



Homes and Community Renewal

Testimony of RuthAnne Visnauskas Commissioner/CEO New York State Homes and Community Renewal

Joint Budget Hearing of the Legislative Fiscal Committees on the Housing Budget for Fiscal Year 2020

Good morning Chairs Krueger, Weinstein, Kavanagh, 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. I'm honored to testify before you today on the housing portion of Governor Andrew Cuomo's Executive Budget proposal for State Fiscal Year 2020.

The Governor's Budget advances his Justice Agenda – and reflects his unwavering commitment to fighting homelessness and tearing down the walls that often stand in the way of an affordable place to live.

It continues to support the State's unprecedented \$20 billion, five-year Housing Plan to create and preserve more than 100,000 units of affordable housing, and 6,000 supportive housing units. The plan is a comprehensive approach to combatting homelessness and includes multifamily and single-family housing as well as community development.

I am pleased to announce that to date we have already created or preserved under the Governor's plan more than 40,000 homes in every corner of the State—in cities, towns, and villages from Long Island to Buffalo.

The 2020 Budget builds on the success the Governor and the Legislature have had in expanding the production of and access to affordable housing. It also promotes access to housing by advancing legislation designed to protect New Yorkers against housing discrimination based on lawful sources of income and that places reasonable caps on apartment security deposits.

Since the start of the Governor's first term, HCR has created or preserved more than 98,000 homes statewide, which is enough housing for approximately 250,000 New Yorkers. This 98,000 includes nearly 12,000 mortgages for first-time homebuyers and more than 18,000 homes improved and repaired through HCR's grant programs.

In addition to these housing investments, we have worked together with the Legislature to stand up for the rights of New York's tenants, twice enacting the strongest and most expansive rent regulation laws in almost 40 years.

I'd like to touch on a few of HCR's accomplishments from our program areas this past year including multifamily, single family, community renewal, and rent regulation.



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I'll start with multifamily rental housing, which is critical to providing stability and a brighter future for many working families, veterans, seniors, and those who need extra support. It allows people to live safely, comfortably and affordably in both rural and urban communities. Multi-family housing that is affordable to people at a variety of income levels creates vibrant communities, generating economic opportunity and growth. This helps ensure that as New York's economy grows, all New Yorkers have the opportunity to take part in that shared success.

In 2018, HCR financed more than 80 multi-family developments with 9,000 affordable apartments. Of these, nearly 1,500 provide homes for seniors, and more than 1,200 assist other special needs populations including the frail elderly, homeless, veterans, and domestic violence survivors. These projects represent more than \$2.9 billion of investment in our communities.

As an example, next month HCR will cut the ribbon on AP Lofts in Larkinville on Buffalo's east side. The 147-unit development is an important part of the neighborhood's ongoing revitalization, combining needed affordable housing with retail space, and repurposing the historic Atlantic and Pacific Tea Company Warehouse.

We are also continuing to preserve the State's stock of Mitchell Lama housing that is in need of repair, maintaining these homes as a critical source of housing for middle income New Yorkers. To date we have preserved 31 of the 35 projects in the State's UDC portfolio, for a total of 8,124 units.

Notably this past year, we celebrated with the 15,000 tenants of Starrett City, a Mitchell Lama development in Brooklyn, as HCR approved an ownership change that included extending affordability for 36 years, committing the new owner to \$150 million in capital improvements, and capping rent increases for tenants to a sustainable level.

As we work to increase our supply of affordable multifamily rental housing, we are also committed to helping more New Yorkers realize the dream of homeownership. HCR's State of New York Mortgage Agency – SONYMA - continues to make homeownership affordable and accessible for families, veterans and low-income households across the State. In 2018 SONYMA made approximately \$370 million in mortgage loans that enabled more than 1,800 first-time buyers to own their homes.

We have also invested in preserving the state's stock of mobile and manufactured homes, which are critical housing for so many New Yorkers. This past year, under the Governor's leadership, we essentially re-built a manufactured home community that was destroyed by flooding caused by an ice-jam. Not only were damaged homes replaced, but the electrical system was completely rebuilt and our partners in government oversaw the building of a berm that will leave the community better protected from future flooding. In addition, future rent increases for people living in the park are now capped through a regulatory agreement, ensuring the park remains affordable for the long-term.

The Governor's Budget includes \$5 million to support the Manufactured Home Advantage Program. The program provides financing opportunities to owners and manufactured home park tenants to help preserve this critical source of affordable housing and keep it affordable for New Yorkers.

Our multifamily and single family programs work in conjunction with our community development programs to create bustling neighborhoods and strong local economies. Our New York Main Street



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program is instrumental in our efforts to revitalize and beautify historic downtowns, mixed-use commercial districts, and village centers. In 2018, nearly \$8 million was awarded through the Main St. program to fund projects in all 10 regions of the State.

HCR administers the Federal Community Development Block Grant program, which helps municipalities fund updates and repairs to homes and public infrastructure. Last year, the CDBG program awarded municipalities around the State \$45M to assist 102 communities and create 1,250 jobs.

In New York City and the surrounding counties in particular, expanding and preserving affordable housing opportunities, also includes our administration of the rent regulation system. The Governor's Budget includes a two-year \$128 million appropriation for the Office of Rent Administration and the Tenant Protection Unit, both housed within HCR. This is an increase above the \$41 million one-year appropriation that was included in the Fiscal Year 2019 enacted Budget and it accompanies a proposal to increase ORA staff by 94 full time employees.

We hope that the Legislature will approve this critical funding, which will help expand and accelerate ORA's ability to administer rent regulations covering approximately 900,000 privately owned, regulated apartments in New York City, and Westchester, Nassau and Rockland counties. The additional staff will build on operational efficiencies that have already enabled us to speed up responses to our constituents as we process more than 24,000 individual cases that are filed annually.

I am thrilled to announce that today we are launching NYS Rent Connect, a new online service that modernizes and simplifies New Yorkers' interaction with the rent regulation system. NYS Rent Connect provides quick access to forms and information for tenants and building owners of rent-stabilized and rent-controlled apartments, making it easier for them to interact with ORA and helping them better understand their rights and roles.

Meanwhile, the Tenant Protection Unit continues to apply data analytics and investigative tools in its proactive enforcement of State rent regulations. To date, TPU has returned more than 70,000 apartments to the rent regulation system and recovered more than \$5 million in overcharges on behalf of tenants. TPU's work enforcement of the law sets an example that we hope dissuades others from going down the wrong path.

As we look to the future and all that we can do together in expanding affordable housing access, it is important not to forget where we came from.

In April 2018, we celebrated the 50th anniversary of the Fair Housing Act. Passed just seven days after the assassination of Dr. Martin Luther King Jr., the act and its later amendments outlawed housing discrimination based on race, color, religion, sex, national origin, familial status, and disability.

As we look back at the 50 years since, we can see the Act's transformative affects on our communities as it has broken down the barriers that had been built to keep us divided. Yet there is still work to do, and I am thankful that the Governor is advancing the Housing Plan, and legislation that promotes access to housing for all.



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As always, we are thankful for the Legislature's partnership, which has been paramount to our success. I ask for your continued support securing the resources and advancing the legislation we need to break down barriers to housing and improve quality of life for New York's families. Thank you. I am happy to address your questions.