heard of and
14 am aware of issues. My understanding is that
15 many of the organizations that work with
16 co-ops and their boards are working with the
17 Attorney General's office to better
18 understand that part of the law.

19 SENATOR LIU: Got it. Thank you,
20 Commissioner. And thank you, Madam Chair.

21 CHAIRWOMAN WEINSTEIN: Thank you.

22 Now we go to the ranker on Housing,
23 Mr. Fitzpatrick.

24 ASSEMBLYMAN FITZPATRICK: Thank you,

1 Madam Chair.

2 Hello, Commissioner, welcome. Has
3 DHCR given any thought or -- about the
4 changes to the MCIs and IAIs based on the new
5 law? Has there -- have you given any look at
6 how that is working out?

7 COMMISSIONER VISNAUSKAS: I'm not sure
8 exactly what part of it you want to me to
9 address. But we continue to process MCI
10 applications according to the new provisions
11 provided in the law.

12 ASSEMBLYMAN FITZPATRICK: Have we seen
13 any impacts yet of the changes to the IAI and
14 MCI provisions?

15 COMMISSIONER VISNAUSKAS: We have
16 not -- you mean in terms of applications? Or
17 a change of what type of impact?

18 ASSEMBLYMAN FITZPATRICK: Anything at
19 all. Have you noticed any?

20 COMMISSIONER VISNAUSKAS: I mean, it's
21 still soon, right? The law was passed June
22 14, 2019. Certainly in the case of an MCI, a
23 landlord has up to two years after they
24 complete the work to submit, so -- and the

1 MCIIs that we're processing right now are
2 probably not MCIIs that were done after the
3 law was changed, right? They were probably
4 MCIIs that were done prior to it.

5 So I think it's still fairly soon in
6 any way of data or anything to see any result
7 of the change -- of the effects of the law.

8 ASSEMBLYMAN FITZPATRICK: All right.
9 How about with respect to lead paint, mold
10 and asbestos? The \$15,000 cap, do you feel
11 that is enough to remediate those problems?
12 Or should that be higher or --

13 COMMISSIONER VISNAUSKAS: Again, so we
14 haven't seen, you know, any challenges in
15 IAIs as a result of the \$15,000 cap yet. So
16 I think it's too early to tell.

17 ASSEMBLYMAN FITZPATRICK: Okay. And
18 have you had any municipalities around the
19 state reach out to DHCR for guidance with
20 regard to the new rental laws?

21 COMMISSIONER VISNAUSKAS: We are aware
22 that Kingston and Albany and a couple of
23 other municipalities have done -- are
24 starting to do the study in order to look at

1 whether there's an emergency in the vacancy
2 for their municipalities. But we haven't had
3 any -- no one has reached out to us for
4 direct guidance on that. I think the law
5 provides them guidance on how to start the
6 process.

7 ASSEMBLYMAN FITZPATRICK: All right.
8 Thank you very much.

9 COMMISSIONER VISNAUSKAS: Thanks.

10 CHAIRWOMAN WEINSTEIN: Thank you. We
11 now go to Assemblyman -- I'm sorry, Senator
12 Brad Hoylman.

13 SENATOR HOYLMAN: Thank you.

14 Nice to see you, Commissioner. I just
15 wanted to ask a couple of questions about the
16 implementation of the rent laws, if that's
17 okay.

18 As you know, in my Senate district,
19 which I share with Assemblymember Epstein,
20 there is a large housing complex, probably
21 the richest source of affordable housing in
22 the area called Stuyvesant Town and Peter
23 Cooper Village. It includes over 11,000
24 apartments and about 25,000 residents.

1 And I'm sure you're familiar with the
2 case that dates back to 2009 where a
3 settlement was reached between the then-owner
4 and the tenants that specified that tenants
5 who entered into that settlement agreement
6 with the then-owners resulted in apartments
7 that had been illegally deregulated prior to
8 this decision. And the rent stabilization
9 terms were extended through June 2020 at the
10 same time that the owners' J-51 tax benefits
11 expired.

12 We're reaching that deadline closely,
13 as we approach June, of these J-51 tax
14 benefits, and it's led to a lot of questions
15 about whether the tenants of this class are
16 going to be held to the settlement agreement
17 or to the new rent laws that we passed that
18 repealed deregulation.

19 Is it your opinion that deregulation
20 has been repealed comprehensively?

21 COMMISSIONER VISNAUSKAS: So we are
22 certainly familiar with Stuy Town and Peter
23 Cooper Village as well as with the issue.
24 It's a complex one, right, in terms of the

1 relationship between the settlement and the
2 new rent laws and what prevails. And I think
3 that we are also very sensitive to tenants
4 being unsure of an outcome as they approach a
5 lease renewal date. And so we will continue
6 to work with your office and the owners to
7 address that issue.

8 SENATOR HOYLMAN: I do thank you for
9 the work that you've done. And I have to
10 give a shout out to Woody Pasquale, of
11 course, everyone's favorite employee at HCR
12 and maybe the State of New York, I don't
13 know. But looking at the laws --

14 COMMISSIONER VISNAUSKAS: I thought I
15 was your favorite employee.

16 (Laughter.)

17 SENATOR HOYLMAN: -- more -- more
18 broadly, have you -- have you received many
19 reports of warehousing from landlords who are
20 trying to evade the short-term impacts of the
21 new rent laws? And are you keeping track of
22 that information, and what do you plan as an
23 agency to do about it?

24 COMMISSIONER VISNAUSKAS: So I have

1 read the same articles you have about
2 warehousing. It is not something that we
3 would see until the registration period
4 opens, as it will in April of this year. But
5 even at that time I think it would probably
6 hard to perceive the warehousing perhaps in
7 the numbers because the system is so big.

8 But as you know, landlords can keep
9 apartments off the market if they so choose.

10 SENATOR HOYLMAN: So there's no
11 regulatory approach that you're considering
12 in terms of a response to at least press
13 reports on warehousing?

14 COMMISSIONER VISNAUSKAS: Again, we
15 haven't seen it and we wouldn't see it until
16 after the registration period was closed to
17 really know whether it existed or not.

18 And so it's sort of an odd economic
19 issue as to why a landlord would keep a
20 apartment off the market unless they
21 anticipated that all the laws might be undone
22 this year that were done last year. So I
23 don't think we've perceived that people will
24 make uneconomic choices and continue to just

1 hold apartments off the market.

2 SENATOR HOYLMAN: Thank you very much.

3 CHAIRWOMAN WEINSTEIN: Thank you.

4 We go to Assemblyman Schmitt.

5 ASSEMBLYMAN SCHMITT: Thank you,

6 Chairwoman.

7 Thank you, Commissioner, for being

8 here.

9 I just wanted to expand off of a
10 previous line of questioning. Since -- given
11 the new rent laws that limit and restrict an
12 owner's ability to recover investments in an
13 apartment building, building upgrades, you
14 mentioned you really haven't seen any MCI
15 applications since post-passage of the new
16 laws. So you haven't seen -- not one has
17 come across yet, to your knowledge?

18 COMMISSIONER VISNAUSKAS: Well,
19 landlords, as I said, would have two years
20 after completing an MCI to submit an
21 application. So if they were to do work
22 related to an MCI, they would have had to
23 start it in presumably June or July of last
24 year, completed it and already filed -- which

1 would be a fairly short time frame for an
2 MCI, which is generally a large capital
3 improvement for a building.

4 So I don't know specifically that we
5 haven't received any, but I would imagine
6 that the majority of MCIs that we have been
7 processing in the fall -- you know, in the
8 second half of last year, were probably MCIs
9 that were done prior to the law changing.

10 ASSEMBLYMAN SCHMITT: Do you have a
11 time frame when you expect to see it, then?
12 Is it within that two-year time frame? When
13 do you expect that we'll have some data where
14 we could be able to see is there -- what are
15 the associated dollar amounts, has there been
16 an overall decrease in the overall requests,
17 I guess.

18 COMMISSIONER VISNAUSKAS: I mean -- as
19 I said, landlords are allowed the two-year
20 time frame. So where they apply within that
21 is obviously driven by the landlord and/or
22 the owner. You know, there was not a change
23 to the amount an owner can spend on MCIs. So
24 I don't know that we would perceive

1 necessarily a change in that. But, you know,
2 as the -- we will be supplying, as we did
3 this year, data as required by the law on an
4 annual basis.

5 ASSEMBLYMAN SCHMITT: Now, have you
6 received an increase in inquiries from
7 building owners or from any parties regarding
8 these changes, seeking guidance? Has there
9 been any -- you know, if you haven't
10 necessarily received the applications, has
11 there been an increase in any individual
12 trying to seek clarification, trying to see
13 what might be appropriate or seeing how --
14 what new laws may impact the long-term
15 condition of their properties?

16 COMMISSIONER VISNAUSKAS: Well, I'd
17 say the MCIs had changes for both landlords
18 and tenants, right, so there was changes in
19 the way that the MCI impacts the rents as
20 well.

21 We have done a series of meetings,
22 public meetings, that tenants were invited to
23 and had open Q&A sessions. We've also met
24 with RSA and with the Small Property Owners

1 of New York and with the Community Housing
2 Improvement Program, and various owner
3 organizations too, to understand their
4 questions, things they may or may not
5 understand in the law or understand in the
6 processing of cases.

7 So we have been as open door, I think,
8 as we can be to make sure that we're taking
9 in issues and questions from all
10 stakeholders.

11 ASSEMBLYMAN SCHMITT: Have any --
12 going outside of New York City, have any
13 upstate cities enacted rent regulation that
14 didn't previously have it since the new laws
15 have gone into effect?

16 COMMISSIONER VISNAUSKAS: No one has
17 opted into ETPA as of yet.

18 ASSEMBLYMAN SCHMITT: Is there any
19 active in the Hudson Valley, upstate, that
20 are in the process in the near future that
21 would enact that?

22 COMMISSIONER VISNAUSKAS: My
23 understanding is that both Kingston and
24 Albany are in the process of undertaking

1 the -- a study that is required to determine
2 that there is a housing emergency.

3 ASSEMBLYMAN SCHMITT: Are they doing
4 that in conjunction with you, or using
5 outside --

6 COMMISSIONER VISNAUSKAS: No, there's
7 no requirement that they do it with us. They
8 just have to perform their own -- you know,
9 perform their own evaluation.

10 ASSEMBLYMAN SCHMITT: Great. Another
11 quick question. What projects and activities
12 are going to be funded with the new \$40
13 million in federal HUD money for the Small
14 Cities Community Development Block Grant
15 program?

16 COMMISSIONER VISNAUSKAS: So we
17 receive at HCR about \$40 million a year in
18 CBG dollars and we implement that through a
19 series of programs that are for economic
20 development and micro-enterprise and for
21 housing. And we assist many communities
22 throughout the state to achieve their
23 priorities. So we will continue to deploy
24 that money in 2020 as well.

1 ASSEMBLYMAN SCHMITT: Great, thank
2 you.

3 Thank you, Chairwoman.

4 CHAIRWOMAN WEINSTEIN: Thank you.

5 I just wanted to acknowledge we were
6 joined a while ago by Assemblywoman Aravella
7 {sic} and Assemblywoman Walker.

8 And before we go to the Senate, I just
9 wanted to -- for colleagues who may have --
10 members who may have come in after we began
11 the hearing, just wanted to remind you that
12 it's the hearing on the Governor's budget.
13 Though it's tempting, with the commissioner
14 here, to move on to other non-budget-related
15 items.

16 So now we go to Senator Kaminsky.

17 SENATOR KAMINSKY: Thank you.

18 Good afternoon, Commissioner.

19 I just wanted to turn your attention
20 to the Governor's Office of Storm Recovery.
21 Many of us here had districts that were
22 decimated in Superstorm Sandy. And we're
23 coming up on almost 7½ years, and many of the
24 community redevelopment projects which have

1 game-changing potential are kind of mired in
2 planning status or in some type of bidding
3 status. And, you know, the communities are
4 still suffering from flooding on, you know,
5 just regular full moons or, you know, just
6 regular bad rains, let alone storms.

7 And I'm wondering if GOSR is still
8 trying to make these projects a priority,
9 trying to get them accomplished, and what
10 efforts are being taken to help move the ball
11 along.

12 COMMISSIONER VISNAUSKAS: Yes, thank
13 you for the question. We are very proud of
14 the work that the Governor's Office of Storm
15 Recovery has done.

16 As you would know, the priority at the
17 beginning of the spend was really around
18 housing and helping the 11,000 people that
19 applied for assistance. There was also a
20 multiyear planning process since the storm
21 that resulted in the identifying of all the
22 projects that are going to be done through
23 community reconstruction.

24 And so that the fact that things are

1 only at 30 percent design is not a reflection
2 of any lack of commitment to those projects,
3 it's really just sort of where they are in
4 the process.

5 We still have two years till the end
6 of the spending deadline for HUD, and so
7 these projects are all being planned and
8 managed to make sure that they meet that
9 spending deadline.

10 SENATOR KAMINSKY: And do you have
11 confidence -- I also assume that the
12 disbanding of GOSR which is proposed in the
13 budget is coterminous with when that spending
14 deadline ends, so that GOSR will be around to
15 make sure that all these projects get to the
16 finish line and across the finish line?

17 COMMISSIONER VISNAUSKAS: Absolutely.
18 So GOSR will be in place through the end of
19 the spending deadline.

20 And in fact as you probably know,
21 there's a fair amount of reporting that
22 actually happens after that deadline, so we
23 will make sure that we are staffed to do all
24 the reporting required to HUD.

1 SENATOR KAMINSKY: And do you think
2 all the specific cases with specific
3 homeowners will be resolved by the time GOSR
4 is planned to be disbanded?

5 COMMISSIONER VISNAUSKAS: Yes, I would
6 hope so.

7 SENATOR KAMINSKY: Okay. I also just
8 want to call your attention to a tremendous
9 amount of contractor fraud that frankly, in
10 my opinion, the law has been inept and unable
11 to deal with.

12 Many of these you have to prove ahead
13 of time that a contractor knew that, when he
14 or she originally entered into a contract,
15 that fraud would ensue. And when someone
16 goes and builds a quarter of it, takes your
17 money and goes away, you can't really make a
18 criminal case out of that. And it's -- you
19 know, it's caused a lot of extra heartache to
20 storm victims.

21 We've tried to inject some fairness
22 and sense to the process when GOSR has been
23 dealing with those homeowners in reclamations
24 and other things. I have a bill this year

1 that would create I think a more fair statute
2 and standard for contractor fraud after a
3 storm disaster. And I'd love your office to
4 take a look at it and work with me on trying
5 to get that -- I think we learned a lot of
6 lessons from Sandy about fly-by-night
7 contractors and how -- we've seen a lot of
8 the best that comes out in people after
9 storms, but we also see some of the worst
10 when people prey upon people in very
11 vulnerable positions. And I think the amount
12 of contractor fraud that we've seen -- and
13 I'm sure that GOSR has interacted with -- is
14 quite concerning.

15 COMMISSIONER VISNAUSKAS: We'd be
16 happy to work with you on that.

17 SENATOR KAMINSKY: And so in -- just
18 in conclusion, your -- your -- you don't see
19 any issue with winding down GOSR and its
20 impact on the impacted storm areas and
21 affected storm areas?

22 COMMISSIONER VISNAUSKAS: The GOSR
23 team will be there to make sure that we
24 complete on all the commitments that we have

1 made for not just housing, but also for the
2 community reconstruction projects.

3 SENATOR KAMINSKY: Okay, thank you.

4 And I just want to take this
5 opportunity to compliment Betsy Mallow and
6 all of the great work she's done overseeing a
7 lot of this. This is very complicated, and
8 we have people with very difficult
9 situations. But thank you for working with
10 us, and we hope that we'll get these projects
11 over the finish line and help all of our
12 homeowners.

13 COMMISSIONER VISNAUSKAS: Thank you.
14 I appreciate that. And thank you for
15 acknowledging my staff.

16 CHAIRWOMAN WEINSTEIN: Thank you.

17 We go to Assemblyman Mosley.

18 And I just wanted to -- I mentioned
19 before Assemblywoman Aravella Simotas, but I
20 left out the Simotas part.

21 (Laughter.)

22 CHAIRWOMAN WEINSTEIN: So Assemblyman
23 Mosley.

24 ASSEMBLYMAN MOSLEY: Thank you,

1 Chairs.

2 First and foremost, I'd like to thank
3 the commissioner and your staff for always
4 being responsive to my office and to my staff
5 in realtime.

6 So I'm just going to go over just
7 three topics. One is dealing with
8 overcharges, leases, and major capital
9 improvements, related to what happened in
10 last year's budget with the Tenant Protection
11 Act and how that has translated into what we
12 see today.

13 So in the past few years the
14 legislators have been discussing with you and
15 your predecessors in terms of the backlogs of
16 complaints at ORA and the Overcharge Bureau.
17 What is the average time does it take to
18 resolve an overcharge right now?

19 COMMISSIONER VISNAUSKAS: Overcharge
20 cases take between 12 and 18 months. And as
21 you might recall, one of the changes that was
22 made in the law last year was to extend the
23 period of time that we can go back to
24 ascertain a last reliable rent. So

1 previously it had been four, now it's at
2 least six, but really it could go back much
3 longer than that per the provisions of the
4 law.

5 So I would not expect to see our
6 processing time go down as a result of those
7 changes in the law.

8 ASSEMBLYMAN MOSLEY: And have the
9 complaints that we've seen in the past with
10 regards to the Overcharge Bureau, have they
11 been diminished? Are they starting to handle
12 these cases in a more timely fashion?

13 COMMISSIONER VISNAUSKAS: Well, again,
14 I don't know that we will reduce our
15 processing time, given that now the law
16 requires us to sort of do even more. And I
17 think it also additionally provided some
18 additional time for tenants to respond to
19 certain parts of the process.

20 ASSEMBLYMAN MOSLEY: But the
21 complaints -- do you believe the complaints
22 have diminished in lieu of that?

23 COMMISSIONER VISNAUSKAS: Do I believe
24 the complaints have been addressed?

1 ASSEMBLYMAN MOSLEY: Yes.

2 COMMISSIONER VISNAUSKAS: I mean,
3 look, we work really -- have been working
4 very, very hard to adjust to all the changes
5 in the new law and to be as responsive as we
6 can, and we are sort of continuing to adjust
7 to the -- and from a staffing and processing
8 perspective, to what our new timelines will
9 be for different aspects of the law. So I
10 think it's probably a little early for us to
11 know whether we -- you know, where we will
12 sort of settle on those.

13 ASSEMBLYMAN MOSLEY: Okay. And how
14 many overcharge cases were processed in 2019?

15 COMMISSIONER VISNAUSKAS: In 2019? I
16 don't have that number, but I'd be happy to
17 get back to you with it.

18 ASSEMBLYMAN MOSLEY: Okay. And the
19 average amount awarded to tenants?

20 COMMISSIONER VISNAUSKAS: The same. I
21 can get back to you with those numbers.

22 ASSEMBLYMAN MOSLEY: And can you tell
23 me about the Overcharge Bureau, how they're
24 processing cases post-Tenant Protection Act

1 of 2019? Like what's -- is there a
2 significant change in how we're handling that
3 process?

4 COMMISSIONER VISNAUSKAS: Well, look,
5 the main change, right, would be that we will
6 go back much further in time to ascertain a
7 last reliable rent.

8 So whether that's -- six years would
9 suffice for the sort of base of the law or
10 whether we're going to go back 10 years or
11 15 years obviously is on a case-by-case
12 basis. But that will certainly -- you know,
13 that takes more time, obviously, the further
14 back we go.

15 ASSEMBLYMAN MOSLEY: Okay. Leases.
16 Just three quick questions. Landlords submit
17 a copy of every single lease signed by
18 tenants to HCR for recordkeeping. Do they do
19 that now?

20 COMMISSIONER VISNAUSKAS: I -- I'm not
21 sure. I can get back to you on that.

22 ASSEMBLYMAN MOSLEY: Okay. And has
23 HCR updated its lease renewal forms to
24 reflect the new laws?

1 COMMISSIONER VISNAUSKAS: Yes. So
2 over the summer we updated our fact sheets,
3 our advisory opinions, as well as our lease
4 riders, so that landlords had them over the
5 summer as they were doing lease renewals.

6 ASSEMBLYMAN MOSLEY: Okay. And,
7 Commissioner, do the new -- the lease renewal
8 forms indicate MCI or IAI rent increases?

9 COMMISSIONER VISNAUSKAS: Yes, a lease
10 renewal would reflect an MCI or IAI.

11 ASSEMBLYMAN MOSLEY: And that's
12 reflective of the actual cap on rent
13 increases, which is -- which indicates
14 preferential rent, lease status, and includes
15 any updated riders with summary of tenants'
16 rights? Is that also in the leases as well?

17 COMMISSIONER VISNAUSKAS: Yes, so the
18 lease would now be required to reflect, I
19 think, in what you're asking is sort of in
20 the case of like a 2 percent MCI cap rather
21 than what previously had been a 6 percent
22 cap.

23 ASSEMBLYMAN MOSLEY: Okay. MCIs. The
24 MCI increase has been approved and provided a

1 breakdown for the numbers statewide? Do we
2 have those numbers?

3 COMMISSIONER VISNAUSKAS: Numbers for
4 how many MCIs we approved?

5 ASSEMBLYMAN MOSLEY: Right.

6 COMMISSIONER VISNAUSKAS: Yeah, I'm
7 happy to follow up with those too.

8 ASSEMBLYMAN MOSLEY: Okay. And will
9 the reasonable cost schedule be completed by
10 June of this year?

11 COMMISSIONER VISNAUSKAS: Yes.

12 ASSEMBLYMAN MOSLEY: Okay. And I
13 guess one last question. Is it legal for a
14 landlord to refuse to rent to a tenant solely
15 because that tenant has housing subsidies or
16 other types of government vouchers?

17 COMMISSIONER VISNAUSKAS: It is not.
18 Thanks to the source-of-income law that was
19 passed last year, you cannot deny a tenant
20 based on their source of income.

21 ASSEMBLYMAN MOSLEY: How is HCR --
22 what is HCR doing to address that particular
23 issue? Because that's like a systemic issue.

24 COMMISSIONER VISNAUSKAS: So those

1 cases would be processed by the Division of
2 Human Rights, not by DHCR. But we make sure,
3 as best as we can, that everyone understands
4 their rights, through disseminating
5 information through our network and through
6 working with other state agencies.

7 ASSEMBLYMAN MOSLEY: All right, thank
8 you very much.

9 CHAIRWOMAN WEINSTEIN: Thank you.
10 To the Senate.

11 CHAIRWOMAN KRUEGER: Thank you.
12 Senator Salazar.

13 SENATOR SALAZAR: Thank you.

14 I want to follow up on some questions
15 that Senator Kavanagh asked about the
16 Executive Budget proposal designating the
17 state generally as administrator of rent
18 regulations in New York City, seemingly
19 rather than designating DHCR. Is it your --
20 is that your assessment?

21 And is your assessment that this would
22 increase the city's costs in administering
23 the -- particularly the rent regulations
24 post-Housing Stability and Tenant Protection

1 Act? And what if any impact would you
2 anticipate from that?

3 COMMISSIONER VISNAUSKAS: So no, we
4 don't believe it increased the costs of
5 running the system to the City of New York.
6 And that the language change is really just
7 to allow the state to reimburse for other
8 expenses, not just DHCR rent regulation
9 expenses. We do not see any change in the
10 way we operate, in the way we are funded, in
11 the way we are staffed as a result of that
12 language.

13 SENATOR SALAZAR: Thank you.

14 CHAIRWOMAN KRUEGER: Thank you.

15 CHAIRWOMAN WEINSTEIN: Thank you.

16 We go to Assemblywoman Rosenthal.

17 ASSEMBLYWOMAN ROSENTHAL: {Inaudible;
18 mic issues.}

19 COMMISSIONER VISNAUSKAS: But I can
20 hear you if you just --

21 ASSEMBLYWOMAN ROSENTHAL: Okay, now
22 you can hear me. Thank you.

23 I have questions on other issues, but
24 I just wanted to follow up on something

1 Assemblymember Fitzpatrick asked. Is lead
2 remediation covered under an IAI, or would
3 repairs around lead and mold be acceptable as
4 IAIs under the old law or new law?

5 COMMISSIONER VISNAUSKAS: I'd have to
6 get back to you on -- I don't think there's
7 been any change in certainly what was allowed
8 under an IAI or an MCI --

9 ASSEMBLYWOMAN ROSENTHAL: It was
10 allowed.

11 COMMISSIONER VISNAUSKAS: It -- excuse
12 me?

13 ASSEMBLYWOMAN ROSENTHAL: You're
14 saying it was allowed earlier?

15 COMMISSIONER VISNAUSKAS: Sorry, I'm
16 saying there was no change to what was
17 allowed in an IAI, but the changes in the law
18 reflected the amount and the time frame.

19 ASSEMBLYWOMAN ROSENTHAL: Okay.
20 Because sometimes landlords say they can't do
21 lead remediation, or mold, because of the IAI
22 change. But as far as you know right here,
23 no change in IAI mission, purpose, allowance?

24 COMMISSIONER VISNAUSKAS: Correct.

1 Right. The changes in the law were around
2 the dollar figure, the amortization and the
3 rent.

4 ASSEMBLYWOMAN ROSENTHAL: Okay. Okay,
5 I appreciate that.

6 What was the budget of the Tenant
7 Protection Unit last year? And what is it
8 this year.

9 COMMISSIONER VISNAUSKAS: Five-point-
10 five million dollars.

11 ASSEMBLYWOMAN ROSENTHAL: Both years?

12 COMMISSIONER VISNAUSKAS: Yes.

13 ASSEMBLYWOMAN ROSENTHAL: So given
14 that we made such large-scale changes,
15 shouldn't TPU's budget be increased?

16 COMMISSIONER VISNAUSKAS: So the TPU
17 budget, at \$5.5 million, funds 29 staff
18 people. I think that in many ways the work
19 of TPU has changed, right? So that if no
20 more units are exiting the system, that's one
21 less --

22 ASSEMBLYWOMAN ROSENTHAL: I'm sorry,
23 no more units are exiting?

24 COMMISSIONER VISNAUSKAS: Right. So

1 as a result of the elimination of the vacancy
2 and high-income decontrol threshold, right, a
3 lot of the work that -- the audits that TPU
4 would do would be for looking for units
5 illegally exiting the system.

6 So I think that a lot of the changes
7 that were made in the law -- we could sort of
8 go through them one by one -- actually
9 provide a lot more structure that -- and a
10 lot more tightening of the law so that not as
11 many units obviously can sort of -- can come
12 out of the system illegally.

13 So I think the -- while TPU's work
14 will still remain incredibly important -- to
15 date they've returned over 80,000 units back
16 into the system, which we're very proud of --
17 we don't see the changes in the law creating
18 an uptick in work for them as much as it
19 helps them narrow their focus and where
20 they're really looking for anomalies.

21 ASSEMBLYWOMAN ROSENTHAL: So TPU does
22 return units that were illegally
23 decontrolled, destabilized, is that right?

24 COMMISSIONER VISNAUSKAS: Correct.

1 ASSEMBLYWOMAN ROSENTHAL: And TPU does
2 that for cases that TPU works on but not on
3 individual apartment bases? DHCR does not do
4 that?

5 COMMISSIONER VISNAUSKAS: TPU has sort
6 of an audit function, right? So they're sort
7 of looking at the whole system and they're
8 looking for anomalies either by landlord or
9 by neighborhood or just by sort of rent units
10 leaving the system or rent increases that
11 don't sort of fit the formula.

12 ASSEMBLYWOMAN ROSENTHAL: Right.
13 Right. Right.

14 COMMISSIONER VISNAUSKAS: And so now
15 that the formula has changed, their work will
16 change.

17 ASSEMBLYWOMAN ROSENTHAL: Okay. Can
18 you tell me -- DHCR's upgrading its
19 technology, we've heard this for many years.
20 Where is that process now?

21 COMMISSIONER VISNAUSKAS: So we have
22 had a lot of technology changes in the past
23 year. As you will recall, last year when I
24 sat here we had just launched Rent Connect,

1 running out of time.

2 COMMISSIONER VISNAUSKAS: Oh. So the
3 IAI database was launched on Monday, and then
4 the last big change will be a front-end
5 processing system for ORA. We have been
6 working very closely with ITS on that, and it
7 will be completed in 2020.

8 ASSEMBLYWOMAN ROSENTHAL: In this
9 year?

10 COMMISSIONER VISNAUSKAS: In this
11 calendar year.

12 ASSEMBLYWOMAN ROSENTHAL: So you have
13 enough funding to complete all the upgrades.

14 COMMISSIONER VISNAUSKAS: Yes.

15 ASSEMBLYWOMAN ROSENTHAL: Okay. There
16 are these units called Frankenstein
17 apartments, where one -- those have been
18 created with space taken from an adjoining
19 apartment, and new apartments created from
20 the remaining space. Owners can use this
21 practice to create apartments with first
22 rents in their attempt to deregulate multiple
23 units.

24 What is -- is DHCR tracking that? And

1 if not, what would you need in order to have
2 the capability to track that?

3 COMMISSIONER VISNAUSKAS: So that
4 provision is not addressed in the rent laws
5 sort of writ large, or in the new housing act
6 passed last year. We will be addressing that
7 issue in our regulations.

8 ASSEMBLYWOMAN ROSENTHAL: As -- can
9 you say how?

10 COMMISSIONER VISNAUSKAS: No.

11 (Laughter.)

12 CHAIRWOMAN WEINSTEIN: Thank you.
13 Senate.

14 CHAIRWOMAN KRUEGER: Senator Jim
15 Seward.

16 SENATOR SEWARD: Thank you, Madam
17 Chair.

18 And thank you, Commissioner.

19 COMMISSIONER VISNAUSKAS: Hi.

20 SENATOR SEWARD: I wanted to shift
21 gears a bit to the Lake Ontario relief
22 program. Can you provide an update on how
23 the 2019 -- I think there was \$20 million for
24 the homeowner program -- how that is

1 operating? Has the money flowed?

2 And the second part of that question
3 would be, is that enough, considering the
4 assistance provided to homeowners -- I think
5 back to 2017 -- was 70 million? I mean, is
6 that 20 million enough? And how is it being
7 used?

8 COMMISSIONER VISNAUSKAS: Yes, I
9 appreciate the question. We've been working
10 very hard on all the applications that we've
11 received for the 2019 Lake Ontario program.

12 As you'll recall, the application
13 process happened late last year, the end of
14 2019. We have been sorting through -- the
15 applications have made I think several
16 hundred awards, and are working as fast as we
17 can with the four organizations who are
18 processing the applications to get people's
19 approvals out as quickly as we can so they
20 can begin work.

21 SENATOR SEWARD: Okay, thank you.

22 The Executive has pledged \$300 million
23 for the REDI program, the Lake Ontario
24 Resiliency and Economic Development program,

1 to rebuild the shoreline through that
2 program. And can you provide us with any
3 kind of update on that and the plans there?
4 How many projects have been identified? Any
5 money disbursed yet?

6 COMMISSIONER VISNAUSKAS: It is a very
7 big program, the \$300 million. And as you
8 know, it was awarded to hundreds of projects
9 throughout the region. So we would be happy
10 to sit with you separately and go through
11 county by county what the priority projects
12 are, and also the ones that are -- that
13 spread obviously multiple counties -- there's
14 several large infrastructure projects that
15 benefit multiple -- to talk about where they
16 are in the process. We are running a very
17 tight ship on that.

18 SENATOR SEWARD: So a list does exist
19 of projects?

20 COMMISSIONER VISNAUSKAS: Yes.
21 Absolutely.

22 SENATOR SEWARD: Okay. We would like
23 to reach out -- you know, we would like to
24 get the list of those, because a number of

1 our members are -- that border the lake are
2 very interested in those.

3 COMMISSIONER VISNAUSKAS: Great.

4 SENATOR SEWARD: One final question on
5 that topic. The -- I note in the Executive's
6 budget there's a reappropriation of
7 \$100 million for the REDI program. But
8 where's the other \$200 million coming from?
9 Where is that appropriated, or where is that
10 coming from?

11 COMMISSIONER VISNAUSKAS: I don't know
12 the technical sort of budget of where the
13 money is located. But there is a -- for sure
14 a \$300 million commitment to the program
15 overall.

16 SENATOR SEWARD: So you can't share
17 with us where the --

18 COMMISSIONER VISNAUSKAS: Yeah, I'm
19 not aware of sort of technically where the
20 funding lives in the budget. As I -- we sort
21 of speak mostly to the housing aspect of it.

22 SENATOR SEWARD: I wanted to shift --
23 I know some discussion earlier on the
24 Governor's Office of Storm Recovery. I note

1 that the Executive's Budget does not include
2 any new appropriations for that office. I
3 mean, why is this? Is the job done or --

4 COMMISSIONER VISNAUSKAS: We are
5 continuing to work through the balance of the
6 housing in the community reconstruction and
7 the infrastructure projects. So since we
8 still have some time to go as those work
9 their way through the process, and we don't
10 have final budget numbers for many of those
11 projects -- which again is not a concern,
12 it's just where we are in the process, and we
13 have two years left to go. So as we better
14 define those budgets for all projects that
15 are remaining, we will have a better idea of
16 what the budget -- if there's a sort of a net
17 budget need there.

18 SENATOR SEWARD: Can you share with us
19 what type of projects and improvements are
20 being funded with that -- the appropriations
21 of the past? And how is this money being
22 spent? I mean, we're almost a decade after
23 Lee, Irene and Sandy. What type of projects
24 are being funded?

1 COMMISSIONER VISNAUSKAS: Sure. So as
2 you would recall, the bulk of the money was
3 spent on homeowners for the -- in the initial
4 years of the project. So the things that we
5 are focused on now are a series of 200
6 community reconstruction projects that are
7 sort of all different shapes and scales. It
8 could be a microgrid project, it could be a
9 shoreline hardening, it could be elevation of
10 a firehouse or a hardening of sort of a
11 firehouse.

12 So they run the gamut from small,
13 medium to big and vary, obviously, in
14 complexity. And so we'd be happy to sit with
15 you and talk through the projects in whatever
16 order makes sense to you. But for sure
17 there's a very diverse set of community
18 reconstruction projects.

19 SENATOR SEWARD: Once again, a list
20 would be -- would be great.

21 One real quick question regarding the
22 Housing Development Fund increase. The
23 Executive Budget increases funding for -- to
24 be used for improved farmworker housing. Can

1 you explain the program and the reason for
2 the increase?

3 COMMISSIONER VISNAUSKAS: Mm-hmm. So
4 we work with Farm Credit East, which is a
5 lender that lends to agricultural producers
6 and farms. And the funding is available as a
7 low-cost revolving loan to either buy,
8 renovate or construct farmworker housing.

9 SENATOR SEWARD: Thank you.

10 CHAIRWOMAN KRUEGER: Thank you.
11 Assembly.

12 CHAIRWOMAN WEINSTEIN: Thank you.

13 I also just want to remind members, as
14 we have at each hearing, to make sure your
15 mic is off when you're not speaking. We are
16 hearing from people who are streaming, who
17 are watching this online, that they are
18 hearing voices other than the two main
19 speakers.

20 So now we go to Assemblywoman Niou.
21 New.

22 ASSEMBLYWOMAN NIOU: Hello. Can you
23 hear me? Great.

24 So actually our Housing chairs asked

1 some really important questions about NYCHA's
2 operating deficit. NYCHA's operating deficit
3 is currently \$40 billion. NYCHA provides
4 affordable housing to 600,000 of some of the
5 state's most vulnerable households.

6 You know, Brian had asked a question
7 about whether or not they were in the budget
8 at all, and they're not. Why are these
9 households ignored in our State Budget?

10 And also, my Housing chair had asked
11 about the public housing upstate, and they're
12 also left out of the budget. So why have
13 these housing authorities been left out of
14 the conversation? And what are we doing to
15 basically making sure that every public
16 housing resident in New York State has safe
17 living conditions?

18 COMMISSIONER VISNAUSKAS: Yes.
19 Obviously we care very much about our public
20 housing residents across the state.

21 I would note, as you know, that
22 there's \$650 million that has been
23 appropriated in the last several years for
24 NYCHA specifically; \$100 million of that has

1 been spent. There's \$450 million that was
2 pending the appointment of the federal
3 monitor. As you recall, there was a lot of
4 discussion last year about the appointment of
5 the federal monitor and the funds being
6 released from the state.

7 So that monitor has finally signed off
8 on the spending plan for the \$450 million --

9 ASSEMBLYWOMAN NIOU: I know about the
10 500 million. I just -- what I'm asking is
11 when the deficit is in the \$40 billion range,
12 why we are giving so little. And we haven't
13 provided anything this budget.

14 So New York State developed and funded
15 its own public housing developments until
16 1990. However, the state has since abandoned
17 its financial commitment to these projects.
18 This divestment has cost New York City
19 \$60 million a year.

20 So would you agree that New York State
21 should actually step up to fully fund state
22 public housing?

23 COMMISSIONER VISNAUSKAS: So we have
24 spent over \$100 million in the last two years

1 working with upstate public housing
2 authorities on their capital needs. We have
3 funding left in that budget line, and we have
4 an additional \$20 million from the
5 Legislature last year. So we will continue
6 to work with the upstate housing authorities
7 to address their capital needs.

8 ASSEMBLYWOMAN NIOU: But do you
9 believe that we should fully fund state
10 public housing?

11 COMMISSIONER VISNAUSKAS: I'm not
12 totally sure what you mean. So we -- they
13 are -- there's -- let me sort of step back
14 for a second. There's two types of public
15 housing in the rest of the state, right?
16 There's federal public housing that is --
17 receives their operating capital money from
18 the federal government, and then there's a
19 very small section of state public housing
20 that we have oversight of that's about -- I
21 think it's about 1500 units around the state.
22 And we work very closely with those state
23 housing authorities, both on their capital
24 needs -- we have, as you recall, a public

1 housing modernization budget line in our
2 budget that's \$6 million a year, and we
3 deploy that year over year to those state
4 public housing authorities to make sure that
5 they can make capital repairs.

6 ASSEMBLYWOMAN NIOU: Are you open to
7 exploring new state-funded public housing
8 programs?

9 COMMISSIONER VISNAUSKAS: As I said,
10 we have funding in our budget that we would
11 certainly continue to spend down. And once
12 that is done, I think -- I'm sure there will
13 be a broader conversation about new resources
14 for all affordable housing.

15 ASSEMBLYWOMAN NIOU: So like -- but
16 are you open to exploring new programs for
17 state-funded public housing?

18 COMMISSIONER VISNAUSKAS: I'd be happy
19 to talk to you about that, yeah.

20 ASSEMBLYWOMAN NIOU: And what is your
21 position on new revenue streams, like
22 eliminating 421-a and passing a tax on
23 private equity or like mezzanine debt in
24 order to fund public housing?

1 COMMISSIONER VISNAUSKAS: I haven't
2 read those bills, so I'm not familiar with
3 the details of them.

4 ASSEMBLYWOMAN NIOU: I mean, we know
5 what 421-a is. Are you open to eliminating
6 it?

7 COMMISSIONER VISNAUSKAS: I think
8 421-a has been for a very long time the major
9 stimulus for the production of rental housing
10 in the city. So I think if you're going to
11 eliminate it, there should be certainly
12 discussion about how rental housing would get
13 developed in New York City.

14 ASSEMBLYWOMAN NIOU: Yeah, 421-a costs
15 our state billions annually, actually. And
16 how can we justify this expenditure to
17 corporate landlords like, for example, The
18 Related Group to build Hudson Yards, when our
19 public housing is actually in such massive
20 disrepair?

21 COMMISSIONER VISNAUSKAS: Again, I
22 think you'd have to look at the consequences
23 of eliminating it on the production of
24 housing overall.

1 ASSEMBLYWOMAN NIOU: What is the
2 administration's position on the Rental
3 Assistance Demonstration program?

4 COMMISSIONER VISNAUSKAS: So at HCR we
5 financed the first RAD project that was done
6 by the New York City Housing Authority, but
7 we have also financed multiple RAD
8 transactions around the state. And in every
9 case the leveraging -- the changing of the
10 public housing operating subsidy to basically
11 what is essentially a Section 8 contract
12 allows those public housing authorities to
13 access capital that otherwise they would
14 never be able to reach, and to do really
15 significant long-term capital improvements.

16 So from my perspective, as the goal is
17 to make sure that those properties stay in
18 good condition for the low-income residents
19 who in them, RAD has been one of the few
20 tools that the federal government has really
21 provided over the last decade to be able to
22 allow public housing authorities to make
23 significant investments in their properties.

24 ASSEMBLYWOMAN NIOU: Do you believe

1 that there are other pathways or options that
2 the state can provide public housing
3 residents, you know, funding without
4 privatization?

5 COMMISSIONER VISNAUSKAS: I think that
6 the significance of the RAD program has been
7 leverage and that you will never get as much
8 sort of state, you know -- or never get as
9 much direct investment using just public
10 dollars as you can when you can leverage
11 other sources. So I think it's a
12 conversation.

13 ASSEMBLYWOMAN NIOU: Thank you.

14 CHAIRWOMAN WEINSTEIN: Thank you.
15 Senate.

16 CHAIRWOMAN KRUEGER: Thank you.
17 Senator Myrie.

18 SENATOR MYRIE: Thank you, Madam
19 Chair.

20 Thank you, Commissioner. I want to
21 publicly thank you and your staff for working
22 very closely with us, particularly the
23 members in Brooklyn, on the Vital Brooklyn
24 developments and for other local

1 developments. Thank you very much for your
2 work and cooperation on that.

3 I want to focus my line of questioning
4 on homeownership, and I want to talk about
5 two things. First, HOPP funding. And so as
6 you know better than most, the foreclosure
7 crisis, while it had a severe impact all over
8 the nation and of course the state, black and
9 brown communities felt that in a severe way.
10 We are still feeling the remnants of that
11 crisis, and HOPP funding has been critical to
12 keeping homeowners in their homes. It has
13 been the first line of defense for things
14 like deed theft and foreclosure.

15 And so I'm wondering if you could
16 explain why that funding is not in this
17 Executive Budget and why we continue to have
18 this shift. As you know, this used to be in
19 the budget and in 2012 was shifted to AG
20 settlements. And so I'm hoping that we can
21 have a discussion about why that's not in the
22 budget.

23 COMMISSIONER VISNAUSKAS: Yes, thank
24 you for your comments about Vital Brooklyn.

1 We are very excited about all the work that
2 we are doing there.

3 Foreclosures is certainly something
4 that weighs on us, and we keep an eye on it.
5 I think I read, as did you, that foreclosures
6 are down 20 percent, which it would be better
7 if they were down 100 percent, but we'll take
8 20 percent as at least a little bit of a
9 reprieve for the moment.

10 We had this conversation last year
11 about the HOPP program. And as I understand
12 it, the program is funded for half of this
13 coming year. The annual need is \$20 million,
14 and there's 10. And we would expect that
15 that -- to have conversation about the
16 balance of that funding over the course of
17 the budget process.

18 SENATOR MYRIE: And do you believe
19 that this is funding that we should be going
20 back and forth about every year, or should
21 this be a line item in the budget? Should
22 this come out of the AG settlements, given
23 the importance of keeping folks in their
24 homes?

1 COMMISSIONER VISNAUSKAS: As you
2 noted, it's been run by the Attorney
3 General's office for the last six to eight
4 years. So I think to the extent that it
5 stays there or transitions into the state is
6 a conversation to be had through the process.

7 SENATOR MYRIE: Thank you. And
8 speaking of ownership, in the HSTPA last year
9 there's a provision on the rent to own
10 concept for manufactured homes, which we were
11 very proud to legislate and to see
12 implemented. And it is a concept that I
13 believe is important not just to folks in
14 manufactured homes, but also to renters in
15 the city that would love to have the
16 opportunity to own as well.

17 I think there are many folks that are
18 of the opinion, including myself, that
19 ownership is the strongest anchor against
20 gentrification and displacement, and so we
21 are having discussions both publicly and
22 privately around what that might look like
23 for renters.

24 I know that these are programs that

1 have had some facsimiles in localities in the
2 past where the government provides some
3 subsidies for financing to allow tenants the
4 opportunity to own. And I was wondering if
5 you could speak to your experience or
6 thoughts on both the opportunity for tenants
7 to own and what your thoughts are on the
8 limited co-op equity model.

9 COMMISSIONER VISNAUSKAS: So we
10 certainly have a lot of programs that address
11 homeownership and agree, you know, it is --
12 while New York City tends to be opposite from
13 the rest of the state, right, there is a sort
14 of strong homeownership component across the
15 state.

16 So we spend a lot of money on our HC
17 program in New York City and outside to
18 guarantee home ownership. And we also, while
19 not necessarily always talked about in the
20 budget, run the State of New York Mortgage
21 Agency, where we assist thousands of
22 homeowners every year to achieve first-time
23 homeownership by providing long-term,
24 low-cost mortgages. And we are increasing

1 earlier by Assemblyman Ortiz.

2 We go to Assemblyman Epstein for
3 questions.

4 ASSEMBLYMAN EPSTEIN: Thank you,
5 Commissioner, for all you do. And appreciate
6 you taking the time to be with us today.

7 So as you heard earlier, we spent --
8 we created such massive change in the rent
9 laws last year. I'm wondering why the
10 Governor's office and your office hasn't
11 decided to put money into tenant education,
12 funding community-based organizations who can
13 get the word out about the changes in the
14 rent law.

15 COMMISSIONER VISNAUSKAS: We do a lot
16 of public work on the rent laws, as I had
17 mentioned earlier, and -- both myself and
18 also my staff. And we are constantly in
19 communities and in neighborhoods and
20 providing resources everywhere we can to make
21 sure people understand their rights as it
22 relates to the law, and we're happy to
23 continue doing that.

24 ASSEMBLYMAN EPSTEIN: Yeah, and I

1 appreciate that. But as -- you know, we're
2 governments, and not everyone trusts
3 governments, so there are community-based
4 organizations around who have much more
5 ability to get to communities that are harder
6 to reach. I'm wondering why there was a
7 decision not to fund those groups in this
8 proposed budget.

9 COMMISSIONER VISNAUSKAS: It's not
10 something we have done before. So I'm not
11 sure if you're suggesting that it was
12 something that we had been committed to or
13 not any longer. I think we're -- we're happy
14 to talk about what that would look like.
15 It's just not something we've done in the
16 past.

17 ASSEMBLYMAN EPSTEIN: Great, I'm glad
18 to hear that. I'll follow up with you later
19 about that.

20 And so source-of-income discrimination
21 laws were passed last year in the budget, so
22 we have a statewide source of income
23 discrimination {sic}. And, you know,
24 obviously we've heard the stories of what's

1 happening on Long Island, housing
2 discrimination is rampant. And I'm wondering
3 why we didn't see a large effort to put money
4 into education and enforcement on housing
5 discrimination that's clearly happening all
6 across our state based on source of income.

7 COMMISSIONER VISNAUSKAS: So we also
8 saw the Newsday article, as many people did,
9 about the broker discrimination in
10 Long Island.

11 I think we have a lot of guardrails in
12 place for our part around fair housing as it
13 relates to our multifamily development, and
14 so feel confident that fair housing laws are
15 being followed. I think source of income is
16 an incredible resource layered on top of
17 that, to give people a tool and also
18 knowledge and understanding of what their
19 rights are, which they oftentimes don't have.

20 And for our part, on our single-family
21 side, we do a lot of outreach and education,
22 especially in disadvantaged communities, to
23 make sure that people have access to credit
24 and understand what our programs are so they

1 can then ask for them. Our lending in
2 African-American communities trends with the
3 state population, so we don't have a
4 disparity in our efforts per se and try to
5 make sure that from a marketing perspective
6 we are out there and making people aware of
7 our products.

8 ASSEMBLYMAN EPSTEIN: And I do
9 appreciate that. I just think -- just to be
10 honest, I think we need to do more. Clearly
11 source-of-income discrimination is happening,
12 housing discrimination is happening across
13 the state. I'd love to see your agency step
14 up and do much more aggressive education,
15 enforcement, especially since we see so much
16 discrimination happening around housing and
17 housing discrimination, and especially around
18 source of income discrimination.

19 COMMISSIONER VISNAUSKAS: As you know,
20 the Department of Human Rights has the
21 enforcement over fair housing. We work very
22 closely with them to make sure that we're
23 communicating -- anytime something is raised
24 to us or anytime we see something, that we

1 are referring it to DHR so that they can
2 enforce.

3 ASSEMBLYMAN EPSTEIN: I just want to
4 follow up with similar questions raised by my
5 colleague Ms. Niou. And you mentioned RAD
6 and, you know, how some of the programs are
7 successful.

8 I'm wondering about focusing on RAD
9 with nonprofit developers. We've seen, in my
10 district and my community, concerns around
11 RAD and those resources being sent to
12 for-profit developers. I'm wondering around
13 ensuring that RAD and the resources that
14 we're putting in there create nonprofit
15 partners and we're really funding and
16 supporting those nonprofit community-based
17 organizations that are doing and preserving
18 affordable housing.

19 COMMISSIONER VISNAUSKAS: I mean,
20 certainly I think the examples that some
21 people see in New York City probably have
22 more private developers.

23 Certainly from my perspective, as we
24 see this work happening across the state,

1 that's not the norm, and that there are
2 certainly a mix. There's many, many
3 nonprofits who work with not only housing
4 authorities on RAD -- but also any other sort
5 of federally funded Section 202 or anything
6 else that wants to RAD, there's often strong
7 nonprofit partners who do that work as well.

8 ASSEMBLYMAN EPSTEIN: Great. And, you
9 know, we're running out of time. Just
10 quickly, just -- I know Senator Hoylman
11 raised the concerns just making sure that,
12 post-Roberts, that those units are remaining
13 in rent regulation. You know, we have some
14 concerns that we don't want to lose any units
15 from rent regulation.

16 I assume you share that position that
17 we don't want -- if -- once a unit is
18 regulated, as long as it's not coming out
19 because it wasn't regulated before, six or
20 more built before '74, we're taking the
21 position that they remain in rent regulation.
22 Is that your understanding as well?

23 COMMISSIONER VISNAUSKAS: I think in
24 the case of Stuy Town, as Senator Hoylman

1 said, it's certainly complicated as it
2 relates to the settlement documents. And
3 we'll continue to work on that.

4 ASSEMBLYMAN EPSTEIN: Great. Thank
5 you. And just for my last few seconds, just
6 making sure that as we go forward -- I know
7 homelessness is a huge problem, and the
8 ability to deal with some of the
9 homelessness. We'd love to see you and your
10 agencies create a bigger commitment to deal
11 with the over 90,000 people who are homeless
12 and really making institutional commitments
13 to deal with the homelessness problem we've
14 seen continue to rise instead of decrease
15 over the last 10 years.

16 COMMISSIONER VISNAUSKAS: Yeah, I
17 mean, we're committed to spending the balance
18 of our supportive housing dollars just to
19 make sure we can build every unit we can with
20 the dollars we have, and to stretch those
21 dollars as far as we can to provide as much
22 housing as possible.

23 CHAIRWOMAN WEINSTEIN: Thank you.
24 Senate?

1 CHAIRWOMAN KRUEGER: Thank you.

2 Senator Robert Jackson.

3 SENATOR JACKSON: Good afternoon,
4 Commissioner. How are you?

5 COMMISSIONER VISNAUSKAS: Good, thank
6 you.

7 SENATOR JACKSON: Good to see you and
8 your staff here. And thank you for your
9 leadership of HCR.

10 I have a couple of questions quickly.
11 Last year I believe we allocated about
12 \$8 million for the Code Enforcement Unit.
13 That money -- tell me what have you done with
14 that money so far. Have you expanded the
15 staff? And exactly where around the state or
16 specific locations?

17 COMMISSIONER VISNAUSKAS: Is this the
18 expansion in ORA?

19 SENATOR JACKSON: I'm sorry, say that
20 again?

21 COMMISSIONER VISNAUSKAS: Do you mean
22 our expansion of the rent office?

23 SENATOR JACKSON: Of the code
24 enforcement office, yeah. If that's the

1 rental office, then yes. I'm talking about
2 code enforcement, really.

3 COMMISSIONER VISNAUSKAS: Oh, for TPU,
4 for the Tenant Protection Unit?

5 SENATOR JACKSON: I'm sorry, it's the
6 Code Enforcement Unit.

7 COMMISSIONER VISNAUSKAS: I can talk a
8 little bit about our efforts around the state
9 to make sure that we are -- from the lens of
10 TPU, that we're making sure that landlords
11 are following the building codes and the rent
12 stabilization laws.

13 SENATOR JACKSON: Have you expanded
14 the staff, considering that you got
15 \$8 million more in the budget?

16 COMMISSIONER VISNAUSKAS: So we
17 have --

18 SENATOR JACKSON: And if so, how many
19 staff have you added?

20 COMMISSIONER VISNAUSKAS: Yup, sure.
21 So we last year at this time had 10 housing
22 inspectors who go out and do inspections for
23 the Office of Rent Administration, and we
24 have expanded that staff by three in place

1 already, and we have another fourth person
2 that will be hired by the end of March. And
3 we think 14 is a right-sizing for that
4 division based on the number of inspections
5 we do.

6 SENATOR JACKSON: And is that
7 additional staff in New York City, or is it
8 in Rochester or Syracuse or other areas?
9 Where, where at?

10 COMMISSIONER VISNAUSKAS: Those are in
11 New York City, but they cover the New York
12 City and the surrounding counties.

13 SENATOR JACKSON: Around where?

14 COMMISSIONER VISNAUSKAS: The Office
15 of Rent Administration would cover New York
16 City and Rockland, Nassau and Westchester
17 Counties. That's their jurisdiction.

18 SENATOR JACKSON: Okay. And what
19 about -- do you have code enforcement up in
20 Rochester, New York?

21 COMMISSIONER VISNAUSKAS: We do not
22 have a code enforcement office in Rochester.

23 SENATOR JACKSON: Okay. Great. So
24 you must be aware that the real estate -- the

1 landlords filed a lawsuit against the rent
2 laws that were passed and the Governor signed
3 into law. Is your office involved with that,
4 and to what extent?

5 COMMISSIONER VISNAUSKAS: I believe
6 four different people have filed lawsuits
7 against myself, my agency and various other
8 parties as a result of the rent laws that
9 were passed in June of 2019, and we are being
10 represented by the Attorney General's office
11 in those cases.

12 SENATOR JACKSON: And so you're
13 working with the Attorney General's office
14 regarding whatever information she needs in
15 order to represent you and the stability of
16 those rent laws that we passed, is that
17 correct?

18 COMMISSIONER VISNAUSKAS: Absolutely.

19 SENATOR JACKSON: Okay. I'm going to
20 ask you a question, understanding the time.
21 According to the financial plan, there was
22 over \$33.8 million for the fire prevention
23 and code enforcement account by the year end
24 2021, but there is only an appropriation

1 amount out of this account of \$2.17 million
2 in the Department of State aid to localities
3 budget. Why is such a small amount of this
4 account authorized for disbursement? And
5 what is this appropriation anticipated to be
6 used for?

7 COMMISSIONER VISNAUSKAS: I would have
8 to get back to you on all those facts and
9 figures. I'm not that familiar with those.

10 SENATOR JACKSON: Okay, would you get
11 back to central staff on that, if you don't
12 mind?

13 COMMISSIONER VISNAUSKAS: Sure,
14 mm-hmm.

15 SENATOR JACKSON: Because I want to
16 say to you the Senate has recently introduced
17 a comprehensive code enforcement bill package
18 that could result in additional costs to the
19 state associated with the necessity of
20 enforcement and administrative oversight
21 matters. And do you think, though, that if
22 in fact there's an appropriate utilization of
23 the excess funds in this account to be used
24 for fire prevention and code enforcement?

1 COMMISSIONER VISNAUSKAS: We'd be
2 happy to talk further with you about that.

3 SENATOR JACKSON: Okay, sure, if you
4 can get back to central staff on that, I
5 appreciate that.

6 And my last one is concerning the
7 education that it talks about segregation in
8 schools and housing. Do you track and keep
9 account of which owners have been found
10 guilty of discriminatory practices? And
11 where's that list at, if you have it?

12 COMMISSIONER VISNAUSKAS: No, we do
13 not have a -- I'm sorry, do we track owners
14 that have been accused of? I'm sorry.

15 SENATOR JACKSON: No, not only
16 accused, but have been found to discriminate.

17 COMMISSIONER VISNAUSKAS: We as -- and
18 sort of depending on which part of our agency
19 you're referring to, but as we lend to
20 private developers to build or preserve
21 affordable housing, we do a background check
22 and that to ensure anybody that was found
23 to --

24 SENATOR JACKSON: But those that are

1 found guilty, does your office keep a list of
2 those landlords, owners, that have been found
3 to discriminate in housing? And if not, I
4 would truly recommend that that be the case.

5 It needs to be known that landlords
6 have discriminated of people against their
7 income or because they're black, they're
8 white, they're yellow, green or blue.
9 Discrimination is discrimination. And I
10 believe that your office should keep a list
11 of those and make that public on your
12 website. So I ask you to do that and take
13 that into consideration, because a number of
14 our members are working on legislation aimed
15 at combating discrimination in housing and
16 the rental real estate market.

17 And so I want to know, has your office
18 taken the time to review those proposals and
19 if so, do you have any thoughts or comments
20 on this particular matter?

21 COMMISSIONER VISNAUSKAS: I have been
22 very focused on my budget testimony, so I
23 have not familiarized myself with that
24 legislation. But for sure, as we get past

1 the budget, I will do that.

2 SENATOR JACKSON: Then I'm going to
3 ask central staff to follow up with your
4 office about this particular matter.

5 COMMISSIONER VISNAUSKAS: Great.

6 SENATOR JACKSON: And thank you for
7 your time.

8 COMMISSIONER VISNAUSKAS: Thank you.

9 CHAIRWOMAN KRUEGER: Assembly.

10 CHAIRWOMAN WEINSTEIN: Assemblyman
11 Blake.

12 ASSEMBLYMAN BLAKE: Commissioner, good
13 to see you. And thank you for you and your
14 team, as we all spend a lot of time with
15 Concourse Village and many places,
16 respectively.

17 Commissioner, for the sake of time, a
18 few quick questions. Have you or your team
19 been able to review the federal monitor's
20 quarterly reports that they have one? They
21 just did a third quarterly, but have you been
22 able to review the first, second or third?

23 COMMISSIONER VISNAUSKAS: I have -- we
24 have read them. Not the most recent one, but

1 I have read the first and second one.

2 ASSEMBLYMAN BLAKE: Within the report
3 it comments around 148 elevators, 108 boilers
4 and the challenges around lead, in particular
5 134,000 apartments that have lead, 52,000
6 common areas that are lead-based.

7 I'm trying to understand, the
8 \$100 million that has been allocated last
9 year, who within state government is
10 overseeing that negotiation? You said
11 earlier today that you are not a part of that
12 currently.

13 COMMISSIONER VISNAUSKAS: I believe
14 that the Executive works directly with NYCHA
15 and the funding has to date been reimbursed
16 by DASNY.

17 ASSEMBLYMAN BLAKE: So just very
18 clearly, who specifically within the
19 Executive is leading the effort of the \$100
20 million on NYCHA?

21 COMMISSIONER VISNAUSKAS: I'd have to
22 get back to you on that. I don't know.

23 ASSEMBLYMAN BLAKE: When can someone
24 get back to us on that?

1 COMMISSIONER VISNAUSKAS: Shortly.

2 ASSEMBLYMAN BLAKE: Shortly being a
3 week?

4 COMMISSIONER VISNAUSKAS: We'll get
5 back to you as soon as we know.

6 ASSEMBLYMAN BLAKE: Moving forward,
7 what is the specific rationale for zero
8 dollars for NYCHA capital in this budget,
9 given the concerning and glaring need for
10 NYCHA improvements?

11 COMMISSIONER VISNAUSKAS: As I had
12 said earlier, there's still \$450 million that
13 have yet to be spent, and there's another
14 100 million for which I'm not sure a plan has
15 been submitted yet for review.

16 So I think the idea would be to spend
17 down some of that before additional funding
18 is provided.

19 ASSEMBLYMAN BLAKE: Respectfully,
20 Commissioner, we always would have additional
21 funding for other matters even if we have not
22 spent down on those items. The 450 had a
23 clear responsibility towards it. So given
24 the continuing need, why would there be a

1 rationale of zero for NYCHA capital when
2 there is more need than the 450?

3 COMMISSIONER VISNAUSKAS: Again, I
4 think that that funding has to be begun to be
5 spent, and a plan would need to be submitted
6 for the 100 that remains from last year.

7 ASSEMBLYMAN BLAKE: I'm just trying to
8 understand. Based upon -- when you said that
9 has to be spent, the approval from the
10 federal monitor was for the 450.

11 COMMISSIONER VISNAUSKAS: Right.

12 ASSEMBLYMAN BLAKE: So I'm asking
13 about additional funding. I'm just trying to
14 understand, what was the state's position as
15 to why there's a rationale for zero dollars?

16 COMMISSIONER VISNAUSKAS: I believe
17 since the work on the 450 hasn't begun and a
18 plan for the 100 has not been submitted yet,
19 that there's still some time for those funds
20 to be expended before additional funds would
21 be allocated.

22 ASSEMBLYMAN BLAKE: Just on the
23 record, the 450 has begun. That's why I was
24 referencing the 148 elevators, the 108

1 boilers itself.

2 You had mentioned that HCR does not
3 have oversight on eviction. If not, then who
4 does?

5 COMMISSIONER VISNAUSKAS: I believe
6 that information would live with the court
7 system. But it's not -- it's an area that we
8 have jurisdiction over.

9 ASSEMBLYMAN BLAKE: Is there a reason
10 why HCR would not be the entity that would
11 have data on evictions for the state?

12 COMMISSIONER VISNAUSKAS: Well,
13 evictions are done through the court, so I
14 think the court maintains that data.

15 ASSEMBLYMAN BLAKE: But in part -- I
16 mean, that's part of the reason why we
17 created the changes last year, respectfully.
18 So is it to say that there is no one within
19 the state that would be able to provide us
20 information on evictions?

21 COMMISSIONER VISNAUSKAS: I could --
22 I'm not sure of that. I think -- I believe
23 all that information lives within the court
24 system.

1 ASSEMBLYMAN BLAKE: Understand. For
2 Opportunity Zones themselves, obviously
3 they're tracts primarily in communities of
4 high impact of poverty. Just want to
5 understand, does the administration have a
6 position on whether you support or oppose
7 legislation to ensure affordable housing
8 within the Opportunity Zone tracts?
9 Since that's currently not mandated.

10 COMMISSIONER VISNAUSKAS: We have
11 found -- although happy to discuss more --
12 that the overlay of affordable housing
13 production in Opportunity Zones is more
14 complicated than it would seem at first
15 blush, given the timelines as Opportunity
16 Zones and our mandate and goal that
17 affordable housing is very long term.

18 So we have not seen a lot of
19 production coming to us of affordable housing
20 in Opportunity Zones.

21 ASSEMBLYMAN BLAKE: Just to state for
22 the record that in Charleston they announced
23 about two weeks ago -- and I would encourage
24 your team to review this -- legislation being

1 produced to ensure affordable housing to
2 occur within Opportunity Zones, which we
3 think that would have to be absolutely
4 necessary.

5 On Mitchell-Lama, could you just give
6 a top line of the amount that was spent on
7 Mitchell-Lama for the year last year? And
8 equally, any ballpark on Mitchell-Lama
9 funding within the Bronx?

10 COMMISSIONER VISNAUSKAS: I don't know
11 the Bronx number, although I'd be happy to
12 get back to you on that.

13 We had \$75 million in the original
14 housing plan, and we have spent about 60,
15 65 percent of that already. Although
16 sometimes not all of the properties will need
17 subsidy dollars; sometimes we can do them
18 with tax credits alone.

19 So happy to get back to you on how
20 many Mitchell-Lamas we have financed in
21 total.

22 ASSEMBLYMAN BLAKE: Is there a dollar
23 amount in this year's proposal for
24 Mitchell-Lama funding that you all have

1 proposed?

2 COMMISSIONER VISNAUSKAS: No. We
3 still have money to spend --

4 ASSEMBLYMAN BLAKE: From the
5 previous --

6 COMMISSIONER VISNAUSKAS: From the
7 previous, mm-hmm.

8 ASSEMBLYMAN BLAKE: But going back to
9 the previous point, we always would put forth
10 more funding when there's additional need.
11 So I'm just trying to understand, what is the
12 rationale for not having more funding toward
13 Mitchell-Lama this year?

14 COMMISSIONER VISNAUSKAS: We have two
15 years left to go to spend down that. So I
16 think -- I suspect we'll be having this
17 conversation at this time next year as well.

18 ASSEMBLYMAN BLAKE: Okay. And then
19 just in conclusion, just for clarity
20 purposes, is there anyone within your team
21 that is responsible for assessing the
22 progress of the federal monitor's findings
23 for the \$450 million and the \$100 million and
24 the other concerning items that are going on

1 with NYCHA? Since we have provided this
2 funding, who is the individual responsible to
3 give us progress reports on heat, lead and
4 mold?

5 COMMISSIONER VISNAUSKAS: We will get
6 back to you on that.

7 CHAIRWOMAN WEINSTEIN: Senate?

8 CHAIRWOMAN KRUEGER: Thank you.

9 Senator Kavanagh, second round, to
10 end.

11 SENATOR KAVANAGH: Thank you, Chairs.

12 And thank you for your patience with
13 the many questions. And I would note that as
14 Chairwoman Weinstein mentioned, this is a
15 budget hearing and we have some off-budget
16 conversations.

17 But I actually want to clarify
18 something that arose from one of those
19 conversations, which is we had several
20 questions today about the new rules with
21 respect to IAIs and the extent to which they
22 might hinder people from correcting mold
23 conditions and other maintenance issues.

24 Just can you clarify, the IAI law --

1 IAI's have never been available for routine
2 repairs -- mold remediation, that sort of
3 thing -- as a project. Right? And nothing
4 had changed with respect to people's ability
5 to use IAIs for that, in that they couldn't
6 use them before and presumably can't use them
7 now. Is that your understanding?

8 COMMISSIONER VISNAUSKAS: Correct.
9 The changes to the law around IAIs were
10 around amortization, capping the amount, the
11 term of the benefit.

12 SENATOR KAVANAGH: Great. Okay. And
13 so I'll just end again by thanking you and
14 just noting that, you know, as my colleague
15 Michael Blake in the Assembly was noting, you
16 know, many of us view the needs particularly
17 of public housing in New York and other
18 places, but several of the capital needs that
19 we've talked about, as kind of ongoing needs
20 where we would expect and we have fought for
21 additional infusions of money.

22 You know, the idea that we delayed the
23 spending of \$450 million for several years as
24 a reason not to allocate new money this year

1 is -- you know, is not -- is something that I
2 think we'll be having a further conversation
3 about during the process.

4 But again, I thank you for all of your
5 work and for your patience with all of us
6 today.

7 COMMISSIONER VISNAUSKAS: Thanks.

8 CHAIRWOMAN WEINSTEIN: Thank you.

9 We go to Aravella Simotas.

10 ASSEMBLYWOMAN SIMOTAS: Thank you,
11 Commissioner, for joining us today.

12 New Yorkers who experience domestic
13 violence oftentimes can't get out of their
14 abusive environments because they have
15 nowhere else to go, they have no other
16 options, they have to stay with their abuser
17 because they won't have a place to live. In
18 the past budgets we have prioritized creating
19 housing opportunities for DV survivors, and I
20 know that this budget does so as well.

21 I want to ask specifically how much is
22 the state -- is the Governor wanting to
23 prioritize capital expenses for --
24 specifically for DV survivors?

1 COMMISSIONER VISNAUSKAS: So as you
2 probably know, there is, within the Empire
3 State Supportive Housing Initiative -- which
4 is the service dollars that drive the
5 supportive housing creation for HCR -- there
6 is funding available for DV populations and
7 for services to serve those. It's certainly
8 very important to us to make sure that those
9 projects are funded.

10 So as organizations receive those
11 operating awards, they come to us for
12 capital. And so we have done -- I'd be happy
13 to get back to you the number, about how many
14 we have done over the last several years.
15 But we are -- have done in the past and will
16 continue to finance housing for survivors of
17 domestic violence.

18 ASSEMBLYWOMAN SIMOTAS: And what would
19 be the process if there is a DV survivor who
20 wants to look for other options to get out of
21 their situation? How would they apply for
22 this type of housing? And how is that -- how
23 are those slots prioritized for these
24 survivors?

1 COMMISSIONER VISNAUSKAS: So the
2 organizations that get the contracts, so
3 the -- you know, often what our supportive
4 housing providers that specialize in domestic
5 violence survivors, they will run processes
6 to pull women and their families from the
7 shelters that are specifically for domestic
8 violence survivors, and have other ways that
9 they can access people in the community. So
10 they control that process, as long as they
11 follow fair housing and other guidelines that
12 we require. They are predominantly looking
13 to take people from the domestic violence
14 system into their permanent housing.

15 And we work closely with those
16 organizations so that they can meet their
17 objectives as they do that.

18 ASSEMBLYWOMAN SIMOTAS: And is there
19 money allocated in this budget for education?
20 Because oftentimes, as I mentioned when we
21 began, DV people who are caught in the cycle
22 don't know that this -- that these housing
23 opportunities are available -- would be
24 available to them, and sometimes they won't

1 get out of their scenario because they just
2 won't have a place to live.

3 You know, they're going to become
4 homeless, and they choose not to do so and
5 not to take the -- all of the resources that
6 are available to them to get out of their
7 situation.

8 But do we specifically allocate money
9 for education?

10 COMMISSIONER VISNAUSKAS: I think we
11 primarily have a role sort of in the
12 marketing of that, to make sure that people
13 have awareness. And we rely on the
14 organizations to sort of tell us how they
15 think to best market the units to make sure
16 that people know that they exist. We'd be
17 happy to talk more about some of the
18 marketing plans we get and how people
19 approach that and ways that you think that
20 could be done better.

21 ASSEMBLYWOMAN SIMOTAS: Thank you very
22 much.

23 COMMISSIONER VISNAUSKAS: Thanks.

24 CHAIRWOMAN WEINSTEIN: Assemblywoman

1 Walker.

2 ASSEMBLYWOMAN WALKER: Good afternoon.

3 I would like to submit my comments and
4 my support for all of my colleagues'
5 statements regarding public housing. Of
6 course I represent 29 NYCHA developments,
7 which is roughly, in estimate, about nearly
8 14,000 individuals. So clearly this is
9 something that is a huge need. And it really
10 provides the only level of affordable
11 housing, definitely in the communities that I
12 represent.

13 But regarding affordable housing, in
14 the Governor's budget did -- are there any
15 resources for the Supportive Housing
16 Opportunity Program, the New Construction
17 Capital Program, the Middle-Income Housing
18 Program, and any other tax credits for
19 affordable housing?

20 COMMISSIONER VISNAUSKAS: Yes. So
21 when we received the \$2.5 billion several
22 years ago for the overall plan, we have been
23 spending that down. And we have at the
24 moment approximately a billion dollars left

1 across those various programs, including the
2 Supportive Housing Opportunities Program, the
3 new construction, and the others that all add
4 up at the bottom line to a billion dollars
5 for us left to spend over the next two years.

6 ASSEMBLYWOMAN WALKER: So when a
7 developer utilizes these resources to build,
8 are there any approvals that they have to go
9 through either with your office or with HFA?

10 COMMISSIONER VISNAUSKAS: Yes,
11 absolutely. These are sort of highly
12 structured financial deals that go through a
13 series of reviews and approvals -- not only
14 the internal credit committee, they go to the
15 HFA board, they go to the PACB. There's
16 multiple layers of review for our projects.

17 ASSEMBLYWOMAN WALKER: Is there any
18 oversight that your office provides over the
19 course of time once these funds have been
20 expended on particular projects?

21 COMMISSIONER VISNAUSKAS: Yes. So we
22 both monitor them through construction to
23 make sure they're complete and then once they
24 complete the projects and move into our asset

1 management division. And we are doing
2 compliance for financial, physical and
3 regulatory compliance for everything that we
4 finance.

5 ASSEMBLYWOMAN WALKER: Okay. So the
6 reason for I guess the concern that I have
7 is, moving forward with how these projects
8 are being handled, is that there was just
9 recently an announcement of a \$179 million
10 public financing opportunity for a
11 development in Brooklyn. And of those
12 resources for this particular project, there
13 was a transfer of the ownership or the
14 development from one developer to another.
15 But when we reached out to your office, there
16 was some concern as to not necessarily
17 knowing much about what's happening there.

18 So in your opinion, are there any
19 items that we may be able to address or
20 include particularly on these financing
21 opportunities, where either HCR continues to
22 have authority and control over any changes
23 that are made? And what type of outreach or
24 community support may be provided at the

1 state level in order to help assist in that
2 regard?

3 COMMISSIONER VISNAUSKAS: So if any
4 borrower of ours wants to change ownership or
5 sell their property, they have to get our
6 approval before they do that. I'd be happy
7 to talk to you in specifics about yours or to
8 think, you know, more creatively about how we
9 might do that. But they have to come to us
10 for approval if an owner wants to transfer
11 their interest in a property.

12 ASSEMBLYWOMAN WALKER: But I think,
13 you know, \$179 million is a lot of money. So
14 are you aware that there was a transfer of
15 either ownership or control from one
16 developer to another on the Marcus Garvey
17 development site? Is that typical?

18 COMMISSIONER VISNAUSKAS: We can talk
19 more about sort of the specifics of that.
20 But for sure the owner would have to come to
21 my staff to seek their sign-off before they
22 can transfer their interest in a property.

23 ASSEMBLYWOMAN WALKER: And also I'm
24 just wondering whether or not there are any

1 opportunities for affordable homeownership
2 with respect to increasing, you know, wealth
3 in many different communities. Of course as
4 we know, the Nehemiah development was a huge
5 success, and it is the one item that we can
6 point to that has the starkest growth of
7 generational wealth to the children from
8 their parents. And so we would love to have
9 more support for that.

10 There is a request in now for about
11 \$100 million for more affordable
12 homeownership opportunities. So I'm just
13 wondering what your organization -- what your
14 agency feels about an affordable housing tax
15 credit.

16 COMMISSIONER VISNAUSKAS: We -- we are
17 fairly active in the ownership space.

18 As I had mentioned before, we have our
19 AHC program, which has been used in Nehemiah
20 and at other developments around the city and
21 around the state to allow for low-income
22 homeownership. We also have a
23 first-time-homebuyer mortgage program that we
24 provide thousands of mortgages each year to

1 first-time homebuyers.

2 But we are always happy to talk about
3 ways that we can expand our efforts within
4 homeownership to make sure that we are
5 driving that as a policy matter. So we'd be
6 happy to talk to you about that more.

7 ASSEMBLYWOMAN WALKER: Thank you.

8 CHAIRWOMAN WEINSTEIN: Thank you.

9 Okay. Now -- the light was on, but it still
10 wasn't working. So I have a few questions.

11 One, I want to just follow up --
12 sometimes it's a little hard to hear up here
13 in terms of the questions and responses, so I
14 wanted to follow up on the foreclosure
15 prevention funding. So I know in response to
16 Senator Kavanagh you said there's \$10 million
17 that we expect to be reappropriated into
18 this -- the budget that we're discussing now,
19 that will be six months worth of funding. I
20 know Senator Myrie also had asked questions
21 about this program, which is very important
22 to homeowners throughout the state who are
23 facing foreclosure.

24 So if we were looking at 20 million on

1 an annual basis, where is the additional
2 \$10 million going to come from or the
3 program's going to end in September?

4 COMMISSIONER VISNAUSKAS: Yes, so my
5 understanding, which I think as is yours, is
6 that the program has been funded and operated
7 by the Attorney General's office for the last
8 six or more years, and that last year
9 \$30 million was put in to cover the
10 \$20 million for last year and half of this
11 year.

12 And we would anticipate discussing
13 funding the balance of that during the course
14 of this budget process.

15 CHAIRWOMAN WEINSTEIN: I'm sorry, can
16 you just -- can you repeat that? Maybe talk
17 into the mic. It's really difficult to hear.

18 COMMISSIONER VISNAUSKAS: Sure. No,
19 that's fine. It's hard to tell if I'm on the
20 mic or not.

21 We -- as you know, the program was
22 funded and operated by the Attorney General's
23 office for the last six or more years. Last
24 year, through the course of the budget

1 process, \$30 million was added to the budget,
2 which funded the \$20 million for last year
3 and \$10 million in this.

4 And we would anticipate that in the
5 course of this year's budget discussion, that
6 the funding of the balance of that would be
7 part of that discussion.

8 CHAIRWOMAN WEINSTEIN: Part of the
9 reason it came out of the Attorney General's
10 office was that there was settlement monies
11 as a result of some of the fraud committed by
12 banks, and that settlement money has been --
13 the amount of settlement money coming in has
14 been greatly reduced, so the Governor has
15 redirected it for other purposes.

16 So it would be better if we started
17 off with the money we needed in the budget,
18 not rely on adding it later.

19 I want to just ask a couple of
20 questions some of my colleagues didn't have
21 an opportunity to have enough time to ask.
22 So I just wanted to know, what role does the
23 agency play in reducing the homelessness
24 crisis? And what is the administration's

1 position on the Home Stability Support? And
2 then I'll have some follow-up questions.

3 COMMISSIONER VISNAUSKAS: As you know,
4 homelessness is a complex issue. And so I
5 think it is addressed, from the state's
6 perspective, through many programs. I know
7 that my colleagues from OTDA and OMH and
8 other agencies have been testifying over the
9 last couple of days, and they all sort of
10 play a role in the broad strategy around
11 addressing homelessness in the state.

12 For our part at HCR, we have a very
13 strong commitment to creating 6,000 units of
14 supportive housing in the five-year period,
15 and so we have financed over 4,500 of those
16 to date and are on track to complete that
17 commitment. And while permanent supportive
18 housing isn't the only tool for homelessness,
19 we certainly believe that it's a very
20 important one and are happy to be doing our
21 part in that.

22 CHAIRWOMAN WEINSTEIN: So I guess it
23 was in 2016 that the Governor committed to
24 developing 20,000 units of supportive

1 housing. So you're saying that the 6,000 --
2 so has it been -- how much of that 20,000
3 does the 6,000 that you're talking about
4 represent?

5 COMMISSIONER VISNAUSKAS: Sure. So
6 the Empire State Supportive Housing
7 Initiative -- ESSHI, as we call it -- was the
8 sort of umbrella for the services as it
9 related to the 20,000 unit announcement. So
10 the first 6,000 of those are what's being
11 done in this first five-year period.

12 As you also probably know, nonprofit
13 organizations apply through ESSHI to get
14 service contracts for different populations
15 according to who they serve. They then come
16 to OMH, OTDA, HCR to finance the construction
17 of those projects.

18 So the last round of the ESSHI
19 operating subsidy contracts will happen this
20 year, and that will complete the award for
21 all 6,000. And then we are financing those
22 after they get their operating award, and we
23 have financed 4500 of those so far and are
24 aggressively working our way toward the end

1 of the full 6,000 commitment of the ESSHI.

2 CHAIRWOMAN WEINSTEIN: Okay. And then
3 there was an issue about people who were in
4 supportive housing where the supportive --
5 for some reason the supportive housing
6 providers were taken to court and the
7 individual tenants lose their -- they're not
8 on the lease. So that they don't have --
9 they don't have the rights of tenants.

10 And there's been some complaints that
11 when the supportive housing tenants
12 complained -- they were getting harassed or
13 threatened when they made complaints to HPD
14 and DHCR over conditions. And I was
15 wondering if your Office of Rent
16 Administration has heard of those complaints.
17 Because clearly the legislative intent was
18 that they would have -- the tenants
19 themselves would have the full rent
20 stabilization tenant protections even though
21 they weren't -- even though it was the
22 provider who was receiving the funding.

23 COMMISSIONER VISNAUSKAS: Yes, so I
24 think it's long been the practice of the

1 supportive housing community that they are
2 the -- they lease apartments and then they
3 have a client who's in that apartment. And
4 the supportive housing provider, as the
5 recipient of the operating subsidy, is the
6 one who is paying the rent, hence why they
7 are on the lease. And that the client
8 they're serving likely does not have the full
9 income that would be required to pay whatever
10 the rent might be.

11 So that has long been the practice in
12 the way it was -- certainly we financed those
13 projects. So I think there were some changes
14 in the 2019 law around adding additional
15 protections to the subtenants or the clients
16 or whatever the right term would be for
17 those. So that will now change and provide
18 additional protections for those tenants.

19 CHAIRWOMAN WEINSTEIN: That's good.
20 If you could keep us informed as to how that
21 process happens -- obviously it's just going
22 to start happening now, then -- so we can
23 find out if there are complaints that are
24 happening as a result of tenants making

1 complaints, and if in fact they are being
2 able to get the full rent stabilization
3 protections.

4 COMMISSIONER VISNAUSKAS: Okay.
5 Mm-hmm.

6 CHAIRWOMAN WEINSTEIN: Thank you.

7 Now we're going to go to
8 Assemblyman Cymbrowitz for his second round
9 of five minutes.

10 ASSEMBLYMAN CYMBROWITZ: Thank you.

11 Appreciate the stamina. Appreciate
12 your responses to my colleagues' questions.
13 And I just wanted -- you know, just to fill
14 in the blanks a little bit, be brief.

15 Of the many line items included in the
16 five-year plan, are there any funding
17 lines -- is there any funding that has not
18 yet been committed?

19 COMMISSIONER VISNAUSKAS: We -- when
20 we originally devised the five-year plan, we
21 had some funding sources that were not within
22 the 2.5 that funded certain programs.

23 So to answer your question
24 specifically, in the case of some of our

1 homeownership programs, we had had some
2 JPMorgan settlement dollars that we got in
3 20 -- I think it was 2016. And they -- for
4 example, we used some of that funding to
5 provide Habitat for Humanity resources so
6 that they could provide very-low-interest
7 mortgages to the people that they work with
8 in their homes. And so the first two,
9 probably two and a half years of that program
10 had been funded by some JPMorgan settlement
11 dollars that we had.

12 And so now, going forward, that
13 program will be funded by the homeownership
14 line in our budget. So there are probably
15 maybe two lines within our overall budget
16 that now that they're in year -- in the last
17 two years of the spending plan, that will
18 begin to be tapped. But rest assured we will
19 spend them all by the end of the five years.
20 So if they haven't been spent yet, it's not
21 because we aren't programmatically working on
22 those issues; they may just have been funded
23 by a different source.

24 ASSEMBLYMAN CYMBROWITZ: So they're on

1 homeownership programs?

2 COMMISSIONER VISNAUSKAS: Excuse me?

3 ASSEMBLYMAN CYMBROWITZ: Homeownership
4 programs, is that what's left --

5 COMMISSIONER VISNAUSKAS: Correct, so
6 in our homeownership program line.

7 So we had some funding from JPMorgan
8 that we used first, and once we spend that
9 down -- which we have just done -- we will
10 now start to spend the Housing Plan dollars
11 for that.

12 ASSEMBLYMAN CYMBROWITZ: State public
13 housing authorities, as we mentioned before,
14 have many of the same problems. And in order
15 to comply with HUD regulations, they need to
16 do a PNA. And many state authorities have
17 said that they don't have the money to do
18 those PNAs. Is there something that HCR can
19 do as far as maybe a revolving loan that they
20 can actually do these so that they comply
21 with all regulations?

22 COMMISSIONER VISNAUSKAS: We'd be
23 happy to talk more about that. We allow the
24 state public housing authorities that we have

1 oversight of to utilize the Public Housing
2 Modernization funds that flow through our
3 budget to pay for PNAs, to allow that to move
4 forward. We'd be happy to talk about that in
5 a broader sense.

6 ASSEMBLYMAN CYMBROWITZ: And just
7 lastly, just to talk a little bit about the
8 modernization of your computers. What's the
9 estimated cost of the total modernization?
10 What funds are being used to finance it? And
11 do you have enough money to do that?

12 COMMISSIONER VISNAUSKAS: The -- we
13 anticipate that the modernization of the
14 processing system for ORA to be completed in
15 2020. And the costs associated with that
16 modernization are included in the costs that
17 we bill the city for, for the overall
18 operation of the rent system. So we are
19 funded at this time to do that.

20 ASSEMBLYMAN CYMBROWITZ: What steps is
21 HCR doing to reduce the amount of paperwork
22 that's distributed and submitted? Is there
23 any opportunity for tenants and landlords to
24 use electronic signatures?

1 COMMISSIONER VISNAUSKAS: So last year
2 when we launched Rent Connect, one of the key
3 things that it allows people to do is to
4 submit both cases and also responses to
5 filings on a computer or on their phone, in
6 an effort to not require people to always be
7 filling out paper documents and submitting
8 them to our borough rent offices.

9 So as much as we can, we are trying to
10 both modernize our documents so that they are
11 easy to understand, easy to read, easy to
12 fill out. Obviously for many people English
13 is not their first language, and so we want
14 to make sure that our documents are clear
15 generally. And then we also will continue
16 over time to add more documents to
17 Rent Connect so that more people can file and
18 interact with the Office of Rent
19 Administration electronically rather than
20 going to a borough rent office.

21 ASSEMBLYMAN CYMBROWITZ: And just very
22 quickly, can you talk about what the agency
23 is doing as far as the Census and making sure
24 people answer those questions?

1 COMMISSIONER VISNAUSKAS: Yes. We
2 have done some outreach to our owners,
3 Mitchell-Lama owners, tax credit owners -- we
4 have approximately over 300,000 units in our
5 asset management division -- to make sure
6 that all those owners are aware of what the
7 Census is and that they can proactively talk
8 to their tenants about being involved.

9 ASSEMBLYMAN CYMBROWITZ: Commissioner,
10 thank you very much.

11 COMMISSIONER VISNAUSKAS: Thanks.

12 CHAIRWOMAN KRUEGER: Thank you.

13 CHAIRWOMAN WEINSTEIN: Thank you,
14 Commissioner, for being here and for staying
15 and being responsive to all of the members.

16 CHAIRWOMAN KRUEGER: Yes, thank you
17 very much.

18 COMMISSIONER VISNAUSKAS: Thank you.

19 CHAIRWOMAN WEINSTEIN: So this -- oh,
20 Felix, I'm sorry.

21 Assemblyman Ortiz has a question.

22 ASSEMBLYMAN ORTIZ: Hello. Thank you,
23 Commissioner, for being here. And I'm going
24 to take only a few minutes, don't worry about

1 it.

2 COMMISSIONER VISNAUSKAS: That's okay.

3 ASSEMBLYMAN ORTIZ: But also I would
4 like to really thank you and your team for
5 the help that you guys give me, to my
6 district, on some of the evictions that was
7 taking place that -- to fight back with those
8 unscrupulous landlords. I really appreciate
9 the help that your agency provided last year.

10 I have a few questions, very
11 quickly -- I know that you have to go -- on
12 Mitchell-Lama. We have a Mitchell-Lama in
13 the Bay Ridge area, and the Mitchell-Lama now
14 there has been discussion about privatizing,
15 which I'm completely against privatization.

16 What is your agency's procedures or
17 process in order to be involved in what they
18 are implementing to do so as we speak?

19 COMMISSIONER VISNAUSKAS: So we have
20 about 140 Mitchell-Lamas under our regulatory
21 authority, both a mix of co-ops and rentals,
22 and we work very closely with them, both from
23 an oversight perspective but also in sort of
24 any other matters that relates to poor

1 governance or capital repairs, to make sure
2 that they have what they need to be a good,
3 healthy, functioning building.

4 ASSEMBLYMAN ORTIZ: So you've been
5 aware of the Towers in Bay Ridge, that
6 there's been conversation about
7 privatization?

8 COMMISSIONER VISNAUSKAS: So when --
9 so Mitchell-Lamas can opt out of the program
10 when their regulatory period expires. We
11 work very closely to make sure that when
12 Mitchell-Lamas are exiting the Mitchell-Lama
13 program, that they are entering another
14 affordability program.

15 So almost every Mitchell-Lama but for
16 a few that have privatized in the last decade
17 have either gone into a -- like a HUD
18 Section 8 regime or gone into an Article 11,
19 a city tax exemption that requires
20 affordability. So we try to make sure that
21 when they exit, so when they privatize, that
22 they are privatizing into another
23 affordability program and not just going to
24 market.

1 ASSEMBLYMAN ORTIZ: So one of my
2 biggest concerns is that people might take
3 advantage of trying to sell these little
4 condos for too much price value. And I hope
5 that we can be vigilant to ensure that that
6 doesn't take place, especially that there's a
7 lot of working families that live there,
8 there's probably 2,000 families.

9 The other question I have is that --
10 very quickly -- is I met with the federal
11 monitor at HUD, as well as NYCHA, and I was
12 getting a complete layout and update of
13 what's happening. I represent 52 buildings,
14 2900 units in Red Hook, east and west. And
15 I -- my office and myself have been keeping
16 track of all the progress that has been made.
17 That was the reason why we decided to have
18 this big meeting.

19 I know that we have been very helpful
20 to fund some of these projects to help NYCHA
21 to get out of the hole. But with the
22 circumstances that we continue to have in the
23 federal government in Washington, there's not
24 going to be no rescue soon in order to really

1 bring these NYCHA developments into -- to be
2 upgraded.

3 So my question is, what are we doing,
4 what are the agencies trying to do in order
5 to ensure -- and I know that our funding,
6 that we might have to work together. I know
7 the advocates are asking for \$2 billion,
8 which I support. If that's the case, we
9 will -- should do that. But at the same
10 token, what the agency is doing in order to
11 try to sunset or put aside some money to
12 continue to help our developments, the NYCHA
13 developments in New York City, especially --
14 specifically in my district.

15 COMMISSIONER VISNAUSKAS: I would
16 say -- and, you know, you heard me say
17 earlier in the hearing that the \$650 million
18 that the Governor put forward in the series
19 of four different budgets is the biggest
20 commitment the state has made to NYCHA in
21 decades. And so we stand by that commitment,
22 understand that the need is great and that
23 there is still a significant amount of
24 that 450 million that has to get spent, and

1 additionally the plan for the last
2 \$100 million.

3 As you said, the federal government
4 has year over year, you know, been reducing
5 the capital operating budgets of housing
6 authorities across the country, and that is
7 of course always of concern to us, as we want
8 to make sure that people can keep their
9 buildings in good repair.

10 So we work closely with the city as it
11 relates to the spending of the \$650 million
12 to make sure that money goes into the
13 buildings.

14 ASSEMBLYMAN ORTIZ: Lastly, you
15 know -- and I have your report right here,
16 the report that was presented by the
17 Governor -- we always have been fighting for
18 the Neighborhood Preservation Program and
19 Rural Preservation Program, and it looks like
20 there hasn't been no change for the year
21 ahead. So it's completely flat,
22 \$18.2 million.

23 So these programs are very beneficial
24 for people in my community and the minority

1 community as a whole. So I will recommend
2 that we should rethink whether or not we can
3 allocate other funding to ensure that these
4 programs continue, because they've been very
5 successful to help my people.

6 Thank you very much, Commissioner.

7 COMMISSIONER VISNAUSKAS: Thank you.

8 CHAIRWOMAN WEINSTEIN: Thank you. Now
9 you can leave.

10 (Laughter.)

11 COMMISSIONER VISNAUSKAS: Thank you.

12 CHAIRWOMAN KRUEGER: Thank you very
13 much.

14 CHAIRWOMAN WEINSTEIN: And we look
15 forward to some of the follow-up information
16 that you're going to be giving us, and we'll
17 share it with all of the members. Thank you.

18 COMMISSIONER VISNAUSKAS: Thank you.

19 CHAIRWOMAN KRUEGER: Thank you.

20 CHAIRWOMAN WEINSTEIN: So now we're
21 going to begin the nongovernmental portion of
22 the hearing. We start with a panel:
23 New York State Association for Affordable
24 Housing, Jolie Milstein, and Enterprise

1 Community Partners, Judi Kende and
2 Lorraine Collins.

3 So even though you're a panel, and for
4 future people, Jolie, you have five minutes,
5 and Enterprise Community Partners, you have
6 five minutes between the two of you. And
7 whoever goes first, if you're both speaking,
8 just remember to leave some time for your
9 colleagues so they're not mad at you on the
10 way home.

11 (Laughter.)

12 MS. MILSTEIN: Is this on?

13 CHAIRWOMAN WEINSTEIN: Yes. Yes, it
14 should be.

15 MS. MILSTEIN: Thank you for the
16 opportunity to participate in today's hearing
17 regarding the '20-'21 New York State housing
18 budget. My name is Jolie Milstein. I'm the
19 president and CEO for New York State's
20 Association for Affordable Housing. NYSAFAH
21 is the trade association for New York's
22 affordable housing industry statewide. Its
23 375 members include for-profit and
24 not-for-profit developers, lenders,

1 investors, attorneys, architects, and others
2 active in the financing, construction and
3 operation of affordable housing. Together,
4 NYSFAFH's members are responsible for most of
5 the housing built in New York State with
6 federal, state and local subsidies and
7 incentives.

8 We'd first like to thank the Senate
9 and Assembly and the Cuomo administration for
10 its collective commitment over the past
11 several years to develop and preserve
12 thousands of units of affordable housing.

13 The five-year Housing Plan, we are
14 entering its fifth year, and we are pleased
15 to see that the Governor has proposed funding
16 that fifth year of the '20-'21 Executive
17 Budget, and we respectfully request that the
18 Legislature approve this critical funding as
19 part of the enacted budget. This funding is
20 essential for a variety of housing programs
21 that we rely on to build and preserve
22 affordable housing and to create communities,
23 including the Middle-Income Housing Program,
24 Rural and Urban Communities Investment Fund,

1 the Low-Income Housing Trust Fund, the Homes
2 for Working Families Program, and many more.
3 We thank you in advance for your support.

4 We also urge you to provide
5 supplemental funding in the '20-'21 budget
6 for needs not addressed in the five-year plan
7 that we previously identified for Governor
8 Cuomo and the Senate and Assembly leadership.
9 As we have progressed in our efforts over the
10 past years, our coalition of housing
11 organizations has identified several key
12 housing-related needs which require immediate
13 funding, such as additional monies for public
14 housing, the Homeless Housing Assistance
15 Program, Home Stability Support, the
16 Affordable Housing Corporation, the Senior
17 Resident Assistant Program, and others.

18 One particular high-need area for
19 funding relates to a proposed Sustainable
20 Affordable Housing Program, which we believe
21 should be administered by HCR in cooperation
22 with NYSERDA. With \$50 million in grants
23 dedicated to creating sustainable affordable
24 housing, New York State can achieve the

1 complementary goals of reducing greenhouse
2 gas emissions and achieving savings from
3 burdensome energy costs for low-income
4 families.

5 Battling climate change is our most
6 pressing global issue, and New York's
7 policies towards that effort have been
8 extraordinary, especially with the enactment
9 into law of the Climate Leadership and
10 Community Protection Act, which will develop
11 policies to reduce economy-wide greenhouse
12 gas emissions over the next two decades.
13 NYSFAFH believes that affordable housing
14 should be a key contributor to the state's
15 efforts since emissions from residential
16 housing will be a significant target for such
17 reductions; there is already a strong
18 relationship between affordable housing
19 developers and our government partners; and
20 the low-income households we serve are part
21 of the principal focus for financial
22 assistance under the CLCPA.

23 Moreover, sustainable affordable
24 housing will reduce energy expenses for

1 low-income families, enabling them to have
2 the resources they need to improve their
3 lives. These are expenses that could be
4 better directed to education, healthcare,
5 food, and other necessities. And with some
6 modest additional resources, our developers
7 can build more sustainable, affordable
8 housing that benefits our families and our
9 environment.

10 Finally, while providing additional
11 funding to address emerging housing needs is
12 imperative, a strong continued public funding
13 commitment remains essential. New York has
14 been a leader in financial support for
15 affordable housing, and the Legislature has
16 long championed the housing programs that
17 NYSFAFH and other housing organizations use
18 to build and preserve housing for those who
19 need it most.

20 As I previously noted, New York is
21 entering its final year of the landmark
22 five-year \$2.5 billion Housing Plan. The
23 plan has been a success, and it's enabled us
24 to significantly confront the housing crisis

1 and offered many New Yorkers a better life.

2 Our work is not done, however, as the
3 housing crisis persists. We are therefore
4 asking our partners in New York State
5 government to establish a statutory process
6 by which the state will be required to
7 prepare and fund a five-year housing plan on
8 an ongoing basis, much as the MTA and other
9 capital programs require with their five-year
10 capital plans.

11 A multiyear commitment is necessary to
12 continue the pipeline of affordable housing
13 projects, which often take two to three or
14 more years in planning and approvals.
15 Without the assurance of an uninterrupted
16 multiyear plan and commitment by the state,
17 we will have fewer housing projects in the
18 planning and development stages and a
19 resulting loss of momentum in the progress we
20 have achieved to date.

21 Accordingly, we urge you to work with
22 the Cuomo administration to include a
23 statutory five-year funding process in the
24 2020-2021 enacted budget.

1 Thank you again for the opportunity to
2 testify and for your consideration of our
3 budget requests. I welcome any questions.

4 CHAIRWOMAN KRUEGER: All right, very
5 good timing.

6 Assemblymember Cymbrowitz.

7 ASSEMBLYMAN CYMBROWITZ: Thank you,
8 Jolie --

9 CHAIRWOMAN KRUEGER: Wait, have you
10 gone? Were we supposed to let you go
11 separately and then --

12 MS. MILSTEIN: I don't know how this
13 works. It's a panel. Do we all testify?

14 CHAIRWOMAN KRUEGER: Oh, I'm sorry, I
15 jumped the gun.

16 CHAIRWOMAN WEINSTEIN: You have five
17 minutes to share. Remember my warning.

18 (Laughter.)

19 MS. KENDE: We'll be quick.

20 Thank you. Good afternoon. My name
21 is Judi Kende, and I am the vice president
22 and New York market leader for Enterprise
23 Community Partners. I'm fortunate to be
24 joined by my colleague Lorraine Collins, who

1 leads our public policy and external affairs.
2 For those who don't know Enterprise, we are a
3 mission-driven nonprofit dedicated to finding
4 solutions for affordable housing and
5 investing capital in it.

6 On behalf of Enterprise, thank you,
7 Chair Cymbrowitz, thank you, Chair Kavanagh,
8 thank you, Chair Krueger, and thank you,
9 Chair Weinstein, for the opportunity to speak
10 with you this afternoon. We are pleased to
11 be joined by so many housing providers,
12 advocates and community development groups
13 echoing similar comments in our field.

14 First I'd like to talk to you about
15 the current five-year Housing Plan. We
16 applaud the Governor's commitment to fully
17 fund the final year of the state's five-year
18 Housing Plan. We join a coalition of
19 affordable housing advocates to call for
20 funding to supplement the final year of the
21 Housing Plan.

22 While we are pleased to see that
23 funding for the Homeless Housing and
24 Assistance Program was doubled from last

1 year's amount, we need to see similar funding
2 increases for other programs related to
3 public housing, supportive housing, senior
4 housing and affordable homeownership.

5 Regarding the new five-year Housing
6 Plan, the continuous availability of
7 affordable housing financing resources is
8 necessary for affordable housing developers
9 to maintain a pipeline of sites and
10 buildings. We call on the state to adopt a
11 new five-year Housing Plan beginning in
12 fiscal year 2021-2022.

13 The state should also enact a
14 requirement that a statewide affordable
15 housing plan be developed and funded at least
16 every five years to ensure continuous funding
17 for affordable housing long-term.

18 MS. COLLINS: And thanks to your
19 leadership, namely Assemblyman Mosley, last
20 year New York added non-wage income to the
21 state's protected class list outlawing source
22 of income discrimination. As a co-lead of
23 the Statewide Source of Income Coalition --

24 CHAIRWOMAN KRUEGER: If you wouldn't

1 mind getting near the mic.

2 MS. COLLINS: Sorry. As a co-lead of
3 the Statewide Source of Income Coalition, we
4 are asking for \$5 million to be allocated
5 each year in perpetuity for enforcement and
6 education efforts to fund the New York State
7 Division of Human Rights, six full-service
8 fair housing groups, and local
9 community-based organizations across the
10 state.

11 For the past year, Enterprise has been
12 working with fellow advocates to respond to
13 prevailing wage legislation and strike the
14 balance between the state's desperate need
15 for new affordable housing and economic
16 well-being and mobility for workers in our
17 industry. Enterprise looks forward to
18 continuing conversations with legislators
19 this session, particularly regarding racial
20 and gender equity concerns about prevailing
21 wage legislation, as well as the need for a
22 living wage.

23 In 2017, Enterprise co-convened a
24 Regional Affordable and Fair Housing

1 Roundtable, in partnership with the Fair
2 Housing Justice Center. The roundtable has
3 developed a set of policy priorities for 2020
4 related to strengthening tenant protections,
5 overcoming land-use barriers, and maximizing
6 density. We hope to have an opportunity to
7 work with the Legislature this session on
8 these priorities.

9 MS. KENDE: In closing, we would like
10 to thank you again for the opportunity to
11 testify here today and for your continued
12 leadership to address housing issues in
13 New York. We are happy to answer any
14 questions, and we look forward to working
15 with you this coming session.

16 CHAIRWOMAN WEINSTEIN: Now Assemblyman
17 Cymbrowitz.

18 ASSEMBLYMAN CYMBROWITZ: Thank you
19 very much, everyone.

20 I wanted first to ask all three of
21 you, last year or the year before we were
22 able to accomplish something regarding the
23 bifurcation of tax credits, and I wanted to
24 know how that has worked out. Have more

1 projects been built? And what effect will
2 that have for affordable housing in the
3 future?

4 MS. MILSTEIN: I'll take this one.

5 The bifurcation certification of the
6 state tax credit has been in place I guess
7 it's 18 months now. It's been slow to
8 participation, but the places -- I believe
9 there are several syndicators that have used
10 this certification bifurcation process, which
11 has resulted in an increase in the tax credit
12 monies that were raised, as we had hoped that
13 it would.

14 I think we're hoping that now that we
15 have some successes demonstrating that
16 increased raise, we'll have other syndicators
17 able to market more broadly to a diversity of
18 investors, as planned.

19 We're still struggling with the
20 non-transferability. There's only a single
21 transfer allowed in the bifurcation
22 certification process. Other states that
23 started with a single transfer have
24 subsequently moved to additional transfers

1 allowed within the structure, which has made
2 it a much more popular option. But we're
3 continuing to track this year.

4 ASSEMBLYMAN CYMBROWITZ: Is there
5 something that we can do legislatively to
6 make it easier to use?

7 MS. MILSTEIN: I believe there is.
8 Let me get back to you on that.

9 ASSEMBLYMAN CYMBROWITZ: Okay.

10 MS. MILSTEIN: With a proposal. In
11 writing.

12 ASSEMBLYMAN CYMBROWITZ: The
13 \$2.5 billion that we're now winding our way
14 through -- I happen to agree with you that we
15 need another five-year plan. What do you see
16 as the most important housing programs that
17 we need to put in there? Last time half of
18 it was used for supportive housing, less for
19 other programs. Do you see that that formula
20 needs to change, or keep it the way it was?

21 MS. KENDE: So I think that we
22 continue to see the same -- so supportive
23 housing is a critical priority, and we'd like
24 to see funding for that increase. We would

1 also like to see a continued allocation of
2 funding across a variety of things from --
3 and some new things. Homeownership is very
4 important, senior housing, public housing are
5 key priorities for us.

6 ASSEMBLYMAN CYMBROWITZ: You've been
7 very vocal about the need for the state to
8 give more public housing -- dollars for
9 particularly NYCHA. Could you talk about
10 that a little bit?

11 MS. KENDE: Yeah, the number that the
12 group that we work with together is putting
13 forward is a billion dollars per year. We
14 think that that's vital. Right now the
15 deficit or the capital backlog is
16 \$40 billion. So it's going to take a lot to
17 catch up on that.

18 MS. COLLINS: (Inaudible.)

19 ASSEMBLYMAN CYMBROWITZ: And as far as
20 operating funds --

21 MS. KENDE: What were you going to
22 say?

23 MS. COLLINS: I was just going to add
24 just as an upstater, in addition to the

1 \$1 billion, a \$50 million ask for the upstate
2 PHAs, just in collaboration with the New York
3 State Public Housing Directors Association.

4 ASSEMBLYMAN CYMBROWITZ: And do you
5 also think that there should be operating --
6 a recurring stream for operating?

7 MS. COLLINS: Mm-hmm.

8 ASSEMBLYMAN CYMBROWITZ: For downstate
9 and upstate public housing.

10 MS. COLLINS: Yes.

11 ASSEMBLYMAN CYMBROWITZ: And have you
12 thought about how to do that?

13 MS. COLLINS: We have not had specific
14 conversations. I know we're waiting to meet
15 with the chair of NYCHA to have a
16 conversation as a coalition to talk through
17 exactly what those needs -- itemize what that
18 would look like.

19 And I think the same could be said for
20 NYSPHDA, because we have many different PHAs
21 upstate -- so those representing cities such
22 as the City of Rochester and then smaller
23 communities -- and just making sure that
24 we're speaking with one voice.

1 ASSEMBLYMAN CYMBROWITZ: Thank you
2 very much.

3 CHAIRWOMAN KRUEGER: Thank you.
4 Housing Chair Brian Kavanagh.

5 SENATOR KAVANAGH: Is this working?
6 Okay, great. Thank you.

7 Thank you all for your testimony.
8 And, you know, we've had a lot of opportunity
9 over the last year to talk about a lot of
10 these issues, and we appreciate all of your
11 work and all of your advocacy.

12 I'd just like to start -- you know,
13 I've had the opportunity to speak with both
14 of your organizations about this question of
15 whether this five-year plan should be more
16 formally a statutory requirement. And I'm
17 glad -- yeah, I think as you know, we will be
18 introducing a bill very soon to that effect.

19 Can you talk a little bit more
20 about -- I mean, I think some people would
21 say, you know, money is money and you put
22 plans out as you go and you authorize the
23 money each year in the budget. Can you just
24 talk a little bit more about the value of

1 making that a more kind of structured,
2 routine requirement going forward?

3 MS. MILSTEIN: Well, as a former
4 developer of affordable housing for the AIDS
5 homeless in New York City, I can speak to
6 personal experience that knowing that there
7 is a pipeline of money for years forward, the
8 planning and predevelopment cycle for these
9 projects that are very complicated, and often
10 involve brownfield remediation and other
11 externalities you don't control, is several
12 years.

13 And if you're looking to purchase a
14 piece of property in the fifth year of a
15 five-year plan -- and there's no
16 forward-looking commitment to that pipeline
17 continuing -- you're in a lot of trouble.
18 You can't really make that commitment, and
19 financial backers aren't interested in
20 supporting you in that process.

21 So I'd say it's vitally important from
22 the developer point of view, and I think from
23 communities' points of view, so that they can
24 anticipate a planning process that makes

1 sense.

2 MS. KENDE: We would reiterate that.
3 As an investor, it's critical to know that
4 the resources will be there. And when we've
5 seen delays, there's also been delays in the
6 pipeline.

7 SENATOR KAVANAGH: So it's fair to --
8 I mean, we have this \$20 billion number
9 that's been out there for a bit, and some of
10 it is over this five-year period, some of it
11 extends beyond that.

12 But from your perspective, a bit more
13 certainty and a bit more formality about how
14 that will roll out in the years beyond that
15 initial five would be useful in ensuring that
16 the money is well-spent and that developers
17 can plan to use it effectively? Great.

18 Is -- and I just -- and just that
19 applies -- I think there was some questions
20 from colleagues before about that issue of
21 predictability with respect to supportive
22 housing, because supportive housing projects
23 need to put services in place and involve
24 other agencies and ongoing operating support

1 as well that may not be coming from the
2 capital budget.

3 But just to be clear, you -- your
4 organizations believe that that logic or some
5 version of that logic applies to really
6 across the capital plan, not just for
7 supportive housing projects but for all
8 elements of it?

9 MS. MILSTEIN: Absolutely yes.

10 In fact -- yes, absolutely.
11 Preservation and new construction. All of
12 these very complicated financial transactions
13 require a very long predevelopment planning
14 cycle, with a lot of moving parts and many,
15 many players. So --

16 MS. KENDE: Yes, as much the services,
17 it's also in parallel about the
18 predevelopment period, which can be one,
19 two-plus years, acquiring -- you know,
20 acquiring the land, knowing when you're going
21 to get the financing to actually start
22 construction or -- so it's vitally important.

23 SENATOR KAVANAGH: Great. I guess
24 this one's particularly for Enterprise, with

1 respect to the source of income
2 discrimination funding that you're proposing.
3 You know, it's -- so you described it briefly
4 in your testimony, but if you can just talk a
5 little bit more about why you think that's a
6 necessary program for us this coming year.

7 MS. COLLINS: I'd say just -- you
8 know, we all know that, you know, laws are
9 only as good as they are enforced. And what
10 we've seen with source of income,
11 particularly in those communities across the
12 state that have had laws on the books for
13 some time, New York City being one of those,
14 where, you know, they're -- still with a lack
15 of enforcement, you still see rampant
16 discrimination.

17 And so given that the state really not
18 in recent history has made a significant
19 investment in housing discrimination, and
20 with the new legislation, I'd say this would
21 be a good complement to make sure that both
22 tenants are aware of their rights and know
23 where to go to if they feel that they've been
24 discriminated against, and also use it as an

1 opportunity to inform property owners of
2 their responsibilities.

3 I also just add with the news of your
4 recent legislation regarding vouchers, I
5 think it's even all the more important that
6 we have enforcement dollars behind, so that
7 individuals are not being discriminated
8 against when they have a voucher.

9 SENATOR KAVANAGH: Great. Thank you.

10 And since that bill was introduced
11 yesterday, I was not going to ask you all
12 your opinion of it, but I appreciate your
13 mentioning it.

14 And just quickly, we've done a lot of
15 work on fair housing in the housing sale
16 market, particularly in response to some
17 events in Long Island. But you believe
18 there's a broader question of discrimination
19 going on in the rental market in New York
20 State as well.

21 MS. COLLINS: Yes. I'd say statewide,
22 both for homeowners as well as renters.

23 SENATOR KAVANAGH: Great. Thank you
24 so much.

1 CHAIRWOMAN KRUEGER: Thank you.

2 Assembly.

3 CHAIRWOMAN WEINSTEIN: Assemblyman

4 Epstein.

5 ASSEMBLYMAN EPSTEIN: I want to thank

6 you all for coming and testifying today. I

7 wanted to talk to you a little bit about

8 financing mechanisms and revenue sources.

9 So I wanted to figure out how often,

10 in the affordable housing context, you guys

11 are using private equity money and what's

12 your mezzanine debt to help finance projects,

13 and whether you believe that, seeing how

14 private equity money or mezzanine debt isn't

15 treated the same as traditional mortgage

16 debt, there's not a mortgage recording tax,

17 there aren't other -- you know, there aren't

18 the same costs associated with them --

19 whether you feel like there should be more

20 oversight and regulation on mezzanine debt

21 and whether those funds then could be used

22 for affordable housing projects.

23 MS. KENDE: It's something that we

24 would want to come back to you on. We don't

1 provide any conventional equity in New York.
2 We're a low-income housing tax credit
3 syndicator. We do have conventional equity
4 in other markets, but it's not kind of I
5 think what you're thinking of, of coming from
6 the real kind of for-profit private equity
7 sector.

8 MS. MILSTEIN: Those are mostly
9 mixed-income projects, and often they're
10 market-driven, whatever affordable -- what's
11 421-a called now? Affordable New York?
12 There are non-subsidy tax abatement programs
13 that may attract those investors. That's not
14 typically what we're involved with.

15 ASSEMBLYMAN EPSTEIN: So if there was
16 more oversight or more requirements under
17 private equity financing, it wouldn't really
18 have any impact on the product you're
19 financing, it would just really impact the
20 private market, is that right?

21 MS. MILSTEIN: As far as I know.

22 MS. KENDE: Yeah.

23 ASSEMBLYMAN EPSTEIN: That's great.
24 That's good to hear.

1 Just on source of income
2 discrimination, I want to support what
3 Senator Kavanaugh said about, you know, the
4 importance of having oversight, ensuring
5 that. We see discrimination, housing
6 discrimination happening all over our city
7 and state. Do you feel like \$5 million was
8 the right number, and why you chose that
9 number, and whether you think that will have
10 enough statewide impact around source of
11 income discrimination that we're seeing.

12 MS. COLLINS: So I'd say -- first I'd
13 like to note that the \$5 million isn't a
14 one-time ask, it's something that we would
15 like to see as a budget line item.

16 We came up with that number --
17 3 million of those dollars would be directed
18 to DHR. And that was going back to the 2010
19 veto of Governor Paterson of the SOI
20 legislation. At that time he noted that it
21 was -- would take approximately \$2.7 million
22 for DHR to effectively enforce the new law.
23 And so we just rounded that up to 3 million.
24 So it is very much a baseline.

1 As far as the other components,
2 1.2 million we have set aside for the six
3 full-service fair housing groups. That was
4 based on itemized budgets that they provided
5 to Enterprise in terms of what would it take
6 or the cost over a year for fair housing
7 testing, for staff resources and other
8 operating resources.

9 And then the balance of \$800,000 would
10 be used for organizations that aren't fair
11 housing groups but would serve the fair
12 housing desert -- so where there's no local
13 organization.

14 ASSEMBLYMAN EPSTEIN: Thanks.

15 CHAIRWOMAN WEINSTEIN: Thank you. I
16 believe that's all the questions --

17 CHAIRWOMAN KRUEGER: Oh, I'm sorry,
18 no. Excuse me.

19 CHAIRWOMAN WEINSTEIN: Sorry.

20 CHAIRWOMAN KRUEGER: Senator Salazar.

21 (Mic problems.)

22 MS. MILSTEIN: Well, we can hear you.

23 MS. KENDE: We can hear you.

24 SENATOR SALAZAR: Okay, I'll just

1 speak loudly.

2 So Assemblyman Epstein sort of alluded
3 to the question that I wanted to ask, because
4 he's the lead sponsor of the expanded
5 mortgage recording tax bill, or mezzanine
6 debt bill, that I am the lead sponsor of in
7 the Senate.

8 I basically just wanted to get your
9 opinion. Some in the real estate allege that
10 it is going to have an adverse effect or
11 opposite from our intent in introducing the
12 bill, that it would not only tax these
13 currently untaxed assets and make sure that
14 multi-millionaire investors will be paying
15 their fair share of taxes but that it would
16 raise the cost of financing across the board.

17 Have any of you -- are you familiar
18 with the bill that Assemblymember Epstein and
19 myself introduced? If not, I won't take up
20 time discussing it.

21 MS. KENDE: It hasn't been a
22 conversation in our -- in the affordable
23 housing sector. And so I'll definitely go
24 back and talk to my finance team and see if

1 they think it would have any impact, and
2 we'll take a look and get back to you. But
3 it's not something that's coming up --

4 MS. MILSTEIN: No. I'm aware of the
5 bill; I haven't reviewed it. But we'll
6 collegially review it and get back to you
7 with an opinion from our --

8 SENATOR SALAZAR: Thank you.

9 CHAIRWOMAN KRUEGER: Thank you.

10 CHAIRWOMAN WEINSTEIN: Thank you.

11 Next we have put together a panel,
12 New York Housing Conference, Rachel Fee, and
13 Supportive Housing Network of New York,
14 Laura Mascuch and Maclain Berhaupt.

15 So one of you is --

16 MS. MASCUCH: I'm Laura Mascuch from
17 the Supportive Housing Network of New York.

18 CHAIRWOMAN WEINSTEIN: And --

19 MS. FEE: Rachel Fee, New York Housing
20 Conference.

21 CHAIRWOMAN WEINSTEIN: So just the
22 two.

23 MS. MASCUCH: Just two of us.

24 CHAIRWOMAN WEINSTEIN: So there's five

1 minutes for each of you, and then if there
2 are any questions. Thank you.

3 MS. MASCUCH: Terrific. Thank you,
4 Chairs Krueger and Weinstein and Housing
5 Chairs Kavanagh and Cymbrowitz, for having me
6 testify today.

7 My name is Laura Mascuch. I'm the
8 executive director of the Supportive Housing
9 Network of New York, a membership
10 organization of over 200 nonprofits that own
11 and operate 52,000 units of supportive
12 housing statewide.

13 As you know, supportive housing
14 represents a critical tool to ending chronic
15 homelessness, offering permanent housing
16 solutions with wraparound social services for
17 homeless individuals and families with
18 special needs. As you know, we continue to
19 experience the worst crisis in homelessness
20 the State of New York has seen. Across the
21 state there are over 92,000 people, including
22 nearly 30,000 children, living on streets or
23 in shelters. This was one reason why we were
24 happy to see the doubling of OTDA's Homeless

1 Housing Assistance Program in the
2 Executive Budget from \$64 million to
3 \$128 million. To date it has helped create
4 over 16,000 units of supportive housing
5 throughout the state.

6 But that commitment alone will not
7 solve this problem. Almost five years ago,
8 the Governor and the Legislature recognized
9 the need for a long-term plan to tackle this
10 crisis and enacted a five-year affordable
11 housing and homelessness plan which included
12 funding 6,000 units of supportive housing.
13 The funding commitment was Phase I of the
14 Governor's commitment to develop 20,000 units
15 of supportive housing over the next 15 years.
16 We applauded this long-term commitment then
17 and continue to today.

18 But in fact we strongly encourage the
19 state to continue this long-term-planning
20 approach and enact a requirement that a
21 statewide affordable and supportive housing
22 plan be developed and funded every five
23 years.

24 Having a long-term commitment, as you

1 heard from my colleagues, for capital,
2 services, and operating funding for
3 supportive housing in particular is critical
4 to attracting investors and developers. It
5 diminishes risk by setting a long-term target
6 to fund a specific number of units, thereby
7 boosting investor confidence.

8 Four years into the five-year
9 commitment, the state has made significant
10 progress, funding approximately 4,500
11 permanent ESSHI awards. There are another
12 163 projects encompassing 5,400 units in the
13 pipeline that have received conditional
14 awards, which are currently working on
15 securing state and local capital needed to
16 progress forward.

17 As we enter the fifth year of the
18 Empire State Supportive Housing Initiative,
19 there is currently no funding commitment in
20 the Executive Budget that indicates the
21 program will continue to fund the remaining
22 14,000 units. Without a commitment in this
23 year's budget, there will be another halt in
24 production like the one that took place

1 between NY/NY III and ESSHI due to the
2 absence of this commitment. Nonprofits and
3 developers will stop buying sites, and many
4 investors and syndicators will be unwilling
5 to invest without concrete assurances that
6 the program will continue.

7 I draw your attention to the two
8 graphs on the next page which show the NY/NY
9 III trajectory coming down in development
10 units and the ESSHI trajectory going up. We
11 in no way want to see that taking a downward
12 trend.

13 It is critical that the state
14 2020-2021 enacted budget authorize a
15 continuation of the program by statutorily
16 committing funding for the next five years,
17 beginning in state fiscal year 2021-2022.
18 This will signal to investors, developers,
19 syndicators and service providers that the
20 commitment is real and the state will finance
21 the remaining 14,000 units.

22 ESSHI has been a successful supportive
23 housing program because of the long-term
24 funding outlined in the state budget. A

1 commitment in this year's budget will prevent
2 history from repeating itself and ensure
3 ESSHI's continued success.

4 Thank you for this opportunity to
5 testify.

6 MS. FEE: Good afternoon. Thank you
7 for the opportunity to testify.

8 My name is Rachel Fee. I'm executive
9 director of the New York Housing Conference.
10 We're an affordable housing policy and
11 advocacy organization, and our mission is to
12 support the development and preservation of
13 decent and affordable housing for all New
14 Yorkers.

15 I, in the interests of time, don't
16 want to repeat everything that has been said
17 already; we are working in a coalition. So
18 I'll just run through my points.

19 The first one would be that we would,
20 like the Supportive Housing Network just
21 mentioned, the authorization of ESSHI to
22 continue. This is the cornerstone of new
23 construction in the statewide affordable
24 housing plan, and we think it's really

1 important that investors have the confidence
2 that this program will continue. And that's
3 also critical to uphold the Governor's
4 commitment to a longer-term supportive
5 housing plan.

6 We also are seeking to codify a
7 five-year housing plan requirement. We think
8 that as -- in New York State we have an
9 affordable housing crisis, and ensuring that
10 there will be capital to address this crisis
11 in a multiyear fashion is important.

12 We also urge you to support the
13 preservation of public housing with a billion
14 dollars for NYCHA and \$50 million for the
15 rest of the state. Public housing is a
16 critical affordable housing resource, and if
17 we lose that housing stock to deterioration,
18 we are going to be in a worst crisis.

19 You know that New Yorkers across the
20 state are struggling to afford rents. We've
21 heard many statistics today: 900,000
22 households pay half of their income towards
23 housing, one in 10 New York City public
24 schoolchildren will experience homelessness

1 during the year, and tonight more than 92,000
2 New Yorkers will either sleep in shelters or
3 on the streets across the state.

4 The solutions to the homelessness
5 crisis in New York are not new ideas. It's
6 more affordable housing, including more
7 supportive housing, and it's rental
8 assistance. So we're supportive of the
9 increase in the Governor's budget for the
10 Homeless Housing Assistance Program. We also
11 would advocate for Home Stability Support,
12 and we're also supportive of Senate Bill
13 7628, recently introduced. Rental assistance
14 is really critical to keeping people stably
15 housed.

16 We're also supportive of affordable
17 homeownership. We've heard about this in
18 many of the questions today directed towards
19 the Housing commissioner. We all know that
20 owning a home can increase a family's
21 financial security, and it should really be a
22 priority and part of the housing plan. So we
23 are advocating for funding for HOPP, and also
24 to increase the funding for the Affordable

1 Housing Corporation.

2 And some of our colleagues from
3 Habitat New York City and the Center for
4 New York City Neighborhoods will talk about
5 those programs in more detail.

6 We're also very keen to see some money
7 allocated to enforce the source-of-income
8 protection law that was newly adopted last
9 year. You heard Enterprise talk about the
10 importance of this program. I just
11 underscore the need for enforcement across
12 the state.

13 I would also like to just point out
14 that we are not preparing for our aging
15 population. We do have money for senior
16 funding in the existing Housing Plan, but
17 what we really want to see is affordable
18 senior housing being produced and being
19 paired with a resident service coordinator,
20 really embracing the 202 model that has been
21 a successful example established by the
22 federal government.

23 We also think, as NYSFAFH mentioned
24 earlier, that a new sustainable housing

1 program is needed to ensure that our
2 affordable housing is meeting sustainability
3 requirements.

4 So again, as you heard, we're working
5 in a coalition with 14 organizations on our
6 top priorities for FY 2020-2021. We've also
7 given consideration to the important role
8 that New York State has to play in addressing
9 our public housing crisis, homelessness, and
10 affordable housing across the state. And we
11 do have a set of recommendations for what a
12 five-year housing plan should look like
13 moving forward.

14 Thank you.

15 CHAIRWOMAN WEINSTEIN: Thank you.

16 We go to Assemblyman Cymbrowitz.

17 ASSEMBLYMAN CYMBROWITZ: Thank you,
18 Laura and Rachel.

19 Laura, how many supportive housing
20 units have been created and move-in ready as
21 a result of the five-year Housing Plan?

22 MS. MASCUCH: So the commissioner
23 testified that there's 4500 actually
24 permanent awards that have been made through

1 ESSHI.

2 ASSEMBLYMAN CYMBROWITZ: Is that an
3 accurate number?

4 MS. MASCUCH: Yes. Yes.

5 ASSEMBLYMAN CYMBROWITZ: Okay. And
6 how many projects are shovel-ready but
7 waiting for funding release?

8 MS. MASCUCH: Well, we have another
9 5,400 with conditional awards. So those
10 awards are one year in nature, and then
11 people will reapply if they don't have their
12 capital stack ready to go. So when the
13 budget closes, the ESSHI RFP for the final
14 round will be issued, and then folks will
15 reapply. That will be the last opportunity
16 to gain supportive housing conditional awards
17 and find capital funding.

18 So we think the demand is there to
19 easily, you know, finish the 1500 units and
20 go beyond. And you and I have often talked
21 about the pace of development, and we're at a
22 very good pace right now. And so we don't
23 want to see the whole effort drop off, you
24 know, the side of a cliff because we don't

1 have Year 6 lined up.

2 ASSEMBLYMAN CYMBROWITZ: Are
3 supportive housing projects that have been
4 completed filled to capacity?

5 MS. MASCUCH: Yes. Yes. They're
6 rented up in very expeditious fashion because
7 people need to meet their low-income housing
8 tax credit deadlines, and the referrals have
9 been flowing. We have actually five people
10 waiting for every one unit.

11 ASSEMBLYMAN CYMBROWITZ: In Rachel's
12 \$2.5 billion next five-year plan, do you both
13 think that another billion should go towards
14 supportive housing or we should mix it up
15 more? Anyone want to touch that?

16 MS. MASCUCH: So I think there's
17 tremendous needs. I think that, you know, we
18 all speak to the need for affordable housing
19 because we have such a homelessness crisis,
20 with 90,000 people homeless. Not all of
21 those people actually need supportive
22 housing, it's for a very specific subset.

23 But we currently have a lot of people
24 who are chronically homeless that have been

1 homeless for over 400 days, and for those
2 individuals and families, supportive housing
3 is often the way that they exit homelessness.

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

6 CHAIRWOMAN KRUEGER: Thank you.
7 Housing Chair Kavanagh.

8 SENATOR KAVANAGH: Thank you.

9 We had the opportunity to speak about
10 the issue of having continuity and, you know,
11 appreciate the concerns expressed by
12 Assemblymember Cymbrowitz on that.

13 A couple of questions. Rachel, in
14 your testimony you talk about recommending a
15 billion-dollar investment for NYCHA. Can you
16 talk about the -- is that something you would
17 hope to see kind of -- is that a five-year
18 number? Is that something that you think we
19 should be looking to do, kind of infuse
20 immediately in the budget?

21 MS. FEE: I think the ideal would be
22 that the city and state have a long-term
23 funding plan and that they're both pitching
24 in to really fill in the gap from where the

1 federal government has left NYCHA high and
2 dry.

3 So I think the city and state both
4 have a role to play. The billion-dollar
5 number is for this year, and we think it
6 should be a multiyear commitment. The
7 capital needs seem to be growing.

8 You know, you asked earlier about
9 should, you know, NYCHA also receive
10 operating funding. I think they're going
11 through a plan right now to, you know, figure
12 out better operations and management as part
13 of their settlement agreement and working
14 with the monitor. So I would hold off on
15 that. But the clear -- there's clearly a
16 need for capital, and it can be deployed
17 right away.

18 SENATOR KAVANAGH: I appreciate that.

19 And, you know, just for comparison,
20 it's been about \$650 million that's been
21 allocated over the last five years or so. So
22 that would be a great infusion. And I agree,
23 we need to be looking at much larger numbers
24 than we have seen in the past.

1 Your -- you deal with a variety of
2 these development programs. I want to focus
3 particularly on how a voucher, a rent subsidy
4 program -- which you testify that you support
5 Home Stability Support, which has been around
6 for a while. And I also have been a big
7 supporter of that, and our new thing, which
8 is, as you mentioned, S7628, which are
9 housing access vouchers. I think my staff
10 told me I had to say that at least three
11 times during the hearing so we can get the
12 name of that program out there.

13 But can you just talk about the value
14 of having kind of direct rent subsidies as
15 well as kind of these longer-term development
16 programs, how they -- sort of how they might
17 complement each other, and why your
18 organization supports both of those
19 approaches?

20 MS. FEE: So we need to increase the
21 supply of affordable housing, and that's what
22 the capital program does, to provide new
23 construction of supportive housing, new
24 construction of affordable, and preservation

1 of existing affordable housing.

2 But we're not going to be able to
3 build new affordable housing to meet demand.
4 And people cannot afford market rents right
5 now. So Home Stability Support or a voucher
6 program would fill that gap between what
7 someone can afford in rents and what the
8 market rents are. So it's really allowing
9 people to avoid shelters, especially if it's
10 targeted towards homeless prevention. It's
11 allowing them to access housing in the
12 market.

13 And again, as Lorraine Collins had
14 mentioned, that also makes pairing it with
15 enforcement funding across the state even
16 more important.

17 SENATOR KAVANAGH: So it's fair to say
18 that to the extent we're viewing homelessness
19 as both a long-term challenge and an
20 emergency, if we want to make kind of an
21 immediate impact, a voucher program is more
22 suitable for that, and then, longer term, we
23 want to develop capital so maybe we're not
24 facing such a crisis going forward?

1 MS. FEE: I think you need to pursue
2 both strategies. I mean, in New York City
3 alone we have 60,000 people in the shelter
4 system. You know, they are living in hotels
5 and places not suitable for families. If
6 there was more access to vouchers that could
7 provide access to housing in the private
8 market, that's going to be part of the
9 solution.

10 SENATOR KAVANAGH: Okay, and just -- I
11 have one minute left, but a question for
12 Laura. To the extent that -- you know, we
13 talked about 20,000 units over 15 years.
14 We've been doing about 1200 a year, which is
15 6,000 over five years, so that's a little
16 slower than a pace that gets you to 20,000
17 over 15 years.

18 Is there the capacity in the
19 communities to develop units at a higher rate
20 if we wanted to go to 1400 units a year
21 rather than 1200 units a year? Is there the
22 capacity out there to develop those, to
23 provide the services for those?

24 MS. MASCUCH: Yes, so we would think

1 in the next five years we could do another
2 7,000 units. And that the capacity is there,
3 because now it's really ramped up due to the
4 6,000. And so we think it's achievable.

5 SENATOR KAVANAGH: Great. Thank you.
6 I'll leave it there. Thank you so much.

7 CHAIRWOMAN WEINSTEIN: Assemblyman
8 Epstein.

9 ASSEMBLYMAN EPSTEIN: Thank you for
10 your patience and being with us today.

11 I really just want to applaud your --
12 some of your testimony around NYCHA. Clearly
13 a real serious investment in NYCHA is a
14 critical idea.

15 I'm just wondering what you thought
16 about more publicly owned land, like a new
17 NYCHA, a new public housing across the state,
18 where, you know, obviously we're talking
19 about a housing crisis here and we're talking
20 about having amazing nonprofit partners and
21 seeking that really deep affordable, deep
22 investment in public housing. Whether that's
23 NYCHA-like or Mitchell-Lama-like, you know,
24 I'm wondering about thinking big as we move

1 forward on a housing plan.

2 MS. FEE: So I think the first
3 priority should be investing in NYCHA and
4 making sure that every unit there is up to
5 code and each resident has safe and decent
6 living conditions.

7 In terms of producing more affordable
8 housing, that's definitely a priority. What
9 that model looks like -- I mean, there's lots
10 of options. Right now we're using federal
11 low-income housing tax credits, and that's
12 really what is driving production of new
13 affordable housing. And in that model,
14 you're having, you know, public investment
15 and private partners.

16 I think what you're getting at is more
17 continued public ownership. I mean, the
18 funding would have to be there on the capital
19 side, on the operating side, in a model
20 that's going to be sustainable or else we end
21 up in the same situation.

22 ASSEMBLYMAN EPSTEIN: So I agree with
23 the concerns you have around the crumbling
24 infrastructure we have in NYCHA, and knowing

1 that we have a \$40 billion capital hole.

2 And so are you suggesting that the
3 state -- you know, there's a billion-dollar
4 investment in NYCHA or an ongoing investment
5 in NYCHA, or are you thinking that we give
6 them resources so they can bond-finance the
7 capital work now? I'm wondering, you know,
8 if you feel like this is something that's
9 short term or you think it's more a
10 long-term, deeper commitment to NYCHA.

11 MS. FEE: I think -- I think you need
12 multiple strategies, that the problem is so
13 big and the funding gap is so large. So I
14 think we need the state to invest to preserve
15 the public housing that we have.

16 Right now, you know, for NYCHA the
17 city has a plan to convert 62,000 units in
18 the public/private partnership model. So,
19 you know, that's a separate need. I think
20 all of these strategies are needed if we're
21 going to make those capital repairs over the
22 next decade or so.

23 ASSEMBLYMAN EPSTEIN: Thank you.

24 CHAIRWOMAN WEINSTEIN: Thank you.

1 Thank you for being here --

2 CHAIRWOMAN KRUEGER: We have one more,
3 sorry.

4 CHAIRWOMAN WEINSTEIN: Oh, I'm sorry.

5 CHAIRWOMAN KRUEGER: Senator Robert
6 Jackson.

7 SENATOR JACKSON: So good afternoon.

8 Let me thank you for coming in, and thank you
9 for the advocacy that you do on behalf of all
10 of the residents that you represent and all
11 those that are in need of a permanent home.
12 Thank you.

13 And understanding that -- I was
14 reading on page 2 of Rachel's testimony. The
15 gap between income and rent is the primary
16 cause of high rent burdens, but access to
17 housing is an ongoing issue.

18 In your opinion, what are the primary
19 purposes of why people -- the gap is there
20 between income and rent? Is it because of
21 education, is it because the fact that so
22 many people are, you know, working two or
23 three jobs trying to make ends meet? I mean,
24 what are the reasons why there's such a high

1 burden between income and rent, in your
2 opinion? I mean, you're experts in the field
3 and I'm not. Really. And let's talk
4 truthfully.

5 MS. FEE: So wages have stagnated --

6 SENATOR JACKSON: Wages have what?

7 MS. FEE: Wages have stagnated, right?
8 They've stayed relatively the same. And then
9 you have demand -- more demand for housing
10 than you have supply, especially in New York
11 City. So the rents just keep going up. And
12 those two things have clashed.

13 So, you know, certainly there could be
14 solutions that also boost people's incomes so
15 they can afford more, but we still need
16 access to affordable housing, that the gap is
17 so large.

18 SENATOR JACKSON: So in essence
19 there's not enough affordable housing to meet
20 the needs, is that correct?

21 MS. FEE: That's correct.

22 SENATOR JACKSON: That's why in your
23 testimony you say that we need to renew that
24 five-year plan so that investors will have a

1 signal that they can continue to look forward
2 of investing into affordable housing, is that
3 correct?

4 MS. FEE: Absolutely.

5 SENATOR JACKSON: Were you here when I
6 asked the HCR commissioner about when
7 organizations or landlords are found to
8 discriminate -- found to discriminate, not
9 allegations -- do you think there should be a
10 permanent list of landlords and have it
11 public on their website of landlords that
12 have discriminated, whether for income or any
13 other reason, against tenants?

14 MS. FEE: Well, I think if we were
15 funding enforcement, we would know who's
16 being charged with this, right? A lot of
17 this happens now discreetly and people aren't
18 being brought to court over it.

19 So I think if we had funding,
20 especially around source-of-income
21 discrimination, we would know more about
22 what's happening. And that funding could go
23 both to Human Rights and to the groups -- the
24 fair housing organizations on the ground.

1 SENATOR JACKSON: Okay. But CBOs and
2 nonprofits being aware is one thing -- and
3 publicizing so everyone knows what owners
4 have discriminated. That's what I'm asking,
5 whether or not that is appropriate or not.

6 MS. FEE: Well, I think something like
7 the Worst Landlords list has certainly been a
8 deterrent. And you've seen, I think, the
9 Public Advocate keeps that kind of list in
10 New York.

11 I don't really know, you know, how you
12 would collect information on discrimination
13 outside of courts. But I understand what
14 you're getting at in terms of the need for
15 information.

16 SENATOR JACKSON: Thank you, ladies.
17 Thank you, Madam Chairs.

18 CHAIRWOMAN KRUEGER: Thank you.

19 CHAIRWOMAN WEINSTEIN: Thank you.
20 Thank you for being here.

21 Next we have a panel we've put
22 together of Neighborhood Preservation
23 Coalition of New York State, Mark Streb;
24 New York State Rural Advocates, Blair

1 Sebastian; and New York State Rural Housing
2 Coalition, Jeff Keller.

3 It's possible that Colin McKnight is
4 here and hasn't checked in.

5 MR. MCKNIGHT: I'm here.

6 CHAIRWOMAN WEINSTEIN: Okay.

7 So Neighborhood Preservation Coalition
8 gets five minutes, New York State Rural
9 Advocates five minutes, and New York State
10 Rural Housing Coalition, if you're both
11 speaking, you share the five minutes.

12 MR. STREB: Good afternoon. My name
13 is Mark Streb, and I'm the executive director
14 of the Neighborhood Preservation Coalition.
15 I'd like to thank the members of the
16 committee for inviting me to testify about
17 the important value that the Neighborhood
18 Preservation Companies provide.

19 The Neighborhood Preservation Program
20 consists of more than 135 local
21 boots-on-the-ground, grassroots companies
22 working every day to help make consistent,
23 safe and affordable housing a reality for
24 low-to-moderate-income residents.

1 The Neighborhood Preservation Program
2 was created by the Legislature, in the
3 forward-thinking vision of the late
4 Assemblyman Denny Farrell, to give grants to
5 community organizations in order to help them
6 do their vital work. Yesterday would have
7 been Assemblyman Farrell's 88th birthday, and
8 I'm sure he's looking down in support of us
9 as we fight to continue and grow this
10 program.

11 The coalition was formed to provide
12 technical assistance to the NPCs in
13 completing grant applications, training on
14 subjects relevant to the services they
15 provide, and to give the NPCs a chance to
16 speak with a unified voice when advocating
17 for the work that they do.

18 The NPCs around the state provide a
19 variety of services, including financial
20 counseling, homelessness prevention,
21 workforce assistance, and services for
22 addiction and mental health issues, to name
23 just a few. The HCR Annual Report on
24 Neighborhood and Rural Preservation Programs

1 states that these programs additionally
2 constructed or began construction on over
3 5,000 new residential units to ensure that
4 their constituents have stable,
5 well-cared-for housing.

6 This work, these vital services, are
7 an investment in the community, as shown by
8 the more than 400 businesses who were
9 attracted to these revitalized areas in 2019.

10 Thanks to the Legislature, last year
11 was an historic year with the passing of the
12 Housing Stability and Tenant Protection Act.
13 We must keep this great momentum going,
14 because there is more work to be done. The
15 research clearly shows that the number of
16 individuals and families that are becoming
17 cost-burdened and severely cost-burdened is
18 increasing for both owners and renters. The
19 work of the NPCs is becoming more and more
20 critical.

21 Funding the NPCs in the coalition is a
22 sound investment in the state, as
23 appropriated dollars spur economic
24 development and maximize the state's existing

1 funding commitment to create and maintain
2 affordable housing units.

3 Affordable housing isn't merely an
4 investment in economic capital -- its true
5 benefit is an investment in human capital.
6 The benefit of the NPP is that it doesn't
7 assume a one-size-fits-all solution for
8 affordable housing. It rather understands
9 that each neighborhood is best served not by
10 forcing solutions on communities from above,
11 but rather by enabling residents to take
12 responsibility for their own community.
13 Needs may differ, but the ingredients of
14 community ownership and government support
15 must remain constant.

16 The NPCs create waves of both economic
17 and social benefits resulting in a situation
18 not of "We're from the government and we're
19 here to help," but, rather, "I'm your
20 neighbor and understand this challenge. Let
21 me work with you."

22 While we appreciate that Governor
23 Cuomo for the first time ever proposed last
24 year's funding level of 12.8 million for the

1 NPP in his Executive Budget, the reality is
2 that the NPCs have been operating at a triage
3 level in the state for years. During the
4 past two decades, the rate of renters cost
5 burdened has increased from 40 to 50 percent;
6 the rate of severely cost-burdened from 19 to
7 27 percent. The financial support granted to
8 the NPCs has not increased at a commensurate
9 rate.

10 Unfortunately, the coalition has no
11 funding allocated towards it in the Executive
12 Budget. Thanks to the support of the
13 Legislature, we have traditionally been
14 funded in the final budget. Unfortunately,
15 our level of funding has been stagnant at
16 150,000 for two decades, even though the
17 services provided continue to grow. We
18 therefore respectfully request an increase to
19 200,000, allowing us to better serve our
20 members through enhanced training and support
21 services.

22 I'm pleased to have had this
23 opportunity to speak with you about the vital
24 importance of the work the Neighborhood

1 Preservation Companies do and the need to
2 ensure that the Neighborhood Preservation
3 Program is fully funded at \$14.5 million, an
4 increase of \$1.7 million, and the
5 Neighborhood Preservation Coalition at
6 \$200,000 in the final budget.

7 Thank you for your time and attention.

8 MR. SEBASTIAN: I'm under a lot of
9 pressure now, as he nailed the time frame.

10 Thank you all for having us here. My
11 name is Blair Sebastian. I work with a group
12 called New York State Rural Advocates. We're
13 a conglomeration of community-based
14 not-for-profits, RPCs, and others -- some of
15 the financial institutions who serve in our
16 market, and actually some of the small
17 contractors who do the work that we all do.

18 We have submitted written testimony
19 that details our point of view on a number of
20 issues with respect to the Executive Budget
21 proposal and our own perceived need for
22 additional funding in some places. But I
23 just want to sort of mumble my way through
24 four points here out of that testimony that

1 I'd like to highlight.

2 We spend a lot of time, as Rural
3 Advocates, talking about particular
4 challenges of trying to operate in rural
5 communities. Two of those issues that come
6 to the fore most often are the small scale of
7 those communities and the limited access to
8 resources, both financial and human
9 resources, in small rural communities.

10 The Rural Preservation Company model
11 is a great model to address those challenges.
12 These are community-based organizations -- as
13 Mark says, they're controlled by local boards
14 of directors, the decisions about their
15 priorities and how they deliver programming
16 is in response to the local context within
17 which they work, and they wind up providing a
18 very highly targeted product that fits these
19 small variable rural communities very well.

20 Another issue that we address in the
21 written testimony is funding for the
22 Affordable Housing Corporation program. This
23 is a point of some frustration for those of
24 us who work in rural areas. Those counties

1 in our state that are more than 50 percent
2 rural are also more than 70 percent dominated
3 by homeowners. These are very much
4 homeownership markets.

5 We're interested in a resource that
6 both helps expand and drive homeownership and
7 deals with the challenges that existing
8 homeowners are faced with. The housing stock
9 in rural New York tends to be older. It's
10 suffered from some disinvestment as a result
11 of the lack of resources. AHC is really an
12 important tool to address that problem.

13 AHC, the Affordable Housing
14 Corporation program was created in 1985 with
15 what were then known as the big three funding
16 programs: The Housing Trust Fund
17 Corporation, HHAP, and AHC. All three
18 programs started out at \$25 million. This
19 year I believe the Executive proposes 44.2
20 for the trust fund and through our other
21 programs now that supplement the trust fund.
22 We're thrilled to see HHAP proposed at
23 128 million; it's a terrific program that
24 works very, very well in our communities.

1 Meanwhile, the Affordable Housing
2 Corporation is \$1 million over where it was
3 in 1985. In 35 years we've gone from
4 \$25 million in funding to \$26 million in
5 funding, while the costs of construction and
6 doing business have skyrocketed over that
7 period.

8 We are supportive of some changes to
9 the Affordable Housing Corporation program
10 that would increase the per-unit limits in
11 the -- for the program for the first time in
12 15 years, to sort of bring them up-to-date
13 with current construction costs. That's
14 either we're going to reduce the number of
15 units we're able to address or we're going to
16 need an increased appropriation. We hope
17 you'll consider that.

18 Again, the small scale of rural
19 communities means that rental housing in
20 those communities also has to be
21 appropriately scaled, which means relatively
22 small projects. Most of the tools that we
23 have at our fingertips in the 21st century to
24 deal with rental housing involves -- requires

1 some scale, whether it's tax credits or
2 bonded programs. Those all require much
3 bigger projects than are practical in small
4 rural communities.

5 We really need a program designed
6 specifically to support small projects.
7 We've had a couple of examples of that over
8 the past several years. I think it was 2013,
9 there was a \$12 million set-aside out of the
10 Housing Trust Fund for small projects. That
11 initiative was desperately oversubscribed.
12 Did some great projects, recovered some very
13 old Housing Trust Fund projects, brought them
14 back up to speed, put some other smaller
15 projects in small communities back online.

16 And more recently, the commission in
17 the last couple of years has talked about the
18 SRDI program, a program developed by the --
19 nope -- I won't do so good, Mark -- developed
20 by the Office of Community Renewal that
21 addresses small projects.

22 Thank you.

23 MR. KELLER: Good afternoon. I am
24 Jeff Keller, and I'm the executive director

1 for the New York State Rural Housing
2 Coalition. Beside me is Colin McKnight, the
3 deputy director for the coalition.

4 I'd like to thank the chairs and
5 members of the committees for holding this
6 hearing and allowing us to testify on behalf
7 of the affordable housing concerns of rural
8 New Yorkers.

9 One year ago I came before this joint
10 committee asking the Legislature to restore
11 the funding for our affordable housing
12 program and to reject the deep cuts in the
13 Executive Budget. Today, thanks to the
14 members of these committees and the
15 Legislature, I'm happy to come before you and
16 start my testimony by saying thank you.
17 Because of your constant support, the funding
18 for RPP, NPP, and other affordable housing
19 programs did not see the drastic cuts in this
20 year's Executive Budget. We cannot thank you
21 enough for this support and what it means for
22 the rural communities of New York.

23 Rural New Yorkers face many of the
24 same housing issues that you see in urban and

1 suburban New York. With the lack of
2 affordable housing, we need housing for
3 special-needs populations, homes need rehab,
4 and also we are seeing increases in rents.
5 With that in mind, I would like to talk with
6 you about the work that the Rural Housing
7 Coalition and our Rural Preservation
8 Corporations, known as RPCs, do across the
9 state and talk to you about the ways the
10 Legislature can further enhance these
11 efforts.

12 The coalition supports our members and
13 our network of rural housing professionals.
14 Our members help build and manage affordable
15 housing developments, do rehabilitation of
16 single- and multifamily residences, mobile
17 and manufactured home replacements, and work
18 on helping your constituents find affordable
19 housing options. The coalition serves as a
20 source of education, best practices, and
21 technical assistance to allow our members to
22 serve these underserved populations.

23 But what does that really mean? We
24 currently have 58 RPCs in New York. Over

1 75 percent of those RPCs own or manage an
2 average of 60 affordable housing units per
3 RPC. RPCs are also active in housing
4 rehabilitation and replacement for
5 low-to-moderate-income households, working on
6 an average of almost 40 houses annually per
7 RPC. All of these programs are in addition
8 to helping your constituents navigate the
9 process of finding affordable housing in
10 their communities.

11 We serve the most underserved in the
12 communities, from low-income to seniors,
13 veterans, victims of domestic violence,
14 homeless and homeless youth, those with
15 physical disabilities and those recovering
16 from substance abuse.

17 Our members and the coalition are
18 diligent stewards of the monies we receive
19 from the state and actively bring in other
20 sources of funding, both private and federal,
21 to make sure that the state funds are
22 enhanced and compounded. Without a doubt, we
23 take the funds from the state and turn it
24 into one of the best investments around. We

1 are the boots on the ground -- developing,
2 maintaining, rehabbing, and making sure that
3 affordable housing is available for those in
4 need.

5 With that in mind, I'd like to
6 highlight some of the funding requests that
7 we have.

8 We ask that the funding for the
9 RPP/NPP program receive an increase to
10 6.1 million for RPP funding, which will allow
11 for 100,000 for each RPC, the development of
12 two new RPCs in underserved areas, and an
13 increase to 200,000 for the coalition. I
14 would ask the committee to make sure that
15 both the Assembly and Senate include language
16 to make sure the coalition receives our
17 funding as part of the approved programmatic
18 budget.

19 I would also note that we are looking
20 for this increase to be in parity with the
21 Neighborhood Preservation Coalition, with
22 them also receiving 100,000 per NPC, 200,000
23 for the coalition, and an increase of four
24 NPCs.

1 We also ask that AHC funding be
2 restored to parity with the Housing Trust
3 Fund. This would be an increase from
4 26 million to 44.2 million.

5 We ask that HHAP funding be restored
6 to a level deemed appropriate to carry out
7 the program and the needed homeownership
8 education and foreclosure prevention
9 programs. The coalition knows these programs
10 are extremely effective ways to help provide
11 education and resources to those facing
12 foreclosure.

13 Furthermore, we ask for slight
14 increases in four other programs. For the
15 Manufactured Home Advantage program, which
16 allows for the replacement of mobile homes
17 and manufactured homes, which represents one
18 of the largest forms of affordable housing in
19 rural communities -- and we see continuing
20 issues -- we ask the funding increase to
21 6 million.

22 For the New York State Main Street
23 program, a highly successful program that has
24 rural communities and leaders finding new

1 approaches to enhancing their main streets,
2 we ask for an increase of at least one
3 million.

4 We ask for an additional increase of
5 at least 1 million to both the Access to Home
6 programs and the HOPE/RESTORE programs, which
7 help provide vital assistance to ensure that
8 the elderly and disabled can continue to live
9 independently.

10 Finally, the coalition and our members
11 are grateful for all the hard work and
12 dedication that the HCR staff provides to our
13 programs. They're truly a wonderful partner,
14 and I know that in my first year as executive
15 director they've been a major asset to us.

16 While the staff does amazing work, the
17 need for affordable housing has led to longer
18 approvals and reviews and less time for staff
19 to do lien releases and application or exit
20 interviews. We ask that as HCR looks to
21 increase their staff, they look to focus on
22 that area.

23 Thank you very much for the
24 opportunity to speak to you today, and we're

1 happy to answer any questions you have.

2 CHAIRWOMAN WEINSTEIN: Thank you for
3 being here.

4 We have a question from Senate Chair
5 Brian Kavanagh.

6 SENATOR KAVANAGH: Thank you.

7 And I'll try to be brief, noting the
8 relatively late hour and the very long list
9 of witnesses.

10 But I just want to thank all three of
11 your organizations for your, you know,
12 constant advocacy. And as a relatively new
13 chair of the Housing Committee, you've all
14 been particularly helpful to me in
15 representing communities across the state
16 that I'm somewhat less familiar with, so it's
17 been a great education.

18 I also think it's important to note
19 the -- you credited the legislators who have
20 advocated for the Neighborhood and Rural
21 Preservation Programs and to keep them whole
22 each year for many years. And I think, you
23 know, that is -- it is a long, distinguished
24 sort of tradition of advocacy, again starting

1 with Denny Farrell. But I think it's also a
2 credit to your organizations that you've, you
3 know, carried the torch for so long.

4 And I think it's worth giving credit
5 where credit is due. I think it's been a
6 number of years where the Executive Budget
7 each year began a dance where the number was
8 rolled back about \$6 million to the previous
9 Executive Budget, and then we would fight to
10 get it in the enacted budget and we would
11 succeed. I think it's worthwhile to note
12 that the Executive has decided to, you know,
13 fund these programs at the level that they
14 were in the enacted budget last year right
15 from the get-go.

16 So I think the Governor and his staff
17 should be complimented for that, and I think,
18 again, that's a credit to your advocacy.

19 I want to just ask a question about
20 the proposal to get HCR to put out an RFP for
21 two new Rural Preservation Corporations. Is
22 there -- would that be -- would the intent be
23 to fill gaps in specific -- for those who are
24 following, this is on page 3 of the Rural

1 Housing Coalition testimony. But would that
2 be to fill the gap in specific jurisdictions
3 that you've identified? Or is there just
4 this sort of general sense that there might
5 be greater capacity for these kinds of
6 corporations to work in the state?

7 MR. KELLER: It would be to fill the
8 gaps. We do have, in the rural side, five
9 communities that either do not have an RPC
10 currently or have recently lost one. So it
11 would be to fill the gaps in those areas that
12 do not have service right now.

13 SENATOR KAVANAGH: Okay. So just in
14 the interests of time, I will end it. But if
15 you could get us specific -- they're --
16 you're mentioning -- I don't know if they
17 would be countywide, or are they specifically
18 within these counties that are mentioned?

19 MR. KELLER: Most of them are
20 countywide. The one that I would say is --
21 two are not -- is rural Schenectady County
22 and Northern Dutchess County, would be the
23 two that are not countywide.

24 SENATOR KAVANAGH: Okay. So we do

1 appreciate just additional information about,
2 you know, the catchment areas and the needs
3 there. And to the extent there are
4 organizations that have been incumbent
5 organizations in those areas that are maybe
6 not -- you know, you're expecting maybe won't
7 be doing that work, we'd just appreciate
8 additional information. But I'll leave that
9 for offline so we can keep moving here.

10 But again, thank you all for all of
11 your work and your advocacy and for
12 testifying today.

13 CHAIRWOMAN WEINSTEIN: Thank you.

14 We have a question from Senator
15 Seward.

16 SENATOR SEWARD: Yup, thank you.

17 I wanted to ask a quick question on
18 the Lake Ontario relief program which your
19 agencies have been involved in --

20 MR. KELLER: Yes, they have.

21 SENATOR SEWARD: -- on behalf of the
22 state. And number one, I want to thank you,
23 you know, for your efforts and activities
24 along that line. Greatly needed, as you

1 know, with the -- some of the -- particularly
2 the homeowners along the shoreline.

3 My question is, you know, how is that
4 going, in your estimation? Are we meeting
5 the needs that are out there in terms of
6 these homeowners and others?

7 MR. SEBASTIAN: Well, for my part, the
8 sense is the demand is overwhelming.
9 Organizations on the ground who have been
10 dealing with this have been challenged to
11 deal with the number of applicants that have
12 been to the program. I kind of have the
13 sense that the resources are being used up at
14 a fairly rapid rate, and that I think can
15 cause some concern.

16 Colin, have you got --

17 MR. McKNIGHT: We got involved in the
18 Lake Ontario project because we had a VISTA
19 volunteer program that we were running and we
20 were able to provide one of those agencies
21 with the services of VISTA to help with the
22 caseload that they were dealing with. And if
23 memory serves, she was carrying a caseload of
24 almost 4,000 files.

1 And that's an example of the kind of
2 demand that there is for this service. I'm
3 sure not all of those people ended up being
4 served because of limited resources. But it
5 certainly shows the scope of what the impact
6 is of these kind of natural disasters and the
7 need for some planning for the future in
8 terms of emergency response in vulnerable
9 rural communities.

10 I think that there is a need for
11 anticipation for this kind of disaster and
12 coming up with appropriate programmatic
13 responses that really do make sense based on
14 the experience of the most recent two
15 flooding cycles.

16 SENATOR SEWARD: Well, I appreciate
17 your perspective here today. And more than
18 that, I appreciate your efforts on behalf of
19 those property owners.

20 CHAIRWOMAN WEINSTEIN: Thank you.

21 Thank you, gentlemen.

22 Next we have the Habitat for Humanity
23 of New York City.

24 MR. DUNBAR: Good afternoon. My name

1 is Matthew Dunbar, I oversee external affairs
2 for Habitat for Humanity New York City.

3 My colleague from Habitat New York
4 State fell ill and was unable to accompany me
5 today, but I represent about 40 affiliates,
6 Habitat for Humanity affiliates across the
7 state. We are all not-for-profit
8 homebuilders that focus specifically on
9 affordable homeownership, and we serve
10 families ranging from as low as 40 percent
11 AMI up to about 90 percent AMI in New York
12 City. In New York City we've served over
13 1300 families through our home purchase and
14 preservation work.

15 And I want to -- I sit here today to
16 testify and thank all of you for the past
17 support that we've received from the state,
18 and especially to HCR and their amazing staff
19 that has provided funding through the
20 Affordable Housing Corporation and through
21 SONYMA to allow us to continue to serve
22 homeownership opportunities with low-income
23 families and not see that AMI go up into the
24 moderate and the middle-income range.

1 Support from the state is critically
2 important for what we do. Every Habitat home
3 that we build in New York City has Affordable
4 Housing Corporation funding in it, and every
5 Habitat homeowner that purchases a home in
6 New York City receives a SONYMA mortgage to
7 keep that home affordable.

8 But as was mentioned by the previous
9 panel and some of the previous folks
10 testifying from the coalitions that we're a
11 part of, the Affordable Housing Corporation
12 funding has not kept up with the cost of
13 construction. It was mentioned that the
14 program was started in 1985, funded at a
15 level of \$25 million, and it has now
16 increased by about 4 percent to \$26 million
17 over those 35 years. And the program is
18 statutory, meaning that the funding that we
19 can access for each home is set in the law.

20 And so we are supportive of the law
21 that's been put forward by Assemblymember
22 Walker and Senator Bailey to reform the
23 program and to increase the per-unit funding
24 level to up to \$75,000 per unit, in

1 accordance with cost increases that have
2 tripled over the past 35 years. We're
3 supportive of that and, in connection with
4 that increase, we would love to see that
5 legislation incorporated into the budget.

6 But of course with more money
7 allocated per unit, we need to see the budget
8 right-sized as well. So we stand with the
9 previous members who are asking for a budget
10 rightsizing to see that budget go from
11 26 million to the 44.2 million, in parity
12 with the Housing Trust Fund program.

13 But as we also understand that with
14 increased resources, public resources, there
15 should be increased public benefit. And so
16 the legislation that has been put forward
17 really does emphasize that the larger amounts
18 of funds can be tiered by the -- by HCR to
19 ensure that the largest amounts in the
20 highest-cost communities are paired with
21 longer terms and deeper levels of
22 affordability.

23 And so we're happy to be a member and
24 a cofounder of Interboro Community Land

1 Trust, which is the first citywide CLT in the
2 city, and we stand with community land trusts
3 across the state to advocate for another bill
4 that is introduced by Senator Montgomery and
5 Assemblymember Maritza Davila that would
6 provide stable and fair taxation for
7 properties on community land trusts. As of
8 right now, none of the properties that are
9 currently on CLTs have any legislation that
10 backs up that the properties that are resale
11 restricted should be taxed at their
12 resale-restricted rate and not at market
13 rate.

14 And so as we seek to build more homes,
15 both single-family and multifamily
16 cooperatives, on community land trusts and
17 utilize greater public resources to do so, we
18 do want to see long-term and permanent
19 affordability. And so we encourage the CLT
20 fair taxation bill to be incorporated into
21 the budget as well so that we can see that
22 affordable housing that we built today last
23 for generations.

24 And lastly, I also want to stand with

1 those that came before me in supporting the
2 HOPP program and fully funding foreclosure
3 preservation counseling and legal services,
4 as well as a program that's been put forward
5 by the Governor to fund the Community
6 Development Financial Institutions at
7 \$25 million and to ensure that that funding
8 will be extended both to banks, credit
9 unions, and also community funds like the
10 Habitat New York City Community Fund that
11 funds housing preservation and creation as
12 well.

13 So I thank you for all of your time,
14 and I'm happy to take any questions.

15 CHAIRWOMAN WEINSTEIN: Assemblyman
16 Blake.

17 ASSEMBLYMAN BLAKE: Thank you.

18 Thank you, Matthew, for your comments.
19 And specifically, you mentioned CLTs several
20 times; I want to just get some guidance and
21 some clarity here.

22 First of all, can you convey the
23 efforts of collaborating with community-based
24 housing advocates on the ground, the success

1 you're seeing around what could be done there
2 to partner, of course, with local financial
3 institutions? You've talked about CDFIs,
4 which obviously is a critical element of
5 this.

6 And specifically, how can places like
7 the Bronx and other areas similar to that
8 equally see benefit here? I think a lot of
9 us are trying to figure out how do our
10 community entities actually benefit from this
11 program.

12 MR. DUNBAR: Well, thank you for your
13 question.

14 So community land trusts are
15 essentially, you know, not-for-profit
16 organizations that come together -- kind of
17 the classic governance structure is a
18 tripartite board in which the board has
19 representatives from the community, from
20 residents who live in housing on the CLTs,
21 and from other outside experts.

22 There are, you know, successful
23 examples of community land trusts that have
24 existed in New York State, including

1 Cooper Square on the Lower East Side.
2 There's one right here in Albany, Albany CLT.
3 There's a -- you know, a CLT in the
4 Adirondacks and across the state. And each
5 one of those -- and Ithaca as well, Long
6 Island.

7 All of them essentially kind of form
8 in order to make sure that the land is owned
9 collectively by that not-for-profit, in
10 partnership with the community, and have
11 that, you know, long-term ground lease with
12 the housing that is created on top, to ensure
13 that that housing is affordable for
14 generations to come. So on the homeownership
15 side, there would be a ground lease saying
16 that there would be resale restrictions for
17 the future homebuyers and that low-income
18 people would have access and those sales
19 prices would be limited.

20 So across -- so speaking of -- on the
21 local level, there is a lot of conversation
22 up in northern Manhattan, the Bronx, and in
23 various other areas where people are coming
24 together to do so. We just need to

1 understand how they will be taxed affordably
2 and then partner it with existing housing
3 programs to make it successful.

4 ASSEMBLYMAN BLAKE: So just to be
5 specific, you mentioned examples in other
6 parts of the state. I want to go back
7 concretely -- for the areas like the Bronx,
8 how would this work, how is this working, how
9 are you engaging with all of the financial
10 institutions or housing advocates? And is
11 there a track record of success that's
12 happening here that we can then focus in on
13 specifically within the Bronx and similar
14 areas?

15 MR. DUNBAR: Sure. So from my
16 understanding, I don't believe that there are
17 any community land trusts currently
18 incorporated and -- with housing in the
19 Bronx. The one that's the best example in
20 New York City is Cooper Square on the
21 Lower East Side, where they had I think over
22 350 units within their community land trust.
23 They're all structured as MHA co-ops.

24 And so, you know, I would say, you

1 know, Interboro Community Land Trust is
2 citywide, and so we can partner with existing
3 programs and with existing developers to
4 develop the land or preserve buildings and
5 transfer them onto a CLT in that way. But as
6 of right now, there's no examples in the
7 Bronx that I can show you.

8 CHAIRWOMAN WEINSTEIN: Thank you.

9 We have Senator Krueger for a
10 question.

11 CHAIRWOMAN KRUEGER: Sorry, I'm sorry.
12 Sneezing at the wrong time.

13 I think as a follow-up question for
14 Michael Blake's question, have there been
15 cases where Habitat for Humanity homes have
16 been then sold off after they are built for
17 market rate, as opposed to remaining in
18 perpetuity affordable? And can that still
19 happen, and what can we do about it?

20 MR. DUNBAR: Yeah. So in the past,
21 the Habitat -- we started off by building
22 HDFC co-ops on the Lower East Side. And then
23 through various programs and during the
24 nineties and the aughts, we moved into more

1 condo development, which had UDAAP tax
2 exemptions rather than Article 11 tax
3 exemptions. And those were more structured
4 as kind of anti-flip mortgages, recapture
5 mortgages.

6 And so there are examples in which
7 Habitat homes that have been developed in
8 Harlem or in Bed-Stuy were structured as
9 condos, and then after 15 years or so they
10 are sold. Some of the subsidies are
11 recaptured, but it's really sold at market
12 rate.

13 So we have transitioned away from that
14 model to ensure that the funding that we get
15 from the city and the state and from our
16 philanthropic partners lasts for generations.
17 So we have moved our multifamily construction
18 now in New York City -- is predominantly
19 cooperatives, and we have helped to establish
20 the CLT to ensure that both our single family
21 homes and our and multifamily homes are
22 affordable for generations to come.

23 Across the state, it would vary. We
24 have a saying in the Habitat world: If

1 you've seen one Habitat affiliate, you've
2 seen one Habitat affiliate. But there is a
3 lot of momentum and interest in establishing
4 and partnering with community land trusts to
5 ensure that in addition to the deed
6 restrictions that we put on our homes for
7 resale, that it would get stronger and even
8 longer-lasting over time.

9 CHAIRWOMAN KRUEGER: Thank you.

10 CHAIRWOMAN WEINSTEIN: Thank you for
11 being here today.

12 So next we have a panel --

13 MR. DUNBAR: Thank you so much.

14 CHAIRWOMAN WEINSTEIN: -- a panel with
15 Association for Neighborhood and Housing
16 Development, Emily Goldstein; Center for NYC
17 Neighborhoods, Christie Peale -- and is
18 someone here for Churches United for Fair
19 Housing? Yes? No? I guess no. They
20 haven't checked in.

21 Okay, thank you. If there's anybody
22 in the audience who was scheduled to speak
23 who hasn't checked in at the top desk, please
24 do, because we need to know you're here.

1 So it's five minutes for each of you,
2 and then if there are questions, we will ask.
3 Just identify yourself when you speak.

4 MS. GOLDSTEIN: Good afternoon, and
5 thank you for the opportunity to testify.

6 My name is Emily Goldstein. I'm the
7 director of organizing and advocacy at the
8 Association for Neighborhood and Housing
9 Development, or ANHD. I want to thank the
10 chairs of the committees and all of the
11 Senators and Assemblymembers who are here
12 today for this important hearing.

13 ANHD's mission is to advance
14 equitable, flourishing neighborhoods for all
15 New Yorkers. We work in coalition with our
16 approximately 80 member organizations as well
17 as allies and partners to support policies
18 and programs that center justice, equity and
19 opportunity for New York's marginalized
20 communities and neighborhoods.

21 First and foremost, we want to applaud
22 this Legislature for passing the Housing
23 Stability and Tenant Protection Act of 2019.
24 This law is a game-changer and an historic

1 opportunity to provide crucial protections
2 for the 365,000 low-income households that
3 live in rent-regulated apartments, as well as
4 beginning to create some new protections
5 against harassment and displacement for the
6 well over 3 million renters across the state.

7 We do hope to see those protections
8 expanded this year with the passage of "good
9 cause" eviction to further extend necessary
10 protections to all New York State residents
11 and renters.

12 The strength of our rent regulation
13 system is dependent on strong and consistent
14 enforcement and timely processing. Given the
15 significant expansion in rent regulation
16 processes from the HSTPA, we recommend an
17 increase in the ORA's budget sufficient to
18 fully enact and enforce the new law.

19 It is our understanding that the
20 budget increase ORA received in FY19 -- I'm
21 sorry, FY20 -- was to address the backlog in
22 processing overcharges and tenant complaints,
23 which do remain an ongoing concern for many
24 New York City residents, as I have personally

1 heard in many community meetings. In order
2 to effectuate the additional changes in the
3 new rent laws, ORA does, we believe, need
4 additional staff, legal services, equipment
5 and technological systems. Without a
6 significant increase in ORA's budget, they
7 won't be able to successfully implement the
8 groundbreaking changes to the law that were
9 passed in 2019.

10 In addition, we feel that the Tenant
11 Protection Unit, TPU, has done important and
12 impactful work with its existing resources,
13 reregulating nearly 80,000 units, as the
14 commissioner mentioned earlier this
15 afternoon, and reaching important settlements
16 with landlords who have patterns of
17 systematic tenant harassment.

18 Given the size of the rent-regulated
19 housing stock in New York State and the
20 expanded protections under the new laws, we
21 believe TPU needs additional funding to
22 continue this important work and increase its
23 impact. We recommend increasing their budget
24 to 10 million -- approximately doubling --

1 thus expanding their ability to do audits,
2 investigations, and take legal actions.

3 Moving on, ANHD supports the Home
4 Stability Support program, a form of rental
5 assistance for low-income families and
6 individuals who are facing eviction,
7 homelessness, or loss of housing due to
8 domestic violence or hazardous conditions.
9 This program would help bridge the difference
10 between public assistance and shelter
11 allowance and fair market rents for those
12 leaving the homeless shelter system or who
13 are at risk of homelessness.

14 State funding is also crucially needed
15 to address the critical infrastructure and
16 capital needs of public housing throughout
17 the state. This is an irreplaceable resource
18 for all New Yorkers and should be prioritized
19 in our budget. There are hundreds of
20 thousands living in unacceptable conditions
21 that public housing residents face each day.

22 We recommend this year that the
23 State Legislature invest \$3 billion to fix
24 and preserve public housing statewide, with

1 approximately \$2 billion directed to NYCHA
2 and \$1 billion directed to the rest of the
3 state, proportional to population.

4 Finally, ANHD supports full funding
5 for the HOPP program, as was discussed by
6 many people earlier this afternoon. New York
7 homeowners and their communities continue to
8 struggle with the devastation caused by
9 foreclosures. The Communities First campaign
10 ensures that low- and moderate-income
11 homeowners throughout the state in every
12 county of New York receive vital housing
13 counseling and legal services necessary to
14 protect homeownership, prevent blight, and
15 prevent further foreclosures.

16 Thank you again for the opportunity to
17 testify today and for all your great work for
18 preserving housing for the residents of
19 New York State, and I'd be happy to answer
20 any questions.

21 MS. PEALE: Good afternoon. My name
22 is Christie Peale, and I'm the executive
23 director of the Center for New York City
24 Neighborhoods.

1 I'd like to thank Chairs Krueger,
2 Weinstein, Kavanagh, and Cymbrowitz for the
3 opportunity to testify today and for your
4 stamina. I really appreciate that so many of
5 you have stayed so long in the day on this
6 really critical issue.

7 So the center's mission is to promote
8 and protect affordable homeownership. We are
9 here today primarily to talk about the
10 Homeowner Protection Program, but I just want
11 to start by thanking my colleagues from
12 across the affordable housing spectrum for
13 supporting all of our collective work.

14 We really feel that affordable housing
15 is part of a continuum. There are many
16 homeowners who will be renters, renters who
17 will be homeowners, folks from NYCHA who want
18 to own a home -- and we don't see any of
19 these issues as separate, but really all very
20 much connected. And so we fully support the
21 five-year housing budget plan that our
22 colleagues at the New York Housing
23 Conference, and more, had referenced.

24 In addition, I know that last year our

1 funding in the State Budget was truly a
2 collaborative effort between the Senate, the
3 Assembly, the Executive, and the Office of
4 the Attorney General. So we just want to say
5 a huge thank you for allowing the services
6 that exist from Buffalo to Long Island to
7 continue to serve so many at-risk
8 New Yorkers.

9 There's a lot of information in our
10 testimony and in subsequent testimonies, but
11 I just wanted to make sure that we
12 highlighted who we serve. Not only are we
13 serving almost 16,000 homeowners a year -- in
14 New York City, 80 percent of the folks that
15 the HOPP groups serve are families of color,
16 52 percent of those African-American
17 families -- so we're really focused on
18 righting a lot of the wrongs that have
19 happened over the years in homeownership and
20 housing that have had a really
21 disproportionate, deleterious impact on
22 African-American, Latinx, and other families
23 of color.

24 It's really important that we preserve

1 this critical piece of the social safety net.
2 I take issue with some of the statistics that
3 were previously cited about foreclosures
4 being down by 10 percent from last year. We
5 have not seen that. At our best day, doing
6 this work since 2009, we are able to see
7 10 percent of the people in need. And
8 unfortunately, we're in a new normal where
9 there are 22,000 new foreclosures every
10 year -- so we still see a very high demand
11 for our services.

12 I'm very curious to find out where
13 this \$10 million that the commissioner
14 testified about is. As far as the Attorney
15 General's office has let us know, we got
16 funded at a \$20 million level. Those
17 contracts end on March 31st, and we have no
18 confidence at this point that we'll be able
19 to keep our doors open.

20 We've surveyed our colleagues across
21 the state. We think 28 of the groups that we
22 work with would have to close their doors if
23 there isn't additional funding, and 26 would
24 have to reduce their services to down to one

1 or two providers.

2 All of the homeownership initiatives
3 that we run throughout the state are
4 leveraged by HOPP. You know, HOPP is not
5 only providing legal services assistance for
6 folks that are in the legal process of
7 foreclosure, but it helps folks that are
8 trying to buy a home avoid getting
9 discriminated against in fair lending or
10 other issues, it helps leverage other
11 funding -- which is frankly not sufficient --
12 from HUD and other sources, and it's a
13 really, really critical foundational piece of
14 all of the other programs that we talked
15 about that serve and promote affordable
16 homeownership.

17 So it won't just impact the homeowners
18 that are trying to save their homes, it will
19 impact homeowners that are trying to buy and
20 a lot of other new opportunities we have for
21 families to build as well.

22 So there are a lot of other spots in
23 the testimony. I just wanted to highlight
24 that the majority of families that we serve

1 are in financial distress through no fault of
2 their own -- a loss of employment, a
3 catastrophic health issue, the loss of a
4 family member. You know, there are things
5 that can happen to anybody at any time, and
6 we now know that we need these services. We
7 didn't have them before the crisis. I think
8 we wouldn't have had as significant a crisis
9 if the HOPP network had been around.

10 And we're very anxious about what the
11 future holds for our state and these
12 communities, and we really appreciate all of
13 your support and working with you to keep
14 these critical services open.

15 Thank you so much.

16 CHAIRWOMAN WEINSTEIN: Thank you.

17 We go to Assemblyman Cymbrowitz.

18 ASSEMBLYMAN CYMBROWITZ: Thank you
19 very much.

20 Emily, I wanted to ask you about the
21 DAP program --

22 MS. GOLDSTEIN: Sure.

23 ASSEMBLYMAN CYMBROWITZ: -- that
24 you've put together, which as a matter of

1 fact we have a training for members next
2 week. If you could talk about that, but also
3 about the Displacement Alert portal. I
4 understand that there is -- you've been
5 defunded, that there's no money in the budget
6 for that?

7 MS. GOLDSTEIN: So thank you for that
8 question. So one of ANHD's projects is the
9 Displacement Alert project, which includes a
10 new component, a portal.

11 We think that it is crucial to be
12 making data available to community
13 organizations, to residents, and to elected
14 officials so that they can better evaluate
15 and analyze and then respond to the needs of
16 local communities. So we do a lot of work to
17 essentially take all of the open data
18 available and put it into an accessible,
19 searchable online form. We're very excited
20 to be doing that training next week.

21 We did rely last year on state funding
22 to help us basically put state-level
23 geographies into our system so that you all
24 are able to look at the data by Assembly

1 district or by Senate district and add some
2 additional information as it became
3 available. We hope to be able to continue to
4 provide and expand that work, but don't
5 currently have funding for that.

6 ASSEMBLYMAN CYMBROWITZ: How important
7 is restoration of those funds?

8 MS. GOLDSTEIN: I mean I think we
9 will, you know, keep up what we have. We're
10 not going to take it off our website. But in
11 order to be able to continue to update the
12 data, provide timely information, and expand
13 it to add additional options for searches and
14 for analysis, we do need that funding.

15 ASSEMBLYMAN CYMBROWITZ: Thank you.

16 MS. GOLDSTEIN: Thank you.

17 CHAIRWOMAN WEINSTEIN: Senate?

18 CHAIRWOMAN KRUEGER: Thank you.

19 Senator Salazar.

20 SENATOR SALAZAR: Thank you. I just
21 had a quick clarifying question for Emily.

22 In your testimony you mentioned that
23 you support the state investing \$3 billion
24 annually in -- dedicated to public housing

1 statewide. And with \$2 billion directed to
2 NYCHA, was that 2 billion of the 3?

3 MS. GOLDSTEIN: Yes.

4 SENATOR SALAZAR: Okay. Sorry.

5 Thanks.

6 CHAIRWOMAN WEINSTEIN: Assemblyman

7 Felix Ortiz.

8 ASSEMBLYMAN ORTIZ: Thank you,

9 Madam Chair. I also have a quick question
10 for the Center for NYC Neighborhoods.

11 On the Association for Neighborhood
12 and Housing Development -- and I quote -- on
13 their paper, you say that "ANHD also supports
14 full funding for the Communities First
15 Campaign," which I do support. "New York
16 homeowners and their communities continue to
17 struggle with the devastation caused by
18 foreclosures," and I close quote.

19 And on the other hand, in your
20 statement you have stated that, and I quote,
21 "The Center is a proud member of the
22 Homeowner Protection Program funding campaign
23 to preserve foreclosure" -- and I close
24 quote.

1 So my question to you -- and I read
2 all the beautiful testimonies that are
3 here -- is that I represent the area of
4 Sunset Park and Red Hook, and my question to
5 you is if it has been any help to any of the
6 foreclosure people that live in my district.
7 And if the answer is yes, can you provide us
8 with who those people are, that we will be
9 able to also follow up with them as well?

10 MS. PEALE: Yeah.

11 ASSEMBLYMAN ORTIZ: And I thank you
12 for the work that you guys do.

13 MS. PEALE: Thank you for the
14 question. We can provide you statistics
15 with -- of the number of homeowners that
16 we've -- that the HOPP network has assisted
17 in your district, and any other statistics
18 that you need.

19 ASSEMBLYMAN ORTIZ: Thank you.

20 MS. PEALE: And thanks for your
21 support.

22 CHAIRWOMAN KRUEGER: Senator Robert
23 Jackson.

24 SENATOR JACKSON: So I want to thank

1 you for coming in and staying the course.
2 You know, when you sit around for hours and
3 hours and hours, you know, you need to be
4 thanked. So thank you --

5 MS. GOLDSTEIN: Thank you.

6 MS. PEALE: Thank you.

7 SENATOR JACKSON: -- on behalf of all
8 of the people that you represent and help,
9 let me just tell you.

10 And I read some of the testimony of
11 individuals around the State of New York.
12 This is telling in itself. People read this
13 and you can see, you know, most people -- a
14 lot of people, they're like one paycheck to a
15 month or two or three months away from losing
16 their home, whether they own the home or
17 whether they rent.

18 And so I just wanted to thank you in
19 understanding what it means to know that you
20 have legislators that are supporting you.
21 And we do everything we can to increase the
22 funding so that you all can help more of our
23 constituents around the state.

24 Thank you very much.

1 MS. GOLDSTEIN: Thank you.

2 MS. PEALE: Thank you.

3 SENATOR JACKSON: Thank you,

4 Madam Chairs.

5 CHAIRWOMAN KRUEGER: Thank you.

6 CHAIRWOMAN WEINSTEIN: We go to

7 Assemblyman Epstein.

8 ASSEMBLYMAN EPSTEIN: Thank you both

9 for being here and for testifying.

10 Just on the HOPP funding, it's
11 critical funding. And I implore my
12 colleagues to continue to support it, because
13 I know how vital it is for our community to
14 protect people's homes and that, you know,
15 people unfortunately have been scammed and
16 lost them from various sources.

17 But I have a larger question around
18 mezzanine debt, and I just -- so -- so -- you
19 want to call it mezzie debt?

20 (Laughter.)

21 ASSEMBLYMAN EPSTEIN: So we've seen a
22 lot of private equity money in the market,
23 and we've seen that money really be
24 unregulated. You know, it's hard to track,

1 it's hard to know. And we've seen a lot of
2 homeowners who are -- people trying to
3 purchase homes are competing with private
4 equity money. We've seen it with
5 multifamilies where we've seen a lot of, you
6 know, dark money, private equity money coming
7 in.

8 I was wondering what you think about a
9 better system to oversee it, regulate it,
10 make sure it's reported, and then also ensure
11 that they're paying taxes on that private
12 equity money the same way we see traditional
13 mortgagors paying mortgage recording taxes
14 and other fees. I want to get a sense of
15 your -- both -- opinion on that.

16 MS. PEALE: Thank you for the
17 question. I would say that we've seen
18 homeowners who are, you know, lucky enough to
19 get approved for a mortgage, are in the
20 market trying to buy a home, are often beat
21 out by cash buyers, as well as seeing
22 properties removed through other finances
23 purchased with other sources.

24 And we really don't have enough

1 information about the role of private equity
2 in both -- for property scams, deed theft.
3 You know, there's a lot of ways in which it
4 could be operating in the market that we
5 don't know. So we are really excited about
6 the proposed legislation that would create
7 more transparency.

8 I think looking at a way to, again,
9 equalize the impact of cash buyers as well --
10 you know, if you have to borrow money and
11 then you're paying more in a mortgage
12 recording tax than somebody who's paying
13 cash, it doesn't seem quite fair, as well as
14 somebody who's leveraging private equity
15 debt.

16 So we're really supportive of an
17 effort to level the playing field for regular
18 New Yorkers in that purchase context.

19 MS. GOLDSTEIN: Yeah, and I'll just
20 say I agree with that. And particularly on
21 the multifamily side, where we look a little
22 more closely, you know, this is certainly a
23 problem both in terms of transparency and
24 information gathering.

1 You know, we have had various issues
2 with banks, but we at least are able to get a
3 baseline of information and there's sort of a
4 level of regulation there. There are
5 regulators, right, to go to. And that really
6 doesn't exist with non-bank lenders.

7 So I think certainly having
8 transparency, having the information is
9 absolutely necessary to understanding what
10 we're dealing with and trying to fix it. And
11 then certainly putting that tax in place and
12 sort of treating non-mezzanine debt as all
13 other kinds of debt would help to take away
14 that unfair advantage that speculators have.

15 ASSEMBLYMAN EPSTEIN: Thank you.

16 CHAIRWOMAN WEINSTEIN: Assemblyman
17 Blake.

18 ASSEMBLYMAN BLAKE: Very quickly.

19 First, thank you to both of you. If I
20 could, I think this may be first to Emily.
21 On the back page, when it talks about public
22 housing --

23 MS. GOLDSTEIN: Mm-hmm.

24 ASSEMBLYMAN BLAKE: -- just if you

1 could give some context of how was the number
2 determined. Saying the state should invest
3 \$3 billion statewide and \$2 billion directly
4 to NYCHA, how was that number determined?

5 MS. GOLDSTEIN: So the 2 billion as
6 an -- you know, out of the 3 -- was looking
7 at public housing needs statewide and just
8 trying to sort of divvy up proportionally.
9 And that is a number that you'll hear from a
10 lot of tenant organizations and folks who
11 work directly with NYCHA residents, sort of
12 agreed upon as a way to do that fairly.

13 ASSEMBLYMAN BLAKE: And just finally
14 on NYCHA and then moving from there, what do
15 you think is the initial reaction from
16 advocates hearing and seeing that the current
17 proposal from the Governor has zero dollars
18 towards NYCHA?

19 MS. GOLDSTEIN: I think it's
20 upsetting. And I think it will contribute to
21 the continuing decline of an irreplaceable
22 affordable housing resource and to, you know,
23 really horrific living conditions for a lot
24 of New Yorkers.

1 ASSEMBLYMAN BLAKE: Certainly. And
2 then to follow up and assess here to Christie
3 and others -- yeah, I was just looking at my
4 piece of paper first -- for HOPP funding
5 specifically, can you give a sense,
6 practically speaking, how much at risk would
7 homeowners be if this does not continue? I
8 mean, a lot of times we talk about
9 foreclosure prevention, and it's broad and
10 theoretical.

11 MS. GOLDSTEIN: Yeah.

12 ASSEMBLYMAN BLAKE: But just -- what's
13 the dollar and cents impact we're talking if
14 this were to occur?

15 MS. PEALE: We can capture that in a
16 couple of different ways. We can look at the
17 impact on property taxes. We can look at the
18 impact of a foreclosure on neighboring
19 property values and loss of neighborhood
20 equity.

21 We can look at the increased debt that
22 homeowners are going to face. The longer
23 you're in foreclosure, the longer your unpaid
24 principal balance increases, and the harder

1 that debt is to discharge, either if you have
2 to represent yourself in the foreclosure
3 process or if you have to pursue bankruptcy.

4 So it's, you know, the personal debt
5 calculation, increasing the loss of tax
6 revenue and the loss of neighborhood equity,
7 are some of the ways that we think about it.
8 And we have a piece on the economic impact of
9 HOPP that we can forward to you that captures
10 some of those pieces.

11 ASSEMBLYMAN BLAKE: And so it's fair
12 to say that it's not just the devastating
13 impact on the homeowner, but it's also the
14 community that would it have devastating
15 impact as well.

16 MS. PEALE: Absolutely. You know, we
17 impact that -- we have some estimates on the
18 downward drag of a foreclosure on
19 neighborhood equity that we can share with
20 you as well.

21 ASSEMBLYMAN BLAKE: That would be
22 incredibly helpful. Thank you.

23 MS. PEALE: And just to -- I would
24 love to talk to you about CLTs in the Bronx.

1 ASSEMBLYMAN BLAKE: Thank you.

2 CHAIRWOMAN WEINSTEIN: Thank you --

3 MS. PEALE: Thank you so much.

4 CHAIRWOMAN WEINSTEIN: -- for all the
5 questions.

6 Next we have a panel, Tenants
7 Political Action Committee, Michael McKee,
8 and VOCAL-NY, Felix Guzman.

9 MR. MCKEE: We only have three chairs.

10 CHAIRWOMAN WEINSTEIN: I think they
11 brought extra chairs because you had
12 colleagues walking down --

13 MR. MCKEE: I thought we were all
14 doing this together.

15 CHAIRWOMAN WEINSTEIN: You are. You
16 have five minutes and VOCAL-NY has five
17 minutes.

18 MS. SOLTANI: Thank you. My name is
19 Paulette Soltani, I'm the political director
20 of VOCAL-NY, and I'm reading testimony on
21 behalf of our leader, Ms. Flowers. She
22 apparently had to get back to New York City
23 because she's in a shelter and has been
24 living there for almost four years.

1 "My name is Nathylin Flowers Adesegun.
2 I'm a member of VOCAL-NY. VOCAL-NY is a
3 grassroots organization working to end AIDS,
4 mass incarceration, the war on drugs, and
5 homelessness.

6 "On behalf of VOCAL-NY, I want to
7 thank the Senate and Assembly Housing
8 Committee chairs, Brian Kavanagh and Steve
9 Cymbrowitz, and the other members of the
10 committee.

11 "My story of homelessness started in
12 February 2015, when I was evicted from my
13 apartment of 34.5 years when I lost my rent
14 stabilization status. Since then, I have
15 been living in a homeless shelter along with
16 more than 92,000 people across New York
17 State. Many of the women in my shelter have
18 become my closest friends. We share
19 memories, experiences, and most of all we
20 share solidarity with each other as we search
21 for housing stability and basic dignity.

22 "My shelter is in Queens. I have to
23 leave my room each morning by 9 a.m. and be
24 back for curfew at 10 p.m. Our toilet paper

1 is rationed because the shelter has so many
2 plumbing issues. There is one microwave for
3 200 women. I am a vegetarian, and I love to
4 cook, but the options for food at my shelter
5 are sparse at best. When I'm not at my
6 shelter, I cook every chance I get.

7 "Year after year we've heard
8 Governor Cuomo make announcements about his
9 unprecedented commitment to housing and
10 homelessness. He says he's investing
11 historic resources to help homeless
12 New Yorkers, so why hasn't all of that money
13 materialized in housing for the homeless?
14 The fact is, the Governor's words are empty
15 if 92,000 people are still homeless.

16 "People are in desperate need of
17 supportive housing. The Governor promised
18 New York State 20,000 units of supportive
19 housing in 2016, but only a fraction of the
20 funds that we need have been released. For
21 every five approved supportive housing
22 applications, only one vacancy exists.

23 "Meanwhile, the overdose crisis has
24 taken the lives of over 20,000 people since

1 2016. Many of those lives could have been
2 saved if more people had access to housing.
3 At the same time prosecutors, police, and
4 elected officials are doing whatever they can
5 to roll back bail reform laws. We will never
6 stop relying on incarceration without meeting
7 the basic needs of New Yorkers.

8 "While homeless New Yorkers struggle
9 every day, New York is home to
10 112 billionaires with over \$525 billion in
11 wealth, and dozens more that live in
12 part-time" --

13 CHAIRWOMAN WEINSTEIN: Excuse me. I
14 just asked them to pause the clock because I
15 know Felix -- yes?

16 MR. GUZMAN: Yes.

17 CHAIRWOMAN WEINSTEIN: -- also has a
18 statement in these five-minutes-for-the-two,
19 so I just wanted to make sure there was some
20 time for him to speak. I don't know if he
21 wanted -- if you want to add something, or
22 should we go to him? You know, we do have
23 the testimony, it's circulated to everybody,
24 but I just didn't want you to use up all the

1 time and not have something for him.

2 MS. SOLTANI: Sure. I will do the
3 time for Felix -- I just want to say that
4 there haven't been a lot of homeless
5 New Yorkers testifying in the housing
6 hearing, so I think it's important that the
7 members of this committee hear from homeless
8 New Yorkers.

9 I'll just lastly say that Ms. Flowers
10 supports 20,000 units of supportive housing
11 for the state along with -- she asks for
12 \$500 million for a state-funded rental
13 assistance program.

14 We support Brian Kavanagh and
15 Steve Cymbrowitz's recently introduced bill
16 for a new voucher program, and along with
17 that also Home Stability Support, which is
18 Liz Krueger's bill, I think.

19 MR. GUZMAN: Hello. My name is Felix
20 Guzman. I'm a leader of VOCAL-NY, a poet,
21 activist, and former shelter resident. I
22 would like to thank you for the opportunity
23 to speak today.

24 VOCAL-NY is a part of the Housing

1 Justice for All campaign. Last year we won
2 an expansion of rent protections, but we know
3 there is still more work to do. We are
4 fighting for a New York homes guarantee
5 because every New Yorker has the right to a
6 safe, stable, and affordable place to live.

7 Today I'm here to talk to you about
8 our state's homelessness crisis. My story is
9 emblematic of how our current housing system
10 fails people and keeps them trapped in
11 dangerous situations at high cost to the
12 taxpayer.

13 Several years ago, my then-landlord
14 started to convert units in my building into
15 a scattered cluster site shelter. He was
16 allowed to make tremendous amounts of money
17 from the city to kick out rent-stabilized
18 tenants and replace them with people who had
19 no rights and therefore couldn't complain or
20 join tenant associations. The result was a
21 rapid deterioration of the building
22 conditions.

23 This, in combination with
24 complications due to being stuck in an

1 abusive relationship, forced me out of my
2 home and into the very same shelter system
3 that caused my problem in the first place.

4 The more I have organized with members
5 of my community, the more I have seen that I
6 was caught up in a larger system of
7 displacement and gentrification. I was born
8 and raised in Brooklyn, and I have seen how
9 it has changed. Massive glass skyscrapers
10 have been built all over the borough,
11 representing thousands and thousands of units
12 of new housing. How could it be that
13 thousands of units of housing have been built
14 all around our borough over the last
15 20 years, and yet tens of thousands of more
16 people have become homeless?

17 The answer is actually quite simple.
18 The private housing market's primary goal is
19 not housing people, its primary goal is to
20 maximize the profits.

21 In New York City, 248,000 units of
22 housing are empty. That's 8 percent of the
23 overall housing stock. Twenty-five percent
24 of new luxury condos that were built since

1 2013 remain empty, and yet thousands more are
2 in the process of being built. All of this
3 adds up to a system where there are four
4 empty apartments for every single New Yorker
5 in the shelter.

6 This criminal greed has gone on long
7 enough, and at the end of the day, the blame
8 lies with a governor that has not put any
9 meaningful resources into tackling this
10 problem at its root. The blame lies with a
11 legislature that has not effectively
12 challenged him into addressing this moral
13 crisis.

14 The solutions to the problems we face
15 are not a mystery. We have been fighting for
16 them for years. First and foremost, we need
17 a new housing subsidy program that can
18 actually cover apartments at the market rate.
19 Rental assistance is the fastest and most
20 effective way to get people out of temporary
21 shelters and into permanent homes.

22 Other states have created programs
23 that actually cover apartments at the market
24 rate. In New York City, we have CityFHEPS,

1 which will only cover apartments up to \$1400
2 for most individuals, which is woefully
3 inadequate if you consider that the average
4 one-bedroom apartment in New York City rents
5 for \$2860. It is criminal for the city to
6 give out vouchers when it knows that there
7 are not enough apartments to be covered by
8 them.

9 We cannot continue on this path. We
10 must fight for a New York where everyone has
11 a home. New York State must make a plan to
12 end homelessness, and it must start by
13 investing in the needs of homeless people.

14 We need our Senate and Assembly to
15 fight for \$500 million for a state-funded
16 rental assistance program to help New Yorkers
17 and those at risk of becoming homeless.
18 Funding rental assistance will help tens of
19 thousands of people and will put us on the
20 path to having a New York homes guarantee.

21 Thank you, and I apologize for going
22 over time.

23 CHAIRWOMAN WEINSTEIN: Thank you.

24 Michael.

1 MR. McKEE: Good evening -- afternoon.
2 I should say evening.

3 CHAIRWOMAN WEINSTEIN: Almost.

4 MR. McKEE: Almost. It feels like it.
5 I'm sure you're more tired than I am. It's
6 kind of tiresome to listen to three hours of
7 somebody patting Andrew Cuomo on the back.

8 First of all, my name is
9 Michael McKee. I'm the treasurer of
10 Tenants Political Action Committee.

11 I want to -- at the risk of cutting
12 into my time, I have to take a moment to say
13 thank you for the Housing Stability and
14 Tenant Protection Act of 2019. There are
15 many reasons this happened, including a
16 tremendous grassroots organizing campaign led
17 by the Upstate-Downstate Housing Alliance.
18 The fact that we flipped the State Senate and
19 turned it blue and turned it overwhelmingly
20 blue, it would never have happened if that
21 had not happened.

22 But I also want to single out
23 Senator Kavanagh and Senator Myrie and
24 Mr. Cymbrowitz, the chair of the

1 Housing Committee, for a terrific job of
2 putting this bill together. And I want to
3 particularly thank you for Part M, a very
4 unexpected and pleasant surprise.

5 I want to also thank Senator Salazar
6 and Assemblymember Glick for the Loft Tenant
7 Protection Bill -- very, very important and
8 very dear to my heart.

9 I'm here to ask you to tax the rich
10 and house the poor. I mean, really, this is
11 what it's down to. We can't sit here in this
12 day and age and talk about millions of
13 dollars to address the problems of public
14 housing and housing the homeless -- a hundred
15 million here, 450 million there. I want to
16 remind you that that 450 million had nothing
17 to do with Andrew Cuomo. It was the
18 State Assembly that put that into the budget.
19 All Andrew did was hold it up and refuse to
20 turn it over to NYCHA.

21 We've got to start talking in terms of
22 billions, and you've got to stop being afraid
23 to raise taxes on rich people. You've been
24 able to afford to cut taxes on rich people --

1 it. You've got to get beyond that. We want
2 full funding for supportive housing. We
3 believe Andrew Cuomo owes us 14,000 units.
4 He promised 20,000. Where are the other
5 14,000?

6 We need a Tenant Opportunity To
7 Purchase Act. We want you to get rid of
8 421-a and 485-a tax subsidies. These are
9 boondoggles. They are the worst way to
10 subsidize and create housing. Get rid of it.
11 That money could go into something really
12 useful, instead of funding market-rate
13 housing.

14 I want to make a pitch for increasing
15 funding to the Neighborhood Preservation
16 Companies and Rural Preservation Companies
17 programs. I think all of you know what
18 benefit these companies do for the State of
19 New York and for our communities.

20 And finally, the State Senate had a
21 very interesting hearing two weeks on code
22 enforcement. I learned a lot just sitting
23 and listening to some of the people
24 testifying. The state used to fund code

1 enforcement. Governor Mario Cuomo cut it out
2 of the budget in 1990 and 1991. It's never
3 been put back. I think if you really want to
4 do something about the lack of code
5 enforcement, especially in upstate New York,
6 you're going to have to put some money into
7 the program.

8 To paraphrase the old American Express
9 TV commercial, don't come home without it.
10 We're looking to you, our friends, to do
11 this. You're going to have to fight the
12 Governor to do this -- as well as, perhaps,
13 some of your more conservative members.

14 I'm not going to go into a lot about
15 the Office of Rent Administration except to
16 say that the most important thing you can do
17 is not to give them more money but to change
18 the laws so that you tie their hands. This
19 is an agency that will do anything it can to
20 let landlords off the hook for their failure
21 to comply with the law. Their whole approach
22 is to cut everything down the middle instead
23 of enforcing the law and protecting tenants
24 and preserving affordable housing. So the

1 best way to do this is to tie their hands by
2 changing the law.

3 We specifically urge you to restore
4 the rent registration system to its pre-1993
5 state. For some reason this did not end up
6 in the 2019 act. In 1993, the rent
7 registration system was gutted and it is now
8 a voluntary program. If you put it back to
9 where there are significant penalties for
10 failure for register or filing a fraudulent
11 registration, you're going to increase
12 enforcement of the rent laws.

13 Thank you very much.

14 CHAIRWOMAN WEINSTEIN: Thank you.

15 We go to Assemblyman Blake for a
16 question.

17 ASSEMBLYMAN BLAKE: First I just want
18 to say that -- how much I appreciate the
19 three of you and the work that you're doing.
20 That as we have talked about many times, that
21 this is incredibly personal for me, because
22 my family was homeless. And so I think too
23 often we ignore putting a face on the reality
24 that without one paycheck, how things can

1 change dramatically for many families.

2 So I just had to start there. And
3 whenever we see you all, you give us strength
4 and we appreciate you.

5 Very quickly -- because I know our
6 colleagues will have many different
7 questions -- specifically in the Housing
8 Justice for All campaign, which I know we're
9 doing a workshop during Caucus Weekend around
10 this, is there one element of it that you
11 think we especially need to make it critical,
12 that has to happen within that? Because a
13 lot of times we have big packages and people
14 don't internalize the elements within them.

15 MS. SOLTANI: So we want all of it.

16 (Laughter.)

17 ASSEMBLYMAN BLAKE: Of course. Yes.
18 I know.

19 MS. SOLTANI: And we won't stop saying
20 that. I think Felix and I are talking about
21 homelessness, and Michael also did -- but we
22 also have zero dollars in the budget right
23 now for public housing, which is just a
24 disaster and horrendous. And our government

1 needs to be doing much more to address public
2 housing and the crisis across the state.

3 So there isn't just a single part of
4 this. I think the housing crisis is hitting
5 everybody, every low-income brown and black
6 New Yorker across the state in epic
7 proportions. And we need -- I think that's
8 what Michael was talking about in terms of
9 taxing the rich. We need that kind of
10 resources to actually tackle this crisis and
11 end homelessness and fund a New York homes
12 guarantee.

13 ASSEMBLYMAN BLAKE: Absolutely. And
14 as we hopefully transition from a state of
15 crisis, which we are too often always in, to
16 finally getting to a place where people have
17 better opportunities, can you give us a sense
18 of what would be the impact of passing the
19 Tenant Opportunity to Purchase Act?

20 MR. McKEE: Well, you did it for
21 mobile home residents last year, which was
22 great. I mean, that section of the law was
23 really a win-win-win. I mean, it was really
24 great. I wish you would do the same for the

1 rest -- every other tenant in the state.

2 If you're going to cap rents for
3 manufactured-home tenants at 3 percent per
4 year with a hardship provision that landlords
5 can get more if they can prove hardship, why
6 not do it for all unregulated tenants
7 everywhere in the state? I mean, it would be
8 a simple bill to draft, and I don't see why
9 we don't do that.

10 You don't have to have a survey, you
11 don't have to see what the vacancy rate is,
12 you don't have to have a vote to -- by the
13 local legislature to opt in. I mean,
14 obviously it wouldn't be as strong as strong
15 rent control, but it would be a very good
16 supplement to a rent control program.

17 ASSEMBLYMAN BLAKE: Thank you.

18 MR. MCKEE: And, I'm sorry, I didn't
19 address the Tenant Opportunity to Purchase.
20 I mean, this is something, you know -- and
21 Senator Myrie is, I read, drafting a bill
22 that if a building goes up for sale, tenants
23 would have an opportunity to purchase it and
24 keep it affordable.

1 CHAIRWOMAN WEINSTEIN: Thank you.

2 MR. McKEE: And presumably as a
3 limited-equity co-op.

4 CHAIRWOMAN WEINSTEIN: Senate?

5 CHAIRWOMAN KRUEGER: Thank you.
6 Housing Chair Brian Kavanagh.

7 SENATOR KAVANAGH: Thank you.

8 First of all, thank you, Mr. McKee,
9 for your kind words about our work last year
10 and for knowing what Part M is, which I'm --
11 because -- because for those of you that
12 aren't as familiar as Mr. McKee, that's the
13 portion of the law that deals with all the
14 non-rent-regulated -- has all the many
15 protections that we added to the law that
16 protect tenants statewide. And there is
17 actually some talk outside this room now
18 about how that's being interpreted with
19 respect to broker fees and -- so that's going
20 to be a continuing topic as we see how that
21 affects the many millions of tenants that are
22 not part of the rent-regulation system.

23 And I echo my colleague Michael
24 Blake's comments about the work of each of

1 your organizations in advocating over many
2 years, and particularly Ms. Soltani's comment
3 that it's very important that we're hearing
4 from tenants, that we're hearing from
5 homeless people directly who are experiencing
6 these things.

7 And I think a lot of -- you know, we
8 had five hearings around the state on the
9 rent laws last year, and I think a lot of the
10 value of that was hearing directly from
11 tenants. And I know your organization played
12 a big role in making sure that tenants were
13 able to get to those hearings and express
14 their point of view directly to the
15 Legislature.

16 I'd just like to talk briefly about --
17 we've spent a lot of time over a number of
18 years now arguing about the capital budget,
19 about the sort of money for public housing,
20 and I continue to join you and many others in
21 suggesting that it's grossly inadequate. But
22 I want to focus particularly on -- the
23 focused conversation about direct rent
24 subsidies I think is getting -- you know,

1 it's kind of a newer thing for a lot of
2 folks. And particularly in housing, it's
3 been considered a type of public assistance
4 program in the past.

5 So can you just talk a little bit
6 about -- you know, one argument is, you know,
7 you work for the long term, you invest in
8 capital, you build the right buildings, you
9 get the right programs. Why is it also
10 important that we have sort of a rental
11 subsidy program as well, like the housing
12 access vouchers or Home Stability Support?

13 MS. SOLTANI: So I think the most
14 immediate way to help a homeless person who's
15 low-income or somebody who's experiencing
16 homelessness is by giving them the resources
17 to pay rent. As we've seen, it's taken far
18 too long for us to build the kind of housing
19 to reduce our homelessness crisis in any
20 meaningful way.

21 And so the way we always frame it, and
22 the way local members always fight for it
23 when you hear them speaking publicly, is the
24 fact is that we need money to pay the rent

1 today. And these programs, like the voucher
2 that you introduced recently, like Home
3 Stability Support, not only helps people pay
4 the rent and get out of homelessness, but it
5 actually prevents people from becoming
6 homeless if you're severely rent-burdened.
7 And so it's an immediate way to really have a
8 meaningful impact in people's lives today.

9 MR. McKEE: I just want to add to that
10 that there are -- you know, I was really
11 stunned to read in the Daily News today when,
12 in the article about the new
13 Kavanagh-Cymbrowitz bill, a representative of
14 the Governor, unidentified, said "Rent
15 subsidy programs often perpetuate the cycle
16 of homelessness."

17 What? I mean -- come on, guys. I
18 mean, the problem is not subsidies. The
19 problem is lack of subsidies.

20 There are a few things you can do if
21 you really want to help homeless people or
22 near-homeless people. You can increase the
23 housing supply and make sure you're building
24 affordable housing. You can roll back rents,

1 roll back high rents so they're more
2 affordable. Or you can give low-income
3 people some assistance to help them pay the
4 rent. Those are the three things you can do.
5 And/or you can do all three.

6 But to say that, you know, subsidies,
7 you know, continue the cycle of
8 homelessness -- I mean, that's just -- I'm
9 sorry, that's 1984.

10 SENATOR KAVANAGH: Okay. In the
11 interest of -- sorry, Felix. Did you have
12 something to add?

13 MR. GUZMAN: Hello. Hi. I actually
14 just wanted to touch base on a couple of
15 things.

16 The money is there because apparently
17 we're throwing hundreds of millions of
18 dollars at these shelter providers,
19 for-profit and nonprofit. And at the end of
20 the day, nonprofits that are receiving money
21 should be held accountable to a higher
22 standard because they receive monies
23 from where they do. And again, like if
24 they're not providing permanent housing, then

1 why are we throwing hundreds of millions of
2 dollars at some of these providers?

3 And if you want to talk about actually
4 ending homelessness, we've got to redirect
5 the monies that are actually being provided
6 for each person's bed and locker in a shelter
7 into actually some kind of proper program or
8 something, because more is being spent on
9 actually a bed and a locker in a shelter for
10 homeless individuals than the shelter
11 vouchers are actually going for.

12 So at the end of the day, the money is
13 there. Whether that be mismanagement of
14 funds or creating and perpetuating
15 homelessness, the industry of homelessness
16 and the manufactured problem that it is -- we
17 should actually start holding accountable
18 whoever is managing this money and actually
19 creating pathways out of homelessness.

20 Thank you.

21 SENATOR KAVANAGH: Thank you all for
22 your testimony. And we do hope to have
23 additional opportunities to testify on these
24 matters in the coming days.

1 Thank you.

2 CHAIRWOMAN WEINSTEIN: Thank you.

3 Assemblyman Ortiz.

4 ASSEMBLYMAN ORTIZ: Thank you,

5 Madam Chair.

6 Thank you all for being here. And,
7 Mike, thank you very much, for every single
8 one of you, for your testimony.

9 I just want to be on the record very
10 quick that the Neighborhood Preservation
11 Companies and Rural Preservation Company
12 programs not only are very beneficial for my
13 community, but for the state. And I did
14 address that to the commissioner. And the
15 reason I ran out was because I had a
16 conversation with her -- not just about this,
17 but a few other issues that are very critical
18 for the people of my district, which by
19 default will impact the people of the State
20 of New York.

21 But thank you for supporting that and
22 putting it in your testimony. This is
23 very --

24 MR. MCKEE: I lobbied the bill into

1 law in 1977, the Neighborhood Preservation
2 Companies bill, I worked with Denny Farrell,
3 and I lobbied the Rural Preservation
4 Companies Act into law in 1980, and they were
5 very gratifying experiences.

6 And I think, you know -- some people
7 said you're creating a Frankenstein monster.
8 I said I don't think so, I think these groups
9 are essential to -- you know, it's a
10 community-based approach to solving housing
11 problems.

12 ASSEMBLYMAN ORTIZ: I know. And I do
13 have a quick question for Ms. Flowers. You
14 live in a shelter as we speak, right?

15 MS. SOLTANI: So I work in an
16 organization, but Ms. Flowers is a leader at
17 the organization that I work at, at VOCAL-NY.
18 So she's a community leader.

19 But she's currently getting back to
20 New York City because she has to be in her
21 shelter before the curfew hits, otherwise she
22 could lose her bed.

23 ASSEMBLYMAN ORTIZ: My question -- my
24 question is -- it's more about logistics,

1 a lot better.

2 MR. GUZMAN: Hello? (Mic problem.)

3 I would like to say something about --
4 Ms. Flowers is currently in an Acacia
5 shelter. As we know, they're actually under
6 investigation by the Department of
7 Investigation, and it's just -- it's a
8 telltale sign.

9 There's also other organizations --
10 CCS -- that are able to continue going
11 forward.

12 So whatever is available, that's what
13 we get, and that includes food that is not
14 adhering to our dietary needs. And again,
15 having experienced having to seek out healthy
16 food somewhere else, it's a lack of
17 consistency and also concern and care for
18 people's diets.

19 As you know, people lose weight, and
20 I'm sure that being on a vegetarian/vegan
21 diet is very much more restrictive in that
22 nature. So Ms. Flowers is an amazing person.
23 She can't be here, obviously, because she's
24 living in a shelter. And I'm just thankful

1 to be able to speak on her behalf.

2 ASSEMBLYMAN ORTIZ: Thank you.

3 CHAIRWOMAN KRUEGER: Thank you.

4 Senator Salazar.

5 SENATOR SALAZAR: Thank you. I just
6 want to thank, first of all, all three of you
7 for sharing both Ms. Flowers' experience with
8 us and your expertise with us.

9 My question is for Michael. You
10 mentioned in your testimony support for
11 repealing 421-a and also 485-a, and I agree
12 with you. But we less frequently talk about
13 485-a in the Legislature, frankly, and in the
14 public discourse, so I was wondering if you
15 could elaborate.

16 MR. MCKEE: Well, I'm not an expert on
17 485-a, it's -- what I'm told by my upstate
18 colleagues is that it's the upstate
19 equivalent of 421-a.

20 I'm very familiar with 421-a and have
21 been familiar with it since it was first
22 enacted in 1971, the same year that the State
23 Legislature enacted vacancy decontrol. If
24 you look at the actual -- these programs --

1 421-a and 485-a cost localities billions of
2 dollars every year, and they are subsidies
3 that go to developers who essentially create
4 market-rate housing.

5 I believe, and I have believed this
6 for many, many years, that it is bad policy
7 to bribe profit-making developers to build a
8 little bit of affordable housing by giving
9 them subsidies that allow them to build
10 market-rate housing. I think it is a misuse
11 of public dollars, I believe. And sometimes
12 the housing that is supposedly affordable is
13 not really affordable, and it's not
14 permanently affordable. It's affordable for
15 a limited period of time.

16 Government makes this mistake again
17 and again and again. The State of New York
18 made it with the Mitchell-Lama program by
19 allowing landlords or co-ops to buy out after
20 20 years of affordability, and they make it
21 again and again and again.

22 So I believe that if we are going to
23 spend tax dollars on subsidizing the creation
24 of housing, it should be low- and

1 moderate-income housing, and it should be
2 permanently affordable. You can allow
3 private developers to build it, but I don't
4 think they should be subsidized to own it and
5 make huge profits off of it.

6 And of course now what we're seeing
7 with the neighborhood rezonings that the
8 de Blasio administration has been pushing
9 through the City Council -- and I think we
10 are seeing the end of that now, you know,
11 considering what's happened with the last
12 three -- these are -- I view these as
13 attempts to allow market-rate housing to be
14 inserted into low-income communities that is
15 going to ultimate change that community in a
16 negative way.

17 Look at what the de Blasio
18 administration said they were going to do
19 with East New York. Whether this actually
20 happens or not remains to be seen, but
21 supposedly it was going to result in 6,000
22 new units of housing -- 3,000 of them
23 affordable, 3,000 of them market rate -- with
24 some neighborhood amenities. And if this

1 happens, it will be just -- now, these will
2 not be Manhattan market rents, obviously, but
3 they will be much higher --

4 CHAIRWOMAN KRUEGER: Michael, I'm
5 going to cut you off.

6 MR. MCKEE: I'm sorry?

7 CHAIRWOMAN KRUEGER: We have two more
8 questions --

9 MR. MCKEE: Okay. I'm sorry. I think
10 you understand what I'm saying --

11 CHAIRWOMAN KRUEGER: -- and we can
12 have -- the city government is doing things
13 in a different direction --

14 MR. MCKEE: -- it's just a matter of
15 time until we have coffee shops and upscale
16 restaurants.

17 CHAIRWOMAN KRUEGER: Thank you.
18 Assemblymember Niou.

19 ASSEMBLYWOMAN NIOU: Hello. I
20 actually have two questions. One is a
21 follow-up on the 421-a issue.

22 So when we were talking to the
23 commissioner, she was saying that she felt
24 like there was very few alternatives to

1 building affordable housing. What would be
2 some alternatives that you could think of?

3 MR. McKEE: Well, first of all, you
4 have to increase revenues in a meaningful way
5 that would allow you to produce new housing.

6 The State of New York funded the
7 Mitchell-Lama program between the years 1955
8 and 1979 that created -- and local
9 governments put in money too, and especially
10 the City of New York put in money -- which
11 created 175,000 units, I believe, of housing
12 statewide in that 25-year period. It cost --
13 I believe, if memory serves, I think it cost
14 about \$7 billion. Now, those were dollars
15 back then.

16 But if we want to get serious about
17 this, we need to start talking about a new
18 Mitchell-Lama type program. And you know,
19 Andrea Stewart-Cousins, at her hearing, the
20 Housing Committee hearing in Westchester
21 County last spring, talked about we need a
22 new Mitchell-Lama program. I think that's
23 the kind of thing we need. We need to look
24 at that model, and we should avoid the

1 mistakes of the past.

2 ASSEMBLYWOMAN NIOU: But in the same
3 vein for public housing, you know, people
4 talk about RAD and privatization. Do you
5 feel like there should be -- there's an
6 alternative to privatization?

7 MR. McKEE: We should have more public
8 housing. But the Clinton administration
9 pushed a bill through Congress that basically
10 prohibits localities from creating more
11 public housing.

12 I mean, this is a huge problem. It's
13 hard enough to preserve the public housing we
14 have, but it would be great if we could build
15 more.

16 ASSEMBLYWOMAN NIOU: So then you would
17 suggest that we fund public housing and that
18 we get more.

19 MR. McKEE: I would -- if I could
20 design a program that would -- it would be
21 very different from what we have. It
22 wouldn't be towers in the park, it would be
23 integrated housing with lively street
24 commercial operations and green space and

1 schools and playgrounds.

2 ASSEMBLYWOMAN NIOU: Like Singapore.

3 MR. McKEE: And, you know, they do
4 this in Europe, and they hire top architects
5 to build public housing with amenities, with
6 art, with playgrounds, and -- I mean, it's --
7 I just spent a week in Vienna last fall, and
8 it was amazing to see what the City of Vienna
9 has done.

10 ASSEMBLYWOMAN NIOU: Yes. Singapore
11 has -- 80 percent of its housing is public
12 housing.

13 CHAIRWOMAN KRUEGER: Thank you.

14 ASSEMBLYWOMAN NIOU: Thank you.

15 CHAIRWOMAN KRUEGER: Assemblywoman
16 Rosenthal to close.

17 Oh, excuse me. Excuse me,
18 Assemblywoman. Senator Jackson first, then
19 Assemblywoman Rosenthal.

20 SENATOR JACKSON: I think next time
21 I'm going to sit up there so you can see me.

22 CHAIRWOMAN KRUEGER: You have to tell
23 me.

24 SENATOR JACKSON: But first let me

1 thank you all for waiting towards the end of
2 the testimonies of everyone so you got to
3 hear everyone's questions. And I thank you
4 for your advocacy on behalf of the people
5 that we represent.

6 So one of the things I wanted to
7 comment on your statement, brother -- when I
8 call you brother, it's because we all are
9 brothers and sisters from a human point of
10 view. Now, you said that the blame lies with
11 the Legislature that has not effectively
12 challenged him, meaning the Governor, in
13 addressing this moral crisis.

14 It's all of our responsibility. It's
15 the advocates' responsibility, it's for the
16 people that you advocate for that we must
17 educate everyone to be advocates, to put
18 pressure on the system to do what's right.

19 And I know that -- because you may not
20 be aware, I filed a lawsuit against the State
21 of New York -- they were cheating our
22 children out of billions of dollars.
23 Thirteen years of litigation, walked 150
24 miles -- we won.

1 Last year, with the blue wave coming
2 in, the Republicans are out now in the
3 Senate, we did humongous work on behalf of
4 residents in New York State.

5 That's the type of coming together,
6 all of us working to make it happen. And I
7 say to you that the Governor has so much
8 power in the budgetary process that was
9 challenged before, and the courts ruled in
10 the Governor's favor. But we collectively --
11 not just us -- we have to do what's right to
12 make sure that we get everything we need in
13 order for affordability for everyone.
14 Because the housing justice for all is a
15 human right.

16 But I said at the rally, I said at the
17 rally last week, yes, but education plays an
18 important part in that. It's been known, a
19 proven fact, that the more education you
20 receive, the more than likely you will earn
21 more income, more than likely. And that will
22 close that gap between income and
23 affordability.

24 And I agree that rents are too damn

1 high. That's what the guy said when he ran
2 for mayor, and I agree with that. And you
3 heard me say earlier about the fact that if
4 landlords are discriminating against --
5 because of someone's source of income or any
6 other reason, we need to have that open and
7 clear so everyone knows that they're cheating
8 and discriminating us.

9 But I thank you for coming in. I just
10 wanted to say this to you, that it's not only
11 us, it's all of us working together.

12 Mike, thank you for your advocacy.
13 Thank both of you for coming in. And I
14 appreciate what you said on behalf of
15 Ms. Flowers. Thank you.

16 MS. SOLTANI: Can I just say -- one
17 thing Flowers had in her testimony is that
18 last year 150,000 students experienced
19 homelessness across New York State. So we've
20 got to --

21 SENATOR JACKSON: Oh, I'm fully aware
22 of that. I know. Thank you.

23 CHAIRWOMAN WEINSTEIN: Thank you. But
24 stay there.

1 Assemblywoman Rosenthal.

2 ASSEMBLYWOMAN ROSENTHAL: Okay. Thank
3 you all for your great work.

4 I am the sponsor of the 421-a bill, to
5 just get rid of it, because we have not found
6 that the credits that we give to developers
7 equals adequate at all numbers of
8 affordable -- whatever affordable means --
9 units.

10 I always note how the streets, the
11 sidewalks of New York City have so many
12 homeless people, just that's their place to
13 live, whereas above us in the sky are
14 hundreds, thousands of empty units. Do any
15 of you have any thoughts about how we could
16 take advantage of the fact that they are
17 there, they are empty, and yet there are
18 many, many people who might need to live in
19 them?

20 MR. GUZMAN: Hello. So really
21 quickly, the cluster site program was
22 actually good-intentioned. Perhaps something
23 along the lines of that, but with some
24 accountability and some actually security

1 implemented.

2 Again, like we're paying shelter
3 providers and landlords, as a result of that,
4 three to four times what the vouchers
5 actually go for -- probably even more than
6 that. I don't really know the business of
7 homelessness. But then again, we're actually
8 paying over market rate, luxury rates for
9 penthouse apartments, maybe perhaps for
10 duplex apartments, to put someone in a bed in
11 dangerous conditions in shelter.

12 So anything -- anything is better than
13 that. The cluster site --

14 ASSEMBLYWOMAN ROSENTHAL: So maybe --
15 maybe people should live in those luxury
16 penthouses --

17 MR. GUZMAN: Yeah, again --

18 ASSEMBLYWOMAN ROSENTHAL: -- for the
19 price of a shelter.

20 MR. GUZMAN: -- if DHS is -- hasn't
21 actually to this point just created a mass of
22 their own buildings where they could actually
23 direct people in there, which would actually
24 solve that issue, then we should actually

1 look at creating vouchers or creating some
2 sort of system that allows people to be
3 placed in those apartments.

4 Again, the housing stock is -- is as
5 available as homelessness is present. So,
6 you know, it's something --

7 MS. SOLTANI: It's more available.
8 There's more open, empty apartments --

9 MR. GUZMAN: Yeah.

10 MS. SOLTANI: -- like you're saying.

11 ASSEMBLYWOMAN ROSENTHAL: Yeah.

12 MR. GUZMAN: You know, this is a
13 situation where like the housing stock
14 currently is available and people don't have
15 entry points to that. So we should really
16 look at seeing how that money being provided
17 to a shelter provider can actually be
18 redirected into getting someone a home.

19 ASSEMBLYWOMAN ROSENTHAL: Well, let's
20 work on that.

21 MR. McKEE: Shift the money from the
22 shelter system to subsidizing tenants.
23 Something our Governor would not agree with,
24 because he has a stake in the shelter system,

1 if you consider his history.

2 But this is what it's all about. This
3 is the fight that you're going to have to
4 have. It's shifting priorities.

5 ASSEMBLYWOMAN ROSENTHAL: I mean, we
6 also see in Berlin the rents have been frozen
7 now.

8 MR. GUZMAN: Yeah.

9 MR. MCKEE: Yeah.

10 ASSEMBLYWOMAN ROSENTHAL: Just now,
11 for the next five years. I don't think that
12 would even be possible here.

13 MR. MCKEE: Prevention.

14 ASSEMBLYWOMAN ROSENTHAL: Thank you.

15 CHAIRWOMAN WEINSTEIN: Thank you.

16 CHAIRWOMAN KRUEGER: Thank you all.

17 CHAIRWOMAN WEINSTEIN: Thank you for
18 the work you do --

19 CHAIRWOMAN KRUEGER: Thank you for
20 your work.

21 CHAIRWOMAN WEINSTEIN: -- and for
22 being here.

23 MR. MCKEE: I hope you all don't have
24 to stay here until midnight.

1 CHAIRWOMAN KRUEGER: Thanks.

2 CHAIRWOMAN WEINSTEIN: Up, up, up,
3 Senator.

4 Next we have Community Action for Safe
5 Apartments, CASA, Anita Long, Pablo
6 Estupiñan -- Espiñan? Hopefully I did not
7 torture your name too much -- to be followed
8 by a panel of SAGE and Albany Damien Center.

9 Again, just a reminder that it's five
10 minutes for the two of you. So make sure
11 whoever goes first leaves some time for the
12 other person so you don't have a fight in the
13 hall.

14 (Laughter.)

15 MS. LONG: Thank you. And thank you
16 for hearing me. My name is Anita Long, and
17 I'm a volunteer leader with CASA, which is
18 also known as Community Action for Safe
19 Apartments, located in the southwest Bronx.
20 And I have been organizing with them for
21 almost three years.

22 I'm also a member of the Housing
23 Justice for All, under the banner today of
24 New York Homes Guarantee 2020. And we're

1 fighting because we all understand that all
2 tenants in New York, no matter where they
3 live, deserve basic protections.

4 Now, in June of 2019 we won changes to
5 an antiquated rent control system here in
6 New York. No one gave us this. We fought
7 for it. And we organized for it. And we had
8 a vision and we did advocacy for it. And
9 that was all the things that have changed the
10 rent laws today.

11 So now you may ask why we're here
12 today. And it is 2020. We are here because
13 we have to finish an uncompleted agenda. We,
14 the tenant movement, we understand that we
15 cannot rest on our laurels because we know
16 that we have to continue to fight so that all
17 tenants get the benefits they deserve from
18 the new rent laws and also what we left off
19 the table last year.

20 HSTPA did make a tremendous positive
21 impact in our communities. But we also know
22 that if we stop fighting, Governor Cuomo's
23 HCR will undermine our wins. We know that
24 HCR is overwhelmed by the number of

1 complaints that they're receiving, they are
2 tremendously understaffed, untrained, and are
3 using outdated technology to handle this
4 daunting task. And this Governor only
5 proposed \$25 million to fix HCR. But to
6 ensure the success of HSTPA, the Housing
7 Justice for All Coalition is advocating for
8 \$500 million.

9 We all know that homelessness is on
10 the rise in New York City, across the state,
11 and even across this country. In 2019, the
12 Good Cause and the No More MCI bills did not
13 pass, and those are the two major triggers
14 that contribute to homelessness in our
15 communities. So that's why we are here, and
16 we are going to continue to aggressively
17 fight to pass the good-cause evictions and
18 the elimination of MCIs.

19 Thank you.

20 MR. ESTUPIÑAN: Good evening. My name
21 is Pablo Estupiñan, and I'm the deputy
22 director at CASA. CASA is a member-led,
23 grassroots tenant organizing group in the
24 Southwest Bronx, and we're made up of over

1 3,000 members.

2 So I'm here to affirm that CASA is a
3 proud member of the Housing Justice for All
4 Coalition and we stand in solidarity and are
5 also demanding the same things from the
6 Executive Budget: \$500 million in rental
7 assistance for homeless New Yorkers or
8 New Yorkers at risk of homelessness.

9 When we invited our partners from
10 VOCAL to come to talk to our members about
11 homelessness, we saw the solidarity of our
12 members recalling experiences in their lives
13 and living in public housing without adequate
14 conditions, being homeless, having high
15 rents. So we see the connections run deep
16 across the state, not just in the Bronx.

17 We're also here to also demand that
18 20,000 units of supportive housing be built;
19 a \$3 billion investment in public housing
20 authorities across New York; and \$500 million
21 for HCR, specifically the Office of Rent
22 Administration.

23 CASA, along with many other groups in
24 Housing Justice for All, have been advocating

1 and targeting the HCR since 2015, and we have
2 seen little shifts. In fact, I recall a
3 recent conversation with one of the executive
4 staff at HCR in the hallway before we walked
5 in, in which they said "If we didn't have to
6 meet with you so often, we'd have more time
7 to do the work." To which I countered, "We
8 wouldn't be meeting with you if we didn't
9 have to explain to you how to do your work."

10 (Laughter.)

11 MR. ESTUPIÑAN: And so I'll tell them
12 that we didn't take the summer off.

13 Immediately we regrouped, we met with
14 tenant leaders, and we developed a
15 comprehensive policy platform targeting the
16 HCR. We read Part A through Part M, even
17 when we didn't understand it.

18 But we are here today to -- first I
19 just wanted to say, to wrap up -- to thank
20 you all for standing strong and voting for
21 the Housing Stability Tenant Protection Act.
22 But that going forward, as Anita said, the
23 victories are meaningless unless there isn't
24 strong and robust enforcement.

1 CHAIRWOMAN WEINSTEIN: Thank you.

2 Thank you for being here.

3 Senator Jackson, you're looking like
4 you want to ask a question, so we'll call on
5 you.

6 SENATOR JACKSON: I have to first
7 thank him, because these are advocates that
8 have sat and waited and listened to the
9 testimony. So I thank you for the long haul.

10 I know what it is to wait. Believe
11 me, I do. I'm still waiting for \$4 billion
12 that's owed to the children of New York
13 State, where our attorney had to file another
14 lawsuit. But times have changed. And so as
15 I said -- you heard what I said to the
16 previous panel, okay? We're all in this
17 together.

18 And understanding the process, both
19 houses -- meaning the Assembly and the
20 Senate -- are led by Democrats. What we
21 don't want is for our house, meaning the
22 Senate, to change hands back again, else
23 nothing's going to happen. So you have to
24 help us. Continue to advocate. All of the

1 people that you represent, the over 3,000
2 tenants, have them write and email all of
3 their legislators and write and email the
4 Governor and put pressure on them and us.

5 And we're going to put pressure on
6 you, too, to understand what the situation
7 that we're in -- no one didn't say that to
8 you, and I'll tell you later. We're not in
9 an easy spot. I don't want this Senate to
10 turn back to Republican-led, okay? So we'll
11 talk later.

12 Thank you.

13 CHAIRWOMAN WEINSTEIN: Thank you.

14 SENATOR JACKSON: Thank you.

15 MR. ESTUPIÑAN: Thank you.

16 MS. LONG: Thank you.

17 CHAIRWOMAN WEINSTEIN: Thank you.

18 Assemblyman Blake.

19 ASSEMBLYMAN BLAKE: Thank you. It's
20 always good to see Bronx allies in the room
21 and at the table.

22 Can you just kind of personalize and
23 crystallize the impact, particularly for our
24 immigrant communities? You know, good and

1 bad. I think a lot of times, again, these
2 conversations are very theoretical. Why do
3 we have to go further in providing housing
4 protections, in particular especially for our
5 immigrant communities in areas like the Bronx
6 and other places?

7 MR. ESTUPIÑAN: Definitely. Just to
8 clarify, you said immigrant communities? You
9 said immigrant communities?

10 ASSEMBLYMAN BLAKE: Yes.

11 MR. ESTUPIÑAN: Yes. So in the
12 neighborhood that we organize, many of our
13 members are also monolingual Spanish
14 speakers. And so just speaking about HCR, we
15 believe that they're not currently in
16 compliance with the executive order with
17 language access.

18 We've had members that received, like,
19 landlord applications around MCI rent
20 increases who don't understand the notice.
21 It only comes out -- it's only mailed to them
22 in English. And the way it's phrased, it
23 doesn't actually explain to tenants that if
24 you don't respond that you will lose your

1 opportunity to challenge the MCI.

2 And we've also seen cases in which
3 landlords have submitted work orders from
4 tenants who speak other languages as proof
5 that they're satisfied with the work, which
6 HCR has received as proof that everything's
7 okay in the building and that the tenants no
8 longer have any complaints.

9 And just in general, right, there
10 isn't enough interpreters for members to
11 call. And just navigating the system is
12 hard, even for English speakers, right? We
13 had one of our members that came to Albany
14 today, he took his neighbor who's homebound
15 in a wheelchair, rent-controlled, over to the
16 office in Fordham, and they sent him -- they
17 said to him: "This is the wrong office, you
18 have to go to Jamaica for rent-controlled
19 tenants." In my seven years, I did not even
20 know that.

21 And then when they did -- when he
22 called me to ask "What should I do next?" I
23 said, "Call them to get your rent history."
24 They called, and no one was available to

1 speak -- like, there wasn't a live person to
2 even speak to them about their rent history.

3 So let's say there are really large
4 gaps for people who speak different
5 languages. And that actually really impacts
6 their ability to want to fight back, claim
7 their rights, file rent reductions, file
8 overcharge complaints, keep accurate record
9 releases. It just makes it really impossible
10 for them to even want to navigate the system.

11 ASSEMBLYMAN BLAKE: Thank you.

12 CHAIRWOMAN WEINSTEIN: Assemblyman
13 Ortiz.

14 ASSEMBLYMAN ORTIZ: Thank you,
15 Madam Chairwoman.

16 And also I would like to echo the
17 Senator for his comment. I would add my
18 comment to his comment as well.

19 I just have two quick questions. How
20 many attorneys do you have in CASA?

21 MR. ESTUPIÑAN: Zero. We only have
22 organizing staff. But we partner with Bronx
23 Legal Services on a weekly basis.

24 ASSEMBLYMAN ORTIZ: Okay.

1 MR. ESTUPIÑAN: And they have two
2 attorneys who staff Thursday legal clinic.
3 So anyone who comes to our office from 11 to
4 6 will be seen by an attorney, but they are
5 only able to provide counsel and not take on
6 any litigation.

7 ASSEMBLYMAN ORTIZ: The second
8 question that I have is where your funding
9 stream comes from.

10 MR. ESTUPIÑAN: Our funding? A quick
11 breakdown is like 70 percent from city
12 contracts around doing education around
13 tenants' rights, foundations, and private
14 donations from our supporters.

15 ASSEMBLYMAN ORTIZ: And the last
16 question I have is, how many people work in
17 CASA? How many?

18 MR. ESTUPIÑAN: We have 10 total
19 full-time staff, ranging from supervisors to
20 campaign organizers to organizers whose sole
21 focus is working with organizing tenant
22 associations in the building.

23 But I will say, around our structure
24 in CASA, is we do spend a lot of our

1 resources and time and are not compensated
2 for our work. So a great example is today.
3 Right? As part of being part of Housing
4 Justice for All, it's really important for us
5 to be able to bring our members, because we
6 could not kind of afford to do that work on
7 our own.

8 ASSEMBLYMAN ORTIZ: So the -- and how
9 many bilingual people do you have?

10 MR. ESTUPIÑAN: In CASA? All of our
11 staff speak Spanish and other languages.

12 ASSEMBLYMAN ORTIZ: Other languages.
13 And you don't get no contract from the state
14 at all for your services?

15 MR. ESTUPIÑAN: Uh, no. We inquired
16 into receiving funding from DHCR. We
17 understand that they allocate funding for
18 some affordable housing preservation every
19 two years. But they haven't -- when we asked
20 Senator Rivera's office to support into the
21 inquiry, we did not receive -- the window had
22 opened -- the application window is really
23 small, as we understand, and they haven't
24 really made an attempt to expand who they

1 give funding to.

2 ASSEMBLYMAN ORTIZ: And my last
3 question is do you offer services just in the
4 Bronx, or you do services throughout the
5 city, Yonkers, Westchester? What is your
6 catchment area?

7 MR. ESTUPIÑAN: Highbridge, Cardi B
8 {ph}, Strato {ph}. Also Concourse Village,
9 Mount Eden. So we're really local. But I
10 know that -- I like to think of us as really
11 local, but our reach is far.

12 ASSEMBLYMAN ORTIZ: Well, thank you
13 for your service. And I used to work in the
14 Bronx many, many years ago, and one of my
15 jobs was to deal with neighborhood
16 preservation for the borough president. In
17 those days, it was Fernando Ferrer.

18 And I think that the work that you
19 guys do and continue to perform deserves some
20 more funding, and you should reach out to the
21 legislators as well.

22 Thank you.

23 CHAIRWOMAN WEINSTEIN: Thank you.

24 Thank you both for being here today.

1 Next we have -- thank you, that's --
2 oh, I'm sorry. Wait, wait, sit down.

3 SENATOR KAVANAGH: Sorry, just --

4 CHAIRWOMAN WEINSTEIN: Pablo? Pablo,
5 sit down.

6 SENATOR KAVANAGH: Just briefly.

7 CHAIRWOMAN WEINSTEIN: Anita? Pablo,
8 sit, sit. We have one more question, sorry.

9 SENATOR KAVANAGH: Yeah. Sorry, we
10 weren't -- we had some miscommunication up
11 here.

12 I didn't -- I shouldn't -- I don't
13 want to hold you, but I do want to say that,
14 you know, we've had opportunity to speak
15 separately about your work and your platform
16 on making sure that these laws, that the Home
17 Stability and Tenant Protection Act, are
18 going to be implemented properly.

19 And, you know, we did question, in our
20 limited time here today, question the
21 commissioner about the resources necessary to
22 do that and the manner in which they're
23 interpreting that, and we will -- we'll
24 continue to do that work.

1 But I just wanted to take the time to
2 publicly thank you and your organization for
3 your advocacy last year and for your very
4 thoughtful approach to ensuring that that law
5 has the effect that we all hope it will.

6 So I just want to thank you very much.

7 MR. ESTUPIÑAN: Great, thank you. We
8 look to partnering in the future.

9 CHAIRWOMAN WEINSTEIN: Thank you for
10 being here. That was our exercise program,
11 having to get up and down in the chairs.

12 (Laughter.)

13 CHAIRWOMAN WEINSTEIN: Next we have a
14 panel: SAGE, Melissa Sklarz, and Albany
15 Damien Center, Perry -- Perry, please, rather
16 than my mess up your last name, just say it
17 when you sit down.

18 MR. JUNJULAS: Junjulas. Thanks.

19 MS. SKLARZ: Hey, you all. I guess
20 good evening, then.

21 CHAIRWOMAN KRUEGER: Good evening.

22 MS. SKLARZ: So let's see. So thank
23 you for having us tonight. So on behalf of
24 SAGE and our lesbian, gay, bisexual and

1 transgender elders we serve, thank you to the
2 members of this committee for holding the
3 hearing today and allowing me to present
4 testimony. My name is Melissa Sklarz. I'm
5 the senior government relations strategist at
6 SAGE.

7 Founded in 1978 in New York City, SAGE
8 is the country's first and largest
9 organization dedicated to improving the lives
10 of LGBT elders. Service-enriched
11 LGBT-friendly housing is crucial for our
12 state's LGBT elders. Aging alone is
13 difficult. We've heard for hours today and
14 all of you deal with it in your work here in
15 Albany, knowing that aging is difficult. And
16 then when you add LGBT people into it -- with
17 thin support networks, no guarantee of family
18 support, struggling to keep their houses once
19 people age, they're out of work.

20 So what we've been doing at SAGE is
21 we've made sure that people that age,
22 LGBT-identified people, have a place to go.

23 We have a 10-state study from 2014
24 conducted by the Equal Rights Center and SAGE

1 that found that 48 percent of same-sex older
2 couple testers seeking housing have
3 experienced discrimination. Data from these
4 studies shows the pervasive challenges that
5 LGBT elders face when seeking housing in
6 New York. Again, we've been hearing it today
7 about older people pricing out of
8 neighborhoods, neighborhoods they've lived in
9 for decades.

10 Our LGBT older New Yorkers need and
11 deserve affordable, welcoming housing.
12 That's why, 42 years after our founding, SAGE
13 is realizing a dream. We are opening
14 LGBT-friendly affordable housing in New York
15 City. Our first housing project is Stonewall
16 House down in Fort Greene, Brooklyn, in
17 Assemblymember Mosley's neighborhood. This
18 year we'll be opening up our second house in
19 Crotona Park North, in East Tremont, in
20 Assemblymember's Blake's neighborhood.

21 The Brooklyn house will have 145
22 100 percent-affordable apartments for
23 low-income elders, 25 percent for formerly
24 homeless elders. Of course all of our --

1 both of these buildings will have SAGE
2 Centers that will provide full services, full
3 options from case management to healthcare,
4 of -- for feeding.

5 And the Crotona residence in the Bronx
6 will have 83 residences, it will have a
7 10,000 square foot SAGE Center -- it will be
8 the largest SAGE Center in the city. The
9 development will house a diverse elder
10 population. Thirty percent of these will be
11 chronically homeless elders.

12 Each of these SAGE Centers will be
13 open not only to the residents but also
14 elders throughout the neighborhood. And this
15 will be great. It will add a component to
16 both of these neighborhoods that is
17 well-needed. There is a senior center in
18 Fort Greene, but we're going to increase
19 that, and with state-of-the-art services.
20 And we're very excited about that.

21 The Fort Greene is located on the
22 Ingersoll House campus. The average level of
23 household income: \$23,889. So we're really
24 excited about the options and opportunities

1 that will be available to low-income
2 residents in the neighborhood and for people
3 at NYCHA.

4 At SAGE we're very grateful for the
5 support we've gotten from New York State to
6 provide for care management and support
7 services. In fiscal year 2021 we're asking
8 for a restoration of the \$100,000 in support
9 to provide comprehensive care management,
10 care center programming and support services
11 to low-income predominantly LGBT elder
12 residents in and around New York State's
13 first LGBT-welcoming elder housing
14 development.

15 SAGE also requests a restoration of
16 \$200,000 in support of our general services
17 and expenses in support of our state's
18 elders. In total, SAGE is requesting a
19 restoration of \$300,000 in fiscal year 2021.

20 Thank you.

21 CHAIRWOMAN WEINSTEIN: Thank you.

22 MR. JUNJULAS: Thank you for the
23 opportunity to present testimony today. My
24 name is Perry Junjulas, and I'm the executive

1 director at the Albany Damien Center. And I
2 also represent the Ending the Epidemic
3 Coalition, which is comprised of over 90
4 organizations across New York State dedicated
5 to ending the AIDS pandemic.

6 But most importantly, I'm a person who
7 was diagnosed with AIDS 25 years ago, who was
8 told at the time that he had three months to
9 live. I am fortunate enough to be here today
10 to testify in front of you because of the
11 investments New York State has made to help
12 persons like myself who were dying at the
13 time of AIDS.

14 Today I'm here to testify on behalf of
15 4300 very-low-income persons struggling with
16 HIV who are unstably housed or homeless
17 outside of New York City -- persons who may
18 not survive AIDS unless we intervene and
19 help. These are also people who will
20 continue to spread the HIV virus because
21 their viral load is not suppressed. For
22 them, it is 1980.

23 At the end of 2018, we have data that
24 shows we have 108,000 persons in New York

1 State who are living with HIV and AIDS. In
2 2018 we had over 2400 new HIV infections in
3 New York State. We have the tools to end
4 this.

5 Since 2016, in New York City, every
6 single low-income person with HIV has had
7 access to a rental subsidy that provides a
8 30 percent rent cap. In short, every person
9 diagnosed with HIV in New York City has
10 access to safe, affordable housing and thus
11 is having better health outcomes than those
12 outside of New York City. So we are starting
13 to see great disparities in the health of
14 people with HIV and AIDS in New York City
15 compared to the rest of the state.

16 So we were very pleased that the
17 New York State 2020 budget included our
18 proposal to make \$5 million in New York State
19 funding available to enable departments of
20 social services outside of New York City to
21 voluntarily partner with local health payers,
22 such as MCOs and PPSs, and community-based
23 organizations such as ours, to provide
24 meaningful rent assistance for homeless and

1 unstably housed low-income New Yorkers with
2 HIV outside of New York City.

3 This New York State funding would have
4 leveraged matching dollars of at least
5 5 million from local partners, for a total of
6 10 million annual HIV housing investment.
7 Ample evidence shows that dollars spent on
8 HIV rental assistance generates Medicaid
9 savings from avoided emergency and inpatient
10 care that offset the cost of housing
11 supports.

12 However, the funding year 2020 budget
13 language included language that undermined
14 the ability of the local districts to secure
15 local partners and propose successful plans.
16 The Aid to Localities language required --
17 said that any savings realized through the
18 improved housing stability be recaptured to
19 reduce the state investment, while requiring
20 the local partners to continue providing the
21 funds and pay 100 percent of the cost for
22 housed participants in perpetuity.

23 As we predicted, unfortunately no
24 local district proposed to opt into the

1 program as written. And the result was that
2 the \$5 million allocated last year was not
3 spent and not one single person with HIV was
4 housed.

5 We're very happy again to see in the
6 2021 Executive Budget again that there is the
7 \$5 million, and actually a appropriation also
8 of last year's \$5 million. However, we were
9 very dismayed to see that the proposed
10 language continues to include the same
11 language.

12 So it's critical to the success of the
13 program that the language be changed to allow
14 the local partners to propose the best use of
15 the healthcare savings realized through
16 improved housing status, including sharing
17 savings among the local social services
18 district and the health payer, to support
19 program and administrative costs and to
20 provide ongoing HIV housing subsidies.
21 Attached to my written testimony are the
22 proposed changes to the budget language that
23 are necessary to be able to move this program
24 forward.

1 The Albany Damien Center and the
2 Ending the Epidemic Community Coalition
3 strongly urge the Governor and the
4 Legislature and this committee to please
5 fully support this \$5 million rest-of-state
6 HIV housing program by including the revised
7 language in the enacted FY 2021 budget and
8 passing the ELFA Article VII language to
9 authorize the use of these funds. We believe
10 that this \$10 million investment will support
11 sufficient housing subsidies to finally
12 afford equal access to safe and supportive
13 housing for persons with HIV in every part of
14 New York State.

15 Certainly at the Albany Damien Center,
16 right up the street, I'm continuing to see a
17 large number of persons who are homeless who
18 have HIV who I do not have spots for. This
19 money will help.

20 So thank you.

21 CHAIRWOMAN WEINSTEIN: Thank you.

22 Assemblyman Blake.

23 ASSEMBLYMAN BLAKE: Thank you very
24 much.

1 there was a program that was developed as a
2 result of a young kid in Florida called Ryan
3 White.

4 And for those of us who remember the
5 Ryan White contract, one of the additions to
6 the new Ryan White contract was to have a
7 program established for new guardians. The
8 new guardians, you probably remember -- if
9 you do -- was to ensure that any individual
10 suffering from HIV or AIDS that are on their
11 terminal life, at the end of their life, that
12 there will be a mechanism in process to make
13 sure that if they have children, they will be
14 transitioned into a new guardian.

15 I used to run that program. My
16 organization at that point was the one who
17 got the first contract in the City of
18 New York, called Selfhelp Community Services.

19 My question to you is that -- I don't
20 know if the new guardian program or the
21 Ryan White program is still around anymore,
22 but is there something in place within your
23 sector about those who are terminally ill and
24 what kind of transition they go through

1 today?

2 MR. JUNJULAS: So certainly, if I
3 understand your question, it -- Ryan White
4 funds have been invaluable to helping persons
5 living with HIV throughout the state.

6 The hard part is not having enough
7 dollars for the housing to be able to -- you
8 know, without housing a person cannot get to
9 the medications that they deserve. That
10 often, you know, is the thing that is going
11 to be able to save their lives. They're not
12 able to get to the doctor, they're not able
13 to get to so many other things. And for
14 people living with AIDS, taking their
15 medication and getting to the doctor is
16 critical, absolutely critical.

17 Also, in 2016 there's new information
18 that showed that if we get a person's viral
19 load, like mine, down to an undetectable
20 level, which means it's really small, we
21 cannot infect other people. So part of
22 this -- these dollars is also really working
23 to eliminate the pandemic, to reduce the 2500
24 new infections we're seeing every year in

1 New York State so we can get that down to a
2 very, very low level so our grandkids can
3 say, you know, What was that thing called
4 AIDS, Grandpa, when you were living and
5 growing up?

6 ASSEMBLYMAN ORTIZ: Yeah. Well, I did
7 a lot of work on that, and I want to make
8 sure that I put on the record that I'm
9 willing to help and to do whatever I can to
10 make sure that we can bring this kind of
11 justice to this kind of program. Because
12 what you do is very critical, and we should
13 support it.

14 Thank you very much.

15 MR. JUNJULAS: Thank you.

16 CHAIRWOMAN WEINSTEIN: Thank you.

17 Thank you for being here today.

18 Next we have a panel of the Community
19 Service Society of New York, the New York
20 Land Bank Association, and Empire Justice
21 Center.

22 So you can begin. You can do it in
23 the order -- yeah, well, you can just do it
24 in the order that I called you.

1 MS. MIRONOVA: Sure. Can you hear me?

2 Yeah, okay.

3 Thank you so much for the opportunity
4 to offer comments on the budget and for
5 sticking around until the bitter end. My
6 name is Oksana Mironova, and I'm a housing
7 policy analyst with the Community Service
8 Society. CSS is an independent nonprofit
9 organization that addresses some of the most
10 urgent problems facing low-income
11 New Yorkers, including the effects of the
12 city's affordable housing crisis.

13 I'm going to talk about three main
14 topics -- the relationship between rent
15 regulation and enforcement, rental
16 assistance, and public housing. And you've
17 already heard a lot about the need to fund
18 ORA specifically for increased enforcement.

19 We know that the historic Housing
20 Stability and Tenant Protection Act of 2019
21 only increases the need for strong
22 enforcement. The new rent laws will depend
23 on ORA's ability to monitor and regulate
24 vacancy rents, which will no longer be

1 subject to vacancy bonuses. ORA will also
2 have an increased responsibility over
3 monitoring and auditing individual apartment
4 improvements and major capital improvement
5 increases over very long timelines, so 15 to
6 30 years.

7 Further, with the removal of
8 geographic restrictions, the rent laws may
9 eventually cover an increased number of units
10 dispersed all across New York State.

11 It is apparent that the agency's
12 workload has increased exponentially since
13 the passage of the new rent laws. That is
14 why it is absolutely vital for HCR's budget
15 to increase accordingly.

16 Now I'm going to move on to rental
17 assistance.

18 The major programs for creating new
19 affordable housing today are capital subsidy
20 programs that provide resources for
21 constructing apartment buildings but not for
22 heating, maintaining and otherwise operating
23 them. Capital subsidies can reduce the rents
24 only so much, and rent payments are still

1 needed to cover the costs of operating the
2 building. That is why existing programs are
3 failing homeless people and those at the risk
4 of homelessness.

5 Subsidies to lower rents below
6 operating costs are the missing ingredient in
7 today's housing programs, and rental
8 assistance programs, much like the federal
9 Section 8 program, fill that gap. There are
10 two bills in the Legislature that would
11 establish a state rental assistance program,
12 both of which CSS supports -- the Housing
13 Access Voucher program and the Home Stability
14 Support program.

15 Both of those programs direct rental
16 assistance to the people who need it most and
17 provide mandated relief to local governments
18 that are struggling with limited resources.
19 Both address homelessness by doing what most
20 present-day housing programs don't do:
21 Enable people with incomes near or below the
22 poverty line to afford their rent.

23 In addition to that, we also support
24 the End Income Bias NY Coalition's budget

1 request for a minimum of \$5 million towards
2 the enforcement of the new source-of-income
3 discrimination law. Similarly to rent
4 regulation, rental assistance programs depend
5 on strong enforcement.

6 And now I'm going to move on to public
7 housing.

8 We all know that public housing is in
9 dire crisis in New York State. NYCHA has a
10 40 billion capital dollar backlog. Smaller
11 public housing authorities across the state
12 are subject to less media coverage and also
13 don't make their capital needs public.
14 However, authorities in cities like
15 Rochester, Buffalo, Syracuse and Albany
16 likely have capital needs that are parallel
17 to NYCHA's, given a similar history of
18 federal, state and local disinvestment.

19 State funding is critically needed to
20 improve living conditions, and CSS recommends
21 the state allocate \$3 billion for public
22 housing across New York State.

23 Solutions to the state's housing and
24 homelessness crises will require substantial

1 investment and a significant reorientation of
2 the state's budget and tax policy. One
3 potential place to start is to eliminate
4 421-a, which cost the city \$1.6 billion in
5 forgone tax revenue in 2019, and has shown
6 time and time again to be extremely
7 inefficient in supporting the state's housing
8 affordability goals.

9 Thank you.

10 MR. ZARANKO: Hello. Good evening,
11 and thank you to the honorable members of
12 this joint committee for the opportunity to
13 testify about New York State's land bank
14 program.

15 My name is Adam Zaranko, and I have
16 the honor of being both the executive
17 director of the Albany County Land Bank and
18 the president of the New York State Land Bank
19 Association, which is a statewide association
20 that supports New York's land bank program,
21 which is among the most active and effective
22 networks of land banks in the nation.

23 Land banks are not-for-profit local
24 public authorities equipped through New York

1 State law with the authority and flexibility
2 needed to reclaim the tremendous number of
3 vacant and abandoned properties devastating
4 our communities in New York State. There are
5 currently 25 land banks in the state. We
6 expect up to 10 more to be formed with
7 respect to the recent increase on the
8 legislative cap adopted by this body two
9 years ago.

10 Land banks are necessary because
11 history has not been kind to most of New York
12 State's communities. It's been 12 years
13 since the 2008 financial crisis devastated
14 neighborhoods across the state and many of
15 our communities are still reeling from the
16 effects. It's been 70 years since the
17 post-World War 2 suburbanization of America
18 hollowed out our urban cores, creating an
19 imbalance in the housing supply and leaving
20 behind entire populations that lacked the
21 economic opportunity and mobility to
22 participate in the new American dream. It's
23 been 90 years since the introduction of the
24 federal redlining maps that encouraged the

1 intentional disinvestment of communities of
2 color and ethnic groups that created a legacy
3 of economic and racial segregation in cities
4 like Albany, Buffalo, Rochester, and Syracuse
5 that still persists today.

6 Today, the inequality plaguing
7 New York's communities caused by this history
8 is staggering. The disparity between white
9 and black homeownership rates in cities like
10 Albany and Buffalo are among the widest in
11 the nation. And left unaddressed, the
12 economic disparity and pervasive inequality
13 gap will continue for generations.

14 We don't have to look far to see the
15 impacts of this history. Consider Arbor
16 Hill, which is about a five-minute walk from
17 where we're sitting today. Arbor Hill is one
18 of the lowest-opportunity neighborhoods for
19 U.S. children in the country, scoring a 1 out
20 of 100 on the Child Opportunity Index. The
21 neighborhood lacks quality affordable
22 housing, and its renters are rent-burdened or
23 severely rent-burdened. More than 25 percent
24 of buildings in Arbor Hill are abandoned.

1 That's over 100 vacant buildings, one for
2 every 38 people that live in that community.

3 Unfortunately, there are too many
4 neighborhoods throughout New York State like
5 Arbor Hill struggling to recover from a
6 hundred years of disinvestment. For every
7 urban community in the state struggling,
8 there are also multiple rural communities
9 grappling with their own affordable housing
10 crisis.

11 Land banks eliminate blight and
12 transform vacant and abandoned properties
13 into affordable homes that serve as a
14 foundation upon which our communities can
15 rebuild. Along with proactive code
16 enforcement and foreclosure prevention, we
17 can eliminate disparities and change the
18 trajectory of even our most distressed
19 neighborhoods.

20 To date, New York's land banks have
21 been funded primarily through the New York
22 State Attorney General's Community
23 Revitalization Initiative, using funding
24 obtained from settlements from the 2008

1 financial crisis. While this money has been
2 incredibly helpful to land banks and the
3 communities that they serve, there's
4 currently no additional funding identified
5 for land banks beyond December 31st of this
6 year.

7 In order to continue our collective
8 work and foster the growth of new land banks,
9 the New York State Land Bank Association
10 respectfully requests \$40 million in funding
11 be added to the FY 2020 state budget to fund
12 land banks for the next several years.

13 The New York Land Bank Association has
14 developed a model that would provide
15 reoccurring, adequate and predictable public
16 funding to New York's land banks -- something
17 that most successful land banks in the nation
18 have secured. More information is in your
19 packets, and the Land Bank Association is
20 always prepared to roll up our sleeves and
21 get to work.

22 We can and do have many discussions
23 about the historic origins of vacant
24 properties, who's to blame or who should be

1 responsible for dealing with them, the
2 astronomical costs associated, including
3 insurance premiums and other things. But
4 what we really need to do is weigh the costs
5 of not continuing to invest in our
6 communities and reclaiming vacant properties.
7 The New York Land Bank Association believes
8 the cost is way too high, and I hope that you
9 would all agree.

10 We can't go back and change the past,
11 but we can certainly continue to work
12 together to make a better future for our
13 state.

14 Thank you.

15 CHAIRWOMAN WEINSTEIN: Kirsten?

16 MS. KEEFE: Hi. Hi. Is that on?

17 My name is Kirsten Keefe, and I am a
18 senior attorney with the Empire Justice
19 Center. I too want to thank you for the
20 opportunity to testify, and really thank you
21 all for still being here. I have testified
22 at hearings at this hour to one or two
23 people, so it's really appreciated.

24 So I'm here to mostly talk about the

1 Homeowner Protection Program, which I know
2 there's been a lot of conversation on.

3 Before I do that, though, I just want
4 to mention one thing in the budget, and I
5 don't think anyone has mentioned it yet
6 today. But in the Governor's Executive
7 Budget, Part O, he includes a proposal that
8 would eliminate the STAR credit and any
9 additional exemptions if a homeowner
10 missed -- fell behind just one year in their
11 property taxes. So we are opposing that, and
12 we are really encouraging the Assembly and
13 the Senate not to include it in your
14 one-houses and to reject it.

15 You know, it really is, in our view --
16 I understand how theoretically it might seem
17 like an incentive to get people to pay their
18 taxes. I'd say it's my experience and the
19 experience of my fellow advocates that people
20 know to pay their property taxes. If they
21 don't, it's more often than not because they
22 can't afford to. And taking away those
23 exemptions is really kicking folks,
24 especially seniors, when they're already

1 down.

2 Okay, so regarding the Homeowner
3 Protection Program, one, thank you for the
4 attention that it's gotten in today's hearing
5 and for all the questions. I'm certainly
6 here to testify in support of continued
7 funding of \$20 million.

8 HOPP is really New York State's main
9 program, along with the NPCs and RPCs, to
10 preserve homeownership in New York State.
11 HCR doesn't have any similar dedicated
12 program because back in 2008 it originally
13 started a foreclosure prevention services
14 program made up of now, today, 87 housing
15 counseling and legal services programs that
16 provide services and make services available
17 in every county of New York State. So it is
18 a very fair program across the state.
19 Homeowners have equal opportunity to housing
20 counseling and legal services throughout the
21 state.

22 I think we'd be hearing a lot more
23 about problems that homeowners are
24 experiencing with lenders -- we really

1 haven't, I don't think, through the years
2 because this system has been set up and we
3 are at this point in time a very well oiled
4 machine and really providing assistance to I
5 think over half of the homeowners who are in
6 default and distress in New York State.

7 In my testimony there's a very
8 detailed history of the program and where the
9 funding has come to. I will also say that in
10 my testimony, in Footnote 5, I actually
11 reprinted the budget language from last year.
12 There have been some questions, so I just
13 want to clarify. In last year's budget HOPP
14 was funded through a reappropriation of a
15 \$25 million pot of funding from the 2015 MOU
16 over the Chase money. So that original pot
17 of money was not 30 million. I believe the
18 commissioner thought that it was 30 million.
19 It's actually a 25 million pot.

20 Up to 20 million was allocated last
21 year to the Office of the Attorney General,
22 and then there was language that the
23 remaining could be appropriated April 1,
24 2020.

1 So we believe that there is 5 million
2 in the pot currently left over from the 20 to
3 25 million. I do not know whether or not
4 there's an additional 5 million that has not
5 been spent in the 20 million that was
6 allocated last year to the Office of the
7 Attorney General.

8 So I certainly hope the commissioner
9 is right that there is 10 million already
10 there to be allocated, and that would be
11 great. But, you know, I just wanted to
12 clarify that because we might need actually
13 15 million from the State Legislature.
14 Beyond my pay grade to figure out whether
15 that money is there, but I just really wanted
16 to clarify that.

17 Also in my testimony we outline 10
18 programs and laws that will be deeply
19 impacted if these services are not funded.
20 And let me be very clear, there is no other
21 dedicated source for foreclosure prevention
22 services throughout New York State. The vast
23 majority of these services will go away
24 starting April 1, and the rest will probably

1 decline, or almost all the rest will decline
2 over the rest of the year.

3 There are 10 programs, most notably
4 the mandatory settlement conferences, that
5 are required in every residential foreclosure
6 case in New York State. These programs are
7 now embedded with the courts, working with
8 homeowners in the settlement conferences.
9 They depend on these services.

10 There is a notice that New York State
11 mandates be sent by lenders to homeowners at
12 least 90 days before they can file a
13 foreclosure, and that notice must include a
14 list of five housing counseling agencies in
15 the geographic region. The HOPP agencies are
16 the agencies listed on that notice. If HOPP
17 is not continued, they will not be able to
18 comply with the law.

19 CHAIRWOMAN WEINSTEIN: Thank you all
20 for being here.

21 And Kirsten, thank you for helping --
22 I know we had some conversations after the
23 commissioner's testimony, and obviously a lot
24 of us are very concerned about that funding

1 and have been for a number of years and would
2 like to have something more stable than the
3 response of: We'll negotiate during the
4 budget negotiations, we'll talk about that
5 extra 10.

6 But we're going to try and get to the
7 bottom of whether in fact it's 10 million or
8 5 million that is available. And rest
9 assured that there are strong advocates here
10 for funding to be in place. We know the good
11 work that all of you do in this area.

12 So thank you all for being here.

13 ASSEMBLYMAN CYMBROWITZ: Thank you.

14 CHAIRWOMAN WEINSTEIN: Now we have a
15 number of individuals -- well, first let
16 me -- is Betsy Kraat from Kingston Tenants
17 Union here? I don't believe so.

18 So now we have several different
19 individuals. I'll call them one at a time.
20 First, Richard Flores, are you here? Oh,
21 come on down. Are you going to -- it's not a
22 game show, but we're waiting for you. There
23 may be a better prize at the end.

24 CHAIRWOMAN KRUEGER: And then if you

1 know you're planning on testifying tonight,
2 if you wouldn't mind moving towards the front
3 so when we call you don't have to come from
4 all the way in the back. Thank you.

5 CHAIRWOMAN WEINSTEIN: So just as
6 Mr. Flores is settling in, the next person
7 is -- and I'm sorry if I don't get your name
8 pronounced correctly -- Zohran Kwame Mamdani,
9 and then Boris Santos.

10 And is -- has -- is Karim Walker here?
11 If you are, you are the final individual.

12 So begin when -- Mr. Flores.

13 MR. FLORES: Good afternoon. My name
14 is Richard William Flores. I'm 54 years of
15 age. I'll make this very brief. I'm
16 originally a resident of Queens Village,
17 New York. I've been homeless twice in
18 13 years -- first in 2009, then from 2015
19 till now.

20 I've sought assistance from several
21 agencies in New York that are supposed to
22 help individuals who are looking for or
23 assistance for a place to live, including at
24 DHS, Coalition for the Homeless. And I was

1 denied because I receive Social Security
2 Disability insurance. And before that, I was
3 denied assistance because I received
4 unemployment insurance.

5 I was simply told that I received too
6 much money from the state. And to my
7 understanding, they were supposed to provide
8 some sort of assistance other than sending me
9 to a city shelter.

10 I'd like to stray away from this for a
11 moment and just pose a question to you,
12 and -- which you've probably dealt with
13 before. I think there are probably many
14 individuals like me who unfortunately didn't
15 know how the law works in reference to how
16 one can become evicted and what you can do to
17 stop from being evicted.

18 In the times that I was evicted, I
19 didn't have legal counsel. So when I went to
20 court, I naively did whatever the judge told
21 me to do, which was if you can't pay, you
22 have to vacate the premises. Not we'll give
23 you a length of stay or we'll look at your
24 situation or what they do with people who

1 sign a lease. And I apologize if I sound
2 naive, but I actually was that naive.

3 So what I'm asking here is I would
4 implore you to build more affordable housing
5 units in New York City and more affordable
6 housing units are needed to help the state's
7 most vulnerable populations and requires a
8 continued investment in services to function
9 as needed.

10 I think there's a real problem with
11 agency in our country. Throwing people out
12 into the street is not a solution in New York
13 or anywhere in our country. And affordable
14 housing is but one of the necessities of life
15 that's needed to be addressed in America. I
16 think the other thing that needs to be
17 addressed is equality, whether it's education
18 or whether it's your place of employment, and
19 those two factors often lead to individuals
20 becoming homeless.

21 I don't have the knowledge to speak to
22 you in terms of dollars and cents. I can
23 only really speak to you from my own personal
24 position. And I would imagine that everyone

1 here would translate that into what that
2 means in terms of dollars and cents and how
3 that money is allocated to help individuals.

4 That's all I'd like to say.

5 CHAIRWOMAN WEINSTEIN: So on behalf of
6 all the members, we thank you for being here.
7 It's helpful for people to see the face
8 behind some of the work that we're trying to
9 accomplish for our homeless population and
10 others who need affordable housing. Thank
11 you for being here.

12 CHAIRWOMAN KRUEGER: Thank you. Thank
13 you very much.

14 CHAIRWOMAN WEINSTEIN: So next we have
15 Zohran Kwame Mamdani.

16 MR. MAMDANI: Hello. Good evening.

17 CHAIRWOMAN KRUEGER: Good evening.

18 MR. MAMDANI: Thank you so much for
19 having me.

20 My name is Zohran Kwame Mamdani, and
21 I'm here to talk today about the housing
22 crisis across our state. I'm a foreclosure
23 prevention housing counselor, and I'm going
24 to be speaking from my experience in that

1 profession.

2 One of the most troubling issues we
3 face in housing today is the rise of
4 speculative investors treating our
5 neighborhoods like investment portfolios
6 instead of communities. Last year housing
7 advocates across the state descended on
8 Albany to let our elected officials know that
9 we would no longer accept the loopholes in
10 the rent laws that allowed too many families
11 to be displaced, too many units to be
12 deregulated, and too many predatory landlords
13 to make unprecedented profits at our expense.

14 After decades of struggle, the voices
15 of the tenant movement won, and the state
16 passed, with the help of so many of you in
17 this room, a landmark package of rent laws
18 that are already making a significant
19 difference in our communities.

20 However, unscrupulous landlords have
21 been allowed to continue to use exploitative
22 methods and predatory equity tactics to
23 extract wealth from our communities by
24 focusing on unregulated buildings. This has

1 included making large portfolios out of one-
2 and two-family homes that until now have
3 served as the building blocks of housing
4 stability and intergenerational wealth
5 building for our communities.

6 This is why I urge lawmakers here in
7 Albany and here today in this committee to
8 pass a good-cause eviction law and to also
9 push for good-cause eviction legislation in
10 the budget and pass a budget with it
11 included.

12 Good-cause eviction will put in place
13 basic tenant protections for most tenants who
14 currently live precariously in their homes by
15 the good graces of their landlord. Tenants
16 in unregulated housing units will have the
17 right to a lease renewal unless the landlord
18 can present a legitimate reason not to, such
19 as persistent failure to pay rent or causing
20 serious damage to a property.

21 As a housing counselor, the agency I
22 work for regularly meets with tenants who are
23 too scared to ask their landlord to turn the
24 heat on during winter or remove mold from the

1 bathroom because they knew that once their
2 lease expired, the landlord could refuse to
3 give them a new one and kick them out of
4 their home. This protection allows tenants
5 to speak out when their rights are being
6 violated without the fear that their landlord
7 will see them as a troublemaker and simply
8 refuse to renew their lease.

9 This is critical for New Yorkers
10 across the city and the state, and especially
11 for the district I live in, which is in
12 Astoria. Many of the tenants who live in
13 Astoria live in unregulated apartments. Our
14 district has a diverse housing topography,
15 including many one-to-four-family homes and
16 multifamily buildings. In order to guarantee
17 housing stability in the midst of
18 gentrification, we need a good-cause eviction
19 law.

20 The real estate industry has made a
21 bogeyman of good-cause eviction. They say
22 that if we pass this bill, it will hurt small
23 homeowners, especially property owners of
24 color. This is a flat-out lie. And I say

1 this not only from analysis of the
2 legislation, but also from my personal
3 experience. The vast majority of clients
4 that I work with are immigrants of color who
5 are new to this country and who have
6 one-to-three-family homes.

7 Now, the good-cause eviction law
8 already has exemptions for owner-occupied
9 one-to-three-family homes, and I'm astutely
10 aware of the challenges that working-class
11 homeowners face to maintain their homes.
12 What this eviction law will do is to extend
13 basic tenant rights to millions of New
14 Yorkers while being sensitive to the needs of
15 struggling homeowners. Good cause will be a
16 win for all community members.

17 Good-cause eviction will help stem the
18 tide of the rise of small-home investors.
19 More and more of our housing stock, including
20 one-, two-, and three-family homes, are being
21 bought by corporate investors and
22 private-equity firms, crowding out
23 homeownership opportunities for our community
24 members. This trend has taken off in the

1 last decade. Many investors see housing as
2 an arena where they can make a killing, and
3 with hardly any constraints on evicting
4 tenants, small homes are a great way to
5 maximize returns.

6 Astoria has been swarmed by these
7 predatory investors. In 2005, about
8 5 percent of Astoria's one- and two-family
9 homes on the market were bought by investors.
10 And we're defining "investors" as
11 non-owner-occupants owning properties through
12 limited liability corporations.

13 And yet in the time since, the number
14 has skyrocketed. So in 2015, the investor
15 frenzy hit its peak, with 41 percent of homes
16 on the market being bought by those
17 investors. Today, investors are still
18 muscling out prospective buyers with nearly
19 one in three homes -- the exact percentage
20 being 26 percent of purchases on the market
21 being by investors. This trend mirrors what
22 we've seen across Queens and in New York City
23 in recent years.

24 This data is from something called

1 GeoData, which is a private realtor database.

2 Now, one thing I had -- you know, this
3 is all in my testimony, and I just want to
4 expand on one thing beyond what's written --
5 is that too often I've found that when we
6 talk about legislation, it's either discussed
7 as being pro-tenant or being pro-homeowner.
8 And as a counselor of low-income homeowners
9 and also as a tenant myself, I think that
10 it's very important to talk about how that
11 kind of analysis leaves out the role of
12 speculative interests and leaves out the role
13 of investors who are seeking to make a
14 profit.

15 I guess that's my time.

16 CHAIRWOMAN KRUEGER: Thank you.

17 CHAIRWOMAN WEINSTEIN: Thank you. And
18 we do have your testimony. Thank you for --

19 CHAIRWOMAN KRUEGER: Thank you for
20 being here with us today.

21 MR. MAMDANI: You're very welcome.
22 Thank you for having me.

23 CHAIRWOMAN KRUEGER: Thank you.

24 CHAIRWOMAN WEINSTEIN: Next, Boris

1 Santos, to be followed by Karim Walker.

2 MR. SANTOS: Good evening, everyone.

3 CHAIRWOMAN KRUEGER: Good evening.

4 MR. SANTOS: I want to start off by
5 saying -- I'm sorry, I'm naturally a loud
6 speaker -- there's 28 Assemblymembers in the
7 Housing Committee, 11 Senators in the Housing
8 committee, a total of about 40 legislators.
9 There's about half at the moment. What I
10 want to say is thank you for sticking it
11 through this grueling hearing. Thank you,
12 thank you, thank you.

13 I also want to say there's a qualifier
14 to testifying that might bar you from
15 testifying, which is you have to bring
16 50 copies, printed copies. For folks that
17 take time out of their day to come and give
18 testimony -- like me -- who are working
19 class, please don't make that qualifier. And
20 please ensure that the burden is on the state
21 for those 50 copies. Just a quick reformist,
22 internal reformist mindset right there.

23 But good evening otherwise. My name
24 is Boris Santos. I am a proud member of the

1 Democratic Socialists of America, which is an
2 affiliate or partner of the Housing Justice
3 for All Coalition.

4 I want to preface my testimony by
5 disclosing that the policy conclusions and
6 recommendations that I will advocate for here
7 are grounded on the context of the 54th
8 Assembly District, which is the current
9 Assembly district I live in. I am a Bushwick
10 resident. It is also important to note that
11 that district overlaps considerably with
12 Senate District 18. All but nine election
13 districts that fall within Assembly District
14 54 do not fall within Senate District 18.

15 Recently an electoral campaign -- I
16 won't say which one it is, but you can
17 probably guess -- conducted a report on the
18 state of the rent-stabilized housing stock in
19 Assembly District 54. The report is attached
20 to this testimony, so you all should have a
21 copy. The report made it known that since
22 2007, approximately 1800 units of
23 rent-stabilized units have been deregulated
24 in Assembly District 54. In other words,

1 almost 30 percent of the rent-stabilized
2 units that once existed in this Assembly
3 district have been deregulated. That's 1800
4 less families that no longer have the right
5 to renewal, limited rent increase, and
6 succession rights.

7 At a time when it's becoming harder
8 and harder to live in our city and in this
9 state and to put food on the table, these
10 families could benefit with additional rent
11 protections. And it is my belief that the
12 good-cause eviction bill is the only
13 legislative proposal on the table that can
14 give back those rights to those tenants.

15 The state of renters and the dimming
16 of their rights that has occurred in Assembly
17 District 54 is emblematic of the housing
18 situation across the state, and it therefore
19 should not be viewed in a silo. In other
20 words, it is a microcosm of what is happening
21 in the entire state. For this reason, I
22 demand that good-cause eviction be placed in
23 both houses' legislative budget proposals. I
24 know there is an issue or a controversy or a

1 need of fixing of the requirement of
2 1.5 times CPI. That can be worked out, and I
3 am sure the sponsor wants to do that as well.

4 On to the next, public housing. You
5 all have all heard it today. I don't want to
6 elaborate as much, and I want to make sure my
7 time is -- I make use of my time. In
8 Assembly District 54 we have Roosevelt
9 Houses, we have 303 Vernon, we have Bed-Stuy
10 Rehab, and we have the already privatized-
11 managed Hope Gardens -- \$255 million of
12 capital deficit out of that conservative
13 \$32 billion, conservative \$32 billion capital
14 deficit within NYCHA.

15 It is unacceptable that this Governor
16 didn't give not one second of his time to
17 public housing residents. Let's be honest.
18 He doesn't care about poor people, low-income
19 people, people of color. How can you not
20 mention for one second public housing? Since
21 elected in 2010, the Governor, in tandem with
22 the State Legislature, have only allocated a
23 total of \$550 million to public housing
24 residents. That amounts to \$50 million a

1 year. And that is unacceptable to tenants
2 that I share a neighborhood with.

3 And public housing is a size, in the
4 City of New York, bigger than that of
5 countries. We need to make sure that we're
6 making the best effort to not only preserve,
7 protect, but expand our resources and fund it
8 in our public housing resources.

9 So please fund it to the fullest
10 degree possible today. Y'all know of the
11 progressive budget revenues that y'all can
12 pass -- ultra-millionaire's tax, stock
13 transfer tax, stock buyback transfer tax,
14 et cetera. I could go down the list.
15 Pied-à-terre, et cetera. Y'all worked on
16 many.

17 Can I just finish my testimony? I'm
18 very passionate right now and I want to feel
19 myself a bit. Sorry. Thank you.

20 CHAIRWOMAN WEINSTEIN: You just have a
21 few minutes -- a few seconds to.

22 MR. SANTOS: All right, got it.

23 CHAIRWOMAN WEINSTEIN: -- since we've
24 been not allowing --

1 MR. SANTOS: So I know there's a
2 \$3 billion figure in the Housing Justice for
3 All Coalition. I'm not even tied to that.
4 Fund it more than that if you can, because we
5 haven't done much in the past decade.

6 Homelessness, we all know there is a
7 80,000 number as pertains to HUD, 80,000
8 homeless living in the State of New York,
9 please support the brilliant Liz Krueger's
10 bill, Housing Stability Support. Put it in
11 the budget.

12 And lastly, Small Home
13 Anti-Speculation Act. Eighteen hundred to
14 2,000 homes in the last five years from 2013
15 to 2017 have been flipped in the City of
16 New York. If you don't know what flipping
17 is, that means a big real estate developer
18 corporation takes -- purchases a home, gut
19 renovates it, makes it look very nice and
20 gentrified, and then sells it for substantial
21 profits.

22 CHAIRWOMAN WEINSTEIN: Thank you --

23 MR. SANTOS: Everyone should be signed
24 on to this.

1 And I will conclude by saying this

2 Governor --

3 CHAIRWOMAN WEINSTEIN: No, you're --

4 MR. SANTOS: Thank you so much, Madam
5 Chair. Thank you --

6 CHAIRWOMAN WEINSTEIN: We gave you --

7 MR. SANTOS: -- other Madam Chair.

8 Thank you, everyone.

9 CHAIRWOMAN WEINSTEIN: -- more than a
10 minute extra and --

11 MR. SANTOS: -- I really, really
12 appreciate it.

13 CHAIRWOMAN WEINSTEIN: You should
14 appreciate that. You know, thank you. We do
15 have all of the materials that were
16 submitted, so not to --

17 CHAIRWOMAN KRUEGER: We appreciate
18 your pointing out that some people might have
19 trouble making 50 copies. So we were just
20 saying that if you come to either of our
21 offices to testify for another hearing, we
22 can help make the copies.

23 And if you're testifying -- if you're
24 submitting without testifying, you just need

1 the one copy to go online.

2 MR. SANTOS: Thank you so much,
3 Madam Chair. God bless you. Y'all have a
4 great evening.

5 CHAIRWOMAN WEINSTEIN: Thank you.

6 CHAIRWOMAN KRUEGER: Thank you.

7 CHAIRWOMAN WEINSTEIN: Is Karim Walker
8 here? I don't believe he checked in. Okay.

9 So this then concludes the Housing
10 hearing. We will be reconvening the joint
11 budget hearings on Monday at 11 a.m., for the
12 Local Governments hearing. We have four
13 hearings scheduled next week -- four days of
14 hearings scheduled next week. Actually, five
15 hearings, four days.

16 Thank you all. Thank you, members,
17 for staying here.

18 (Whereupon, the budget hearing
19 concluded at 6:23 p.m.)

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