

**TESTIMONY FROM JOSEPH SHULDINER, EXECUTIVE DIRECTOR, MUNICIPAL HOUSING
AUTHORITY FOR THE CITY OF YONKERS ON FY 2017-2018 EXECUTIVE BUDGET
PROPOSAL**

Senate Finance Committee Chair Catherine M. Young, Assembly Ways and Means Committee Chair Herman D. Farrell, Jr., Members of the Senate Finance Committee, Members of the Assembly Ways and Means Committee, and other distinguished members of the Senate and Assembly: Thank you for the opportunity to discuss the FY 2017-2018 Executive Budget Proposal for Housing Programs and how such proposals affect the Municipal Housing Authority for the City of Yonkers (MHACY).

I am Joseph Shuldiner, Executive Director of MHACY.

Yonkers is a city on the verge of a renaissance, and it is vital that our Public Housing be a part of this transformation. Over the last five years, the city has attracted more than \$1 billion in private investment and nearly 4,000 units of new housing are being built in the downtown area alone. But this economic resurgence will not take root if we continue to allow our public housing to crumble, as it has done as a result of decades of underfunding by HUD. The decisions you make with regard to this year's budget will determine the future of Yonkers' public housing, and ultimately of Yonkers' economic revitalization.

Using traditional state and federal funding, it has taken nearly 15 years to rebuild Mulford Gardens, our oldest housing complex, due to lack of funding for replacement housing and we are only a little more than halfway done. And work at our Cottage Gardens development is moving painfully slow. We still have another 1,773 units of housing that are deteriorating as we speak. And work there has yet to begin. With the exception of the 200 Townhouses built 25 years ago to address the desegregation case, all of the remaining buildings in our portfolio are at least forty years old and some much older.

An outside, independent physical needs assessment determined that our buildings needed \$175 million in capital improvements over the next 10 years. We receive only \$3 million a year from HUD in capital funds and that amount is only likely to decline. You do the math.

Our last chance to preserve this valuable housing stock is HUD's Rental Assistance Demonstration Program. Through RAD we will be able to leverage private investment through tax credits incentives to make these badly needed repairs, but we need your help to make this a reality. We've put in months and years of hard work to get this far. We are so close.

Timing has not been with us, and the value of tax credits has significantly dropped in the expectation of the lower corporate tax rates promised by the new administration in Washington. This means that we need the State to provide additional financing: actual hard dollars to cover the expected gaps.

According to HCR's most recent RFP, Yonkers would qualify for up to \$70 million in gap financing. That was before the election and the subsequent tax credit market collapse. But until Congress sets the corporate tax rates going forward, we do not know how much-increased gap funding we might need.

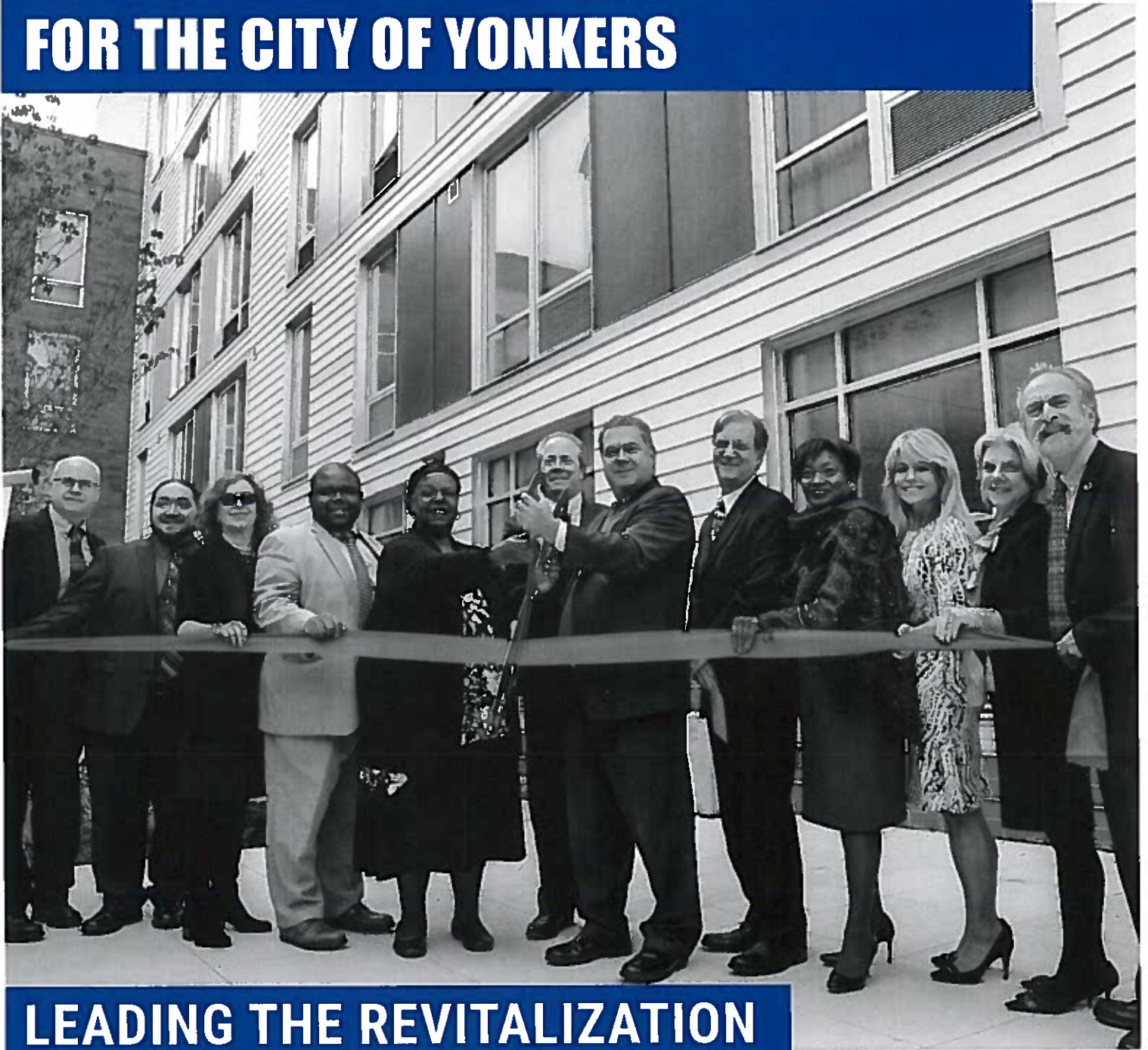
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That is why it is absolutely critical that the legislature includes additional funds in the 2017-18 budget, and in subsequent years, for housing authorities OUTSIDE of New York City. The now unrealized MOU contained an allocation of \$125 million over the next five years for this effort. In lieu of the MOU, I urge this committee to support allocating at least this amount in the budget for these efforts.

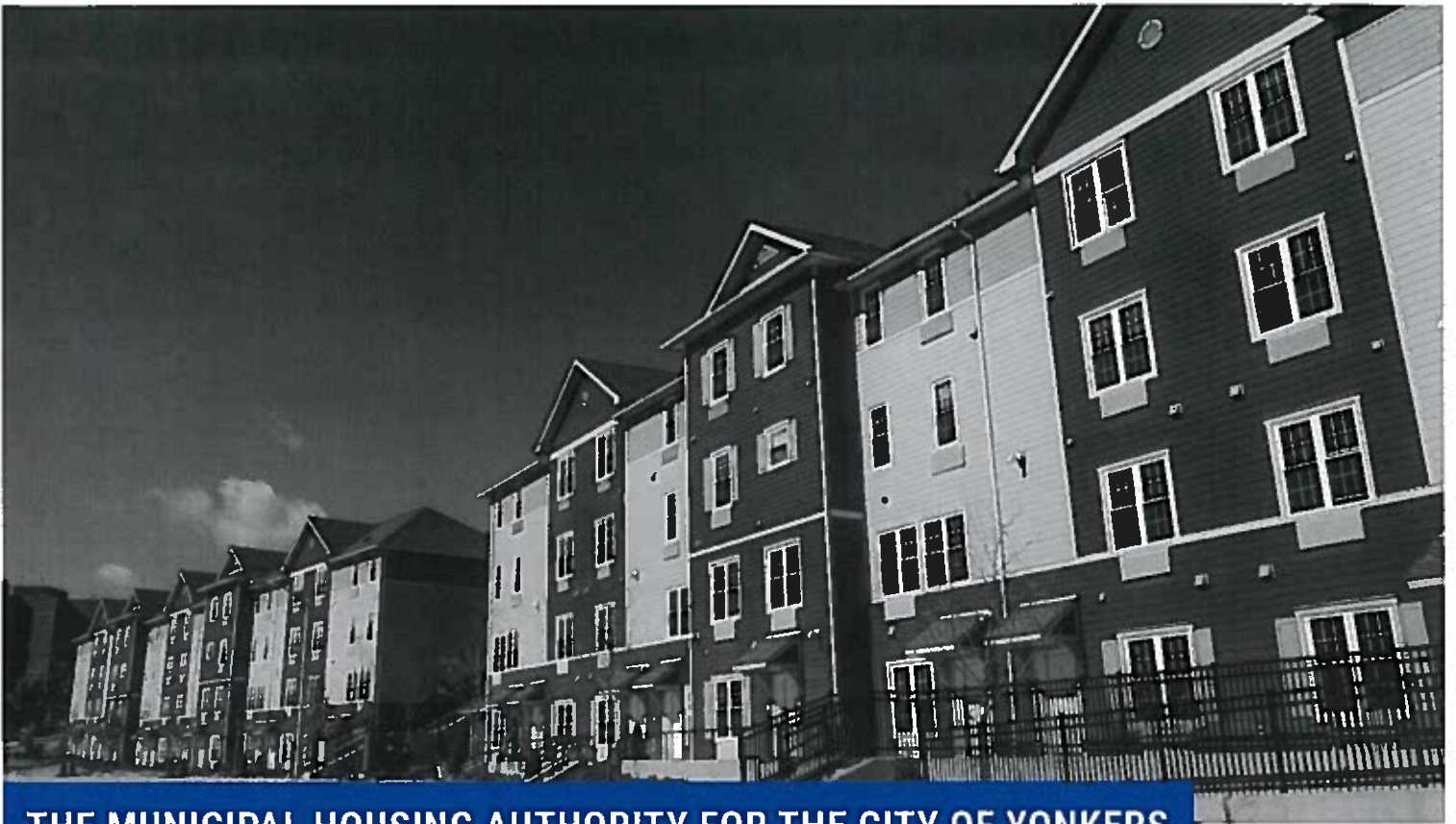
We are at a critical juncture. Without this funding, we are back to square one, and years of hard work will be lost. Our residents will suffer immeasurably, and we, the Authority and the State, will have failed in our obligation to provide our residents with safe, decent and affordable housing. And we will have irreparably damaged Yonkers' chance at economic revitalization.

I am enclosing a detailed description of MHACY's redevelopment program. Thank you for this opportunity to address you today. I am happy to answer any questions

THE MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS



LEADING THE REVITALIZATION
OF YONKERS' PUBLIC HOUSING



THE MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS

The Municipal Housing Authority for the City of Yonkers ("MHACY") is the second largest housing authority in the New York metropolitan area, second only to New York City's. By creating innovative housing opportunities, MHACY has redeveloped over 500 new housing units in partnership with new developers since 2004. Its mission is to create comparable opportunities for quality, sustainable housing and services for all of the residents and participants.

20



PROPERTIES

2,400



UNITS

3,300



SECTION 8 HOUSING VOUCHERS

5,700



FAMILIES

10,000



RESIDENTS

850



UNITS OF SENIOR HOUSING

A LIFELINE FOR PUBLIC HOUSING

HUD's Rental Assistance Demonstration Program (RAD) leverages the private sector to provide funding to rehabilitate and revitalize Public Housing Properties.

ABOUT RAD

- » Reinvests in public housing by leveraging private funds
- » Raises private capital to address the maintenance backlog
- » Lowers administrative costs and reduces regulation
- » Operates similar to HUD's Multifamily program

MHACY VALUES

- » MHACY continues to control the properties
- » Tenant rent remains at 30 percent of income
- » The well-being of residents guides decisions
- » Preserve tenant rights
- » Operates like a Section 8 property owner

RAD'S ECONOMIC IMPACT

1,773 UNITS 
REHABILITATED

\$300 MILLION
INVESTED OVER
THREE YEARS 

2,126 
CONSTRUCTION JOBS CREATED*


MORE THAN 50
PERMANENT JOBS*

POTENTIAL FOR
\$1 MILLION
IN FEES TO CITY 

**The National Association of Home Builders estimates that 120 construction jobs are created for every 100 units of affordable housing*

**2005 Colgate University economic study estimates the ripple effect of construction creates 2.4 jobs per 100 construction jobs.*

SCOPE OF REHABILITATION AND RENOVATIONS

The rehabilitation and renovation greatly benefits residents of public housing, providing a cleaner, safer, and more attractive living environment, as well as raising the property values of the surrounding neighborhoods. The program provides critically needed repairs to over 1,773 housing units throughout the City of Yonkers. Relocation support for at-risk residents will be provided.

- » Renovations will be conducted with residents in place. There will be no displacement of residents.
- » Residents will be encouraged to participate in the process in advance, so planners can understand their needs and work with them to make sure they aren't adversely affected.
- » A pro-active resident involvement program will be implemented to recognize residents at risk during renovations.
- » Relocation support for at-risk residents will be provided.

OVER \$300M OF REPAIRS TO MHACY PROPERTIES, INCLUDING:



NEW BATHROOMS AND KITCHENS IN 1,773 UNITS



124 UNITS UPGRADED TO BE HANDICAPPED ACCESSIBLE



SEVEN COMMUNITY ROOMS AND PUBLIC SPACES UPGRADED



22 UPGRADED ELEVATORS



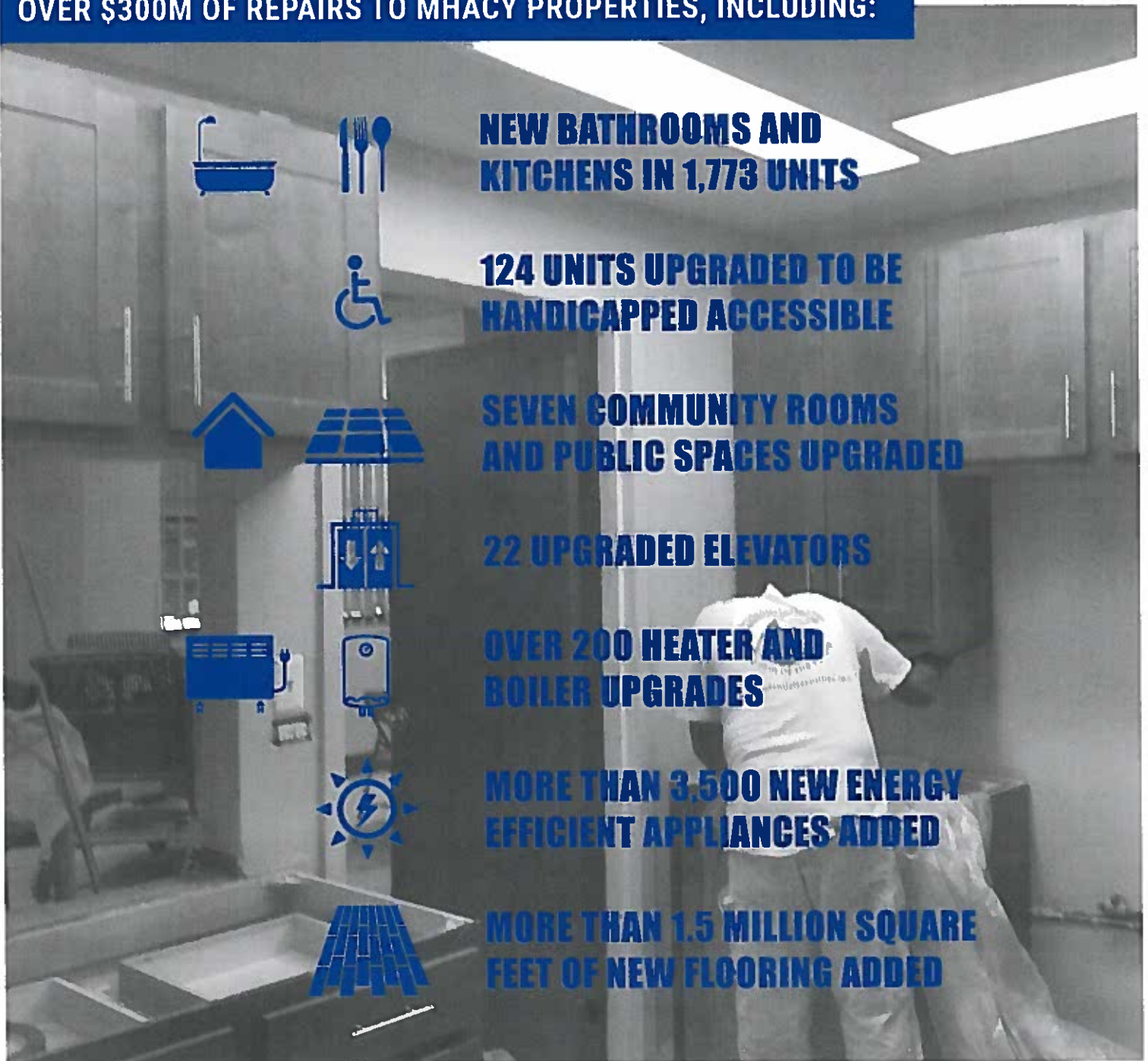
OVER 200 HEATER AND BOILER UPGRADES

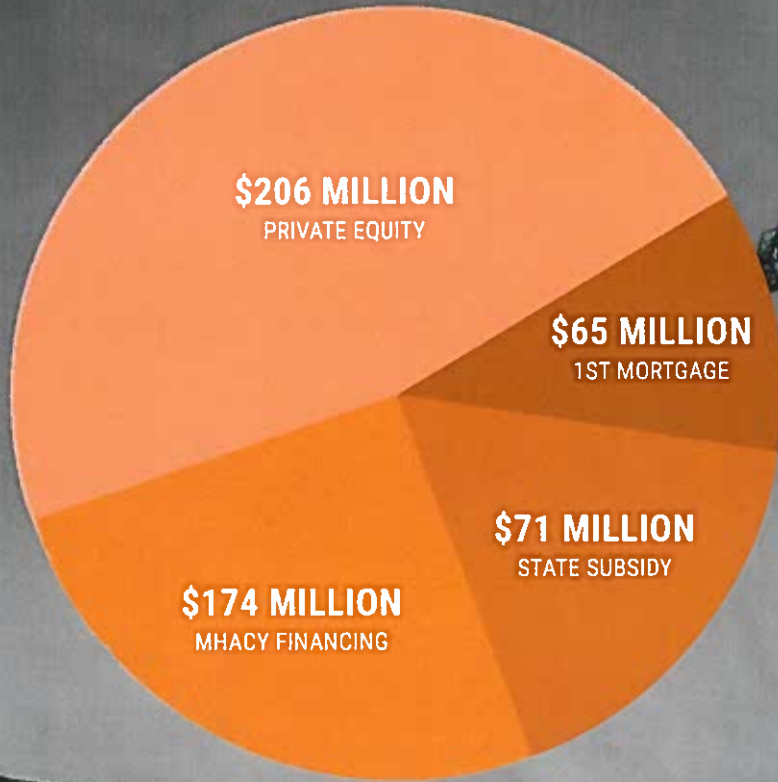


MORE THAN 3,500 NEW ENERGY EFFICIENT APPLIANCES ADDED



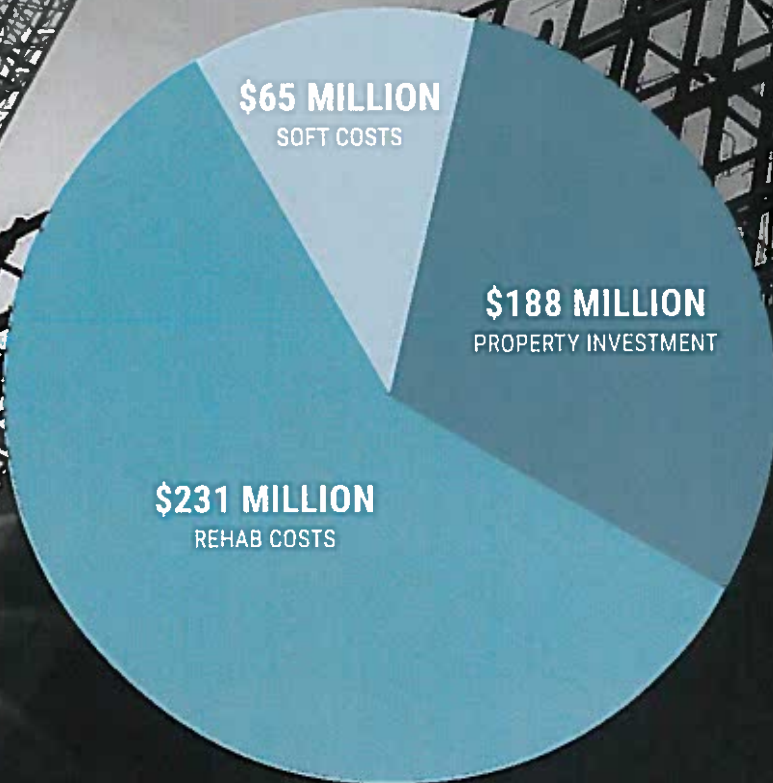
MORE THAN 1.5 MILLION SQUARE FEET OF NEW FLOORING ADDED



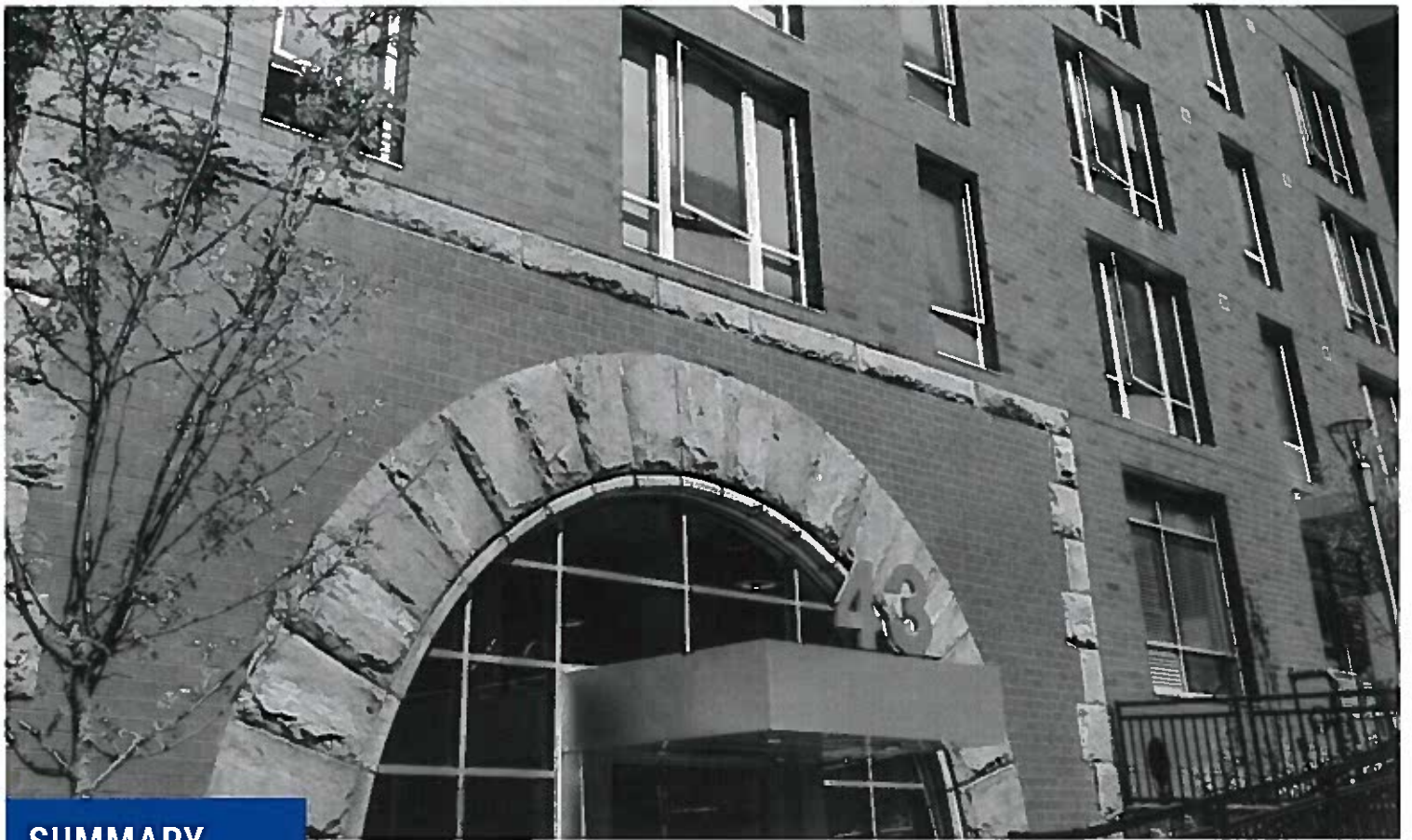


CAPITAL RAISED

RAD leverages over 6:1 private sector investment to public sector investment



CAPITAL USES



SUMMARY

RAD PRESENTS A ONCE IN A LIFETIME OPPORTUNITY TO REVITALIZE YONKERS' PUBLIC HOUSING

- » KEEPS HOUSING AFFORDABLE FOR LOW-AND-MODERATE INCOME RESIDENTS
- » INVESTS OVER \$400 MILLION TO RENOVATE 1,773 UNITS
- » RAISES PROPERTY VALUES IN NEIGHBORING AREAS
- » CREATES MORE THAN 2,000 CONSTRUCTION JOBS
- » CONSTRUCTION WILL CREATE MORE THAN 50 PERMANENT JOBS IN SURROUNDING INDUSTRIES IN THE LOCAL ECONOMY
- » PROVIDES LOCAL REVENUES THROUGH PERMIT FEES
- » ENDS BACKLOG OF OVER \$227M BADLY NEEDED MAINTENANCE UPGRADES & REPAIRS
- » ESTIMATED IMPACT ON LOCAL ECONOMY: \$650M

OVER \$650,000,000 IN ESTIMATED LOCAL ECONOMIC IMPACT
