



NEW YORK STATE ASSOCIATION FOR AFFORDABLE HOUSING

**NYSFAH Testimony before the Joint Legislative Budget Committee
2020-2021 New York State Budget
Housing Priorities and Funding
February 5, 2020**

Thank you, Chairwoman Krueger, Chairwoman Weinstein, Chairman Kavanagh, Chairman Cymbrowitz, and members of this joint legislative budget committee for the opportunity to participate in today's hearing regarding the 2020-21 New York State housing budget.

NYSFAH is the trade association for New York's affordable housing industry statewide. Its 375 members include for-profit and nonprofit developers, lenders, investors, attorneys, architects and others active in the financing, construction, and operation of affordable housing. Together, NYSFAH's members are responsible for most of the housing built in New York State with federal, state and local subsidies and incentives.

We would first like to thank the Senate, the Assembly and the Cuomo Administration for its collective commitment over the past several years to develop and preserve thousands of units of affordable housing. While significant challenges remain, we believe that tremendous progress is being made to provide more and more New Yorkers with safe, quality housing. The momentum started just a few years ago with the \$2.5 billion 5-Year Housing Plan is making a difference and we believe your continued and ongoing support will be viewed for years to come as a watershed moment when New York truly and definitively addressed our pervasive housing crisis.

The 5-Year Housing Plan is entering its final year, and we are pleased to see that the Governor has proposed the final year of funding in his 2020-21 Executive budget, and we respectfully request that the Legislature approve this critical funding as part of the enacted budget. This funding is essential for a variety of housing programs that we rely on to build and preserve affordable housing and to create communities, including the Middle Income Housing Program, the Rural and Urban Communities Investment Fund, the Low Income Housing Trust Fund, the Homes for Working Families Program, and many more. We thank you in advance for your support.

We also urge you to provide supplemental funding in the 2020-21 budget for needs not addressed in the 5-Year Plan, that we previously identified for Governor Cuomo and Senate and Assembly leadership. As we have progressed in our efforts over the past several years, our coalition of housing organizations has identified several key housing-related needs which require immediate funding, such as additional monies for public housing, the Homeless Housing Assistance Program, home stability support, the Affordable Housing Corporation, the Senior Resident Assistant Program, and others.

One particular high-need area for funding relates to a proposed Sustainable Affordable Housing Program, which we believe should be administered by the State Division of Homes and

Community Renewal in cooperation with the New York State Energy Research and Development Authority (NYSERDA). With \$50 million in grants dedicated to creating sustainable affordable housing, New York State can achieve the complementary goals of reducing greenhouse gas emissions and achieving savings from burdensome energy costs for low-income families.

Battling climate change is our most pressing global issue, and New York's policies toward that effort have been extraordinary, especially with the enactment into law of the Climate Leadership and Community Protection Act (CLCPA), which will develop policies to reduce economy-wide greenhouse emissions over the next two decades. NYSFAFH believes that affordable housing should be a key contributor to the State's efforts since: (i) emissions from residential housing will be a significant target for such reductions; (ii) there is already a strong relationship between affordable housing developers and our government partners; (iii) and the low-income households we serve are also a principal focus for financial assistance under the CLCPA.

Moreover, sustainable affordable housing will reduce energy expenses for low-income families, enabling them to have the resources they need to improve their lives. According to a recent report by the American Council for an Energy-Efficient Economy, low-income families pay twice the share of their income for energy compared to the national median. The Environmental Protection Agency similarly reports that for vulnerable populations living on Social Security, energy costs comprise nearly one-fifth of their annual income, compared to a national average of four percent of income. These are expenses that could be better directed to education, healthcare, food, and other necessities, and with some modest additional resources, our developers can build more sustainable affordable housing that benefits our families and our environment.

Finally, while providing additional funding to address emerging housing needs is imperative, a strong *continued* public funding commitment remains essential. New York has been a leader in its financial support for affordable housing – and the Legislature has long championed the housing programs that NYSFAFH and other housing organizations use to build and preserve housing for those who need it the most. As I previously noted, New York is entering the final year of its landmark five-year, \$2.5 billion housing plan. The plan has been a success. It has enabled us to significantly confront the housing crisis and offered many New Yorkers a better life. Our work is not done, however, as the housing crisis persists. We are, therefore, asking our partners in New York State government to establish a statutory process by which the State will be required to prepare and fund a five year housing plan on an ongoing basis, much as the Metropolitan Transportation Authority (MTA) does with its five year capital plans. A multiyear commitment is necessary to continue the pipeline of affordable housing projects, which often take two to three years or more of planning and approvals. Without the assurance of an uninterrupted, multi-year plan and commitment by the State, we will have fewer housing projects in the planning and development stages and a resulting loss of momentum in the progress we have achieved to date. Accordingly, we urge you to work with the Cuomo Administration to include a statutory five year funding process in the 2020-21 enacted budget.

Thank you again for the opportunity to testify today and for your consideration of our budget requests. I welcome any questions or comments you may have.

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