

1

Commissioner/CEO Darryl C. Towns
New York State Homes and Community Renewal
Testimony on SFY2015-16 Executive Budget
Joint Legislative Hearing
February 5, 2015

Good morning Chairman Farrell, Chairman DeFrancisco, Chairwoman Young, Chairman Wright and distinguished members of the Legislature.

It is an honor to testify before you on the housing and community development portion of Governor Andrew M. Cuomo's Executive Budget proposal for State Fiscal Year 2015-16.

Over the last four years, Governor Cuomo, the Senate and the Assembly have worked side-by-side to transform New York, from a state of despair to a state of opportunity.

Together, the Governor and the Legislature have passed four balanced budgets on time, bringing New York from a \$10 billion dollar deficit to a projected \$2 billion surplus. We have lowered taxes and increased employment.

At the same time, the state's agencies have found new, more efficient ways to fulfill our missions, ensuring that New York has the most responsive, efficient and effective state government in the nation.

Most importantly, we've made unprecedented investments in affordable housing and expanded opportunities.

Today, I am proud to say New York State Homes and Community Renewal has just completed one of its best years ever.

- *House New York* is the largest commitment to affordable housing in more than 15 years. HCR is making steady progress in its five-year effort to create and preserve 14,300 homes across the State.
- In 2014, HCR's Office of Finance and Development set an agency record by financing the creation or preservation of 9,363 affordable housing units which includes affordable homeownership opportunities to over 1,000 New York families.
- Loans and capital from HCR leveraged enormous private investment, to generate more than six billion dollars of economic activity and thousands of construction jobs in our cities, suburbs and rural communities.
- All told, HCR has financed over 26,000 affordable housing units in four years. These homes are meeting critical needs around the state for moderate and low-income families, but also vulnerable New Yorkers with special needs, including seniors, veterans, and survivors of domestic violence, as well as homeless and disabled families and individuals.
- HCR's Office of Community Renewal provided \$111 million through thirteen programs that assisted over 4,000 homes and created almost 900 good-paying jobs.
- To ensure that the housing we finance remains affordable and in good condition for decades to come, HCR's Office of Housing Preservation monitors over 220,000 units across the state.
- Finally, HCR continues to oversee and enforce the State's rent regulations, overseeing approximately 900,000 rent stabilized units. Since 2012, HCR has added more than 37,000 units back to rent regulation, and recovered more than one million dollars to tenants who were unknowingly overcharged.

With the 2015-16 budget, Governor Cuomo builds on HCR's accomplishments, and continues to make affordable housing and community revitalization a top policy priority of this administration.

The Executive Budget provides \$486 million to expand affordable and supportive housing, and enhance community development programs around the state.

This includes \$289 million in capital resources for the third year of the Governor's landmark *House New York* initiative, which includes \$60M to the Homeless Housing Assistance Program administered by the Office of Temporary and Disability Assistance. For HCR, this is an increase of \$32 million over last year's resources.

Of the \$439.5 million from JP Morgan Chase settlement funds, \$257 million is programmed for affordable housing and community development. I have provided a summary with my written testimony that lays out the details of the JP Morgan settlement funds for your convenience.

A few highlights from the Executive Budget includes funding for a statewide supportive housing initiative targeting homeless and other vulnerable New Yorkers, an additional \$20 million to HCR's Access to Home program that expands eligibility to veterans, and an increase of funds to implement the technology transformation at the Office of Rent Administration that will assist with addressing the backlog of cases and inquiries from both tenants and owner. In addition, there are funding increases to address the preservation needs of Mitchell Lama properties, \$20.2 million on top of recent Executive Budget funding levels to the Rural and Neighborhood Preservation Companies to be distributed over three years from JP Morgan Chase settlement funds, and also through JP Morgan Chase settlement additional funding to NYCHA to assist with its modernization efforts.

The Governor's Executive Budget propels New York forward and ensures that our commitment to affordable housing continues to create real and lasting opportunity for vulnerable New Yorkers. We look forward to working

with you and continuing our productive partnership on behalf of the people of the State of New York.

I am happy to answer any questions you may have. Thank you.