



Homes and Community Renewal

**Testimony of RuthAnne Visnauskas
Commissioner/CEO
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**Joint Budget Hearing of the Legislative Fiscal Committees
on the Housing Budget for Fiscal Year 2018-19**

Good morning Chairpersons Young, Weinstein, Little, Cymbrowitz, and distinguished members of the Legislature.

My name is RuthAnne Visnauskas, and I'm Commissioner and CEO of New York State Homes and Community Renewal.

It's a pleasure to testify before you on the housing portion of Governor Andrew Cuomo's Executive Budget proposal for State Fiscal Year 2018-19.

As the Governor noted in his budget presentation—at a time when we are working to close a \$4.4 billion shortfall, renew our infrastructure, grow our economy, and provide affordable homes people need—the federal government's unprecedented attack on New York's economy is presenting the biggest challenge yet.

What gives us the most pause is the limitation on the deductibility on state and local taxes from federal filings. As the Governor notes, this amounts to a 25 percent tax increase for many New Yorkers. Any time that any individual gets a tax increase, any family, any senior - they are forced to make financial decisions about their housing, their food, and their healthcare.

Thankfully, the Governor's budget proposal responds aggressively to this assault with plans to realign the State's tax collection system to the new terms set by the Federal government. It also continues the implementation of middle-class tax cuts that will deliver \$4.2 billion in savings to taxpayers when fully implemented and bring them to their lowest level since 1947. This means more money in the pockets of recent graduates just starting their careers, families growing their roots and seniors looking to make ends meet.

And I am pleased to say that helping all New Yorkers access safe, affordable housing continues to be a priority for the Governor.

The Governor's commitment to providing all New Yorkers with access to safe, affordable housing is reflected in the State's unprecedented \$20 billion, five-year Housing Plan. The plan makes housing accessible and combats homelessness by building and preserving 112,000 units of affordable housing, including 6,000 of supportive housing. The plan is a comprehensive approach to statewide housing issues and includes multifamily and single-family housing, community development, and rent stabilization.



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As HCR has executed on this plan, it has generated affordable housing developments in every corner of the state. In calendar year 2017, the agency created or preserved more than 17,000 affordable homes. We are making great strides to address New York's housing needs— and I'll talk through a few of our accomplishments.

Multifamily Rental Housing

Multifamily rental housing makes it possible for veterans, the elderly, and low- and moderate-income families to live affordably in both urban and rural communities. And provides the key to greater opportunity, a brighter future, and economic growth. Among the more than 17,000 affordable homes we created or preserved in 2017 were more than 9,000 multifamily residences.

We have been busy breaking ground and cutting ribbons from New York City to Buffalo as these projects have advanced.

This year we celebrated the start of construction on a \$67 million supportive and affordable housing development in the Bronx that is part of a larger mixed-use development known as La Central. The project will help bring 160 affordable and supportive apartments, retail, and recreation spaces to the South Bronx, and is a terrific example of the forward-thinking approach to housing and community development that is increasing the quality of life in neighborhoods throughout New York.

And I was thrilled to help cut the ribbon on the newly rehabbed Baptist Manor Apartments in the heart of Buffalo. The 127-unit affordable Mitchell Lama development is filling a need for quality housing for seniors in Buffalo that is close to hospitals, stores, and public transportation.

This year we launched new programs and continued to address the diverse housing needs of New York. We preserved over 600 Mitchell Lama units. We financed over 1,000 units serving seniors, frail elderly and our veterans. We launched our public housing preservation program and are working to preserve over 1,000 units of public housing. And we are on track to building 6,000 units of supportive housing to address the homelessness crisis.

Single Family

Like many states, the backbone of our housing stock outside New York City is our homeowners. The State of New York Mortgage Agency - known as SONYMA- continues to make homeownership affordable for first-time buyers of single family houses. In 2017, SONYMA offered approximately \$435 million in mortgage loans that enabled more than 2,000 first-time buyers to own their homes.

SONYMA also supports the communities where homeowners live. We are currently working to stabilize neighborhoods heavily impacted by foreclosure through our Community Restoration Fund, which has purchased the mortgages of nearly 400 homes in a strategic effort to bring owners out of foreclosure and keep homes from being abandoned.

And since first-time homeowners can benefit tremendously from counseling -- SONYMA continues building partnerships with nonprofit homeownership counseling agencies to help prepare people for successful homeownership. HCR funded over 40 organizations this year that provided financial



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counseling to more than 2,000 homeowners. We are on the ground -- in Buffalo, Newburgh, Troy, and Brentwood and so many more communities.

We've also invested in preserving the state's stock of mobile and manufactured homes, which are critical housing for so many New Yorkers. HCR's new Mobile and Manufactured Home Replacement program assists homeowners by removing and replacing dilapidated mobile or manufactured homes with new, energy efficient manufactured, modular or site built homes.

We also recently applied federal HOME program funds to help a family in Saratoga County acquire a new manufactured home after theirs was lost in a fire. With the help of our nonprofit partner Rebuilding Together Saratoga County, we were able to ensure the Johnson family has a new, safe home in time for the holidays.

Community Development

And because vibrant communities attract people and business, and make local economies stronger, HCR works to develop not only housing, but the neighborhoods in which people live, work, and raise their families.

We are particularly proud of our New York Main Street program that awarded more than \$7 million in 2017 to help renovate nearly 100 residential units and 174 commercial spaces in downtowns and mixed-use business districts throughout New York State.

Rent Stabilization

A large part of our agency's mission is focused on working with the tenants and owners of the State's rent regulated housing. The Office of Rent Administration (ORA) is responsible for administering rent regulations covering privately owned buildings in NYC, Westchester, Nassau and Rockland counties.

ORA processes applications and handles inquiries of the tenants and owners of over 900,000 rent regulated apartments. We continue to achieve operational efficiencies that enable us to more quickly respond to our constituents, processing over 24,000 individual cases annually.

To date, our Tenant Protection Unit (TPU) has applied data analytics and investigative tools to return over 62,000 apartments to rent regulation. TPU has also recovered more than \$4.2 million in overcharges. TPU's relentless focus on keeping unscrupulous landlords in check is playing a valuable role in keeping homes affordable for all New Yorkers. The unit's work is particularly important as the cost of living continues to rapidly rise in the New York City area.

HCR also participated this year in Governor Cuomo's campaign to protect the rights and support the success of all New Yorkers, regardless of citizenship or documented status. HCR helped create the New York State's Immigrant Resource Guide to assist New Yorkers with questions or concerns, and we partnered with the Division of Human Rights on educational events.



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New Program

Finally, as part of our constant effort to find new ways to deliver affordable housing options, we recently introduced a program that focuses on small developments. The Small Rental Development Initiative funds the acquisition, rehabilitation or new construction of rental housing with 2 to 25 units. The SRDI helps increase the supply of decent, safe, and affordable housing for families. In 2017 the more than \$24 million was awarded for this initiative to produce 217 homes and we plan to do more.

This is just a snapshot of what we've achieved in the past year.

We've come a long way, but there is more to do.

The Fiscal 2019 Executive Budget proposal closes a \$4.4 billion gap while maintaining funding for critical housing programs and continuing the \$20 billion housing plan. We look forward to putting these investments to work on behalf of all New Yorkers. And as always, we are thankful for the Legislature's partnership, which has been instrumental to our success, and I ask for your continued support securing the resources we need to make life better for New York's families.

Thank you. I'm happy to address your questions.