

1 BEFORE THE NEW YORK STATE SENATE FINANCE
AND ASSEMBLY WAYS AND MEANS COMMITTEES

2 -----

3 JOINT LEGISLATIVE HEARING

4 In the Matter of the
5 2021-2022 EXECUTIVE BUDGET
ON HOUSING

6 -----

7 Virtual Hearing
8 Conducted Online via Zoom

9 February 2, 2021
11:05 a.m.

10

PRESIDING:

11

Senator Liz Krueger
Chair, Senate Finance Committee

12

13 Assemblywoman Helene E. Weinstein
Chair, Assembly Ways & Means Committee

14

PRESENT:

15

Senator Thomas F. O'Mara
Senate Finance Committee (RM)

16

17 Assemblyman Edward P. Ra
Assembly Ways & Means Committee (RM)

18

19 Assemblyman Steven Cymbrowitz
Chair, Assembly Housing Committee

20

21 Senator Brian Kavanagh
Chair, Senate Housing Committee

22

23 Assemblywoman Carmen N. De La Rosa

24

Assemblyman Harvey Epstein

25

Senator Pete Harckham

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3 PRESENT: (Continued)

4 Assemblyman Colin Schmitt

5 Assemblyman Michael J. Fitzpatrick

6 Senator Brad Hoylman

7 Assemblyman Victor M. Pichardo

8 Assemblyman Eric M. Dilan

9 Senator Julia Salazar

10 Assemblyman Charles Barron

11 Senator John Liu

12 Assemblywoman Yuh-Line Niou

13 Senator Robert Jackson

14 Senator Diane J. Savino

15 Assemblywoman Linda B. Rosenthal

16 Assemblyman Kenneth Zebrowski

17 Senator Anna M. Kaplan

18 Assemblywoman Deborah Glick

19 Senator Mike Martucci

20 Assemblyman Ron Kim

21 Assemblywoman Alicia Hyndman

22 Senator Pamela Helming

23 Assemblyman Philip A. Palmesano

24 Senator James Tedisco

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3 PRESENT: (Continued)

4 Assemblyman Jonathan Rivera

5 Assemblywoman Latrice Walker

6 Assemblyman Robert J. Rodriguez

7 Senator Sean Ryan

8 Assemblyman Kevin M. Byrne

9 Assemblyman Mike Lawler

10 Assemblywoman Rodneyse Bichotte Hermelyn

11 Senator Jabari Brisport

12 Assemblyman Demond Meeks

13 Assemblyman Chris Burdick

14 Senator John W. Mannion

15 Assemblywoman Rebecca A. Seawright

16 Senator Phil Boyle

17 Assemblyman Jeffrion L. Aubry

18 Senator Roxanne J. Persaud

19 Assemblywoman Maritza Davila

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10	Laura Mascuch Executive Director		
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1 CHAIRWOMAN WEINSTEIN: Good morning.

2 I am Helene Weinstein, chair of the
3 New York State Assembly's Ways and Means
4 Committee and cochair of today's hearing.

5 Today we begin the fourth in a series
6 of hearings conducted by the joint fiscal
7 committees of the Legislature regarding the
8 Governor's proposed budget for fiscal year
9 2021-2022. The hearings are conducted
10 pursuant to the New York State Constitution
11 and the Legislative Law.

12 Today our committees will hear
13 testimony concerning the Governor's budget
14 proposal for housing.

15 Let me introduce the members of the
16 Assembly who are here, and then I will turn
17 it over to Senator Krueger to introduce the
18 members of her conference. If I skip you, I
19 will come back to you -- I will find you
20 again as members join.

21 We're joined by our chair of Housing,
22 Assemblyman Cymbrowitz; Assemblyman Dilan;
23 Assemblyman Epstein, Assemblywoman Glick,
24 Assemblywoman Hyndman, Assemblyman Pichardo,

1 Assemblywoman Rosenthal, Assemblywoman
2 Walker, Assemblyman Zebrowski, and
3 Assemblymember Rivera. And I think for the
4 moment -- and Assemblyman Kim.

5 So, Senator Krueger, if you want to
6 introduce your colleagues.

7 CHAIRWOMAN KRUEGER: Thank you very
8 much.

9 Welcome, and good morning. I am
10 joined by Brian Kavanagh, the chair of
11 Housing.

12 I'll first introduce the Democrats and
13 then pass it over to Tom O'Mara, my ranker on
14 Finance, to introduce the Republican
15 Senators.

16 So we're joined by Senator Brad
17 Hoylman, Senator Diane Savino, Senator John
18 Liu, Senator Julia Salazar, Senator Pete
19 Harckham, Senator -- no, that's it for
20 Senators right now. If you don't mind my
21 just jumping to Tom O'Mara to introduce from
22 his team.

23 Tom, can you unmute yourself and read
24 off the Republican Senators?

1 SENATOR O'MARA: Yeah. I actually
2 muted myself today, Liz.

3 (Laughter.)

4 SENATOR O'MARA: We are joined this
5 morning by Senator Martucci with us, is all
6 right now. I expect others to join
7 throughout the day. We'll recognize them as
8 they do.

9 So thank you, and good morning.

10 CHAIRWOMAN KRUEGER: Actually, I see
11 Senator Pam Helming, who is your ranker on
12 Housing also.

13 SENATOR O'MARA: Okay, I missed her on
14 the list. Thank you.

15 CHAIRWOMAN KRUEGER: Thank you.

16 CHAIRWOMAN WEINSTEIN: Now we go to --

17 CHAIRWOMAN KRUEGER: Helene?

18 CHAIRWOMAN WEINSTEIN: Yes, thank you.

19 We go to Assemblyman Ra for the
20 members of his conference that are here, to
21 introduce.

22 ASSEMBLYMAN RA: Good morning. We are
23 joined by Assemblymembers Palmesano, Byrne
24 and Lawler.

1 CHAIRWOMAN WEINSTEIN: Great. So
2 before I introduce our first witness, I just
3 want to remind everybody testifying today to
4 keep your statement within your allotted time
5 limit so everyone can be afforded the
6 opportunity to speak.

7 As I mentioned --

8 ASSEMBLYMAN BARRON: Chairwoman?
9 Just -- Barron, you forgot to mention I was
10 here.

11 CHAIRWOMAN WEINSTEIN: Okay,
12 Mr. Barron. You weren't here a moment ago.
13 But you are here now. I -- thank you,
14 Mr. Barron.

15 So as I said, if everybody could speak
16 within their allotted time limit, that would
17 help us move our hearings along and allow for
18 some interesting back-and-forth conversation.

19 Governmental entities will get
20 10 minutes to make an oral presentation.
21 We're grateful if you don't take all the time
22 so we have more time for questions.

23 And we're going to start today with a
24 presentation from our New York State Homes

1 and Community Renewal Commissioner and CEO
2 RuthAnne Visnauskas. We'll then proceed to
3 hear testimony from other witnesses, I
4 believe all nongovernmental witnesses who
5 have asked to testify here today, and these
6 witnesses will each have three minutes to
7 make an oral presentation.

8 And again, members are reminded that
9 the chairs of the respective committees will
10 have 10 minutes to ask questions and receive
11 an answer, the ranker will have five minutes,
12 and all other members will have three
13 minutes.

14 And just keep an eye on the countdown
15 clock. Because it will go down to zero, and
16 then it actually will start counting up, so
17 you'll be able to see how long you've gone
18 over your time limit. And we would like to
19 not have to cut people off.

20 Just also a reminder for members that
21 we have -- the chat room is available to
22 leave a message for the chairs. It's really
23 just to be able to acknowledge that you're
24 here or if you have a question about order,

1 not about substance.

2 So I want to let you know that we've
3 also been joined by Assemblyman Chris Burdick
4 and Assemblyman Meeks and, as we heard,
5 Assemblyman Charles Barron. And I see
6 Assemblywoman Carmen De La Rosa has joined us
7 also. And I believe that's it, so I think
8 we're ready to get started.

9 Commissioner, the floor is yours. Or
10 the window is yours, perhaps is a better way
11 to say it.

12 COMMISSIONER VISNAUSKAS: Thank you.
13 Good morning, Chairs Krueger, Weinstein,
14 Kavanagh, Cymbrowitz and distinguished
15 members of the Legislature. My name is
16 RuthAnne Visnauskas, and I'm commissioner and
17 CEO of New York State Homes and Community
18 Renewal.

19 I'm honored to testify before you
20 today on the housing portion of Governor
21 Andrew Cuomo's Executive Budget proposal for
22 the 2021-2022 state fiscal year.

23 As proposed, the Executive Budget
24 expands affordable housing opportunities

1 across the state by continuing the investment
2 in the \$20 billion Housing and Homelessness
3 Plan to create and preserve more than 100,000
4 affordable and 6,000 supportive apartments.

5 I am happy to report today on our
6 progress under the Governor's Housing Plan
7 and to testify to the continuing impact of
8 his -- and your -- ongoing commitment to this
9 incredibly important undertaking.

10 As of December 2020, we have created
11 or preserved more than 70,000 affordable and
12 supportive housing units under the plan.
13 This includes the preservation and new
14 construction of multifamily housing, the
15 creation of homeownership opportunities
16 across the state, and our community
17 development projects. I am proud of the
18 progress we've made, especially given the
19 challenges of the pandemic, and I am
20 confident that our continued dedication will
21 allow us to reach our target.

22 In terms of the day-to-day work of
23 HCR, we have been fortunate that while COVID
24 has caused us a slowdown, it hasn't stopped

1 us in our tracks -- not by any means. Right
2 now, we have a strong pipeline of development
3 projects and are looking forward to this
4 final year of the Housing Plan. We remain
5 committed to creating housing opportunities
6 and strengthening communities, building and
7 preserving homes for seniors and veterans,
8 public housing residents and Mitchell-Lama
9 residents, creating housing with critical
10 supports for vulnerable populations, and
11 providing the opportunity of homeownership
12 for thousands of first-time homebuyers.

13 Last March, when the pandemic forced
14 us into lockdown, the effects on the economy
15 were immediate. The Brookings Institute,
16 joined by the Social Policy Institute at
17 Washington University, was quick to draw
18 attention to the fact that 60 percent of the
19 U.S. population is low- and moderate-income
20 and these individuals are especially
21 vulnerable to eviction and foreclosure.

22 Their study forecast a dire outlook
23 for low- and moderate-income communities, and
24 additional research showed in April that one

1 in three tenants couldn't make rent and
2 homeowners could not pay their mortgages,
3 bills or maintenance costs.

4 We are deeply aware of the economic
5 aftershock COVID has triggered in society as
6 a whole and the devastation it can cause
7 individuals and families. That's why the
8 Governor was quick to establish the eviction
9 moratorium back in March, to allow tenants to
10 use their security deposit as rent and to
11 eliminate late fees on rent payments.

12 These efforts were recently extended
13 through this coming May, and it's why my team
14 at HCR has worked day and night to implement
15 the Legislature's Emergency Rental Assistance
16 Program, adopted last year to provide a
17 temporary lifeline for households who
18 experienced an increased rent burden and who
19 lost income because they did not receive
20 enhanced unemployment benefits.

21 As you are aware, in the program's
22 first round we disbursed approximately
23 \$40 million on behalf of more than
24 15,000 eligible applicants. In the second

1 round, which was open through yesterday, last
2 night, approximately 15,000 additional
3 tenants applied online, and we are also
4 reevaluating over 90,000 applications from
5 the first round. We are working very quickly
6 to process these latest applications so that
7 eligible tenants can receive much-needed
8 relief.

9 And I want to point out that our
10 Office of Rent Administration and our
11 dedicated Tenant Protection Unit employees
12 have not only been on the job helping with
13 this effort by staffing our call center and
14 assisting in tenant and landlord outreach,
15 but many have been in the office, as
16 essential personnel, meeting with members of
17 the public and helping to make a difference
18 in the lives of vulnerable New Yorkers during
19 this difficult time. I want to take this
20 moment to thank them for their dedication and
21 their sacrifice.

22 As much as COVID has skewed our
23 economy and changed life's course for so
24 many, the virus was not the sole driver of

1 social change in 2020. The nation is also
2 reckoning with the systemic racism that
3 plagues every aspect of our society.

4 We have long recognized the influence
5 racist policies have had on our housing
6 market for owners, would-be owners and
7 renters. That's why we push to develop
8 affordable properties in neighborhoods of
9 choice; strengthen New York's rent laws and
10 legal protections for tenants; and it's why
11 we are so committed to following, enforcing
12 and affirmatively furthering the nation's
13 Fair Housing Act -- which has not been easy
14 over the last four years.

15 But the fact remains, housing
16 discrimination and systemic injustices like
17 redlining and discriminatory zoning policies
18 that exclude low-income people and people of
19 color from specific neighborhoods are common
20 throughout New York State and the country.
21 In his State of the State message last month,
22 Governor Cuomo laid out a new strategy to
23 address these injustices -- a package of
24 exciting reforms and improvements that can

1 help alleviate the racial divide in
2 homeownership opportunities and barriers to
3 wealth-building by expanding the State of New
4 York Mortgage Agency's reach throughout the
5 state and giving teeth to our fight against
6 redlining.

7 The proposal will allow more
8 community-based lenders to offer SONYMA loans
9 in low-income communities, increase down
10 payment assistance for borrowers in
11 underserved areas of the state to \$7,500 from
12 \$3,000, and grant SONYMA flexibility to make
13 mortgage modifications in times of crisis so
14 borrowers can remain in their homes.

15 These reforms, along with expanding
16 SONYMA's Give Us Credit program beyond its
17 Long Island and New York City pilot areas,
18 will go a long way to increasing home
19 ownership in historically underserved
20 markets.

21 In closing, we have a historic
22 opportunity to close the racial wealth gap in
23 New York State and expand access to safe and
24 affordable homes. As the COVID crisis has

1 made even more clear, "home" is more
2 important than ever and is the key to the
3 future that we share.

4 Together we can take on this challenge
5 and reduce homelessness, housing insecurity,
6 and the systemic injustices that impede our
7 progress. I am truly grateful for the
8 Legislature's support, and I ask for your
9 continued commitment to securing the
10 resources and advancing the legislation we
11 need to make a real difference in
12 New Yorkers' lives and communities.

13 Thank you, and I'm happy to address
14 your questions.

15 CHAIRWOMAN WEINSTEIN: Thank you. We
16 go first to the chair of our Assembly Housing
17 Committee, Assemblyman Cymbrowitz.

18 ASSEMBLYMAN CYMBROWITZ: Thank you
19 very much. And good morning, Commissioner.

20 We're aware that the federal dollars,
21 the \$1.3 billion that was in the Governor's
22 budget, was parked in the Housing budget but
23 will be administered by OTDA. So I wanted to
24 just talk a little bit about the challenges

1 that HCR faced in rolling out the
2 \$100 million.

3 And with those challenges in mind,
4 what will be most important in administering
5 the new amount of funding? And I wanted to
6 ask you what you think the priorities should
7 be in getting this new rental assistance
8 money out the door and talk a little bit also
9 about the relationship that HCR will have
10 with OTDA to get those dollars out.

11 COMMISSIONER VISNAUSKAS: Okay, that
12 was like seven questions in one, but I'll try
13 my best to unpack them.

14 So we are very much looking forward to
15 the \$1.3 billion in rental assistance coming
16 into New York State's economy to help both
17 landlords and tenants with the back rent that
18 exists across the state.

19 I -- you know, when we were
20 administering the program last year, it was
21 designed sort of in a very specific way to
22 address sort of a subset of households around
23 the state who, even with enhanced
24 unemployment insurance, still had a rent

1 burden. And in many ways that technical --
2 the sort of wonkiness of that approach I
3 think was hard for people to understand, that
4 you had to have an existing rent burden, the
5 rent burden had to increase.

6 And so I think that our -- I think the
7 goal with the 1.3 billion that OTDA will be
8 administering is to make sure that the
9 program is simple and that people can really
10 understand what it is. There isn't obviously
11 that same rent-burden requirement in the
12 federal legislation, so I think that would
13 obviously go a long way to eliminating
14 something that was somewhat confusing for
15 people who thought their entire rent was
16 going to be paid.

17 So I think that OTDA is also very
18 focused on both having a program that is easy
19 to understand, easy to administer, and that
20 can go quickly. That 1.3 billion has a
21 65 percent spending deadline by September of
22 this year, so I think we are very focused,
23 along with -- in supporting OTDA, to make
24 sure they can meet that deadline.

1 And for our part, you know, we
2 certainly have shared with that team all the
3 lessons we learned from the program, sort of
4 similar to things I've said about making sure
5 that it is very transparent and clear to
6 people so they understand who is eligible and
7 what they're eligible for.

8 And so we will work with them to make
9 sure they are as connected to the landlord
10 and tenant community as they need to be, and
11 do as much outreach as we can.

12 ASSEMBLYMAN CYMBROWITZ: One of the
13 things that is being discussed is having
14 landlords apply on their own, or apply and
15 then get the permission of the tenant to do
16 that application. Do you think that would
17 have helped if we had done that, or if you
18 had done that in the first round of the
19 \$100 million to get it out the door quicker?

20 COMMISSIONER VISNAUSKAS: Well, as you
21 said, the federal legislation allows that.
22 And I think that many landlords would have
23 appreciated that.

24 It's sort of a -- it's a technical

1 thing because you're having two people sort
2 of sign into a single application for a
3 benefit, in this case a landlord and a
4 tenant. But I do think it will help more
5 people get access to the program, having that
6 structure.

7 ASSEMBLYMAN CYMBROWITZ: Localities
8 will be able to apply on their own, as well
9 as the state's program. Do you know if there
10 will be one platform where the localities and
11 the state will be using the same one so they
12 know that someone applying in a locality
13 would not be applying directly to the state?

14 COMMISSIONER VISNAUSKAS: I'm not sure
15 where OTDA is on that decision, but I do
16 think everyone is cognizant that we want to
17 make sure that it's clear for people where to
18 apply and there isn't confusion about that,
19 which doesn't really help the tenant, the
20 landlord, or really the state to get the
21 money out the door.

22 ASSEMBLYMAN CYMBROWITZ: Can you talk
23 about the priorities that you think we should
24 be all looking at in order to help those that

1 need the dollars the most and to make sure
2 that it's done quickly?

3 COMMISSIONER VISNAUSKAS: So the
4 two -- as you probably know, the federal
5 program allows the benefit to individuals and
6 families who are under 80 percent of AMI, but
7 with a preference for those under 50 AMI. So
8 I think that -- I think that OTDA will be
9 very focused on making sure that those most
10 in need will be prioritized and also just
11 making sure that the money can get out the
12 door as fast as it can.

13 ASSEMBLYMAN CYMBROWITZ: Any
14 suggestions other than what the feds have put
15 in their regs?

16 COMMISSIONER VISNAUSKAS: You know,
17 actually we really are still waiting for more
18 guidance to come out from Treasury about
19 running the program.

20 You know, one of the other things that
21 we learned was we required a lot of
22 documentation from people to validate their
23 income and their income loss. And as would
24 be for many of us, you know, it is hard to --

1 in the midst of all that's going on right
2 now, to ensure we always have access to lots
3 of income documentation. And so I think that
4 we are waiting for additional information and
5 guidance from Treasury as to sort of what
6 types of documentation will be required.

7 So I think as more comes out from the
8 federal government, it will allow the state
9 to make more decisions on that as well.

10 ASSEMBLYMAN CYMBROWITZ: Commissioner,
11 can you talk a little bit about the FTEs that
12 HCR will be losing. And how is the agency
13 functioning considering those losses? And
14 how well is the agency able to respond to
15 complaints from regulated tenants
16 experiencing the issues?

17 COMMISSIONER VISNAUSKAS: So at the
18 moment we are doing well with our existing
19 staffing. As it was for many agencies, it
20 was quite a task back in March to go from a
21 largely in-office thousand-person agency to a
22 largely remote agency.

23 But I think we have tried not to skip
24 a beat in our work across all areas, whether

1 that be Section 8 or multifamily housing or
2 single-family housing or ORA, the Office of
3 Rent Administration, to keep all that work
4 going.

5 I would say, as it relates to
6 complaints, we have not seen an uptick of
7 complaints during the pandemic coming into
8 ORA. But I don't know that we can
9 necessarily ascribe that to there not being
10 issues in the housing stock, it's just that
11 they are not -- we didn't see an uptick in
12 any type of complaints coming into ORA during
13 this time.

14 ASSEMBLYMAN CYMBROWITZ: You recently
15 just added some FTEs to ORA in order to
16 assist you with those that were retiring. I
17 believe the number was maybe 80, 84, 90. But
18 how many do you expect to lose under this new
19 budget?

20 COMMISSIONER VISNAUSKAS: So we were
21 very appreciative that two years ago we got
22 an additional 94 FTEs in the Office of
23 Rent Administration, which was really an
24 incredible increase relative to where we had

1 been for the decade prior to that.

2 As I reported last year, we have done
3 a good job in hiring those staff, but at the
4 same time, as you mentioned, we have had
5 attrition. So at this point we've hired
6 essentially all 94 -- we have hired 94 new
7 staff in that time frame, but we have lost --
8 you know, each year we have attrition that
9 sort of chips away at that.

10 We don't at this time have a head
11 count cut per se coming out of the budget.
12 But once the fiscal situation improves at the
13 state level, we will continue our hiring in
14 ORA.

15 ASSEMBLYMAN CYMBROWITZ: Can we go
16 back to the Rental Assistance Program for a
17 minute. And can you talk about what the need
18 is upstate and what those numbers and
19 applications and dollar amounts are, so that
20 we get a sense -- we know that there's always
21 the need in New York City, but can you talk
22 about the upstate need?

23 COMMISSIONER VISNAUSKAS: So, you
24 know, the predominance of the renters in the

1 state are in New York City, so obviously
2 proportionally that population resides in the
3 city. And obviously to the extent that
4 rents are higher in New York City than they
5 are in many upstate places, where the
6 aggregate need is higher in New York City.

7 We found in the program that we ran
8 that the majority of the applicants that we
9 got were from New York City. We do get them
10 from upstate -- we certainly did -- but the
11 majority of the applicants we got who
12 qualified based on the income targets and the
13 rent-burden requirements were predominantly
14 in New York City.

15 ASSEMBLYMAN CYMBROWITZ: But there is
16 a need upstate.

17 COMMISSIONER VISNAUSKAS: Yes.

18 ASSEMBLYMAN CYMBROWITZ: You don't
19 know what those numbers are, though.

20 COMMISSIONER VISNAUSKAS: You know,
21 there is not really a data source that ties
22 people -- renters and their rent arrears in
23 any sort of reliable sort of data source
24 ways. There are studies that have been out

1 came in since the last time: Senator Sean
2 Ryan, Senator Brisport, Senator Mannion,
3 Senator Tedisco, and Senator Boyle.

4 And with that, I turn it over to our
5 Housing chair, Brian Kavanagh.

6 SENATOR KAVANAGH: Great. Thank you
7 very much, Senator Krueger and Assemblymember
8 Weinstein, for all your work chairing all of
9 these many marathon hearings; my colleague
10 Steve Cymbrowitz, who's been a great partner;
11 and partners in both houses, including, I'll
12 note, my local Assemblymembers Yuh-Line Niou
13 and Harvey Epstein, who are here and are
14 great champions on housing issues.

15 And thank you, Commissioner, for your
16 testimony today and for all your work through
17 what has been really -- you know, we've both
18 run out of superlatives for, you know, how
19 difficult and complicated the last 10 months
20 or so have been, and your agency has been
21 right in the thick of trying to respond in
22 the housing area.

23 I want to talk a little, if I may,
24 about the capital plan and the capital

1 aspects of the budget. You mentioned in your
2 testimony that this is the last year of the
3 five-year plan. Can you talk about the
4 progress of that plan to date, how many units
5 have been constructed and preserved, and to
6 what extent there are sources of money that
7 were initially proposed in that plan that
8 have not been fully spent in the ensuing five
9 years?

10 COMMISSIONER VISNAUSKAS: So I would
11 say I think we're doing great. We have --

12 SENATOR KAVANAGH: What a surprise.

13 (Laughter.)

14 COMMISSIONER VISNAUSKAS: You know, we
15 think of -- in our sort of housing plan as
16 starting construction and our units as sort
17 of primarily the way that we think of our
18 accomplishments in the scheme of the
19 projects.

20 So we are well over 70,000 units as
21 we're coming into the tail end of the fourth
22 year of the plan. We, you know, as I'd said,
23 I think had a little bit of a slowdown this
24 year. We obviously were not able to do lots

1 of in-place rehab, which are parts of our
2 plan. So we have a lot of programs,
3 especially smaller homeowner programs, where
4 we're doing accessibility improvements or
5 home improvements in occupied, in-place
6 rehab. So for much of last year a lot of
7 that work, you know, slowed down as obviously
8 people didn't want contractors in their homes
9 doing home repairs.

10 So we're probably a little shy of
11 where we would normally be due to the
12 pandemic, but I feel confident that we can
13 make that up next year and be on target with
14 the commitment at the end of the plan.

15 We do have some programs that have not
16 fully spent down, which is good, because I
17 wouldn't want to be going into the last year
18 without any money. So we will aim to spend
19 down the balance of the funds in the plan by
20 the end of this fiscal year, including that
21 there was an addition into the plan -- which
22 I'm sure you saw in the budget, in HCR's
23 budget -- of \$186 million targeted
24 specifically for the supportive housing

1 pipeline, which will get us, you know, to the
2 end of -- sort of tie us out to the end of
3 the overall five-year housing plan with that
4 production as well.

5 SENATOR KAVANAGH: So I was going to
6 ask you about that supportive housing number.
7 That is part of a 20,000 unit commitment
8 that's supposed to be over 15 years, and to
9 date I think the target has been about
10 1200 units per year. Is there a -- you know,
11 1200 units a year does not get you to 20,000
12 in 15 years. So we had discussed this last
13 year, sort of upping that target to 1400 a
14 year, which would get you to 20,000 if you
15 did 14,000 over the next 10 years.

16 How many units are expected to be
17 produced through the new money that's being
18 added to the budget this year?

19 COMMISSIONER VISNAUSKAS: So we will
20 probably do around that same number this
21 year, around 1200 supportive housing units.

22 But we are -- as you may have seen in
23 the CARES 2 budget that was signed by the
24 feds in December, there was a change in the

1 tax credit program, this thing that we call
2 fixing the 4 percent tax credit. So that
3 will help us this year bring some additional
4 private tax credit equity into our projects,
5 which will help us stretch our dollars a
6 little further, which will hopefully allow us
7 to do incrementally a couple more projects.
8 So we are -- I don't know that we know that
9 number yet or the full impact, but we are,
10 you know, hoping to be able to do even more.

11 SENATOR KAVANAGH: So you might exceed
12 1200 by somewhat, but probably not getting to
13 1400, is that a fair --

14 COMMISSIONER VISNAUSKAS: I think they
15 say under-promise and over-deliver; right?

16 SENATOR KAVANAGH: Okay, well -- okay.
17 The -- it's -- I'm cognizant of time.
18 There's no sort of five-year plan so far for
19 the coming five years. Is there an
20 expectation that such a plan will be
21 forthcoming from the administration?

22 COMMISSIONER VISNAUSKAS: My hope,
23 right, is that when we are doing this next
24 year, same time, same place -- well, maybe

1 not same place, maybe in-person again -- that
2 we will be talking about the -- as we will
3 have completed the first five-year plan,
4 talking about another five-year plan. So we
5 very much look forward to that being a big
6 focus for us as we get part of the way into
7 this last year of the plan and come into next
8 year's budget.

9 SENATOR KAVANAGH: Okay. I assume
10 you've heard some concern from some quarters
11 that if you wait until -- that would
12 effectively be the plan for the year starting
13 April 1st of 2022. Presumably we should be
14 beginning that conversation well before
15 April 1st of next year, right, in order to --

16 COMMISSIONER VISNAUSKAS: I would
17 expect this time next year we'll be talking
18 about it.

19 SENATOR KAVANAGH: Okay. All right.
20 Well, we probably will be trying to have some
21 conversations about that in the interim.

22 Your budget includes a net reduction
23 of 164 full-time equivalents, is that
24 correct?

1 COMMISSIONER VISNAUSKAS: I think
2 those are -- were jobs that were not filled,
3 so we didn't have a cut in heads.

4 SENATOR KAVANAGH: That's through
5 attrition and vacant positions. But we --
6 again, as you noted, there was a substantial
7 increase in staffing at HCR, with -- and, you
8 know, we've had this conversation before
9 about how, you know, your net hiring has been
10 challenging because you've had lots of
11 retirements.

12 But is there -- the proposed reduced
13 staffing level is expected to be the
14 sustainable level over the long-term?

15 COMMISSIONER VISNAUSKAS: I think as
16 the budget situation improves overall, that
17 those conversations may change. But at this
18 time we feel that we are to do all of our
19 operations with the staff we have in place.

20 SENATOR KAVANAGH: Okay. I just --
21 you know, again, we -- with much fanfare we
22 announced a substantial increase in the
23 staffing level a couple of years ago, so it
24 is concerning that we're reducing it, given

1 the range of responsibilities that we all put
2 on you.

3 The budget includes no funding for the
4 Homeowner Protection Program, commonly known
5 as HOPP. Can you just talk -- again, this is
6 something I think was not included in the
7 Executive Budget. We made a deal to do it by
8 the time the budget was adopted. I think
9 that deal extends that funding through July
10 1st rather than, you know, April 1st, which
11 probably gives people a little breathing
12 room.

13 But can you talk about the
14 administration's decision not to include that
15 in the Executive Budget?

16 COMMISSIONER VISNAUSKAS: I mean, I
17 think it goes back to the -- what probably
18 will be a consistent theme in all questions
19 capital related, that it is a very tight
20 budget this year and so there were very
21 limited capital infusions.

22 I would mention that we did get an
23 increase -- we have a federal Foreclosure and
24 Eviction Prevention Counseling funded program

1 that's a pass-through to HCR, and we fund
2 about 20 organizations around the state with
3 that. And we received -- I think it was
4 probably a 30 or 40 percent increase in that
5 from the federal budget this year. So we do
6 have some of that money going out to those
7 organizations for that very important work,
8 and we will have even more of it this year.
9 But it's not of the scale of the program --

10 SENATOR KAVANAGH: What is the scale?
11 What is the -- how much is that?

12 COMMISSIONER VISNAUSKAS: It is about
13 a million and a half dollars that go out to
14 twenty organizations.

15 SENATOR KAVANAGH: Okay. Can you get
16 a precise -- if you could get us a precise
17 figure for that, we'd appreciate it.

18 And again, the HOPP program is a
19 \$20 million annual program and, you know, is
20 vital to organizations throughout the state
21 that are providing counseling to homeowners
22 and obviously is going to be particularly
23 critical especially as foreclosure moratoria
24 lift and, you know, people are digging out of

1 a lot of serious, you know, hardship.

2 The Office of Storm Recovery has a new
3 \$130 million capital appropriation. Can you
4 -- I think staff has indicated that that is
5 for -- continues to be for certain
6 communities that have been affected by
7 disasters but have been I think not -- I
8 think the Legislature is yet to get specific
9 information about where that money might be
10 spent and for what projects.

11 Can you -- do you have any details you
12 can share on that?

13 COMMISSIONER VISNAUSKAS: So the
14 funding is for the Community Reconstruction
15 Program, and it's funding what has been sort
16 of the previously committed-to projects. As
17 you'll remember, sort of in GOSR there was
18 kind of the immediate storm response,
19 primarily focused on homeowners, then
20 followed by infrastructure and community
21 reconstruction projects, which are more
22 resiliency based.

23 So we're obviously a bit -- well into
24 the almost the last year of that overall HUD

1 grant. And so these funds, there's about
2 150 community reconstruction projects that
3 have completed, and there's probably a little
4 less than 150 that are still in construction
5 or that are in permitting and about to go
6 into construction. So this is just funding
7 to complete those previous commitments. And
8 all those -- we work with very closely with
9 all those grantees on those projects that are
10 all sort of aware of that.

11 SENATOR KAVANAGH: Okay. I will also
12 take my cue from my fellow chair and end my
13 time here within 10 seconds of the scheduled
14 time. But I appreciate your answers to
15 questions, and I'm sure there will be lots of
16 lively discussion with my colleagues. Thank
17 you.

18 CHAIRWOMAN KRUEGER: Assembly.

19 CHAIRWOMAN WEINSTEIN: Thank you.

20 We were joined by Assemblywoman
21 Rodneyse Bichotte Hermelyn, and we go to the
22 ranker on Housing, Assemblyman Fitzpatrick.

23 ASSEMBLYMAN FITZPATRICK: Thank you,
24 Madam Chair.

1 Good morning, Commissioner. Just a
2 couple of questions.

3 How many more renters have been made
4 eligible for funds from the Emergency Rent
5 Relief Program of 2020 after it was reopened
6 in December?

7 COMMISSIONER VISNAUSKAS: So we are
8 still working through the applications. As I
9 had said, the application period actually
10 closed last night, and we got a little over
11 15,000 additional applications. And we also
12 are re-reviewing -- people who had previously
13 applied did not have to reapply to see if
14 they were eligible.

15 So I don't have exact numbers. I know
16 we have to do a fair amount of reaching back
17 to people to get documentation to verify
18 eligibility, so it will take us another four
19 weeks or so to get a better handle on the
20 numbers of how many additional people will
21 qualify.

22 ASSEMBLYMAN FITZPATRICK: Okay, thank
23 you. Any estimate on the number of tenants
24 who can afford to pay their rent but are

1 choosing not to? Do we have any idea what
2 that might look like?

3 COMMISSIONER VISNAUSKAS: There's not
4 a -- I don't think there's a great data set
5 for that.

6 ASSEMBLYMAN FITZPATRICK: All right.
7 How about any idea how much money in total
8 will be owed to landlords by May 1st of '21,
9 of this year?

10 COMMISSIONER VISNAUSKAS: You know,
11 there are several studies that are out there
12 that I'm sure you have seen. And again, I
13 think they are, you know, trying to do
14 estimates based on sort of a range of data
15 that don't exactly always tie a renter to
16 their actual arrears. So I think it is hard
17 to know, although I would say that the \$1.3
18 billion that's coming to the state I would
19 imagine will surely be spent on arrears that
20 exist, you know, across the state.

21 ASSEMBLYMAN FITZPATRICK: Okay. How
22 about any estimate of the number of
23 landlords, building owners who may be at risk
24 of losing their property from the eviction

1 moratorium?

2 COMMISSIONER VISNAUSKAS: It's
3 interesting, I sort of anecdotally can share
4 that in the Rent Relief Program that we
5 ran -- and I imagine this will be true in the
6 federal one -- there is an enormous amount of
7 renters who live in very small rental
8 buildings. I think people often think of
9 renters maybe as living in very big, you
10 know, sort of Manhattan big landlords and big
11 buildings, and really there's a lot of small
12 landlords that perhaps, you know, own a small
13 building even as their occupation or, you
14 know, what have you.

15 And so I think we really are concerned
16 about the vulnerability of small landlords as
17 well as the tenants that are in them, and I
18 think that's why the eviction and foreclosure
19 moratoria that are in place will help
20 stabilize that until this 1.3 billion from
21 the feds can get to landlords and to tenants.

22 ASSEMBLYMAN FITZPATRICK: Okay.
23 Great. Lastly, just does the division have
24 an estimate of the New York City vacancy rate

1 for '21, and what would happen to the rent
2 controls that were passed in 2019 if the
3 vacancy rate exceeds 5 percent?

4 COMMISSIONER VISNAUSKAS: We don't
5 have a -- the vacancy study will begin this
6 year, I believe, so we don't -- I don't have
7 a number on what that new number is. So that
8 will -- that will come as that process
9 happens.

10 ASSEMBLYMAN FITZPATRICK: Very good.
11 All right, thanks very much for your time,
12 and thanks for being here.

13 COMMISSIONER VISNAUSKAS: Thanks.

14 ASSEMBLYMAN FITZPATRICK: Thank you,
15 Madam Chair.

16 CHAIRWOMAN WEINSTEIN: Thank you. We
17 go to the Senate now.

18 CHAIRWOMAN KRUEGER: Sorry, just --
19 you always lose that unmute just when you
20 need it.

21 Our next questioner is our ranker,
22 Pamela Helming. Oh, sorry, Pam. Also just
23 to reference that we've also been joined by
24 Senators Jackson and Persaud.

1 Excuse me, Pam. Thank you.

2 SENATOR HELMING: Thanks,

3 Senator Krueger.

4 Commissioner, good morning to you. As
5 the ranking member of the Senate Housing
6 Committee, I just want to take a moment to
7 thank you and your team for the incredible
8 work you do to enhance the lives of so many
9 New Yorkers. It's been incredible to see.

10 Specifically, I wanted to mention a
11 project that your department has been
12 involved with in Lyons, which is in
13 Wayne County, New York. We just had an
14 incredible, deplorable living situation
15 there, and the partnership with your team has
16 been incredible and is truly making a
17 difference for people, so I want to thank you
18 for that.

19 You've been asked a number of
20 questions and provided a lot of information
21 about the COVID Rent Relief Extension
22 Program. But what I was wondering is can you
23 tell or share with us the amount of rental
24 subsidies that have been provided to tenant

1 applicants to date from that original
2 \$100 million appropriation?

3 COMMISSIONER VISNAUSKAS: So we
4 have -- and this was in, I think, the report
5 that we provided in October, that we have
6 provided about \$40 million to assist
7 15,000 applicants from the first round and
8 now from the second round.

9 As I'd said, we got an additional
10 15,000 applicants, as well as we are
11 re-reviewing everybody who applied to the CFA
12 would now be eligible, and so we will
13 obviously have additional eligibility coming
14 out of that, but I don't have any early
15 numbers on that yet.

16 SENATOR HELMING: Okay. My second
17 question is one of the bills in the
18 Governor's proposed budget is designed to
19 incentivize the conversion of commercial
20 buildings and underutilized hotels into
21 affordable housing. Can you tell me was
22 there any input from stakeholders on the
23 creation of this proposal, and if so, who?

24 COMMISSIONER VISNAUSKAS: I think

1 there has been some input, I think -- you
2 know, I think a lot of people had read back
3 in -- I'm not sure if it was November, maybe,
4 there was a New York Times article that
5 covered multiple hotel stakeholders, real
6 estate stakeholders, as well as some academic
7 institutions and supportive housing
8 providers, all talking about the opportunity
9 that some vacancy in the commercial and hotel
10 stock could provide for residential housing
11 and for affordable housing and supportive
12 housing specifically.

13 So I think what's in the budget is
14 sort of an opening framework for that that
15 has input from stakeholders, but we certainly
16 are open to additional stakeholders' input.

17 SENATOR HELMING: Okay. I wanted to
18 just mention that I was really pleased to see
19 the \$20 million in proposed funding for the
20 Neighborhood and Rural Preservation Programs.

21 Again, in my district, I've witnessed
22 firsthand how these programs, programs like
23 Bishop Sheen, Better Housing for Tompkins
24 County, and Cayuga County Homsite have really

1 provided essential services to seniors, to
2 veterans, people with disabilities, and
3 people with low-to-moderate incomes, so I'm
4 very grateful to see that funding in there.

5 I wanted to touch on, too, Senator
6 Kavanagh brought up the \$130 million flood
7 relief. And I just can't speak positively
8 enough about those resiliency plans and the
9 need to continue to push and complete those
10 REDI projects. In the long run, they
11 ultimately are saving the state money, I
12 feel, right, by helping to prevent and
13 mitigate future flood events. So again, I'm
14 very pleased to see that.

15 And my last question is you and I both
16 know that owning your own home is a big part
17 of our American dream. Right? Outside of
18 the Neighborhood and Rural Preservation
19 Programs, are there any other proposals in
20 the Governor's budget to make homeownership a
21 reality for first-time homebuyers?

22 COMMISSIONER VISNAUSKAS: Yes, I'm
23 glad you mentioned that. And thank you for
24 speaking so nicely about my staff. They work

1 incredibly, incredibly hard, and I'm
2 appreciative of you recognizing that.

3 We have two proposals in the budget
4 this year that are focused on the State of
5 New York Mortgage Agency, SONYMA, which
6 provides mortgages to first-time homebuyers.
7 And just to -- I won't talk about them in too
8 much detail, but one of the primary things
9 that we're trying to do is expand the number
10 of lenders who can offer SONYMA loans, which
11 have been sort of restricted statutorily
12 before, so that we can get into -- we can
13 have Community Development Financial
14 Institutions, CDFIs, which are largely
15 nonprofit lending institutions around the
16 state, also be lenders. And they often are
17 more community-based banking institutions,
18 and we feel sort of give us more access
19 around the state into places where we are
20 seeing denials for first-time homebuyers for
21 mortgages.

22 So we are really trying to make an
23 effort around the state to increase
24 homeownership through SONYMA's programs.

1 SENATOR HELMING: Thank you. And I'll
2 just wrap up with more of a comment.

3 But the people I'm hearing from in my
4 communities are the small landlords, and I
5 was so thankful to hear you use that example
6 that, you know, not all landlords are big
7 Manhattan landlords. Right? We have so many
8 individual property owners who may have a
9 single-family home that they rent out, and
10 they're really suffering too. Whatever
11 programs you can put in place to get rents to
12 the landlords is tremendously appreciated.

13 Thanks, Commissioner.

14 CHAIRWOMAN WEINSTEIN: We go now to
15 Assemblyman Barron for three minutes.

16 ASSEMBLYMAN BARRON: Thank you very
17 much.

18 I do want to say to the commissioner,
19 we appreciate the work you've done in East
20 New York in bringing affordability, a 100
21 percent affordability project. It worked
22 well in our community.

23 However, you have some job on your
24 hands to try to defend the indefensible, a

1 Governor that is a contradiction, at best,
2 and a hypocrite at worst when it comes to
3 addressing the housing question.

4 Last time we got 5 billion in COVID
5 relief from the feds; he offered 50 million
6 toward housing. Fifty million. We had to
7 fight because we wanted 1 billion. We were
8 going to settle for 500 million, and then
9 it's reduced to 100 million -- and only
10 40 million of that is given out.

11 And you're talking 15,000 people now,
12 15,000 maybe in December, when there's
13 1.3 million people in need. This is woefully
14 inadequate, woefully inadequate. And he
15 keeps putting it on the feds, the feds, we're
16 waiting on the feds, the feds, when in fact
17 we have a \$193 billion state budget and money
18 needs to be added to the state budget.

19 So when it comes to this money, the
20 1.3 billion, it should be tied to rent
21 forgiveness, it should be tied to good-cause
22 evictions, and it should be tied to renewal
23 and offering of leases. We can't kick the
24 can down the road talking about the

1 moratorium, you know, down to May -- you
2 still have the bill to be paid. And it has
3 to be done with state money combined with
4 federal money. The 1.3 billion is not
5 enough. We need close to 2.2 billion to
6 really meet the needs of the people.

7 And as far as affordability is
8 concerned, affordable to who? You know, when
9 you say 80 percent of the AMI, in New York
10 City the AMI is over \$100,000. Eighty
11 percent of that is about \$75,000. My East
12 New York AMI is \$36,000. And most of our
13 Black and Brown communities are from \$30,000
14 to \$50,000 in the AMI area. So affordable to
15 who?

16 And what percentage of the homeless
17 are we going to have in this new housing,
18 so-called affordable housing that we're
19 coming up with?

20 So I just wanted some of those
21 questions answered. You know, what
22 percentage of affordability, can we
23 immediately release this money, not wait till
24 the April budget is passed. We have an

1 immediate need for that, and can this money
2 be released immediately?

3 And I just think overall it is a shame
4 and it's hypocrisy to have this much money in
5 one state, \$193 billion, and an accompanying
6 \$16.7 billion capital budget, and not do
7 better. Thank you.

8 CHAIRWOMAN WEINSTEIN: Thank you,
9 Assemblyman. I think that your statement
10 about the situation for our constituents is
11 noted. I'm sure the commissioner, as she has
12 other questions, will address some of the
13 issues that you raise.

14 So we're going to go on to the Senate
15 now.

16 ASSEMBLYMAN BARRON: So wait a minute,
17 the commissioner is not addressing questions
18 that we ask them? Are you going to let them
19 pile up to the end, or select who you want
20 her to respond to?

21 CHAIRWOMAN WEINSTEIN: No, the -- as I
22 mentioned at the beginning of the hearing,
23 there's a three-minute time clock. So you --

24 ASSEMBLYMAN BARRON: I finished in

1 three minutes.

2 CHAIRWOMAN WEINSTEIN: I know, but
3 so -- the commissioner is supposed to answer
4 in three minutes. Why don't we just give the
5 commissioner --

6 ASSEMBLYMAN BARRON: I didn't know
7 that the answer had to be in --

8 CHAIRWOMAN WEINSTEIN: Okay, so let's
9 give the commissioner one minute to respond.
10 Okay, can we put one minute on the clock?
11 Just one minute. Okay, thank you.

12 Commissioner, if you could give a
13 couple of short answers.

14 COMMISSIONER VISNAUSKAS: I think on
15 the 1.3 billion I would say a couple of
16 things. One, I don't -- I think OTDA is very
17 focused on getting an application open very
18 soon, so I don't think that -- I think
19 everyone is very cognizant of the fact that
20 we need to get the money out to people, into
21 renters' hands soon and quickly. So I do
22 think they are focused on that.

23 But I would -- and I would also say,
24 you know, the 1.3 billion has to -- a couple

1 of things, has to be -- the 65 percent of it
2 has to be sent by September. For states
3 across the country that don't meet those
4 spending deadlines, they have to give money
5 back. There's also a lot of states that got
6 a minimum amount that far exceeds the number
7 of renters that they may have arrears for,
8 and that money will go back. And states like
9 New York can then go back and draw down
10 additional money from the 25 billion that was
11 in the December bill.

12 So I don't think the 1.3 is a cap, I
13 think that's -- for New York State we would
14 perceive that as a floor and that we should
15 be going back, to the extent that there's
16 additional money available nationally, and
17 pulling that down.

18 And second, I would say, also sort of
19 optimistically, that there -- depending on
20 what gets passed currently in the Biden
21 relief plan, right, there's currently another
22 \$25 billion sitting in that \$1.9 trillion
23 plan. And where that ends up, you know, none
24 of us really know, but hopefully there will

1 be rental assistance in there too.

2 So I think I hear you, that I think
3 the 1.3 billion is not enough, but I also
4 think that New York will push to get more of
5 the money that was already approved from
6 states that don't spend it and then we will
7 be going -- hopefully getting an additional
8 allocation when this new relief bill is
9 passed that would be more along the lines of
10 the amount that you're talking about.

11 CHAIRWOMAN WEINSTEIN: Thank you.

12 ASSEMBLYMAN BARRON: Thank you.

13 CHAIRWOMAN WEINSTEIN: Thank you. Now
14 we go to the Senate.

15 CHAIRWOMAN KRUEGER: Thank you.

16 And our next questioner is Senator
17 Pete Harckham.

18 SENATOR HARCKHAM: Thank you,
19 Madam Chair. Commissioner, good to see you.

20 Very quickly, in my three minutes, I
21 have two questions, both follow-ups, number
22 one talking about the corporate stock being
23 converted to housing. That plan is limited
24 to Midtown Manhattan. Given the challenges

1 that we face in creating fair and affordable
2 housing in the suburbs and our rural areas
3 where we have a glut of corporate stock, why
4 wouldn't we expand that program beyond
5 Midtown Manhattan?

6 Number two, following up on Chairman
7 Kavanagh's question, in light of the HOPP
8 cut, what is your comprehensive strategy for
9 dealing with the looming foreclosure crisis
10 that many people predict will come once the
11 moratorium is lifted? Thanks.

12 COMMISSIONER VISNAUSKAS: Yeah. I
13 think on the geography, you know, the
14 approach was sort of look at places where
15 there is sort of a large amount of commercial
16 and hotel, and therefore as the vacancies
17 exist right now, it can absorb some
18 conversion.

19 I think obviously there's still a big
20 need in the state in general for office space
21 and for hotel space, and that that industry
22 will come back over time. So I think that
23 was the focus on Midtown as an area where
24 there was sort of a surplus and could benefit

1 from the residential conversion, but I think
2 we are open to, you know, continuing to talk
3 about the geography.

4 On the foreclosure crisis, are you
5 asking specifically about homeowners?

6 SENATOR HARCKHAM: Yeah.

7 COMMISSIONER VISNAUSKAS: So, you
8 know, the federal FHA forbearance for
9 federally insured mortgages, as well as the
10 state legislation around state-insured --
11 mortgages provided by state-regulated banks,
12 you know, allows homeowners up to 12 months
13 of forbearance.

14 The federal program, as the state
15 program, has incrementally sort of moved the
16 goal -- as we've worked our way through the
17 pandemic, that time frame has gotten extended
18 and now I think all the way through the end
19 of February is the time in which homeowners
20 can still ask for forbearance for up to six
21 months, and then another six months.

22 So I think those tools -- and this is
23 true, you know, I think for the eviction
24 moratorium also -- are trying to be nimble

1 and flexible and keep adjusting as we go.

2 You know, in the case of homeowners,
3 they also have the flexibility to tack -- to
4 extend their mortgage out so people don't
5 have to pay it when the pandemic is over in a
6 balloon, they can choose to pay it over time,
7 they can choose to extend their mortgage,
8 some people can do modifications.

9 So there are a lot of tools there that
10 I think will help stem a foreclosure crisis,
11 that obviously none of us want to repeat
12 things that we saw back in the previous
13 crisis in '08. So I think that those things
14 will help stem that.

15 SENATOR HARCKHAM: Thank you.

16 I would just add, on both of those,
17 one, without the legal counseling, it's
18 tougher then to navigate the other aspects.
19 And number two, we should talk about the
20 corporate availabilities. You know, we have
21 former Fortune 500 corporations that have
22 given up their headquarters in Westchester,
23 acres and acres and acres of vacant corporate
24 space that could easily be converted to a lot

1 of units, you know, the kind of scale that
2 we're looking for.

3 Thanks.

4 CHAIRWOMAN KRUEGER: Thank you.

5 Assembly.

6 CHAIRWOMAN WEINSTEIN: We go to
7 Assemblyman Kim for three minutes.

8 A reminder to members, before the
9 clock starts, because some people joined
10 after we began the hearing: Three minutes is
11 both for your question and your answer.
12 There are no seconds, except for the two
13 chairs of the Housing Committee and the
14 chairs, if needed, of the Ways and Means
15 Committee.

16 Okay, now we go to Assemblyman Kim for
17 three minutes.

18 ASSEMBLYMAN KIM: Thank you, Chair
19 Weinstein. Thank you, Commissioner, for your
20 testimony today.

21 And I appreciate the optimism around
22 the \$1.3 billion federal dollars that's going
23 to come to us. But I think one of the things
24 that we must do is learn from the various

1 lessons what we did well and where we fell
2 short. So in your opinion, based on the
3 \$100 million that we gave to the Emergency
4 Rent Relief Act this past year, what are some
5 of the things that we can improve on
6 immediately? What are the top two or three
7 things that you think we need to do better to
8 get the \$1.3 billion to our needs?

9 COMMISSIONER VISNAUSKAS: For the
10 existing program from last summer, you know,
11 we approved every eligible applicant that
12 applied. So, you know, we didn't run out
13 of -- as you said, there's still additional
14 funding available, so there -- so I think the
15 challenge on that one was that the
16 restrictions and the criteria were limiting
17 to who was eligible. So I think, in this
18 program, obviously keeping the eligibility
19 broad.

20 And also the previous program was I
21 think confusing for a lot of people, required
22 a lot of documentation. So I think being
23 streamlined, being straightforward, requiring
24 minimal documentation is helpful. I think

1 those are some of the big lessons that we
2 shared with our counterparts at OTDA.

3 ASSEMBLYMAN KIM: Well, that's good to
4 know. So piggybacking off that, like how
5 many -- I don't think you mentioned it -- of
6 the applications that were submitted,
7 including the 17,000 just yesterday, how many
8 have been denied so far? Do you have a
9 record of that as well?

10 COMMISSIONER VISNAUSKAS: We received
11 about 83,000 online applications for the
12 first round, and so -- and so -- and we
13 approved about 15,000 from that.

14 So it was -- there was a high number
15 of people who were not eligible, you know,
16 who applied anyway, but in fact when they
17 provided an income document, the income
18 document showed they were over income. Or
19 when they provided a rent statement, it
20 showed they didn't actually have a rent
21 burden prior to COVID.

22 So lots of people applied who then,
23 when we reviewed their documents, were not
24 eligible. Which, as I was saying, is sort of

1 -- it's confusing for people if they don't
2 quite understand it and they apply and are --
3 obviously, you know, people are very -- in a
4 highly stressful situation and very much want
5 to be approved, and then they are not.

6 So I think that was a big challenge in
7 the first program.

8 ASSEMBLYMAN KIM: So speaking of
9 eligibility, so marginalized communities,
10 many undocumented folks it seems like were
11 excluded from the \$100 million relief fund.

12 What is the plan moving forward for
13 the 1.3 billion to make sure that those in
14 the informal economy workforce can be taken
15 care of, be included in moving forward?

16 COMMISSIONER VISNAUSKAS: I'm sure the
17 OTDA commissioner can speak probably a little
18 more to this next week, but my understanding
19 is that undocumented families will be served
20 by the federal program.

21 ASSEMBLYMAN KIM: Thank you so much.

22 CHAIRWOMAN WEINSTEIN: Thank you. We
23 go to the Senate.

24 CHAIRWOMAN KRUEGER: Thank you very

1 much. I actually am the next questioner.

2 Good morning, Commissioner, and thank
3 you and your staff for all your hard work.
4 And yet it's never enough, sorry, given that
5 housing is such a crisis in our entire state.

6 So last year at the budget hearing we
7 had a discussion about since the Housing
8 Stability and Tenant Protection Act of 2019
9 there was a growing problem of building
10 owners keeping apartments vacant so they
11 could eventually combine them with adjacent
12 ones and dramatically increase their rents.

13 And at last year's budget hearing you
14 said that there would soon be some kind of
15 regulatory change to address this, because as
16 you agreed, it was a serious problem. Has
17 there been any regulatory change and I missed
18 it?

19 COMMISSIONER VISNAUSKAS: So we have
20 been going, through the better part of last
21 year, through the process of creating the
22 regulations for what we call HSTPA, the
23 Housing Stability and Tenant Protection Act.
24 And we started that process last year. We

1 provided regulations, we received public
2 comment, we responded to that public comment,
3 and we are just about finalized and ready to
4 publish those regulations.

5 So it's rather -- it's a bit of a long
6 process, and we are just on the very tail end
7 of that.

8 And we addressed that issue that we
9 talked about last year in the regulations, so
10 you would have seen some of it in the draft,
11 and then it will come out in the final, in an
12 effort to set some standards around how to
13 set rents.

14 CHAIRWOMAN KRUEGER: So give me an
15 estimate in time for the final.

16 COMMISSIONER VISNAUSKAS: I believe
17 they will be out very shortly.

18 CHAIRWOMAN KRUEGER: Very shortly.
19 Thank you.

20 So Senator Kavanagh asked you about
21 the five-year plan and some of the other
22 larger programs. Do you have an amount that
23 has yet to be spent from the ending five-year
24 plan? I'm just trying to get my hands around

1 how much money you actually might still have
2 in the till, so to speak.

3 COMMISSIONER VISNAUSKAS: So we have
4 about a little more than -- a little north, I
5 think, of \$200 million to spend in this final
6 year of the plan, not including the 186 that
7 we will have for supportive. So we will have
8 close to about \$400 million to spend this
9 year, which is roughly consistent with how
10 much we have spent each year of the plan
11 across our different programs.

12 CHAIRWOMAN KRUEGER: Got it. And lots
13 of people have asked about the federal money,
14 the 1.3, so I don't need to ask about that.

15 But the Governor continues to tell us
16 that he's hoping for 15 billion, but maybe we
17 will get as little as 6 billion, and who
18 knows. I agree, we don't know. But he seems
19 to have put sort of a hold on a \$5 billion
20 marker in the Homeland Security/FEMA section
21 of the budget. So it's like if we got that
22 money, it's going to go there.

23 It seems to me a lot of that ought to
24 be going towards housing also. Have there

1 been any discussions about your agency's
2 right to any of those funds that are
3 currently being defined as hopefully
4 emergency monies into the state budget?

5 COMMISSIONER VISNAUSKAS: We are
6 focused on spending the balance of the
7 Housing Plan funds that we have available and
8 the new 186, so have not been focused on
9 that.

10 CHAIRWOMAN KRUEGER: But you're aware
11 that they're placing that money there?

12 COMMISSIONER VISNAUSKAS: I'm not that
13 familiar with that section of the budget.

14 CHAIRWOMAN KRUEGER: Okay. I guess
15 we'll have to ask Homeland Security what they
16 think they're going to do with it.

17 So there's a group called Housing
18 Rights Initiative that my office does quite a
19 bit of work with, and many of the other
20 legislators in New York City, and they find
21 buildings that are in violation of the 421-a
22 law specific to rent regulation, and they sue
23 them in court and they frequently win.

24 But it doesn't actually mean it gets

1 the units back into the rent-regulated system
2 as they were supposed to. So I'm wondering,
3 what actions has DHCR taken to ensure that
4 owners who receive 421-a, J-51 and other
5 abatements are properly registering all their
6 units and charging the correct legal
7 regulated rent? And how many audits of such
8 buildings has your TPU done in the last year?

9 COMMISSIONER VISNAUSKAS: So 421-a,
10 right, is a city tax exemption program that
11 is regulated by HPD, and obviously the tax
12 abatement is provided by New York City
13 Department of Finance. So we are not sort of
14 on the front end of that process of how they
15 set rents in the 421-a program, and the
16 registration is sort of under the purview of
17 the city, isn't sort of a requirement of the
18 registration process that somebody flag
19 themselves as a 421-a building.

20 That said, we work fairly closely with
21 HPD. We have a task force that's been in
22 place for a number of years that looks at
23 issues, as you will remember from previous
24 testimonies around J-51 a couple of years

1 ago, and also 421-a. So we are -- so while
2 it's sort of not in our purview to do the
3 regulatory piece of that, we do work closely
4 with HPD on that.

5 And the Tenant Protection Unit, you
6 know, in its variety of different types of
7 audits it has done, is actually more recently
8 focused on preferential rent audits, which
9 was a big issue coming out of the HSTPA, and
10 have been doing a lot of work on that. But,
11 you know, we continue to work with HPD to
12 make sure that as they find units that either
13 need to be registered for the first time or
14 are registered incorrectly, that that gets
15 done.

16 CHAIRWOMAN KRUEGER: Thank you.

17 So we also had some questions already
18 about the proposal to facilitate conversion
19 from commercial or hotel to affordable
20 housing that the Governor put in his budget.
21 Did New York City get consulted on this plan?

22 COMMISSIONER VISNAUSKAS: This was
23 sort of a multi-part effort on behalf of the
24 Governor's office, so I'm not sure -- I'm not

1 sure how they were consulted. Although it is
2 my understanding that the city has been
3 supportive of this notionally, both as a way
4 to manage large vacancies and a way to
5 provide additional residential.

6 I think the mayor himself maybe was
7 quoted saying it seemed like something that
8 should be looked at, in that New York Times
9 article.

10 CHAIRWOMAN KRUEGER: And how are we
11 defining "affordable" for the 20 percent
12 on-site option?

13 COMMISSIONER VISNAUSKAS: We are
14 working on that as we work through other
15 specifics of the legislation.

16 CHAIRWOMAN KRUEGER: And why limit it
17 to 20 percent?

18 COMMISSIONER VISNAUSKAS: I believe it
19 says a minimum of 20 percent.

20 CHAIRWOMAN KRUEGER: Okay. So I'm a
21 big fan of supportive housing, always have
22 been, always thought we could be pushing to
23 get more of it. And the fact is that the
24 original model for successful supportive

1 housing was using old hotels and converting
2 them into supportive housing.

3 But supportive housing only works if
4 we have additional subsidies for the service
5 component. So does this plan include funding
6 for ongoing subsidies for the expanded number
7 of units?

8 COMMISSIONER VISNAUSKAS: Yeah, so
9 we -- you know, as you have heard me probably
10 testify in the past, the Empire State
11 Supportive Housing Initiative, which is the
12 service dollars that's the companion piece to
13 the capital dollars that's most commonly in
14 HCR's budget, exists and has been in its -- I
15 think maybe in its fifth year now of awarding
16 those service contracts. And that commitment
17 will continue.

18 And in addition to the capital that
19 was in HCR's budget, you know, as you
20 probably know also, OTDA, through the
21 Homeless Housing Assistance Corporation, also
22 provides capital to those -- to supportive
23 housing buildings. So both of those
24 resources are available to the extent that

1 providers would like to -- and I agree with
2 you a hundred percent, of course -- would
3 like to go in, especially in the case of
4 hotels, and do some conversions to supportive
5 housing.

6 CHAIRWOMAN KRUEGER: Why is there a
7 payment-in-lieu-of on-site affordable housing
8 option?

9 COMMISSIONER VISNAUSKAS: I think that
10 was put in there to provide an additional
11 tool to the extent that providing it on-site
12 is not feasible, for whatever reason.

13 CHAIRWOMAN KRUEGER: Don't we start to
14 walk ourselves down the same path we saw in
15 the older 421-a programs when they didn't
16 have to do on-site or in a specific
17 geographic area and then they never really
18 seemed to get done? Are we so much more
19 confident we can manage that model in today's
20 world?

21 COMMISSIONER VISNAUSKAS: I think
22 that -- yes, I think we could manage a model
23 where people had to pay into a fund. And
24 obviously how you calculate the economics of

1 that are certainly going to be a driver of
2 whether that becomes an option of interest in
3 the economic scheme of these conversions.

4 CHAIRWOMAN KRUEGER: And what's the
5 formula you would recommend for how much they
6 would need to pay in?

7 COMMISSIONER VISNAUSKAS: We are still
8 looking at that.

9 CHAIRWOMAN KRUEGER: But one assumes
10 several hundred thousand dollars per unit?

11 COMMISSIONER VISNAUSKAS: We certainly
12 spend right now an amount right now that's
13 not dissimilar from that in capital, not
14 including other, you know, federal resources
15 that go into those projects. The
16 construction of affordable housing when it's
17 solely subsidized is expensive, right,
18 between bonds and 4 percent or 9 percent
19 credits and state subsidies. So that's also,
20 I think, a rationale for the mixed-income
21 nature of the buildings, where they can
22 actually be -- the economics of the building
23 itself can sort of pay for the affordability,
24 it doesn't all have to be paid for by state

1 resources.

2 CHAIRWOMAN KRUEGER: My time is up, so
3 I want to thank you very much.

4 I also want to say that we're joined
5 by Senator Anna Kaplan, and give it back to
6 Assemblywoman Weinstein.

7 CHAIRWOMAN WEINSTEIN: Thank you.

8 We now go to Assemblyman Epstein for
9 three minutes.

10 ASSEMBLYMAN EPSTEIN: Thank you,
11 Chair. And good morning -- or good
12 afternoon, Commissioner.

13 Just quickly, I just -- on the 421-a,
14 I want to support what Senator Krueger was
15 talking about, is the serious issues around
16 the program when you look longer-term and
17 talk about it. And also Assemblymember Kim
18 talking about the 1.3 billion and lessons
19 learned. Obviously when we roll out this
20 program it would be great to focus on making
21 sure we don't make the same mistakes.

22 I really want to focus on the
23 supportive housing issue. I appreciate the
24 Governor -- I love the Governor's commitment

1 to 20,000 units. How many units of that
2 20,000 have been funded so far?

3 COMMISSIONER VISNAUSKAS: So on
4 HCR's -- as part of our Housing Plan, we've
5 been financing a little over a thousand units
6 each year to get to the 6,000 over five
7 years. So we have both financed ESSHI
8 supportive housing units, we've also been
9 financing old New York/New York III and other
10 types of supportive housing.

11 So we are -- I think we, just at HCR,
12 have financed well over 3,000 of the ESSHI
13 units in our history.

14 ASSEMBLYMAN EPSTEIN: Of those 3,000,
15 how many of those are occupied at this point?

16 COMMISSIONER VISNAUSKAS: The ESSHI
17 program and the Supportive Housing Program to
18 date has focused on new construction, so not
19 preservation of existing. So as you would
20 imagine, those projects when we started them,
21 even four years ago, they take about two
22 years to get constructed and leased up.

23 So I don't have exact numbers on how
24 many are occupied, but you could probably do

1 some quick math over the four years and get a
2 count and have a ballpark.

3 ASSEMBLYMAN EPSTEIN: It would be
4 great to know how many actually beds are in
5 place, so you know -- and then I appreciate
6 the 20,000 commitment and I appreciate that
7 we're 3,000 units in.

8 I'm wondering what your timeline is to
9 kind of get to our 20,000 units. And, you
10 know, obviously the need is great and this
11 has been such a good program, as Senator
12 Krueger has expressed. I'm wondering how
13 realistically we can get there in the
14 foreseeable future.

15 COMMISSIONER VISNAUSKAS: Well, we
16 have another 10 years to get to the balance
17 of the 15,000 units. So I think we probably
18 will be on time and on budget with that.

19 I think that as we come back next year
20 with another five years of Housing Plan,
21 obviously we'll be having a discussion about
22 how many supportive units we are going to be
23 doing each year. As I had mentioned earlier
24 to Senator Kavanagh, we did have a change in

1 the tax credit rules that will allow us to
2 push our dollars to go even further, which
3 will allow us to accelerate more production
4 of supportive housing.

5 We are, you know, certainly
6 laser-focused on that part of our pipeline.
7 It is, you know, the majority of our spend in
8 a given year, is on the supportive housing
9 projects that we do.

10 ASSEMBLYMAN EPSTEIN: And I appreciate
11 that. I just want to make sure that there's
12 sufficient supportive housing out there. Do
13 you think this commitment that the Governor
14 has made is sufficient to deal with the
15 crisis in supportive housing that we have in
16 New York State?

17 COMMISSIONER VISNAUSKAS: That's a big
18 question. I --

19 ASSEMBLYMAN EPSTEIN: And I only have
20 15 seconds, RuthAnne, so --

21 (Laughter.)

22 COMMISSIONER VISNAUSKAS: How long do
23 you want my answer? I think that, you
24 know --

1 ASSEMBLYMAN EPSTEIN: Maybe answer two
2 parts. The second part is, how much of this
3 supportive housing happens to be outside of
4 New York City as well? If you could answer
5 both those pieces.

6 COMMISSIONER VISNAUSKAS: Oh, yeah,
7 sure. Actually we do a lot of supportive
8 housing outside of New York City. Frankly,
9 in some years I think we may do more outside
10 the city than we do inside the city, although
11 you -- even if the homeless population
12 probably tracks more concentrated in New York
13 City, but of course New York City is also
14 doing supportive housing, so there's more
15 activity as a whole being done.

16 But for our part, I think -- and I
17 could get back to you with numbers. But what
18 we have, you know, we might in any given year
19 at least have 50 percent of our units being
20 done outside New York City. We have a very
21 robust pipeline of supportive housing
22 providers around the state.

23 But we feel very confident that we
24 have been on target since we started, and we

1 will stay on target to meet the commitment.

2 ASSEMBLYMAN EPSTEIN: Thank you,
3 Chair. Thank you, RuthAnne.

4 CHAIRWOMAN WEINSTEIN: We go to the
5 Senate.

6 CHAIRWOMAN KRUEGER: Thank you.
7 Senator Salazar.

8 SENATOR SALAZAR: Thank you.
9 Appreciate you taking the time to testify
10 this morning, Commissioner.

11 I wanted to ask, if possible, a little
12 bit more about the federal support for the
13 Emergency Rental Assistance Program that we
14 anticipate going to OTDA, or at least it's in
15 the Executive Budget. Do you have a sense of
16 when this funding will be accessible and how
17 it will be distributed?

18 COMMISSIONER VISNAUSKAS: I think OTDA
19 is working very hard to bring on a vendor
20 who -- it's sort of a multipart process with
21 the rent relief, you have to apply and then
22 you also need sort of a back-end case
23 management system to process all the
24 applications and also a call center so that

1 people can call for assistance.

2 So they are working very, very quickly
3 to get all that stood up so that they can get
4 an application opened as soon as possible so
5 that we can start processing applications and
6 getting money to people as soon as possible.

7 So I don't know their exact timing,
8 but I know they are also very, very focused
9 on the timing and the pressure, you know,
10 that renters feel right now and their need to
11 get the money out.

12 SENATOR SALAZAR: Thank you. And, you
13 know, according to Stout analytics and other
14 projections that we have seen, the estimated
15 shortfall for unpaid rent right now in
16 New York, since the beginning of the
17 pandemic, is about \$2.2 billion.

18 And given the gap between the
19 anticipated \$1.3 billion additional for the
20 rent relief program and the total
21 2.2 billion, do you have a recommendation for
22 how the state will be able to make up for the
23 funding that we would still need to have --
24 you know, that we wouldn't receive from the

1 federal government in order to address the
2 rental shortfall?

3 COMMISSIONER VISNAUSKAS: Yeah, I
4 mean, my expectation is that we will get the
5 1.3 out as -- the spending deadlines are very
6 tight on the federal dollars, and they're
7 that way so that if people don't spend,
8 additional dollars get redistributed.

9 So I think we will try to be at the
10 forefront of that in making sure that where
11 there's other -- and other states have sort
12 of, you know, acknowledged, I think, that the
13 way that the formula was done, it wasn't
14 given to states by how many renters you had.
15 Right? Each state sort of just got a
16 population- based amount of money. So many
17 states don't have really the number of
18 renters that New York State does.

19 And also many states received a
20 minimum amount, so even if their population
21 would have given them a lesser amount, they
22 received this \$200 million.

23 So our expectation and/or hope is that
24 there will be additional dollars that we can

1 bring, in addition to the bill that is
2 sitting now being discussed for an additional
3 25 billion to come behind that, which
4 presumably would bring another 1.3 billion
5 based on the formula or, if they change the
6 formula, could even bring more rental
7 assistance into the state.

8 So I think that is going to go a long
9 way to clearing what is a very, very
10 stressful amount of arrears for landlords and
11 tenants around the state.

12 SENATOR SALAZAR: Thank you. Okay.

13 CHAIRWOMAN WEINSTEIN: Thank you.

14 We go to Assemblywoman Rosenthal now.

15 ASSEMBLYWOMAN ROSENTHAL: Hi. Thank
16 you very much.

17 Hi, Commissioner. I have a couple of
18 questions.

19 How many people work in the Tenant
20 Protection Unit?

21 COMMISSIONER VISNAUSKAS: Twenty-five.

22 ASSEMBLYWOMAN ROSENTHAL: For the
23 whole state, okay. And how many people were
24 dealing with the \$100 million Rental Relief

1 Program?

2 COMMISSIONER VISNAUSKAS: Well, we --
3 it's sort of, I guess, hard to say how many
4 people that would be. We worked with ITS to
5 develop an application. We also had a case
6 management vendor that had staff, and then we
7 used HCR staff also on the call center. So I
8 don't have an exact number on that.

9 ASSEMBLYWOMAN ROSENTHAL: How many is
10 that?

11 COMMISSIONER VISNAUSKAS: I don't have
12 an exact number of --

13 ASSEMBLYWOMAN ROSENTHAL: Okay, maybe
14 you can get back to me.

15 You said that only 15,000 of all the
16 applicants online were approved. A, I've had
17 constituents who did not get notice that they
18 could appeal, because sometimes they were
19 missing documents they didn't even know they
20 had to submit. So HCR did not inform them
21 that they could appeal.

22 Number two, you probably got over
23 10,000 snail-mail applications. Did you
24 review those as well?

1 COMMISSIONER VISNAUSKAS: Yes. I'm
2 sorry, I should have added the mail
3 applications to that number. We did
4 additionally get upwards of 10,000
5 applications by mail that we then entered
6 into the system so that they could be
7 processed.

8 ASSEMBLYWOMAN ROSENTHAL: So they were
9 reviewed as well.

10 COMMISSIONER VISNAUSKAS: Yes, of
11 course.

12 ASSEMBLYWOMAN ROSENTHAL: And what
13 about telling people they had an appeals
14 opportunity?

15 COMMISSIONER VISNAUSKAS: I'd like to
16 follow -- check back with you on that. My
17 understanding is that every letter we sent,
18 someone gave them the instructions as to how
19 to appeal the decision --

20 (Inaudible overtalk.)

21 COMMISSIONER VISNAUSKAS: -- the
22 amounts.

23 ASSEMBLYWOMAN ROSENTHAL: It's not
24 true, actually, because I have constituents

1 who were rejected, they don't know why. So
2 I'd appreciate that.

3 But is "HCR didn't approve me" a good
4 excuse in court when they're evicted?

5 COMMISSIONER VISNAUSKAS: As I said, I
6 believe everyone had the ability to appeal.
7 And so if they were not eligible for the
8 program as designed by the Legislature and
9 signed by the Governor, they would be able to
10 appeal --

11 ASSEMBLYWOMAN ROSENTHAL: They
12 weren't -- they weren't told that. But some
13 of them will be in court being evicted
14 because of government bureaucracy.

15 Let me ask you another question.
16 421-a. So when audits are done and we see
17 that developers have not abided by the rules,
18 does HCR put those units back -- and the same
19 with J-51 -- put them back into rent
20 regulation?

21 COMMISSIONER VISNAUSKAS: Yes, when we
22 do audits and we -- well, I'm not sure I
23 understand your question exactly, so let me
24 just say back to you, when we do audits and

1 find that someone has properly registered an
2 apartment, we would make them register it, if
3 it was not registered, or re-register it
4 properly.

5 ASSEMBLYWOMAN ROSENTHAL: Okay. And
6 you can't do that if I sent you a list of
7 improperly deregulated, right?

8 COMMISSIONER VISNAUSKAS: The Tenant
9 Protection Unit takes referrals from anybody
10 who provides a referral, so for sure you
11 could do that.

12 ASSEMBLYWOMAN ROSENTHAL: Okay. I've
13 done that and been told "New York can't do
14 that."

15 Let me ask another question. Do you
16 know how much money is --

17 CHAIRWOMAN WEINSTEIN: Linda -- Linda,
18 I'm sorry, the time is up. You can feel free
19 to email me a question and I'll be happy to
20 ask the commissioner.

21 Okay, we're going to go to the Senate
22 now.

23 CHAIRWOMAN KRUEGER: Thank you very
24 much.

1 Let's see. We have Senator John
2 Mannion from Syracuse.

3 SENATOR MANNION: Thank you.

4 Commissioner, I appreciate your
5 clarifying a lot of things that I had
6 questions on.

7 But I represent parts of the City of
8 Syracuse, and we have a problem with lead in
9 homes, of course. So I'm just wondering what
10 is being done to assist local governments as
11 far as inspection and potentially
12 remediation, and is there anything in the
13 budget to help address that issue that we
14 have locally? Thank you.

15 COMMISSIONER VISNAUSKAS: We don't
16 have probably full purview into that issue,
17 but we do -- and this is sort of a -- we do a
18 decent amount of work in lead remediation
19 when we are -- obviously, anytime we're doing
20 a rehab of a multifamily building, we would
21 do lead remediation as part of that,
22 especially in any building that's occupied
23 that has small children or even a senior's
24 building where grandchildren visit.

1 So we're very conscientious to make
2 sure that all lead remediation policies are
3 followed.

4 We also work closely with the
5 Department of Health who, you know, is
6 focused on lead in children too, and we'd be
7 happy to sort of follow up if there's sort of
8 a specific programmatic way we could address
9 that in the Syracuse area.

10 SENATOR MANNION: I appreciate that,
11 thank you. I'll let the next questioner move
12 on. Thanks.

13 CHAIRWOMAN KRUEGER: Thank you.
14 Assembly.

15 CHAIRWOMAN WEINSTEIN: Yes, we go to
16 Assemblywoman Niou. Thank you.

17 ASSEMBLYWOMAN NIOU: Hello,
18 Commissioner. I just wanted to follow up on
19 a couple of things that were mentioned. And
20 because of the whole micro-machine- talking
21 person that we are now, I just wanted to go
22 really quickly.

23 But you had mentioned that, you know,
24 that the federal programs should cover

1 marginalized communities, including
2 undocumented folks. And that's just -- on
3 the record, that's because the current
4 Emergency Rent Relief Act purposefully, you
5 know, did not include undocumented folks.

6 COMMISSIONER VISNAUSKAS: I'm sorry,
7 can you ask your question again? I didn't
8 quite follow the tail end of it.

9 ASSEMBLYWOMAN NIOU: So the program,
10 the current program, Emergency Rent Relief
11 act, actually purposefully left out
12 undocumented folks, right?

13 COMMISSIONER VISNAUSKAS: No. So we
14 served families that were mixed-status. So
15 you didn't have to have -- if there was a
16 child that had an immigration status, was a
17 citizen or had an immigration status and
18 parents that were undocumented, we served
19 those -- we sought to serve everybody we
20 could.

21 Serving undocumented families with
22 federal dollars is complex, and so in an
23 effort not to run afoul of that, we served
24 families where there was just one member, and

1 it didn't matter who it was, that had an
2 immigration status of some sort for
3 eligibility.

4 ASSEMBLYWOMAN NIOU: I mean that -- so
5 that was not the answer previously.

6 But the Emergency Rent Relief Act and
7 other tenant-based application programs often
8 create barriers, right, for members of
9 marginalized communities, like you just said,
10 and folks who work in the informal economy,
11 like I was when I was a bartender.

12 But what is your plan to ensure that
13 these populations will be included in any
14 rent relief program that comes out with the
15 \$1.3 billion?

16 COMMISSIONER VISNAUSKAS: Well, as you
17 know, OTDA is going to run the program, not
18 HCR. But I think they are very focused on
19 making sure that the most vulnerable
20 New Yorkers get the assistance that they need
21 with the federal dollars.

22 ASSEMBLYWOMAN NIOU: The landlord
23 community and the tenant advocacy community
24 actually both agree that a landlord hardship

1 fund is a more cost-effective and streamlined
2 and quick approach to disbursing resources
3 for COVID-19-related arrears, but this is not
4 the plan that HCR has laid out.

5 So what is the plan to create a
6 landlord hardship fund?

7 COMMISSIONER VISNAUSKAS: So, again,
8 we're not running the federal program, OTDA
9 is running that. So I don't think we laid
10 out a plan.

11 But I would say that the federal
12 legislation does allow and sort of calls out
13 landlords being able to apply for the
14 assistance, so I think that will, you know,
15 be a part of the federal government to
16 ease -- especially, you know, where there are
17 landlords whose tenants are unable, for
18 whatever reason, to apply, that a landlord
19 will be able to apply on behalf of a tenant,
20 with tenant consent.

21 ASSEMBLYWOMAN NIOU: Don't you think
22 that it should just be coming from the
23 landlord side?

24 COMMISSIONER VISNAUSKAS: Well, I

1 think we want tenants to know if a landlord
2 is applying for rent arrears for them.

3 ASSEMBLYWOMAN NIOU: I mean, I
4 think --

5 COMMISSIONER VISNAUSKAS: That's what
6 the federal legislation -- that's what the
7 federal legislation requires.

8 ASSEMBLYWOMAN NIOU: Okay. So what
9 tenant protections would need to be included
10 in a landlord-based application system to
11 ensure the prevention of a massive eviction
12 crisis following the May 1st expiration of
13 the current eviction moratorium?

14 COMMISSIONER VISNAUSKAS: Sorry, that
15 was very fast. Could you say that one more
16 time?

17 ASSEMBLYWOMAN NIOU: We have very
18 little time. What tenant protections would
19 need to be included in a landlord-based
20 application system to ensure the prevention
21 of a massive eviction crisis following the
22 May 1st expiration date?

23 COMMISSIONER VISNAUSKAS: Well, you
24 know, tenants that have rent arrears that are

1 as a result of COVID are protected by the
2 safe harbor and cannot be evicted from their
3 home. So I think that is in place for the
4 duration while we get through this
5 1.3 billion, and hopefully additional federal
6 funds will help sort of wipe out that
7 arrears, eliminating the need for the safe
8 harbor.

9 But I do think that will -- in the
10 short term goes quite a long way to make sure
11 that people will not be evicted from their
12 homes as the eviction moratorium exists and
13 as the safe harbor protects people who had
14 arrears as a result of COVID.

15 ASSEMBLYWOMAN NIOU: I'm out of time,
16 but have so many more questions. Thank you,
17 Chair.

18 CHAIRWOMAN WEINSTEIN: Thank you.

19 We go to the Senate.

20 CHAIRWOMAN KRUEGER: Sorry. Thank you
21 very much.

22 Our next questioner is
23 Senator Brisport, from Brooklyn. Are you
24 there, Senator?

1 SENATOR BRISPORT: Hi. Sorry about
2 that. I am here. Thank you so much, Chair.

3 And thank you, Commissioner, really
4 appreciate it.

5 I have a few quick questions about the
6 421-a program. And I just wanted to bring
7 up, you know, more and more people are
8 identifying fraud inside the 421-a program,
9 which is costing New Yorkers billions
10 annually in property taxes.

11 And I guess, you know, my first
12 question is, how do you justify continuing
13 the 421-a program in the midst of such a deep
14 fiscal crisis? I'm curious if you know how
15 much money is lost to the 421-a program every
16 year, the total lifetime cost in foregone tax
17 revenues for affordable 421-a units, and what
18 percentage of the affordable units are
19 low-income tiers.

20 Thank you.

21 COMMISSIONER VISNAUSKAS: Just by way
22 of reminder, HCR does not run the 421-a
23 program, it is run by the City of New York,
24 by HPD and the Department of Tax. Locally

1 they are the regulatory agency for those
2 units. They approve the tax exemption, and
3 they are also the regulatory agency for both
4 the affordability and the tax exemption that
5 goes along with that.

6 So we don't have a really direct role
7 in that. You know, ORA is responsible -- and
8 HCR by extension is responsible that once the
9 units are registered in the system, that the
10 -- if the applicable laws are not followed,
11 that tenants can file overcharge cases and/or
12 landlords can obviously file for other types
13 of things.

14 So we are not a -- we do not sort of
15 administer 421-a, we don't regulate it. I
16 don't know about the cost of it on the city
17 tax rolls. But I would say we do work
18 closely with the city that where it is found
19 that things are -- that they find that
20 projects they approved did not properly
21 register the units according to the
22 regulatory agreement, that we will work with
23 them to make sure that those get corrected
24 and that the landlords are re-registering

1 them.

2 SENATOR BRISPORT: Thank you so much,
3 Commissioner.

4 CHAIRWOMAN KRUEGER: Thank you.
5 Assembly.

6 CHAIRWOMAN WEINSTEIN: We go to
7 Assemblywoman De La Rosa.

8 ASSEMBLYWOMAN DE LA ROSA: Thank you.
9 Hi, Commissioner. Thank you for being here
10 today.

11 I'm going to follow the same sort of
12 line of questioning some of my colleagues
13 have already done today, but I just want to
14 say before I ask my questions that we are
15 concerned about the \$2.2 billion approximate
16 rent shortfall that exists. In communities
17 like mine that were already at risk of
18 displacement before COVID-19, this is a sure
19 sign that there will be homelessness that
20 will increase in our communities.

21 And so I want to ask about now the
22 shift to the OTDA budget. Will there be
23 coordination between your agency and OTDA to
24 make sure that folks who had already applied

1 for the relief in the first round are able to
2 carry forward their applications if they have
3 been denied or are awaiting appeal?

4 COMMISSIONER VISNAUSKAS: We will
5 certainly -- and have already been --
6 coordinating with OTDA certainly to give them
7 all of the lessons learned from the previous
8 program, although they will be much
9 different. But just in terms of execution.
10 So we will definitely work closely with them
11 and also work closely with them on outreach,
12 to make sure that, you know, we're getting to
13 landlords and tenants and that they can
14 understand what they are eligible for.

15 You know, I think our number-one job
16 is to try and make sure we get that program
17 up and running and get that money out the
18 door so that as we have these, you know,
19 eviction moratoriums that keep getting
20 extended, that we use all that time to get
21 these rental dollars directly into people's
22 hands.

23 So we are definitely very closely
24 coordinating with OTDA.

1 ASSEMBLYWOMAN DE LA ROSA: One of the
2 things that we heard over and over again from
3 our constituent services staff is the lack of
4 a needed direct point person to address some
5 of the questions that were coming into our
6 office.

7 You know, one of the issues in
8 communities like mine -- I'm sure across the
9 state -- is that when there's a technological
10 divide, people don't have the ability to
11 upload documents, to follow up in the way
12 that someone who has the wherewithal with
13 technology, or even language access, would be
14 able to.

15 I want to know, what are some of the
16 steps that will be put in place to make sure
17 that this 2.0 rollout will learn from the
18 lessons that were created in the first round?

19 COMMISSIONER VISNAUSKAS: I think one
20 of the lessons that we learned was to make
21 sure that we allowed people to be able to
22 call and do an application over the phone. I
23 think we had initially thought that for
24 people who didn't have internet access that

1 doing the application online was a good
2 route, and I think we realized that that
3 actually is not a great route, that it is
4 better for people if they can call and go
5 through with someone on a call center in
6 English, Spanish, Haitian Creole, in a
7 variety of languages, so that that person can
8 help them to make sure they understand the
9 questions and are then answering them.

10 I mean, the questions obviously are
11 not meant to be complicated, they more are
12 sort of asking your rent and asking how many
13 people live in your household in order to
14 establish eligibility. But we found that
15 having someone in a call center who could
16 talk someone through an application was a
17 good way to get to people who had challenges
18 around language or technology.

19 ASSEMBLYWOMAN DE LA ROSA: Thank you.
20 And I just want to emphasize that to clear
21 back rents is going to be critical in moving
22 the state forward towards a just recovery.
23 Thank you, Commissioner.

24 CHAIRWOMAN WEINSTEIN: We go to the

1 Senate now.

2 CHAIRWOMAN KRUEGER: Thank you.

3 We've actually run out of Senators
4 with their hands up at the moment, so this
5 is, one, a shout out -- if you want to ask a
6 question, you need to raise your hand -- and
7 to offer to, if I might, Madam Chair, Brian
8 Kavanagh his second round now.

9 SENATOR KAVANAGH: Madam Chair, I
10 think Senator O'Mara has his hand raised.

11 CHAIRWOMAN KRUEGER: Oh, there we go.
12 Thank you. Senator O'Mara, please.

13 SENATOR O'MARA: Senator Martucci does
14 as well. He was ahead of me, if you don't
15 mind him going before me.

16 CHAIRWOMAN KRUEGER: No, I did not see
17 the hands. I apologize.

18 Senator Martucci.

19 SENATOR MARTUCCI: Thank you. Thank
20 you, Chairwoman Krueger, and all the chairs.
21 And thank you to Senator O'Mara for allowing
22 me to go ahead of you.

23 Commissioner, I have one brief
24 question, it's with respect to the Emergency

1 Rental Assistance Program. From -- my
2 question really is simple. From your
3 understanding -- or is it your understanding
4 that this program is to be promulgated as an
5 agency regulation?

6 COMMISSIONER VISNAUSKAS: Do you mean
7 the program that we were running last summer
8 or the federal dollars that are coming in?

9 SENATOR MARTUCCI: And maybe you can
10 speak to each of them kind of briefly, just
11 kind of from your perspective. I guess we'll
12 start with last summer's program and then the
13 federal program that's coming.

14 COMMISSIONER VISNAUSKAS: Yeah, I
15 don't think they require any regulations.
16 They are both sort of just run as programs,
17 if that answers your question.

18 SENATOR MARTUCCI: Okay. So both of
19 them.

20 COMMISSIONER VISNAUSKAS: Yeah.

21 SENATOR MARTUCCI: Yeah, that is --
22 that does answer my question. Thank you,
23 Commissioner.

24 CHAIRWOMAN KRUEGER: Thank you.

1 Now back to the Assembly.

2 CHAIRWOMAN WEINSTEIN: {Inaudible.}

3 ASSEMBLYMAN BURDICK: Yes, thanks very
4 much, Chair.

5 And thank you, Commissioner, for your
6 work. I can attest that you're highly
7 regarded in Westchester County, and I'd like
8 to thank you and your staff for helping us
9 with a 12-unit affordable housing project in
10 my hometown of Bedford.

11 You had mentioned that many renters
12 live in small rental buildings. So much in
13 HCR is geared to larger projects. And yes,
14 you get more bang for the dollar, but it does
15 leave out a lot of underserved communities in
16 Westchester and throughout the state.

17 I understand that years back there was
18 a small building program to provide
19 construction funds. And perhaps that could
20 be funded with unused federal HOME project
21 funds, projects that don't go forward. I'm
22 wondering if you could address that.

23 COMMISSIONER VISNAUSKAS: Yes, I'd be
24 happy to. We love our small projects as much

1 as our big projects, so we are happy to do
2 every 12-unit rental project around the state
3 that presents us one. I think I actually did
4 a ribbon-cutting a week ago for a seven-unit
5 project.

6 So we are very focused on small
7 projects, especially in smaller communities
8 where that's right-sized, and just because
9 every project counts.

10 We do have a small rental building
11 loan program that exists, and we try to get
12 the word out about that as much as we can to
13 make sure -- you know, not every -- people
14 think of the work that we do as, as you said,
15 sort of bond projects or tax credit projects
16 that are bigger, but we do have a program for
17 small buildings.

18 We would be happy to utilize HOME
19 funds in that also, in addition to the state
20 funds we have. So I would be happy to work
21 with you more on that.

22 ASSEMBLYMAN BURDICK: That's great.

23 And also Neighborhood Preservation
24 Companies. I understand that years back

1 not-for-profit affordable housing
2 organizations received funding, and they
3 focus on communities with the greatest needs.
4 And if they had operating money to support a
5 staff person, they could really leverage
6 private contributions more.

7 I'm wondering about that, and also how
8 you use the federal Community Reinvestment
9 Act to encourage lenders to provide more
10 mortgage loans in underserved communities.

11 COMMISSIONER VISNAUSKAS: I would say,
12 on the NPP/RPP, we fund over 200
13 organizations around the state through that
14 program. It's really a wonderful form of
15 operating support for so many grassroots
16 organizations.

17 The organizations receive around
18 \$90,000, plus or minus, a year, which is the
19 way the program has been structured for quite
20 some time for operating support. So I think
21 we're hopeful that that is -- does allow
22 those organizations (A) to do the work they
23 do and hire staff and also leverage that.

24 But certainly we're always happy to

1 talk more about all of our NPP and RPP
2 organizations.

3 ASSEMBLYMAN BURDICK: And do you know
4 how much is in the budget for that program?

5 COMMISSIONER VISNAUSKAS: I believe
6 it's about \$20 million.

7 ASSEMBLYMAN BURDICK: And going back
8 to the small loan -- I mean, the small
9 project, do you know how much is in there on
10 that?

11 COMMISSIONER VISNAUSKAS: I can get
12 back to you with that. I don't recall.

13 ASSEMBLYMAN BURDICK: Okay, that would
14 be great. Thank you very much for the good
15 work you do.

16 COMMISSIONER VISNAUSKAS: Thank you.

17 CHAIRWOMAN WEINSTEIN: Thank you. We
18 go now to the Senate.

19 CHAIRWOMAN KRUEGER: Thank you. Now
20 let's go to our Finance ranker, Tom O'Mara.

21 SENATOR O'MARA: Thank you,
22 Chairwoman. And thank you, Commissioner, for
23 your testimony today.

24 There's been a lot of questions on the

1 Emergency Rental Assistance, and you've
2 indicated many times that OTDA is going to be
3 handling the implementation of this program.
4 What exactly is DHCR's role in the Emergency
5 Rent Assistance Program?

6 COMMISSIONER VISNAUSKAS: We are going
7 to support OTDA in their efforts, to the
8 extent they need, you know, outreach with
9 landlord or tenant communities.

10 You know, when we launched the
11 original program we spent a fair amount of
12 time getting input, which we wanted, from
13 stakeholders. But then also once the program
14 was designed, we did, I don't know, 20
15 webinars with nonprofit organizations, legal
16 aid organizations, counseling organizations
17 around the state so that people understood
18 who's eligible, how to apply, what kind of
19 documents were going to be needed, in ahead
20 of the application actually opening so people
21 could be prepared and get the word out.

22 So we will work very closely with OTDA
23 to make sure what we see as that very
24 critical work, that we can help support that

1 in any way that we can.

2 SENATOR O'MARA: Okay. Thank you.

3 With regards to the landlord
4 assistance, can you kind of outline for me
5 how does a landlord go about getting the
6 assistance if their tenant is not active in
7 helping seek this assistance? What remedy or
8 what course of action can the landlord take
9 to get this rent relief for a tenant that is
10 really ignoring the whole program?

11 COMMISSIONER VISNAUSKAS: You know, I
12 don't know programmatically sort of how OTDA
13 would handle that issue. I would say we
14 didn't encounter that in the program from
15 last summer because it was tenant-based. So
16 every tenant that wanted to apply did, and so
17 we didn't encounter that.

18 So I think they will have to come up
19 with some sort of policy as to how to address
20 that.

21 SENATOR O'MARA: If you could keep an
22 eye on that, that would be helpful. because
23 I am hearing concerns about that from
24 landlords, at least in my area of the state.

1 Now to give you a chance to talk about
2 something completely different, there's \$130
3 million of flood relief in the budget. How
4 much of that is targeted for the REDI, the
5 Lake Ontario flooding initiatives?

6 COMMISSIONER VISNAUSKAS: Yeah. So
7 it's actually not for that, it is to -- it's
8 to fund a series of community reconstruction
9 projects, which are resiliency projects that
10 came out of the Superstorm Sandy overall
11 effort, which, you know, was primarily
12 obviously a housing recovery program at the
13 beginning, and then sort of the second half
14 of its life has been a resilient
15 infrastructure and small, sort of
16 community-based project program.

17 So these were a series of projects
18 that have been committed to for quite some
19 time by the program, and this is some funding
20 just to make sure that all the projects can
21 in fact be funded. There are a series of
22 projects in areas that were impacted by
23 Hurricanes Sandy, Irene and Lee. So separate
24 from the REDI.

1 SENATOR O'MARA: So are those programs
2 or specific projects identified already of
3 what that --

4 COMMISSIONER VISNAUSKAS: Yes.

5 SENATOR O'MARA: Okay.

6 COMMISSIONER VISNAUSKAS: Yeah, we
7 worked with the municipalities on proposals
8 that they made, and there's about 150 of them
9 that are done, and there's about 150 that are
10 still in permitting or in construction. So
11 this is funding to finish out that
12 commitment.

13 SENATOR O'MARA: Could you supply a
14 list of those projects to our chairs of these
15 committees to -- just so we have that?

16 And can you summarize -- on the REDI,
17 the Lake Ontario flooding, if you can
18 summarize where those funds stand. Is there
19 monies left? Where are the monies left,
20 what's available and for what types of
21 purposes?

22 COMMISSIONER VISNAUSKAS: So I can
23 talk sort of generally and then happy
24 probably to get back to you with specifics.

1 But as you recall, right, the process
2 was that the different counties had a series
3 of projects that they submitted and
4 prioritized. So by and large, those projects
5 are all moving forward. They're in various
6 stages of design and permitting. I think
7 some probably of the smaller ones are in
8 construction, and some of the bigger ones
9 have a longer timeline.

10 I know, for instance, some of the
11 dredging has already started that was in one
12 of the -- that covers the whole shoreline.

13 So on any specific -- I oversaw
14 Wayne County, but I'm happy to get back to
15 you with specifics on some of the other
16 counties, what the projects were and where
17 they are.

18 SENATOR O'MARA: That would be great,
19 if we could get a status on those kind of
20 lake-wide. But thank you very much for your
21 answers today. Appreciate it.

22 CHAIRWOMAN KRUEGER: Thank you.
23 Assembly.

24 CHAIRWOMAN WEINSTEIN: We go to the

1 ranker on Ways and Means, Assemblyman Ed Ra.

2 ASSEMBLYMAN RA: Thank you.

3 Thank you, Commissioner, for being
4 here and your answers.

5 One of my colleagues asked me to ask
6 this question, basically regarding what
7 impact the Tenant Protection Act of 2019 has
8 had or whether the department has data
9 regarding this.

10 Anecdotally, he's been told by
11 landlords that of course they can't any
12 longer take more than a one-month security
13 deposit, that perhaps they've, you know,
14 taken to doing smaller increases to the
15 overall rent to kind of make up for that.
16 And that he's concerned it's having an impact
17 on the housing stock available for, you know,
18 low-income individuals. This would be in
19 parts of the state that are not, you know,
20 rent-controlled.

21 I'm just wondering if the department
22 might have any data regarding that.

23 COMMISSIONER VISNAUSKAS: So, for
24 sure, the changes that were made to the

1 Rent Stabilization Law in the law that was
2 passed in 2019 were extensive and very
3 comprehensive. So, for sure, I think people
4 will speak anecdotally about how that is
5 playing out both for renters and landlords
6 both.

7 We -- you know, the law went into
8 place in June 2019, and as we all know the
9 pandemic started in March 2020. So I think
10 it's a little hard to look at data and know
11 what it really is a result of.

12 Also, there is a not insubstantial
13 sort of lag in the way that the Office of
14 Rent Administration works, where people
15 oftentimes have a year or two years to file
16 something from when something happened.

17 And so I think it is -- and we have
18 a -- I think it will take a little more time
19 to see from a data perspective sort of the
20 changes of the law, not just because it's
21 only been a year and a half, but also because
22 half of that was at a time where, you know,
23 we had a reduction in kind of activity due to
24 the pandemic.

1 ASSEMBLYMAN RA: Sure. Certainly it's
2 been, you know -- and we're going on
3 basically a year that we've been under these
4 circumstances. So obviously that's had an
5 impact on both getting information and
6 certainly on people just staying where they
7 are. So I thank you for that.

8 And just lastly, I know one of my
9 colleagues already raised this, but, you
10 know, that issue of where we are in terms of
11 vacancy in New York City. And, you know,
12 that 5 percent is certainly something I think
13 we're all keeping an eye on going forward.

14 So thank you. I will yield the rest
15 of my time.

16 CHAIRWOMAN WEINSTEIN: Thank you.

17 We go to the Senate.

18 CHAIRWOMAN KRUEGER: Thank you very
19 much. Thank you.

20 Senator Brad Hoylman.

21 SENATOR HOYLMAN: Good morning,
22 Commissioner.

23 A quick question for you -- well, two
24 quick questions. Last year, as you know, HCR

1 took steps to create an MCI reasonable cost
2 schedule in compliance with our rent reforms.
3 My office and others had voiced concerns with
4 the reasonable cost schedule at the September
5 9th hearing that was held.

6 In response to the hearing, there are
7 still a number of unresolved issues. For
8 example, concerns of inflated costs were not
9 properly addressed. One example at Stuy Town
10 Peter Cooper Village in my district, the
11 tenants association has pointed out that the
12 maximum allowed cost for a sidewalk shed
13 under the proposed schedule is nearly three
14 times the amount that their landlord claimed
15 for a shed at that location in the past.

16 So advocates and consultants are
17 asking to see the report that was used to
18 make the cost schedule. Could you commit to
19 us today to make that public?

20 COMMISSIONER VISNAUSKAS: So I can
21 tell you what we did, right? We went and got
22 a third party to provide us with a schedule
23 of values. We then looked at that and used
24 our own internal expertise, our own internal

1 data. We've talked to other agencies that
2 also do construction-type work, to vet the
3 cost schedule.

4 You know, the cost schedule is a
5 response to many years of people saying that
6 the costs were inflated. Right? And so it
7 was meant to provide a cap on those. It's
8 not a floor. And I think that when we went
9 through the process, obviously there are --
10 there is a variation in cost based on
11 building type, age of building. I learned
12 about whether sidewalk sheds are eight feet
13 or 10 feet or 12 feet deep and the
14 differences of the cost of those. And I'm
15 aware of that issue.

16 And so we looked at all that very
17 closely and arrived at what we thought was
18 the appropriate schedule of costs,
19 understanding that it's hard to have a
20 one-size-fits-all cap.

21 That said, each owner that applies has
22 to substantiate their costs. And so it isn't
23 you just apply for the maximum amount, you
24 have to both -- you have to submit for

1 approval and substantiate the costs that you
2 had under that cap.

3 SENATOR HOYLMAN: So we're not going
4 to be able to have access to that report?

5 COMMISSIONER VISNAUSKAS: I'd have to
6 get back to you on that.

7 SENATOR HOYLMAN: Okay, I would urge
8 you to do that. I don't know if I have any
9 more time, but I did want to ask you about
10 Mitchell-Lamas and attempts to seek
11 privatization during the pandemic.

12 Do you have any opinion on that? Are
13 you thinking of issuing any pause orders?
14 Could you issue pause orders?

15 COMMISSIONER VISNAUSKAS: You know,
16 I'm not sure that we've received any requests
17 for privatizations during the pandemic, so I
18 don't think that has caused us to think about
19 whether we would issue a pause. But I'm
20 happy to follow up with you on than too.

21 SENATOR HOYLMAN: Thank you very much.

22 CHAIRWOMAN KRUEGER: Thank you.
23 Assembly.

24 CHAIRWOMAN WEINSTEIN: We go to

1 Assemblyman Jon Rivera.

2 ASSEMBLYMAN JONATHAN RIVERA: Hi,
3 there. Good afternoon, Commissioner. Can
4 you hear me?

5 COMMISSIONER VISNAUSKAS: Hi. Yes,
6 sorry. I couldn't see you on my screen.

7 ASSEMBLYMAN JONATHAN RIVERA: That's
8 all right.

9 So I want to talk about a program that
10 hasn't come up yet, and it's the Main Street
11 Program. Recently there was an extension
12 that was granted, so I thank you for that,
13 for some of the work that's being done
14 through the program in downtown Buffalo. And
15 prior to coming to the Assembly, I was pretty
16 familiar with this because I was involved in
17 my community and, you know, acquiring one of
18 these grants and seeing it through.

19 So can you speak to the scope and the
20 status of the projects perhaps in downtown
21 Buffalo? And then also are Main Street-aided
22 projects in other localities facing similar
23 obstacles -- delays with construction and
24 such. And then, lastly, what amount of the

1 Main Street funds will be lost because of
2 projects not being able to be completed
3 because of COVID-19? And what happens with
4 that funding?

5 COMMISSIONER VISNAUSKAS: So the
6 program is funded at about \$4.2 million a
7 year, and has been at that level for quite
8 some time.

9 We love our Main Street projects.
10 Prior to -- in sort of previous conversations
11 about sort of smaller projects, we understand
12 the value of smaller projects, especially in
13 Main Street-type localities, are as important
14 as sort of the big, flashy projects that
15 people are more inclined to associate with
16 the work that we do. So we love the Main
17 Street Program.

18 I can't speak specifically to the
19 projects in Buffalo, but I would say we work
20 very closely with the grantees to make sure
21 that they can complete the projects. And if
22 you haven't experienced this, we'd be happy
23 to sit and talk more. But the -- if a
24 project is having a delay as a result of

1 COVID, we would certainly work with them to
2 make sure that they can complete it, that we
3 are not the reason why that doesn't happen.

4 ASSEMBLYMAN JONATHAN RIVERA: I
5 appreciate that. Thank you.

6 And I guess the only other question
7 I've had is -- it's been brought up before,
8 and it's not as unique to Buffalo. I think
9 it's pretty common throughout upstate
10 New York, and that's lead in our housing.

11 And, you know, for folks that are
12 living with this, dealing with this, and then
13 also in part perhaps because I come from
14 county government, knowing that county and
15 city governments are sort of all involved in
16 the reduction of this, what do you say are
17 things that we could be doing or, you know,
18 what are you doing with local governments to
19 kind of move the needle on this?

20 COMMISSIONER VISNAUSKAS: So, you
21 know, we make sure for all the projects that
22 we do -- and we're doing in-place rehab,
23 which would be commonly where we're finding
24 issues of lead -- that we're making sure that

1 that lead is being abated or remediated or
2 addressed. And we certainly would never do a
3 renovation project that didn't, across all of
4 our portfolio.

5 So I guess I would say to the extent
6 that there's sort of another sort of
7 programmatic need that we have upstate around
8 how to address that, we certainly are open to
9 talking and figuring out how to tackle that.
10 You know, if there's sort of another way we
11 need to get at it.

12 ASSEMBLYMAN JONATHAN RIVERA: Thank
13 you.

14 CHAIRWOMAN KRUEGER: Thank you.

15 Senator Brian Kavanagh, chair of
16 Housing, for his second round.

17 SENATOR KAVANAGH: I think, if I may,
18 maybe let the Assemblymembers who haven't
19 gone go, if that's not a terrible change in
20 the protocol.

21 CHAIRWOMAN KRUEGER: So you want to
22 wait until all the Assemblymembers have gone?

23 SENATOR KAVANAGH: Yeah, if that's
24 okay, just because then I won't ask questions

1 that they're going to cover.

2 CHAIRWOMAN KRUEGER: If it's fine with
3 the chair, it's fine with me.

4 CHAIRWOMAN WEINSTEIN: It's fine with
5 me. Anything to move the hearing along.

6 We go next to Assemblyman Meeks.

7 ASSEMBLYMAN MEEKS: Thank you. I
8 think -- am I -- is my video up?

9 COMMISSIONER VISNAUSKAS: Yup.

10 CHAIRWOMAN WEINSTEIN: Yes, we can see
11 you.

12 ASSEMBLYMAN MEEKS: So yes, I would
13 like to know like what rental assistance
14 programs does the state currently fund? And
15 how many vouchers are put into use per year,
16 and how many are allocated for New York City
17 as well as the rest of the state?

18 COMMISSIONER VISNAUSKAS: So there are
19 several entities around the state that
20 administer Section 8 vouchers, not just HCR.
21 So New York City runs a program through HPD,
22 NYCHA runs a program, other housing
23 authorities around the state have sort of
24 project-based contracts with HUD directly.

1 For our part, so I can speak sort of
2 to HCR's four walls, we run about a
3 44,000 voucher program around the state, and
4 we have local administrators who run those
5 programs for us. So I'm not sure if that
6 totally answers your question, but that's
7 sort of, for our part, that's the -- we run a
8 Section 8 program for about 44,000 vouchers.

9 ASSEMBLYMAN MEEKS: All right. And so
10 how many are allocated -- as far as the
11 vouchers how many are allocated -- you said
12 44,000 for HCR?

13 COMMISSIONER VISNAUSKAS: Yeah. So we
14 -- our I guess like utilization rate, is
15 usually what it's called, it typically hovers
16 around 99 percent. So we make sure that
17 every voucher that we have from HUD is in the
18 hand of a tenant either residing in an
19 apartment or looking for an apartment.

20 ASSEMBLYMAN MEEKS: And how many are
21 distributed in New York City and the rest of
22 the state?

23 COMMISSIONER VISNAUSKAS: So for our
24 44,000, about 7,000 of those are in New York

1 City. But in addition to us, NYCHA runs
2 about a 90,000 voucher program and New York
3 City HPD runs maybe about a 30,000 voucher
4 program. So while 7,000 might sound small
5 from the -- what we have for the city, we're
6 obviously dwarfed by both NYCHA and HPD as it
7 relates to the city.

8 ASSEMBLYMAN MEEKS: Thank you. I
9 yield the rest of my time.

10 CHAIRWOMAN WEINSTEIN: Thank you.

11 We go to Assemblyman Lawler.

12 ASSEMBLYMAN LAWLER: Thank you,
13 Madam Chairwoman. And thank you to
14 Senator Kavanagh for letting us go first.

15 Commissioner, appreciate your time
16 this morning. Just a few questions, some of
17 you which you may have covered, but I just
18 want to reiterate.

19 How much money do we have left over
20 from the first round of COVID rent relief,
21 the 100 million? How much is left?

22 COMMISSIONER VISNAUSKAS: So we have
23 currently awarded about 40 million of that,
24 but the second round closed last night, and

1 so we have another 15,000 applications from
2 that round. And then, in addition, we
3 reviewed all the previously denied
4 applications to see if they were now eligible
5 with the new guidelines. So I don't know how
6 many of those will result in awards, to give
7 you a total above the 40 yet.

8 ASSEMBLYMAN LAWLER: But as of this
9 moment, roughly, we have 60 million unspent?

10 COMMISSIONER VISNAUSKAS: Right.

11 ASSEMBLYMAN LAWLER: Okay. With the
12 foreclosure moratorium, are tenants being
13 required to apply for the rent relief program
14 out of this 60 million remaining, and
15 potentially, obviously, the 1.3 that we're
16 going to get?

17 COMMISSIONER VISNAUSKAS: So the
18 application period for the prior program
19 closed last night, so people did have to
20 apply to make sure that they were eligible,
21 according to the legislative guidelines,
22 right? There was a bunch of qualifications
23 in order to be eligible.

24 ASSEMBLYMAN LAWLER: Were they

1 required to, though?

2 COMMISSIONER VISNAUSKAS: I'm sorry,
3 were -- can you ask that again?

4 ASSEMBLYMAN LAWLER: Were they
5 mandated to apply for it? Or is it just if
6 they felt they wanted to apply for it?

7 COMMISSIONER VISNAUSKAS: People were
8 permitted to apply for it if they wanted to.
9 They were not required to.

10 ASSEMBLYMAN LAWLER: Okay, but they're
11 not mandated, they're not mandated to apply
12 for it.

13 COMMISSIONER VISNAUSKAS: Right, the
14 legislation did not require people to apply
15 for it.

16 ASSEMBLYMAN LAWLER: Do you think they
17 should be mandated to apply for it?

18 COMMISSIONER VISNAUSKAS: I think
19 that's sort of -- I think that's a hard thing
20 to legislate.

21 ASSEMBLYMAN LAWLER: Okay. Why can't
22 the landlord apply with the consent of the
23 tenant?

24 COMMISSIONER VISNAUSKAS: So the

1 federal program --

2 ASSEMBLYMAN LAWLER: If the purpose is
3 really -- sorry, go ahead.

4 COMMISSIONER VISNAUSKAS: No, I'm
5 sorry, I was just going to say the federal
6 program that came down from the feds, from
7 Treasury, does in fact talk about that and
8 says that landlords shall be able to apply on
9 behalf of a tenant with tenant consent.

10 ASSEMBLYMAN LAWLER: Okay. So do you
11 encourage landlords to do that, working with
12 the tenants to try and get this money into --
13 you know, back into the economy so obviously
14 the rent arrears is not as bad in the future?

15 COMMISSIONER VISNAUSKAS: Yeah, I
16 think many landlords are eager to help their
17 tenants apply because it's -- as I had said,
18 you know, it can be both -- it's a lot of
19 documentation, it can be confusing.
20 Certainly people who are in vulnerable
21 populations might have challenges applying.
22 So I think many landlords are eager to apply
23 and assist their tenants in doing that.

24 ASSEMBLYMAN LAWLER: Okay. And I

1 think we should certainly encourage that.

2 The last thing is just a comment. My
3 district has a lot of issues related to
4 affordable housing as well as Section 8
5 housing, especially in the Village of
6 Spring Valley. So I'd very much like to talk
7 to you offline and see how we can work
8 together to help the residents in my
9 district.

10 COMMISSIONER VISNAUSKAS: I'd be happy
11 to do that.

12 ASSEMBLYMAN LAWLER: Thank you.

13 CHAIRWOMAN WEINSTEIN: We go next to
14 Assemblyman Schmitt.

15 ASSEMBLYMAN SCHMITT: Thank you,
16 Madam Chair.

17 Thank you, Commissioner, for being
18 here another year, but virtual this time.
19 Obviously a lot of questions have been asked.
20 I just want to make sure I checked on a few
21 things.

22 In your opinion, what was the biggest
23 issue with the first round of the Emergency
24 Rent Relief Program? Was there one

1 particular issue that stood out in the
2 execution or in the structure of it?

3 COMMISSIONER VISNAUSKAS: I think that
4 the way the first program was designed, it
5 was meant to help people who were worse off
6 during the period of enhanced unemployment
7 insurance. And it basically said if you had
8 a 30 percent rent burden prior and you had a
9 40 percent rent burden now because your
10 income went down, we would pay the
11 difference.

12 I think many people thought their
13 entire rent was being paid. And so I
14 think that was a big -- I think that was a
15 big challenge.

16 But in general, you know, I think the
17 simpler the programs can be for people to
18 understand -- am I eligible, and if I am
19 eligible, how much am I going to get -- is
20 key to sort of managing expectations on the
21 landlord and the tenant side about what
22 they're going to be eligible for and
23 eventually get.

24 ASSEMBLYMAN SCHMITT: Okay. You

1 mentioned the second round closed last night,
2 correct?

3 COMMISSIONER VISNAUSKAS: Yes.

4 ASSEMBLYMAN SCHMITT: Now, do you
5 believe the remaining 60 million will be
6 exhausted after the second round? Or how
7 long do you think until you ascertain that?

8 COMMISSIONER VISNAUSKAS: Yeah, I
9 think we need a couple more weeks. We
10 also -- we are both reviewing all the
11 original applicants who were denied and had
12 done a lot of outreach to people to get
13 documentation, and we like to give people
14 time to get us documentation because we know
15 people are under a lot of stress, in addition
16 to the new applications that we have.

17 So I think it will be a couple of
18 weeks before we have a better handle on how
19 many of the current applicants will be
20 eligible.

21 ASSEMBLYMAN SCHMITT: Should that
22 occur, that there is money left over, how
23 quickly do you think we could get to a third
24 round, just based administratively, in that

1 case?

2 COMMISSIONER VISNAUSKAS: I think I
3 would say that the focus really should be on
4 the federal program. It is so -- I mean, the
5 \$1.3 billion is obviously like a very, very
6 significant impact around the state. And I
7 don't think I would want people to be
8 confused about applying to one program over
9 another, or think they applied to one and in
10 fact they didn't and they should have applied
11 to the other, and it was a more generous
12 program. Right?

13 That this new program of the feds
14 provides up to 12 months of rent arrears, so
15 it's much different in scale. It pays, you
16 know, full rent. It's just a different type
17 of program. So I think it would be -- I
18 would guess I would worry that if we keep
19 reopening the old program, people get
20 confused about which program they're applying
21 for. And the last thing we sort of want
22 right now is anyone to be confused about
23 accessing benefits.

24 So I guess I would argue all eyes

1 should be on the 1.3 billion.

2 ASSEMBLYMAN SCHMITT: Okay. And just
3 some clarification about the property owners
4 or landlords being able to help with the
5 application process. You mentioned the
6 federal language. So is that just for the
7 federal program, or can landlords go without
8 permission or they need permission? Can you
9 just clarify that for me?

10 COMMISSIONER VISNAUSKAS: Yup. The
11 way that the legislation -- the federal
12 legislation was written is that landlords can
13 apply on behalf of tenants with tenant
14 consent.

15 ASSEMBLYMAN SCHMITT: Okay. And now
16 have you had any issues without -- with it
17 happening without tenant consent?

18 COMMISSIONER VISNAUSKAS: So for the
19 first program, it was only a tenant-based
20 application process, so we didn't really
21 encounter that.

22 ASSEMBLYMAN SCHMITT: Okay. And then
23 I represent the Hudson Valley -- real quick,
24 with the last few seconds. Has there been a

1 drop-off in areas that you've identified with
2 applications -- you know, Hudson Valley,
3 Capital Region -- based on regions?

4 COMMISSIONER VISNAUSKAS: I could
5 definitely get back to you on that. I
6 believe that we saw the majority of
7 applications in New York City but also in
8 Long Island and Westchester and
9 Hudson Valley -- that area, I think, was
10 where we saw more than we did in a lot of the
11 upstate areas, where there's less renters for
12 sure. But we'd be happy to follow up with
13 you on some stats.

14 ASSEMBLYMAN SCHMITT: Thank you.

15 CHAIRWOMAN WEINSTEIN: Thank you.

16 Now we go to Assemblywoman Walker.

17 THE MODERATOR: We are having trouble
18 getting her to start her video. Oh, here she
19 is. Never mind.

20 ASSEMBLYWOMAN WALKER: Oh, that is a
21 great precursor to my questions. And thank
22 you, Madam Chairs, for allowing me the
23 opportunity.

24 And to the Commissioner, you are doing

1 an amazing job and have been for quite some
2 time. So I'm very proud, especially to see a
3 woman in this post is really holding it down
4 for the entire state.

5 COMMISSIONER VISNAUSKAS: Thank you.

6 ASSEMBLYWOMAN WALKER: I did want to,
7 of course, mention that I am -- I experienced
8 a lot of digital setbacks with respect to
9 broadband, et cetera. And quite frankly, you
10 know, even when my phone jumps onto the
11 optimum WiFi, like, you know, it's
12 horrendous. And so I know if I'm
13 experiencing this, that so many of my
14 neighbors and friends are experiencing the
15 same thing as well.

16 And so I do want to echo the
17 sentiments of my colleagues that really would
18 call for a landlord-based application
19 process. Because quite frankly, one of the
20 things that we were being told was that a
21 number of folks were not able to apply for
22 the rent relief online because they either
23 didn't have access to it or didn't know how
24 to find it or follow it on their phones.

1 And so I look forward to there being,
2 you know, a third round that may be a little
3 more user-friendly with respect to digitally
4 compromised communities.

5 I did want to sort of bring up, too,
6 another situation with respect to a project
7 that we're working on, which includes reentry
8 housing, which I'm very excited about. We
9 know we have affordable housing, veterans
10 housing, housing for people who are living in
11 homeless shelters. But I was told in 2005
12 that over the course of five years, 25,000
13 people were returning from the upstate
14 criminal justice system to my community. And
15 housing is a huge component of it.

16 But one of the shortfalls that we saw
17 was that utilizing the Supportive Housing
18 Program, that many of the apartments that
19 were built were either studio or one-person.
20 And we think that it goes against the
21 reunification of families.

22 So can you maybe speak to how we may
23 be able to open up the supportive housing
24 restrictions that so many of the units have

1 to be studios?

2 COMMISSIONER VISNAUSKAS: Yes. I
3 would say we -- you know, there's a couple of
4 organizations in New York City who focus on
5 this, and I think it's -- and I don't
6 disagree with you that there's not a lot of
7 reentry housing. We certainly, for our part,
8 tried to -- we changed our marketing
9 guidelines a year and a half, maybe two years
10 ago, to change that we don't allow people to
11 deny someone sort of on the basis of being a
12 reentry population coming into our buildings.

13 So we're very cognizant of this issue
14 and want to make sure that people coming out
15 of the criminal justice system have access.

16 I -- as it relates to supportive
17 housing, I think we are happy to keep talking
18 about that with you. You've been a great
19 partner for us for all the projects that
20 we're doing in your district. So I think to
21 the extent we need to modify the model a
22 little bit -- as you said, supportive housing
23 has often been individuals and not sort of
24 families in a family reunification. But

1 we're happy to keep working with you on that.

2 ASSEMBLYWOMAN WALKER: Thank you.

3 CHAIRWOMAN WEINSTEIN: Thank you,

4 Commissioner.

5 We go now to Assemblywoman Bichotte

6 Hermelyn, three minutes.

7 ASSEMBLYWOMAN BICHOTTE HERMELYN:

8 Thank you. The clock will reset, right?

9 CHAIRWOMAN WEINSTEIN: Yup. Yup.

10 ASSEMBLYWOMAN BICHOTTE HERMELYN:

11 Okay, great.

12 CHAIRWOMAN WEINSTEIN: Remember to

13 leave time for the answer. Wait till the

14 clock resets, okay? We have to reset it for

15 three minutes.

16 ASSEMBLYWOMAN BICHOTTE HERMELYN: Is

17 it resetting now?

18 CHAIRWOMAN WEINSTEIN: No, we need

19 the -- whoever's doing the clock to please

20 reset it. There you go.

21 ASSEMBLYWOMAN BICHOTTE HERMELYN:

22 Great, she's reset it. Okay, great.

23 CHAIRWOMAN WEINSTEIN: Leave time for

24 the commissioner.

1 ASSEMBLYWOMAN BICHOTTE HERMELYN:

2 Great. Thank you, Commissioner. Thank you
3 for being here. I have a few questions for
4 you.

5 So in the Executive Budget you
6 mentioned for the rental arrears, those that
7 were affected by COVID-19. I wanted to know
8 if the income lower than 80 percent of AMI
9 included those people who lost their
10 employment due to COVID-19.

11 COMMISSIONER VISNAUSKAS: Yeah, so the
12 federal program, in addition to the 80 AMI
13 income limit, also requires loss of income,
14 either signified by receiving unemployment
15 insurance or also documentation of that loss
16 of income.

17 So yes.

18 ASSEMBLYWOMAN BICHOTTE HERMELYN:

19 Okay, just wanted to make sure.

20 All right. Also in the Executive
21 program I notice that \$15 million of the
22 Rental Assistance Program in the Homeless and
23 Supportive Housing Program was eliminated,
24 also 5 million for the rest of the state in

1 the rent cap pilot program was also
2 eliminated. And it said it was due to lack
3 of utilization.

4 What do you mean there's a lack of
5 utilization for the New York City Rental
6 Assistance Program? Because I believe
7 there's a lot of people who need help,
8 probably more so. So what was meant by that?

9 COMMISSIONER VISNAUSKAS: We didn't
10 have reductions in our budget related to
11 that. Are you sure -- were they in our
12 budget? And you said -- can you say what
13 they were called again?

14 ASSEMBLYWOMAN BICHOTTE HERMELYN: They
15 were called -- it was the \$15 million, New
16 York City Rental Assistance Program. That
17 was reduced from the Homeless and Supportive
18 Housing Program.

19 COMMISSIONER VISNAUSKAS: I'd have to
20 get back to you on that. I'm not familiar
21 with that reduction in our budget.

22 ASSEMBLYWOMAN BICHOTTE HERMELYN:
23 Okay. The next question is on the Mortgage
24 Insurance Fund. So I notice that there was a

1 decrease of \$40.5 million that was shifted to
2 the General Fund; 10 million of that was
3 eliminated from the Homeowners Protection
4 Program, 12 million eliminated from the
5 Albany program. And there's \$22 million
6 that's not accounted for.

7 I know you mentioned that the NPP and
8 the RPP, the Neighborhood Preservation
9 Program and Rural Preservation Program, are
10 still being funded, which is like the \$18.2
11 million going to 200 organizations. I have
12 to say organizations like Habitat for
13 Humanity really relies on the Mortgage
14 Insurance Fund to continue their great work
15 in the homeownership program. And
16 organizations in my community like the
17 Neighborhood Housing Services and Flatbush
18 Development Corporation also rely on some of
19 those funds.

20 So I wanted to know where were these
21 redirected, and why. Especially there was
22 \$22 million that -- or, I'm sorry, 18 million
23 that was not accounted for in the 40.5
24 million.

1 COMMISSIONER VISNAUSKAS: So the
2 funding that generally comes from the
3 Mortgage Insurance Fund is sort of -- is an
4 excess calculation. So the funding that
5 comes into the Mortgage Insurance Fund is
6 used as insurance for single-family,
7 multifamily, and then the net goes to other
8 uses.

9 So I can double-check with you, but
10 generally the fluctuation in that is more a
11 reflection of the net amount that's left at
12 the end of each year that can go to other
13 programs and not necessarily a reduction in
14 the program. But if it's okay, I'd be happy
15 to sort of follow up with you on that.

16 ASSEMBLYWOMAN BICHOTTE HERMELYN:
17 Thank you.

18 CHAIRWOMAN WEINSTEIN: Thank you. So
19 now we go to Assemblyman Byrne.

20 Are you still there? I'm not sure --
21 there you are. No --

22 THE MODERATOR: He had to leave the
23 hearing.

24 CHAIRWOMAN WEINSTEIN: He left. Okay,

1 so we go to Assemblyman Dilan, who we saw for
2 a moment.

3 ASSEMBLYMAN DILAN: I'm still here. I
4 don't know if the camera got --

5 CHAIRWOMAN WEINSTEIN: There you go.

6 ASSEMBLYMAN DILAN: Commissioner, good
7 to see you.

8 I just have some quick questions
9 around the Article VII portion of the budget,
10 particularly as it relates to the State of
11 New York Mortgage Agency. It looks like
12 you're seeking to expand authority around
13 your lending practices. Could you maybe
14 elaborate to the committee what you are
15 seeking to do there?

16 COMMISSIONER VISNAUSKAS: So we looked
17 at mortgage data around the state and we
18 found about 750 census tracts where black
19 homeowners and minority homeowners were
20 one and a half times more likely to get
21 rejected for mortgages than their --
22 controlling for income -- than their white
23 non-minority counterparts.

24 It ended up 750 census tracts; it was

1 about 33 areas around the state. And so this
2 is not, you know, inconsistent with things
3 people talk about in housing and whether
4 there is discrimination in mortgage brokers
5 and mortgage lending. Or is it a function
6 of, you know, credit issues and credit
7 scores? It's sort of a variety.

8 So we decided that in order to address
9 some of that, we want to bring in more
10 lenders who can provide SONYMA mortgages.
11 And our -- so in an attempt to do that, we
12 want to broaden and allow CDFIs to be
13 originators of our first-time homebuyer
14 mortgages. And so the legislation allows us
15 to -- allows those CDFIs to be lenders for
16 us.

17 And we think there's about a
18 hundred-something CDFIs around the state who
19 could in fact come in and become lenders and
20 really try to increase the minority
21 homeownership rate around the state.

22 ASSEMBLYMAN DILAN: Okay. It also
23 says you're looking to expand the amount of
24 distressed mortgages you can buy back. Is

1 that -- can you explain that as well?

2 COMMISSIONER VISNAUSKAS: Yeah. So we
3 currently aren't really permitted to do
4 mortgage modifications. So when our
5 homeowners get into distress, unlike some
6 other private banks who can do mortgage mods
7 for people, we have not statutorily been able
8 to do that.

9 So this is an attempt to give us the
10 authority to do mortgage modifications when
11 homeowners are in distress.

12 ASSEMBLYMAN DILAN: Okay. But the
13 overall scope of the program is going to stay
14 the same, and the size of the mortgage and
15 building that you normally lend to is going
16 to remain the same?

17 COMMISSIONER VISNAUSKAS: Yes. We are
18 just trying to get at more people who we
19 think are currently shut out from first-time
20 homeownership.

21 ASSEMBLYMAN DILAN: All right. Now,
22 I'm just checking because there's been a lot
23 of larger speculative units in my district,
24 certainly without the goal of providing

1 affordable housing, that are under distress,
2 and I just wanted to make sure the state
3 wasn't in the business of buying those back.

4 Lastly, a question on your FTEs. And
5 I don't know if this was asked and answered,
6 but looking at our budget documents here,
7 FTEs go from 612 positions and there's a
8 reduction of 164. Could you explain where
9 they're coming from within the agency?

10 COMMISSIONER VISNAUSKAS: So those
11 were positions across, you know, a variety of
12 different departments that were not filled.
13 So we didn't have any staff reductions, it's
14 just positions that were not filled.

15 ASSEMBLYMAN DILAN: Thank you,
16 Madam Chair.

17 CHAIRWOMAN WEINSTEIN: Thank you.

18 So I just have a couple of short
19 questions before we go back to the Senate.

20 So we have, from a couple of members
21 who didn't have the opportunity to -- didn't
22 have time to ask a question. Assemblywoman
23 Rosenthal would -- as well as other members
24 would like to know -- you spoke a little bit

1 about prioritizing small landlords and the
2 need to have small -- make sure that some of
3 this rental assistance money goes to small
4 landlords.

5 How do you think you'll be able to --
6 you and OTDA together will be able to
7 prioritize that small landlords are receiving
8 monies over corporate landlords when rent
9 subsidies are going out?

10 COMMISSIONER VISNAUSKAS: So from my
11 perspective, I think the key to that is
12 awareness. Right? So we need to make sure
13 that we are working with -- and there's
14 several trade organizations around the state
15 that represent smaller landlords, so we want
16 to make sure that we are getting to those
17 organizations ahead of time with an
18 explanation of what the program is and how to
19 apply.

20 And that for us, you know, in addition
21 to the tenant side, it's sort of equally
22 important on the small landlord side to make
23 sure they understand it -- know that it
24 exists, understand it, and then can get the

1 benefit of it.

2 CHAIRWOMAN WEINSTEIN: And also
3 because I know we've had some discussions
4 about this in terms of other members,
5 Assemblywoman Niou had wanted to follow up
6 also on the small landlord issue, I guess
7 really just to emphasize that some of the
8 current barriers have prevented some of these
9 small landlords from being able to have their
10 tenants access it. So the more that
11 landlords are able to apply themselves
12 directly will help ensure that some of these
13 smaller buildings can have funding and we
14 don't end up losing some of those buildings
15 in foreclosure actions.

16 I also had a question. I know
17 Senator Kavanagh had raised the question of
18 HOPP funding, and you mentioned that there's
19 about a million dollars of federal money
20 already that you're -- you had obviously a
21 lot -- that leaves a hole of 19 million.

22 So what would it mean if we don't come
23 up with that extra 19 million in HOPP
24 funding? What would it mean for our

1 constituents around the state?

2 COMMISSIONER VISNAUSKAS: I mean,
3 obviously I think that the importance of
4 counseling services sort of across the board
5 are important. But I think -- I'd like to
6 hope that in this time where we do have a
7 series of eviction moratoriums, foreclosure
8 moratoriums, and then this infusion -- which
9 will happen very quickly, given the September
10 spend deadline -- of dollars into the system
11 will help stave a lot of the instability that
12 exists and for which the counseling is
13 obviously so important.

14 So I think the onus is on making sure
15 that we keep those moratoriums in place as
16 long as we need them, and while we're getting
17 the 1.3 billion out the door.

18 CHAIRWOMAN WEINSTEIN: Okay, thank
19 you.

20 I'm going to turn it back now to the
21 Senate, for a second round for the chair of
22 Housing.

23 CHAIRWOMAN KRUEGER: Thank you very
24 much. Thank you, Assembly.

1 So yes, Brian Kavanagh, if there are
2 any questions left to ask, now is your
3 chance.

4 SENATOR KAVANAGH: Yeah, I'm going
5 to -- first of all, let me just, you know,
6 thank the commissioner for all of her time
7 and again for all of the work you've done
8 throughout this process.

9 And, you know, there have been a lot
10 of questions about the rent relief program,
11 and I think some of them will be taken up in
12 the Social Services hearing next week --
13 which I am now a proud new member of the
14 Social Services Committee, so I'll be there
15 also and then I'll get to ask some of those
16 questions then.

17 Just one final question for you on a
18 rather particular issue. The federal CARES
19 Act provided resources for federal housing
20 authorities to address COVID, including the
21 fact that many of their tenants had
22 difficulties paying rent so there would be,
23 you know, these rent reductions and also
24 additional expenses that they had. But it

1 does not appear there was any source of
2 funding for state-sponsored and state-funded
3 public housing agencies.

4 Is there anything the state is doing
5 that you're aware of that would help
6 stabilize the federally funded public housing
7 agencies around the state? I'm sorry, the
8 state-funded.

9 COMMISSIONER VISNAUSKAS: So there is
10 a small pool of state-regulated public
11 housing. We for our part, across our
12 portfolio, have been doing what you might
13 call sort of like wellness checks on our
14 portfolio to see how people are doing.

15 So we have had very, very minimal
16 disruption in the -- in our sort of overall
17 housing portfolio, that is much less than I
18 think people are seeing in the private market
19 or even nationally, which I'm happy to report
20 and sort of show that, you know, affordable
21 housing on many fronts really does provide
22 stability for people, especially in times
23 like this.

24 So we have not had in our -- sort of

1 like any sort of massive disruptions or
2 anything in our state-aided portfolio. I'd
3 be happy to do more research out to them to
4 confirm, but we've had very few properties
5 that sort of were reaching out to us for --
6 and we were receptive to anybody who needed
7 advances from their reserve funds or their --
8 you know, any type of sort of operating funds
9 they had in reserve, we were happy to release
10 that to the extent that was -- existed.

11 So I'm happy to follow up more and
12 sort of give you a wellness check of our
13 overall portfolio.

14 SENATOR KAVANAGH: Yeah, we've
15 gotten -- if you could, we've gotten some
16 concerns expressed to us, to my staff about
17 that.

18 Do you -- so the federal housing
19 authorities are -- again, their rent --
20 there's a process for adjusting rent downward
21 if people have lost income. And, you know,
22 we've actually seen, at least in New York
23 City, which I'm more familiar with,
24 relatively low levels of people seeking that

1 and of unpaid rent in NYCHA compared to what
2 you might have expected when the pandemic
3 started. But again, the state PHAs are not
4 really eligible for much of that.

5 Do you believe that the state -- that
6 residents -- that renters in state public
7 housing authorities ought to be eligible to
8 apply for COVID rental assistance, perhaps
9 like the one that we're standing up with the
10 federal money that's coming?

11 COMMISSIONER VISNAUSKAS: I don't
12 think there's anything in the legislation
13 that prevents the tenants or the landlords
14 from applying.

15 SENATOR KAVANAGH: Okay. And
16 policywise that's a -- that seems like a
17 sensible -- I recognize you haven't had much
18 time to think about it, but that seems like a
19 sensible thing to do?

20 COMMISSIONER VISNAUSKAS: And you mean
21 for the state-aided public housing.

22 SENATOR KAVANAGH: Yeah.

23 COMMISSIONER VISNAUSKAS: Yeah.

24 SENATOR KAVANAGH: Okay. Again, it's

1 been a long day and we have many more
2 witnesses -- so I could ask a bunch more
3 things, but I think we'll leave it there.
4 And again, thank you so much for all your
5 work and your testimony today.

6 COMMISSIONER VISNAUSKAS: Thank you.

7 Happy to be here.

8 CHAIRWOMAN KRUEGER: Thank you. The
9 Senate's now closed here.

10 CHAIRWOMAN WEINSTEIN: So we are going
11 to Assemblyman Cymbrowitz for five minutes,
12 and he will be our last questioner.

13 ASSEMBLYMAN CYMBROWITZ: Thank you
14 very much, Chair.

15 Commissioner, thank you for joining us
16 today and spending the time answering
17 everyone's questions. Just a couple of more.

18 Can you just tell us a little bit
19 about the \$65 million that the Governor is
20 proposing transferring from HFA to reimburse
21 New York City's mandated shelter provisions?
22 And what generated these funds -- were they
23 bonds, were they fees, were they repayments?
24 And how long has this money been available?

1 COMMISSIONER VISNAUSKAS: So the
2 Department of Budget often accesses resources
3 that are within the public authorities to
4 meet General Fund obligations, and in this
5 case to meet a housing expense. So that is
6 what that is, and the expenses as outlined in
7 the budget.

8 They are excess revenues that we have
9 at HFA as a result of earnings that we make
10 as a result of business that we do.

11 ASSEMBLYMAN CYMBROWITZ: So if it's
12 excess money, then HFA is -- you and HFA are
13 not going to come to the Legislature for
14 additional bond cap, since you have money
15 sitting in the till.

16 COMMISSIONER VISNAUSKAS: Well, those
17 funds are operating expenses, not necessarily
18 our capital expenses. I would always like
19 additional bond cap from the federal
20 government anytime anybody would like to
21 offer it.

22 ASSEMBLYMAN CYMBROWITZ: Only the
23 federal government and not the state
24 government?

1 COMMISSIONER VISNAUSKAS: Well, we get
2 it ultimately from the feds, although it does
3 go to the state.

4 But yes, we are -- we try to spend
5 every dollar of volume cap that the state
6 gets in a given year. Between us and
7 New York City, we don't like to leave any on
8 the table when it can be used for affordable
9 housing, so.

10 ASSEMBLYMAN CYMBROWITZ: Great.

11 As far as low-income tax credits, we
12 talked -- just a mention about fixing the
13 4 percent. Is there currently enough tax
14 credit to meet the needs of the pipeline?
15 And would the proposed increase only cover
16 the pipeline, or would this leave excess
17 available?

18 COMMISSIONER VISNAUSKAS: So the
19 fixing the 4 will give every --

20 (Zoom interruption.)

21 CHAIRWOMAN KRUEGER: Sorry about that.

22 COMMISSIONER VISNAUSKAS: Oh, that's
23 okay. I didn't know if it was actually only
24 me that heard that.

1 Fixing the 4 will give our tax-exempt
2 bond and 4 percent tax credit deals this
3 different sort of multiplier, rather than
4 when the tax credit was at 3 and now it's
5 going to be at 4, to provide additional tax
6 credit equity.

7 The market for tax -- low income
8 housing tax credit equity is strong, so we
9 don't have any reason to believe that that
10 won't, you know, help our deals and all of
11 our dollars go further with the addition of
12 that. So we were very excited about the
13 change.

14 ASSEMBLYMAN CYMBROWITZ: Will the
15 application process incentivize MWBE
16 applications and participation --

17 (Overtalk.)

18 COMMISSIONER VISNAUSKAS: Yes, we --
19 last year we achieved about 34.5 percent MWBE
20 utilization across our agencies in all the
21 work that we do. So we are very focused on
22 that commitment and also on making sure we
23 have MWBE developers in our pipeline. And we
24 have sort of a conscious effort to be

1 reaching those developers wherever we can.

2 ASSEMBLYMAN CYMBROWITZ: Housers
3 believe that the five-year plan that was
4 proposed five years ago is really very good
5 for housing. It allows developers to plan,
6 advocates to put programs together.

7 What do you think -- how long will it
8 take to put another-five year plan together?
9 And more importantly, how much money do you
10 think we need to get this done?

11 COMMISSIONER VISNAUSKAS: I am --
12 would be very excited to be here next year
13 talking about another five-year plan. I
14 think that we will spend the better part of
15 the time after this budget wraps up, and
16 until next budget begins, working on that and
17 coming up with what a right number and a
18 right plan is.

19 I think it's been a great success
20 these five years in terms of the industry --
21 you know, to the extent that we have spent
22 all the money we got, I think it reflects the
23 success and the breadth of the projects that
24 we have done across the state. So we would

1 be very excited to have another five-year
2 plan.

3 ASSEMBLYMAN CYMBROWITZ: Do you want
4 to try a ballpark figure?

5 COMMISSIONER VISNAUSKAS: Not today.

6 (Laughter.)

7 ASSEMBLYMAN CYMBROWITZ: Okay.

8 Commissioner, thank you so much for being
9 here. We all appreciate it. Thank you very
10 much.

11 Chair, I yield back my time.

12 CHAIRWOMAN WEINSTEIN: Thank you. So,
13 Commissioner, there may be a few follow-up
14 questions that we'll email you, some members
15 who ran out of time. So we'd appreciate
16 answers, you know, an email response, and
17 we'll share it with all the members.

18 Again, thank you for all the work your
19 agency does, and thank you for being here.
20 And we look forward to implementation of the
21 Rental Assistance Program with the federal
22 monies for that.

23 COMMISSIONER VISNAUSKAS: Thank you
24 very much.

1 CHAIRWOMAN KRUEGER: Thank you very
2 much, Commissioner.

3 CHAIRWOMAN WEINSTEIN: Thank you.

4 So now we will move on to a panel of
5 people who have asked to -- people or
6 organizations that have asked, requested to
7 appear before the committee.

8 A reminder to the panelists that will
9 be coming that you have three minutes to make
10 your presentation. Don't read your written
11 remarks; they've been circulated already.
12 And if you read it, you'll go over three
13 minutes. Then afterwards we will have the
14 opportunity for members to ask questions.

15 Members, you have three minutes to ask
16 a question of the whole panel, not each
17 individual member of the panel. And make
18 sure you leave time for them to answer the
19 question.

20 So with that, let me introduce people
21 we now see before us: Enterprise Community
22 Partners, Lorraine Collins; Supportive
23 Housing Network of New York, Laura Mascuch;
24 New York State Association for Affordable

1 Housing, Jolie Milstein; Association of
2 Neighborhood & Housing Development,
3 Emily Goldstein; and New York Housing
4 Conference, Rachel Fee.

5 So Lorraine, if you can start us off,
6 that would be great.

7 MS. COLLINS: Thank you. Good
8 afternoon. Again, my name is Lorraine
9 Collins. I'm the senior director for public
10 policy and external affairs for the New York
11 Office of Enterprise Community Partners, the
12 national affordable housing nonprofit whose
13 mission is to make home and community places
14 of pride, power and belonging, and platforms
15 for resilience and upward mobility for all.

16 On behalf of Enterprise, I would like
17 to thank the leadership here for the
18 opportunity to speak at this critical time as
19 the COVID-19 pandemic has exacerbated housing
20 insecurity and further exposed deep
21 inequities in our state. Today I join our
22 partners in asking you to prioritize
23 affordable housing in this year's budget.

24 Affordable and supportive housing

1 production creates stability for
2 low-to-middle-income New Yorkers at a time
3 when staying safely housed is more important
4 than ever. And production is also a
5 countercyclical investment, creating jobs and
6 jump-starting the economy. A source of
7 continuous funding for affordable housing
8 will be critical to our recovery.

9 We thank Governor Cuomo for fully
10 funding this final year of the existing
11 five-year Housing Plan, and we are pleased to
12 see \$250 million in capital funding in the
13 Governor's Executive Budget to continue the
14 ESSHI program and fund critically needed
15 supportive housing. We call on the state to
16 adopt a new plan as well as codifying that a
17 capital be developed every five years.

18 Fair housing has also taken on new
19 meaning amid the pandemic, as New Yorkers
20 dealing with economic and housing instability
21 are also confronted with the lingering legacy
22 of redlining and housing discrimination. We
23 are pleased with some of the housing
24 proposals on the state level, including

1 Senator Kavanagh's bill to affirmatively
2 further fair housing, and proposals the
3 Governor put forward in his Executive Budget
4 related to fair housing, including
5 prohibiting discrimination based on
6 citizenship and increasing the number of
7 community-based lenders who offer SONYMA
8 loans in low-income communities in order to
9 expand homeownership opportunities in
10 historically redlined communities.

11 Enterprise administers the Eliminating
12 Barriers to Housing in New York program, in
13 partnership with the New York State Attorney
14 General, distributing grant funding to
15 enhance the work of the six full-service fair
16 housing organizations across the state, with
17 money going towards systemic testing,
18 enforcement and education for both fair
19 housing and fair lending. While this program
20 is significant, we urge the state to allocate
21 ongoing funding for fair housing testing and
22 related activities.

23 A major contributing factor to
24 persistent racial segregation is the

1 restriction of new affordable housing through
2 zoning. We are currently exploring a
3 fair-share housing plan which would establish
4 a minimum affordable renter and owner housing
5 goal for every community in the state. We
6 look forward to working with the state as we
7 continue to explore this idea.

8 Lastly, eviction prevention. New York
9 faces an eviction crisis as New Yorkers fall
10 behind on rent. Our communities of color are
11 particularly at risk, experiencing
12 disproportionate COVID-19-related job loss.
13 While eviction moratoria have been critical,
14 they are not a permanent solution.

15 Enterprise has launched Project
16 Parachute, a coalition of property owners and
17 service providers working to keep vulnerable
18 New Yorkers in their homes through bolstered
19 eviction prevention services. As part of the
20 effort, we convened the New York City
21 Eviction Prevention Roundtable, which has
22 developed a set of recommendations to expand
23 eligibility for and streamline existing
24 rental assistance programs.

1 Enterprise also leads the
2 Anti-Displacement Learning Network, which is
3 working with local municipalities statewide
4 to develop local eviction prevention
5 strategies --

6 CHAIRWOMAN KRUEGER: Thank you. I'm
7 going to cut you off because you're out of
8 time. Thank you.

9 Next, Supportive Housing Network of
10 New York.

11 MS. MASCUCH: Thank you,
12 Assemblymember Weinstein, Senator Krueger,
13 and Housing Chairs Cymbrowitz and Kavanagh.
14 My name is Laura Mascuch. I'm the executive
15 director of the Supportive Housing Network of
16 New York, a statewide membership organization
17 of 200 nonprofits that own and operate
18 supportive housing.

19 Supportive housing is affordable
20 housing linked to on-site social services and
21 provides a safe and stable and permanent home
22 for formerly homeless individuals and
23 families. In addition, having a home in
24 supportive housing is proven to reduce the

1 costs associated with expensive systems such
2 as shelters, hospitals, prisons and jails.

3 This year has been like no other. We
4 knew before, and COVID-19 confirmed, that
5 housing is not just healthcare, it is a
6 matter of life and death. The pandemic
7 exacerbated the housing crisis and hit
8 low-income and communities of color hardest.
9 Although less families are entering the
10 shelter system due to the eviction
11 moratorium, there are still 53,000 people in
12 shelters, and the single-adult system topped
13 20,000 individuals this winter for the first
14 time ever, with similar upticks seen
15 rest-of-state. Simultaneously, there remains
16 a great demand for supportive housing, with
17 five applicants for every one vacancy.

18 In 2016 the Governor announced the
19 state's commitment to developing 20,000 units
20 over 15 years. This was a historic
21 commitment and the first time that it funded
22 a proposal that encompassed the entire state.

23 The administration funded the first
24 6,000 units in the first five years of the

1 Governor's landmark commitment. It is hard
2 to believe that those five years have come to
3 an end, but April 1st marks Year 6. The
4 proposed '22 Executive Budget includes
5 \$250 million to fund the sixth year,
6 including 186 million in capital funding at
7 HCR, and 64 million in OTDA's Homeless
8 Housing and Assistance Program, which was
9 fully funded at 128 million.

10 Without a commitment in this year's
11 budget, there will be another gap in
12 production and nonprofit organizations and
13 developers will stop buying sites, and many
14 investors will be unwilling to invest without
15 this long-term commitment.

16 Having this funding in place allows
17 the pipeline to continue at a pace of
18 1200 units a year and will bridge us to next
19 year, when we would like to see another
20 five-year affordable housing plan enacted.
21 We strongly support the Senate and Assembly's
22 proposal to codify a five-year housing plan
23 being proposed by Senator Kavanagh and
24 Assemblymember Cymbrowitz.

1 In closing, supportive housing can
2 help not only families and individuals leave
3 homelessness, but also help the state in its
4 ongoing economic recovery by uplifting
5 neighborhoods, creating jobs, and leveraging
6 hundreds of millions of dollars in
7 private-sector investment. We fully support
8 the Governor's proposed budget and
9 respectfully ask the Legislature to support
10 the 186 million at HCR and the HHAP funding
11 at 128 million, so we can continue this
12 successful and desperately needed program.

13 Thank you.

14 CHAIRWOMAN KRUEGER: Thank you.

15 Ms. Milstein, NYSFAFH.

16 MS. MILSTEIN: Thank you.

17 I'm Jolie Milstein, president and CEO
18 for NYSFAFH, New York State Association for
19 Affordable Housing. Thank you to the chairs
20 and committee members for allowing us to
21 speak in today's hearing.

22 It's been mentioned before, but I'd
23 like to begin with our support for a new
24 five-year housing plan. There is an urgency,

1 a real need for a five-year plan. developing
2 affordable housing isn't a year-by-year
3 exercise; people need to plan ahead. And to
4 ensure that there's a pipeline of projects
5 that come online on an ongoing basis, we
6 really need a five-year plan.

7 We believe the next funding plan must
8 exceed the current 2.5 billion program, given
9 the existing and expected economic impacts of
10 the pandemic. We urge the state to revisit
11 both the amount of funding and the period of
12 years for such funding once we know the level
13 of support to be received by the federal
14 government. If the state were to receive
15 additional funds above the \$6 billion floor
16 that the Governor has identified, we request
17 additional new monies be appropriated towards
18 the next five-year housing plan. Maybe we
19 can get Homeland Security to build some
20 housing with their additional funds.

21 We'd further like to urge you to
22 establish the statutory five-year housing
23 capital plan as proposed by the Kavanagh and
24 Cymbrowitz bill, similar to the MTA capital

1 plan, and to ensure that the model you've
2 created survives into the future and provides
3 a transparent and predictable plan to address
4 New York State's housing needs.

5 The Sustainable and Affordable Housing
6 Incentive Program is another area we'd like
7 to mention for our support. We thank the
8 Housing Committee chairs for sponsoring
9 legislation to establish this new program,
10 and we urge the state to provide 50 million
11 in funding for grants dedicated to creating
12 sustainable and affordable housing.

13 We also, of course, support the Raise
14 the Green Roof, although we don't love that
15 name.

16 I'd also like to mention the extension
17 of the available State Low-Income Housing
18 Credit program, or SLIHC. We strongly
19 support increasing the aggregate amount of
20 the Low-Income Housing Tax Credit. The
21 Executive Budget would increase the
22 allocation from 104 million to 144 million,
23 an \$8 million increment annually for the next
24 five years. We request that allocation be

1 increased to 15 million annually for each of
2 the five years. We also urge the state to
3 increase the maximum per-project eligibility
4 for SLIHC from 750,000 to \$1 million, and
5 increase the SLIHC per-unit cap from \$20,000
6 to \$22,000 to match the current LIHTC cap.

7 Turning to the Scaffold Law, which
8 holds owners absolutely liable when a worker
9 is injured in a gravity-related accident,
10 we're looking for ways to address reasonable
11 remarkable increases in cost and constrained
12 number of providers for the insurance
13 policies so important to maintaining our
14 affordable housing stock. So we'd like to
15 urge that the Department of Financial
16 Services study the impacts and make
17 recommendations to the Legislature and to the
18 Governor on this important issue.

19 Thank you.

20 CHAIRWOMAN WEINSTEIN: Thank you.

21 Next? Emily? You need to unmute
22 yourself. There you go.

23 MS. GOLDSTEIN: Sorry about that.

24 My name is Emily Goldstein. I'm the

1 director of organizing and advocacy at the
2 Association for Neighborhood & Housing
3 Development, or ANHD. ANHD builds community
4 power to win affordable housing and thriving,
5 equitable neighborhoods for all New Yorkers.

6 Thank you for the opportunity to
7 testify today. I'll use the speaking time to
8 highlight a few priorities from my written
9 testimony.

10 First and foremost, COVID-19 rent
11 relief is a top concern for us and our member
12 organizations. Rent relief thus far has been
13 insufficient to the need, and unfortunately
14 inaccessible to many of those who need it
15 most. We believe additional rent relief must
16 be swift, accessible, and directed at those
17 who are in most need and most at risk of
18 displacement, whether now or in the future
19 when the eviction moratoriums and the
20 pandemic subside.

21 The needs of renters, homeowners and
22 affordable housing providers should all be
23 addressed in our state's approach to housing
24 relief, so that these populations and

1 constituencies aren't pitted against each
2 other.

3 We specifically ask that you ensure
4 that the \$1.3 billion that New York is set to
5 receive from the December federal relief
6 package be distributed equitably across our
7 state. Although New York City houses
8 63 percent of the state's renters and
9 three-quarters of the state's renters of
10 color, less than 20 percent of relief is
11 currently slated to go to the city. This
12 relief must be targeted to renter-dense areas
13 and, in particular, to areas where
14 communities are hardest hit by the pandemic.

15 Second, ANHD respectfully requests
16 that the state restore \$100,000 in this
17 year's budget for the Displacement Alert
18 Project so we can continue supporting our
19 housing movement with compiled data and
20 unique analysis. During this pandemic, ANHD
21 has leveraged that to produce some of the
22 first analyses of how COVID-19 relates to
23 systemic racism and social and economic
24 injustice, and the inequitable history of

1 planning and development in New York.

2 We've also been able to support
3 elected officials and their staff to answer
4 specific questions about the displacement
5 threats occurring in their community, and
6 release analysis on rapidly accelerating
7 foreclosure filings and housing conditions
8 going uninvestigated. Restored funding will
9 allow us to continue to maintain, expand and
10 enhance this work.

11 We must also not lose sight of ongoing
12 concerns for the preservation of
13 affordability in our LIHTC housing stock.
14 ANHD has been engaged in a unique court case,
15 RiseBoro v. SunAmerica, that has potential
16 widespread ramifications for nonprofit
17 affordable housing development in New York
18 City and beyond. We're asking the
19 Legislature to stand with RiseBoro and
20 affordable housing providers' efforts to
21 preserve their right to maintain ownership of
22 our communities' affordable housing units.

23 Finally, we urge you not to lose sight
24 of the great strides the Legislature made in

1 2019 with the passage of the HSTPA. We
2 recommend an increase in the budget of Homes
3 and Community Renewal's Office of Rent
4 Administration and Tenant Protection Unit.

5 Thank you again for the opportunity to
6 testify, and further details are in my
7 written testimony.

8 CHAIRWOMAN WEINSTEIN: Thank you.
9 Rachel Fee, now.

10 CHAIRWOMAN KRUEGER: You're muted.
11 There you go.

12 CHAIRWOMAN WEINSTEIN: There you go.

13 MS. FEE: My name is Rachel Fee. I'm
14 executive director of the New York Housing
15 Conference, a nonprofit affordable housing
16 policy and advocacy organization.

17 I'd like to thank the committee chairs
18 and other members of the Legislature for the
19 opportunity to comment today.

20 The Governor's Executive Budget
21 commits to another year of supportive
22 housing, extends low-income housing credits
23 for five years, codifies the sales exemption
24 for affordable housing, and proposes changes

1 to SONYMA to expand homeownership and support
2 distressed homeowners. We support all of
3 these proposals.

4 However, with the enormous need for
5 affordable housing and the urgency of
6 economic recovery, New York State must go
7 further to address our affordable housing
8 crisis. We're calling for a \$3 billion
9 investment in a new five-year housing plan,
10 including 7,000 units of supportive housing.
11 It's important to have predictable funding to
12 maintain a pipeline of production.

13 Further, with interest rates at
14 extreme lows, and an economy in desperate
15 need of stimulus, now is the time to double
16 down on our investment in affordable housing.
17 The short-term costs of borrowing are low,
18 and the state should invest in housing to
19 address the urgent needs of New Yorkers
20 across the state.

21 We also recommend codifying a
22 requirement for an affordable housing
23 five-year capital plan, as you've heard from
24 our many partners.

1 The budget also advances the Emergency
2 Rental Assistance Program. It is critical
3 that this funding get out, and important that
4 the program is accessible by tenants and
5 landlords and reaches those most at risk of
6 homelessness, including undocumented
7 households.

8 The Executive Budget also offers a
9 path of residential conversion to hotels and
10 offices by overriding local zoning for a
11 limited period. While we appreciate the
12 Governor's bold effort to ease regulation and
13 this forward-thinking approach to providing
14 solutions to the growing distress exhibited
15 in the commercial real estate market, the
16 proposal as presented falls short of
17 maximizing benefits for affordable housing.
18 We recommend further analysis and stakeholder
19 engagement before advancing this proposal.

20 Finally, NYCHA has a plan to finance
21 repairs for its entire portfolio. Their
22 blueprint for change proposes to create a
23 Public Housing Preservation Trust. We hope
24 this important legislative proposal will

1 advance, after gaining support from
2 residents, and also have a proposal that
3 includes their input.

4 Thank you for this opportunity to
5 testify.

6 CHAIRWOMAN WEINSTEIN: Thank you.

7 The Assembly has a question for the
8 panel from Assemblyman Epstein.

9 ASSEMBLYMAN EPSTEIN: Hi. Good
10 afternoon. Thank you all for being here.

11 I just wanted to ask a couple of quick
12 questions, and any of the panelists can
13 answer. But one is around the supportive
14 housing, and you mentioned the 1200 units a
15 year. I understand that without a real plan
16 in place, nonprofit providers may not be able
17 to move forward.

18 What is your timeline for getting real
19 funding in place for supportive housing?
20 And, you know, how quickly does HCR need to
21 act to actually create the sites that we need
22 to have additional units of supportive
23 housing come online next year?

24 MS. MASCUCH: So the plan has been

1 going very well. We've been doing --
2 committing about 1200 units a year.
3 Conditional awards have been permanently made
4 to the tune of about 4500 units out of the
5 6,000 that were initially created --
6 committed to.

7 And so this 186 million will help us
8 to continue that effort, because we actually
9 have many more projects that are in the
10 pipeline that were stuck waiting for the
11 additional resources. So the 186 million,
12 plus the resources at HHAP, will help us keep
13 the pipeline going. And then we hope to
14 absolutely get to a five-year commitment next
15 year so that we can continue that pace of
16 production and reach the 20,000 units.

17 ASSEMBLYMAN EPSTEIN: So there's more
18 sites available than funding available,
19 right?

20 MS. MASCUCH: Absolutely. Absolutely.
21 We have many sites in the pipeline that need
22 funding.

23 ASSEMBLYMAN EPSTEIN: Right. Thank
24 you.

1 Just -- also, I just wanted to hear
2 around the -- we've seen a lot of
3 source-of-income discrimination going on
4 around the state, without real oversight.
5 I'm wondering if you feel like there should
6 be real oversight by HCR to tackle the issues
7 of source-of-income discrimination that we
8 see across the state, especially people who
9 are getting vouchers and other sources of
10 supportive -- of government-supported
11 housing.

12 MS. COLLINS: And I can weigh in
13 there.

14 Currently, oversight for
15 source-of-income discrimination rests with
16 the Division of Human Rights as well as the
17 Office of the Attorney General, and we've
18 been working with both of those agencies --
19 one, just getting resources out to
20 organizations across the state who can work
21 with local residents, you know, to address
22 any issues of housing discrimination.

23 I think the oversight really comes
24 with further resources for the Division of

1 Human Rights. We tried to advocate for that
2 to support the legislation that was passed in
3 2019. But I think the more resources that
4 they have, the more they can have the
5 enforcement manpower within the agency to
6 actually do their due diligence.

7 And then there's also supporting the
8 groups on the ground. One of the things that
9 often comes up is what we've --

10 ASSEMBLYMAN EPSTEIN: I've only got 20
11 seconds left, so I've got to -- sorry to cut
12 you off. I just wanted to mention -- just a
13 few seconds left on my time, but I just
14 wanted to ask NYHC about ending 421-a, with
15 their -- any 421-a, because I -- almost done
16 here, sorry.

17 MS. FEE: Sure, yeah, 421-a is up, and
18 so it deserves consideration. In general, we
19 have not found it to be an effective way to
20 create affordable housing, and it is an
21 incredibly expensive program, so it should be
22 reevaluated.

23 CHAIRWOMAN WEINSTEIN: Thank you. We
24 go --

1 ASSEMBLYMAN EPSTEIN: Thank you very
2 much. Appreciate it. Sorry to cut off
3 the --

4 CHAIRWOMAN WEINSTEIN: We go to the
5 Senate.

6 CHAIRWOMAN KRUEGER: Thank you. Yes,
7 I see the hand up of our chair, Brian
8 Kavanagh.

9 SENATOR KAVANAGH: Thank you,
10 Madam Chair.

11 And thank you to all the panelists.
12 And I've had the opportunity to speak with
13 most of you at least relatively recently
14 about a lot of these issues. But, you know,
15 all of you really play a critical role in our
16 understanding of these programs and in making
17 sure they get implemented and people are
18 served and housed well in our state.

19 I want to talk a little more about the
20 five-year plan and the timing of it and what
21 Laura referred to as the gap in the pipeline.
22 So we heard the commissioner say that "We
23 would like to be discussing the five-year
24 plan this time next year," presumably for

1 enactment by April 1st. Is that -- can any
2 of you speak to how that timeline would work
3 in terms of ensuring continuity in production
4 of affordable housing and supportive housing
5 in the state?

6 MS. MILSTEIN: Laura, you want to talk
7 about supportive?

8 MS. MASCUCH: Sure. So what it
9 does -- if you remember, Senator, we started
10 the supportive commitment a year prior to the
11 remaining part of the affordable housing
12 plan. So for us, it bridges us to when the
13 five-year plan ends.

14 But it is incredibly important that we
15 get a five-year housing plan going, and I'm
16 going to turn it to my colleagues to continue
17 the conversation.

18 MS. MILSTEIN: So real estate, as you
19 well know, is not a year-to-year enterprise.
20 People need to secure a site,
21 predevelopment -- I was a developer of
22 supportive housing, it took me five years in
23 predevelopment.

24 And if you don't know that subsequent

1 years of funding are going to be available,
2 you're not going to make that initial
3 investment, put your not-for-profit or even a
4 for-profit business at risk that the funding
5 will disappear next year, that we won't have
6 five years of continuity.

7 So I think the pipeline's an
8 incredibly important concept. We'd like to
9 see institutionalized that five-year planning
10 process now, beginning in '22-'23. But
11 there's no reason, we believe, not to
12 institutionalize that mandate now.

13 SENATOR KAVANAGH: Right. And as you
14 know, we have legislation, we've discussed
15 that.

16 If you were -- if it were up to you
17 and the next there was a sort of proposal for
18 a five-year plan, you know, for the period
19 that begins -- and there is a bit of a
20 difference of opinion about when the first
21 five-year plan started and whether this is
22 Year 5 or Year 6 that we're approaching.

23 But putting that aside, you're talking
24 about a plan that's supposed to begin

1 April 1st of 2022. At what point would it be
2 optimal to see -- maybe I'll ask it
3 differently. At what point would it start
4 getting late to be seeing a proposal out of
5 the Executive so that people can have the
6 visibility going forward? I mean, should we
7 be seeing something this -- in the summer, in
8 the fall?

9 MS. MILSTEIN: Rachel, do you have a
10 point of view? I mean, I think the time has
11 passed when we should have --

12 (Overtalk.)

13 MS. FEE: I agree. So, you know, I
14 think something similar to how the city's
15 capital budget works, where the capital plan
16 goes in the background and then you can have
17 a plan on top of that and you can top up the
18 budget.

19 Just to illustrate the problem, I got
20 a call last week from a developer who said,
21 "I saw the Executive Budget, but I don't
22 understand, I'm interested in building senior
23 housing. Is there any funding left for
24 senior housing in this plan? And, you know,

1 how do I understand that?"

2 And I can't advise on how you
3 understand that because we really don't know,
4 on a program-by-program basis, you know,
5 what's left. And then, you know, you can't
6 plan around that, as Jolie mentioned, for
7 developers who need that lead time.

8 SENATOR KAVANAGH: So there's a
9 consensus here that we're actually a bit past
10 time to be talking about the period that
11 begins next April --

12 CHAIRWOMAN KRUEGER: You're actually
13 past time for your questioning.

14 SENATOR KAVANAGH: Well, I'm a
15 minute -- if you only get three minutes when
16 it's not the commissioner, I wasn't aware of
17 that. I will yield the negative time that I
18 have.

19 (Laughter.)

20 CHAIRWOMAN KRUEGER: Thank you.

21 CHAIRWOMAN WEINSTEIN: Despite your
22 negative time, Assemblyman Cymbrowitz still
23 gets three minutes.

24 SENATOR KAVANAGH: But he only gets

1 two now, because I yielded the --

2 (Laughter.)

3 ASSEMBLYMAN CYMBROWITZ: Thank you.

4 Thank you, Senator, I appreciate that.

5 That's why we work so well together.

6 I wanted to touch on -- and thank
7 everybody for being here. You do a great job
8 for affordable housing and help us, in the
9 Assembly, put together programs and I'm sure
10 for the Senator as well, the Senate.

11 I wanted to talk about the Governor's
12 alternative path for vacant hotel and
13 commercial buildings in certain areas of
14 Manhattan. What issues would we need to
15 tackle in order to get something like this
16 done? What do you envision? Do you envision
17 mixed-use, do you envision only supportive
18 housing, do you envision affordable housing?

19 How do we go forward, what do we do to
20 get this -- actually, more than just a draft
21 proposal from the Governor? But how do we go
22 forward in getting something like this done?

23 MS. GOLDSTEIN: I can start. We think
24 it's an important idea worth exploring. We

1 had a couple of areas of concern with the
2 current proposal on the table. One is the
3 levels of affordability. We sort of think
4 there should be more targeting towards deeper
5 levels of affordability, which are the people
6 who are most in need of affordable housing
7 and often underserved by existing programs.

8 We also have some concerns about
9 potentially needing to narrow where the new
10 program would be applied in order to ensure
11 that we don't exacerbate the program of
12 losing space for industrial and manufacturing
13 purposes, which are important sources of
14 good-paying jobs throughout New York.

15 MS. MASCUCH: And I would just like to
16 add, Assemblymember, that we need additional
17 resources to do this above what's already on
18 the table. So given those very long
19 pipelines, this new initiative, you know,
20 although it's great to take a look at
21 alternative ways to build affordable and
22 supportive housing, we need more money on the
23 table.

24 And the affordability definitely needs

1 to be defined, as does supportive. And also
2 a robust pipeline, you know, is going to keep
3 us pretty busy, so we can't get distracted
4 from what we're doing already.

5 ASSEMBLYMAN CYMBROWITZ: What do you
6 think the cost per unit would be, whether
7 it's in a hotel or -- obviously it's
8 different in a hotel than a commercial
9 building.

10 MS. MILSTEIN: Yeah. Look, it depends
11 on what real estate you're working with.
12 Obviously a translation of a residential
13 unit, whether it's a commercial residential
14 unit or something else, into affordable
15 housing is a lot more easily accomplished
16 than something with a giant floor plan that
17 looks like a manufacturing space or a trading
18 floor. It's expensive.

19 And I think it's a great idea to look
20 at incentivizing the marketplace to build
21 affordable, almost like an MIH program, but I
22 think we have a lot of work to do to figure
23 out what are we really trying to accomplish
24 and what are the tools we have, given the

1 financial state we're all in.

2 But we'd be happy to work with the
3 state, with the city, with REBNY. You know,
4 I think we all ought to sit down and try and
5 identify what the specific goals are here,
6 and what are the resources to get it done.

7 ASSEMBLYMAN CYMBROWITZ: Okay, thank
8 you very much.

9 CHAIRWOMAN WEINSTEIN: So we have one
10 more Assembly questioner, Assemblymember
11 Rodriguez.

12 ASSEMBLYMAN RODRIGUEZ: Thank you,
13 Chair Weinstein. And it's good to see
14 everybody.

15 And this question is for Rachel. I
16 know Chair Kavanagh and myself are probably
17 aware of the details, but you have done
18 tremendous work in terms of generating ideas
19 for future revenues, and in particular
20 focusing on how we provide much-needed
21 revenues to NYCHA.

22 So you mentioned earlier the blueprint
23 conversation that's happening. But I think
24 one of the things that folks may not be aware

1 of is the opportunity to generate revenue by
2 limiting the condo and co-op abatement for
3 units above \$300,000 assessed value.

4 So, Rachel, if you could talk a little
5 bit about that and that potential opportunity
6 and your organization's thoughts around that.

7 MS. FEE: Sure, I'd be happy to.

8 You know, yesterday NYCHA announced
9 that six of their developments had no heat
10 during that blizzard, and another two had no
11 hot water. And, you know, they really have
12 been starved of the resources they need. And
13 I think, you know, every opportunity for
14 revenue that could go into NYCHA's coffers
15 and other creative ways to finance should
16 really be explored.

17 So I do think we could have a more
18 equitable system of, you know, redistributing
19 some of the abatements that go to the really
20 high-value condos and co-ops. So we did some
21 analysis on what that could yield for NYCHA,
22 and I think that should be, you know, one of
23 the many strategies that we can aid NYCHA
24 closing that \$40 billion deficit.

1 ASSEMBLYMAN RODRIGUEZ: I think some
2 of the work had it targeted between 100 and
3 300 million, potentially, annually? And how
4 does that --

5 MS. FEE: Yeah, that sounds --

6 ASSEMBLYMAN RODRIGUEZ: -- in
7 reference to the 421-a conversation, as we
8 talk about that program either being expanded
9 or, you know, potentially folks who were
10 previously participating, looking to
11 participate in the abatement? What does that
12 do for us in the future?

13 MS. FEE: Sorry, I'm not sure I
14 understood your question.

15 ASSEMBLYMAN RODRIGUEZ: Does the
16 amount that we as taxpayers have to continue
17 to abate continue to grow as either 421 units
18 or folks move out of that program and into
19 the abatement program?

20 MS. FEE: Okay. Yeah --

21 ASSEMBLYMAN RODRIGUEZ: What does that
22 look like in terms of cost?

23 MS. FEE: Yeah, I see.

24 So, you know, I think for the

1 abate­ments, at the extremely, you know, high
2 end of luxury real estate, you know, you're
3 right that that abatement -- the amount
4 taxpayers are giving in abate­ments every year
5 to luxury real estate will increase as owners
6 who are getting the 421-a benefit now, that
7 kind of wears off.

8 So yeah, I think it's an equity issue,
9 and it should be revisited for sure.

10 ASSEMBLYMAN RODRIGUEZ: Thank you,
11 Rachel. I look forward to continuing on that
12 path.

13 CHAIRWOMAN WEINSTEIN: Thank you.

14 I want to thank the panel for being
15 here today. And we're going to move on to
16 Panel B: Neighborhood Preservation Coalition
17 of New York State, Inc., Mark Streb; New York
18 State Rural Advocates, Blair Sebastian;
19 Community Action for Safe Apartments, Anita
20 Long; and New York State Public Housing
21 Authorities Directors Association, William
22 Simmons.

23 So if we can go in that order, so
24 beginning with Mark Streb. Please proceed.

1 MR. STREB: Thank you. My name is
2 Mark Streb, and I'm the executive director of
3 the Neighborhood Preservation Coalition.

4 The Neighborhood Preservation
5 Coalition consists of more than
6 135 grassroots community-based not-for-profit
7 groups known as Neighborhood Preservation
8 Companies, or NPCs. The Neighborhood
9 Preservation Program was created by the
10 Legislature to provide resources to these
11 NPCs.

12 NPCs around the state provide a
13 variety of services, including eviction
14 protection, homelessness prevention,
15 workforce development, plus youth and senior
16 citizens programs and more.

17 These community leaders work every day
18 to make sure safe and affordable housing is a
19 reality for low-to-moderate-income residents.
20 In the world of COVID and the ensuing housing
21 crisis, these services are needed now more
22 than ever.

23 The Neighborhood Preservation
24 Coalition was formed to provide technical

1 assistance, training on relevant subjects,
2 and to give the NPCs a unified voice. For
3 the last few years the Neighborhood
4 Preservation Program has been funded at \$12.8
5 million, and the Neighborhood Preservation
6 Coalition has been funded at \$150,000.

7 Funding the NPCs and the Coalition is
8 a sound investment in the state, as
9 appropriated dollars spur economic
10 development and maximize the state's funding
11 commitment to create and maintain affordable
12 housing. Historically, the annual return on
13 investment in this program is 30 to 1 -- yes,
14 30 to 1. That equates to over a \$350 million
15 public-private investment. One would be
16 hard-pressed to find a state program that
17 surpasses this incredible return.

18 But affordable housing isn't merely an
19 investment in economic capital; its true
20 benefit is an investment in human capital.
21 The research clearly shows that the number of
22 individuals and families who are
23 cost-burdened and severely cost-burdened is
24 increasing for both owners and renters.

1 COVID only amplifies this struggle. The work
2 of the NPCs is becoming more and more
3 critical.

4 While we are grateful for last year's
5 funding level of \$12.8 million for the
6 Neighborhood Preservation Program, the
7 reality is that the NPCs have been operating
8 at a triage level for years. As of now, the
9 Coalition has no allocated funding in the
10 Executive Budget. Thankfully, the
11 Legislature has traditionally added us in the
12 final budget. Thank you, and we request that
13 you continue. Unfortunately, our funding has
14 been stagnant at \$150,000 for decades.

15 In closing, we request that the
16 Neighborhood Preservation Program is fully
17 funded at \$14.5 million, and the Neighborhood
18 Preservation Coalition at \$200,000 in the
19 final budget.

20 Thank you.

21 CHAIRWOMAN WEINSTEIN: Thank you.

22 Now we go to Blair Sebastian, three
23 minutes.

24 MR. SEBASTIAN: Good afternoon,

1 everyone, and thank you again for this
2 opportunity to talk about the impact of the
3 state budget on our affordable housing and
4 community development efforts in New York's
5 small towns and rural places.

6 My name is Blair Sebastian, and I work
7 with New York State Rural Advocates. We've
8 provided you with written testimony that
9 contains a brief overview and highlights of
10 some of our priorities, and more detailed
11 discussion of many of the state programs that
12 are essential to our work.

13 As I think about the written
14 testimony, I'm reminded of the extent to
15 which this whole thing constitutes a package.
16 We make much of the fact that preservation
17 companies are governed by local folks and
18 that they develop strategies and work
19 programs specifically targeted to the
20 communities they serve. However, this
21 approach really only works if the
22 not-for-profits have access to a broad
23 catalog of resources that can support their
24 targeted efforts.

1 The preservation companies are
2 incredibly flexible, and they provide an
3 organizational infrastructure that allows
4 them to rapidly gear up to address unforeseen
5 events, whether it's the devastation left in
6 the wake of hurricanes or micro-bursts or
7 even high water on Lake Ontario. RPCs are
8 the first on the scene and continue to
9 provide assistance long after emergency crews
10 are gone.

11 A prime example is that many of the
12 RPCs have responded to the foreclosure crisis
13 in their communities by engaging in the
14 Homeowner Protection Program that helps save
15 families from being displaced from homes that
16 they treasure. Programs like HOPP made
17 consistent and predictable funding to allow
18 these organizations to do their work. It's a
19 package.

20 The package also includes the
21 statewide umbrella provided by the Rural
22 Housing Coalition. Once upon a time, HCR was
23 blessed with a whole cadre of field reps and
24 contract managers who worked with RPCs. In

1 addition to providing contract oversight,
2 these folks were partners, coaches and
3 advocates for local organizations.

4 Those days are gone, and now it has
5 fallen on the Rural Housing Coalition to
6 provide the technical assistance, training
7 and program support that helps keep RPCs
8 up-to-date and relevant.

9 One of the most dangerous times for
10 not-for-profits comes at a time of leadership
11 transition, either at the staff or board
12 level. The Rural Housing Coalition has the
13 capacity to guide organizations through these
14 scary times. The RPC directors we work with
15 agree that additional investment in both the
16 Rural and Neighborhood Coalitions would be
17 money well spent.

18 Mike Borges, the new executive
19 director of the Rural Housing Coalition, was
20 supposed to join me here today, but he has
21 graciously yielded his minute and a half to
22 me in order to provide a bit more continuity
23 to our presentation. But I do hope you take
24 the opportunity to meet Mike at the rural

1 track of the Enterprise Community Partners
2 Affordable Housing Forum this coming
3 Thursday.

4 With that, on behalf of the boards and
5 staff of Rural Preservation Companies, I want
6 to thank you for your ongoing support of our
7 efforts to make rural New York an even better
8 place to live, and we look forward to working
9 with you through this difficult budget year.

10 Thank you.

11 CHAIRWOMAN WEINSTEIN: Thank you.

12 Next, Anita Long.

13 MS. LONG: Good afternoon, everyone.

14 My name is Anita Long. I reside on
15 the Grand Concourse in the Bronx. I am a
16 volunteer leader at Community Action for Safe
17 Apartments, also known as CASA, who organize
18 for tenants' rights in the Southwest Bronx.
19 CASA is part of Housing Justice For All, a
20 statewide coalition.

21 The Tenants Coalition had been at the
22 discussion table with HCR since 2015, in an
23 attempt to develop a dialogue with the agency
24 on how to better serve struggling low-income

1 renters throughout New York through
2 administrative and policy reforms that
3 pertained to major capital improvement
4 programs. Then that legacy was then
5 continued through the work of the HCR working
6 group of Housing Justice For All, and our
7 campaign for a just implementation of the
8 historic HSTPA 2019 legislation.

9 Some of the issues that were and are
10 still on the table being discussed are: (A)
11 upgrading the agency's technology to ensure
12 that all New Yorkers who speak other
13 languages besides English, their voices are
14 heard and they have access to HCR, because
15 for decades these groups of people were
16 ignored.

17 Increase the wait time for tenants
18 applying for tenant-initiated complaints,
19 such as rent overcharge, rent reduction,
20 lease complaints.

21 Improve the data collection and
22 transparency needed to comply with HSTPA
23 2019.

24 Preferential rent tenants. Establish

1 an expedited complaint process. Create a
2 system to monitor and investigate illegal
3 rent increases.

4 We also discuss Part J of the HSTPA
5 regarding supportive housing and also the
6 elimination of MCI.

7 HSTPA's role in New York's housing
8 crisis was designed to close decades-old
9 loopholes that have permitted deregulation
10 and displaced tenants from thousands of
11 apartments and fostered destructive and
12 sometimes predatory behavior by some
13 landlords. The HSTPA is essential to
14 tenants. It is a powerful step towards
15 leveling the playing field for tenants.

16 During this COVID-19 pandemic that has
17 created an unprecedented situation in which
18 thousands of renters across the State of New
19 York are forced to agonize over the thought
20 of next month's rent payment, the constant
21 confrontation with imminent eviction and
22 homelessness, and the massive back rent debt,
23 which was all abruptly forced upon them --
24 even with the COVID-19 devastation within our

1 communities, the renters' experience with HCR
2 is very dispiriting.

3 With no regards to the tenants who
4 have become economically unstable, our state
5 government agency still continued to behave
6 as "business as usual." They never wavered
7 or paused from granting the landlords'
8 requests for rental increase through major
9 capital improvement during this entire
10 COVID-19 pandemic. And then in July --

11 CHAIRWOMAN WEINSTEIN: Thank you. Can
12 you just summarize the rest? Because you've
13 gone over the time.

14 MS. LONG: Thank you.

15 Okay, this is a clear example on why a
16 \$500 million increase in HCR's budget needs
17 to be directed towards HCR for needed
18 technology upgrades to make data collection
19 transparent with other city and state
20 agencies and prioritize its enforcement and
21 tenant protection services to protect the
22 most vulnerable New Yorkers and fully
23 implement the HSTPA 2019.

24 Thank you.

1 CHAIRWOMAN WEINSTEIN: Thank you.

2 Now we'll go to William Simmons.

3 THE MODERATOR: We seem to -- oh, here
4 he is. (Pause.)

5 Mr. Simmons, you are muted.

6 MR. SIMMONS: Can you hear me now?

7 Yeah, thank you. So I'm using this new
8 technology in my conference room, and it's a
9 little technical.

10 But anyway, thank you for this
11 opportunity to speak to the committee today.
12 I just -- my name is William Simmons,
13 president of the New York State Public
14 Housing Authorities Executive Directors
15 Association. We have 77 members that
16 represent small, large and medium housing
17 authorities throughout New York State, and
18 represent approximately 70,000 affordable and
19 public housing homes.

20 We are happy to be here today and ask
21 for the Assembly and the Senate's support for
22 fiscal year 2021 budget, which includes
23 Senate Bill 2193 to support public and
24 affordable housing over the next five years.

1 NYS PHADA has been very, very supportive and
2 grateful for the Assembly and their support
3 for upstate public housing authorities over
4 the past five years, in carving out dollars
5 specifically for our budgets as we go to
6 preserve public housing and reposition
7 ourselves through the Rental Assistance
8 Demonstration Program.

9 Much of those dollars that you
10 provided in the past provided for a lot of
11 new projects that you see in your own
12 communities. And we have a lot more projects
13 coming forward. Specifically in Syracuse we
14 have a great deal of repositioning to do, and
15 having those monies going forward over the
16 next five years, it's going to go a long ways
17 towards preserving public housing in the --
18 in upstate New York.

19 I also wanted to talk a little bit
20 about the public housing in New York State --
21 what we consider New York State public
22 housing. There are about seven to nine of
23 those housing authorities in New York State
24 that are considered public, but they do not

1 receive federal funding.

2 And they were hit with the same burden
3 as those of us who do receive federal
4 dollars, and so they had to go out and buy
5 PPEs for their residents and tenants and
6 their employees, they had to go out and buy
7 steam cleaners and have staff working
8 overtime to prep apartments and provide
9 equipment for their staff to work at home.
10 But they did not receive the kind of CARES
11 Act dollars that the housing authorities that
12 are federally funded received. So we wanted
13 to keep them in mind.

14 And also in the COVID Relief Act, even
15 for public housing authorities, we received
16 the COVID dollars, but those dollars cannot
17 be used for deficits in terms of rent relief
18 for so many of our tenants who haven't been
19 able to -- who may have lost their jobs.

20 Now, you might say, well, in public
21 housing if you lose your income, that --
22 adjust your income and you get that
23 additional subsidy. However, the problem is
24 that if you have one person who is working

1 two jobs and they lose one, or you maybe have
2 two people in the household working and one
3 member loses their income, that rent does not
4 go down to zero. And so even though they may
5 have some income, they still will problems
6 paying the rent because of their other
7 expenses in the house that they're trying to
8 pay, such as medical expenses and those kinds
9 of things.

10 So we would like to have some of that
11 rent relief still be applied to public
12 housing going forward.

13 CHAIRWOMAN WEINSTEIN: Thank you --

14 MR. SIMMONS: But yeah -- and just
15 so -- just in closing, I just wanted to say
16 that we're very, very appreciative of the
17 Senate and Assembly and the administration in
18 the past for supporting public housing and
19 looking forward to your support in the
20 future.

21 CHAIRWOMAN WEINSTEIN: Thank you.

22 We have a question for the panel from
23 our Housing chair, Assemblyman Steve
24 Cymbrowitz.

1 ASSEMBLYMAN CYMBROWITZ: Good
2 afternoon, and thank you all for being here
3 today.

4 I wanted to ask what role have the
5 NPPs and RPPs and community-based
6 organizations had in administering the COVID
7 rental relief so far? As you know, they've
8 had -- HCR has had difficulty in getting the
9 money out. How -- have you been able to help
10 them, and what role could you play?

11 MR. STREB: I'll start, then. Thank
12 you, Assemblyman. Good question.

13 We've had our NPPs assist with
14 actually some of the calls for the call
15 center in multiple languages. Because a lot
16 of our NPCs represent various individuals in
17 different languages, and we've actually been
18 helping individuals with the paperwork and
19 the application for the program.

20 MR. SEBASTIAN: And Assemblyman, on
21 the rural side, I don't believe there's been
22 a lot of connection to the state Rental
23 Assistance Program. HCR did free up some
24 federal HOME Block Grant dollars to be made

1 available for -- actually, converted from
2 owner-occupied rehab programs to make it
3 available for tenant-based rental assistance.

4 So we did work with the state on
5 rental assistance issues in that subset of
6 the program.

7 ASSEMBLYMAN CYMBROWITZ: What role do
8 you think you can play in the new
9 \$1.3 billion program? Is it something that
10 you would offer up to HCR -- to OTDA to
11 assist them?

12 MR. SEBASTIAN: Well, the one place,
13 Assemblyman, that I think we might be most
14 helpful is a substantial number of the RPCs
15 are also state Section 8 local
16 administrators. So we have a cadre of
17 organizations who are in the business of
18 providing Section 8 rental assistance and
19 kind of understand the ins and outs of that
20 program, and also have relationships with
21 local housing providers and know their
22 housing markets pretty well.

23 So I think those folks could be
24 helpful.

1 MR. STREB: I'd add just communication
2 and outreach. It's important that everybody
3 knows that the program is available, how to
4 access it, and sometimes they need help with
5 the paperwork or the documentation. So
6 education and communication are a big part of
7 that.

8 ASSEMBLYMAN CYMBROWITZ: Okay.

9 William, I wanted to ask you about the
10 \$50 million capital request. Is there a
11 pipeline for projects that are out there
12 right now?

13 MR. SIMMONS: Yes. We got quite a few
14 projects in the pipeline. In Syracuse we
15 have a -- I'm repositioning probably
16 approximately a thousand of our public
17 housing units on a footprint that is
18 27 blocks long. And I own, in that
19 footprint, approximately 55 percent of the
20 properties.

21 What we're looking to do is build upon
22 that footprint and include it -- include more
23 affordable housing, preserve the existing
24 public housing, and have mixed-income

1 housing, because this footprint falls right
2 next to Upstate Hospital, Syracuse
3 University, and downtown. So the area is
4 very marketable. We got a very unique and
5 ambitious project that we will need some of
6 those dollars to demolish some housing and
7 preserve and build some new housing on the
8 footprint so we can help with the relocation
9 of residents and stay on the footprint that
10 we have in place.

11 There are a number of my colleagues
12 who called me this week who are doing deals
13 in Schenectady and throughout the state,
14 saying, "Hey, Bill, those monies are drying
15 up that have been provided for us, we got
16 financing over the past five years, we need
17 more." I said I'm aware and I'll be meeting
18 with the Assembly and the Senate over the
19 next couple of months to replace those
20 dollars.

21 And so as Jolie said earlier, knowing
22 that those dollars will be in place, whether
23 this year or next, will allow us to go
24 forward with our planning, getting our

1 contractors in place, doing marketing
2 surveys, environmental and all the things
3 that we need to do now to make sure that
4 these projects are shovel-ready when we can
5 get them in the budget.

6 ASSEMBLYMAN CYMBROWITZ: Thank you.

7 CHAIRWOMAN WEINSTEIN: Thank you.

8 We go to the Senate now.

9 CHAIRWOMAN KRUEGER: Thank you. And
10 we have our Housing chair, Brian Kavanagh.

11 SENATOR KAVANAGH: Thank you,
12 Madam Chair. A few quick questions.

13 Just -- Mr. Simmons, to follow up, you
14 made the point that some of your state-funded
15 public housing is already -- has not gotten
16 money to cover costs associated with COVID.
17 I raised this issue with the HCR commissioner
18 a little earlier.

19 Is there a dollar figure associated
20 with an ask to cover those costs?

21 MR. SIMMONS: I don't have a dollar
22 figure for my colleagues right now, but it
23 will be very easy for me to get -- within the
24 end of the week.

1 SENATOR KAVANAGH: Yeah, could you do
2 that and, you know, come up with an ask and
3 get that to us and to your staff?

4 MR. SIMMONS: Yes, absolutely. Thank
5 you.

6 SENATOR KAVANAGH: Appreciate it. And
7 just -- I share my fellow Housing chair's
8 concern about the capital end of your needs
9 as well.

10 And Mark, in terms of funding -- so
11 they've sort of -- sort of it's a flat line
12 from last year's funding to this year's
13 funding for the program overall. I think you
14 have re-upped a request for some additional
15 money for the program for the coalition as a
16 whole.

17 Can you talk a little bit about that?

18 MR. STREB: Yes, sir.

19 Couple of things. You know,
20 12.8 million was in last year's budget, and
21 thank you. But we've been flat for a few
22 years, and just with inflation, the cost of
23 doing business keeps increasing.

24 And the coalition is carved out of

1 that funding. Our funding is \$150,000, which
2 has been stagnant for decades. So, you know,
3 just the cost of, you know, rent -- you know,
4 go figure -- insurance, you know, staffing,
5 you know, that just keeps going up.

6 And I believe we demonstrated that an
7 investment in this program yields fantastic
8 results. So, you know, as much as it's human
9 capital, it's economic investment.

10 SENATOR KAVANAGH: Great. And the
11 dollar -- I'm sorry, I think you have a
12 specific like a dollar figure you're asking
13 for an increase this year?

14 MR. STREB: Yes, sir. It's from 12.8
15 to 14.5 for the Neighborhood Preservation
16 Program and from \$150,000 to \$200,000 for the
17 coalition.

18 SENATOR KAVANAGH: Right. Okay, thank
19 you. I just wanted that for the record and
20 for my colleagues' benefit.

21 And Ms. Long, thank you for your
22 testimony. I just have 26 seconds left, but,
23 you know, we have worked with CASA and with
24 other organizations and have been pushing for

1 answers on a lot of these issues, and we'll
2 continue to do so.

3 You have had an opportunity to meet
4 with the commissioner to discuss
5 implementation of this program --

6 MS. LONG: Yes.

7 SENATOR KAVANAGH: -- of the Housing
8 Stability and Tenant Protection Act?

9 You mentioned a couple, but the
10 biggest priority in terms of implementation
11 going forward, from your perspective, is?

12 MS. LONG: Is the technology upgrade.
13 Which will include a lot of things, such as
14 the language justice. It also will include a
15 better system for monitoring and
16 investigation against abuse into the system.

17 A good example is that, you know, last
18 week, and when everyone looked in their
19 Twitter feed, it was annoying to see about
20 the 421-a showing how the landlords were
21 using this -- taking advantage of this
22 loophole. And who they registered their rent
23 to is the same office that fields the
24 tenants' complaints.

1 So this is why we're pushing or
2 stating that more money is needed into the
3 HCR's budget to clear this issue.

4 SENATOR KAVANAGH: Great. Okay. And
5 I'm out of time, so I won't ask Blair a
6 question. Thank you all for your testimony
7 today.

8 CHAIRWOMAN WEINSTEIN: We go to
9 Assemblyman Epstein for a question.

10 ASSEMBLYMAN EPSTEIN: Thank you.

11 And just to follow up on the Senate
12 chair's questions, Ms. Long, I just wanted
13 to -- just to be clear, on the resources of
14 HCR ensuring there's sufficient oversight and
15 protection for tenants, do you feel like HCR
16 is doing -- has the sufficient resources to
17 address these concerns that we've heard from
18 tenants around, you know, overcharge issues
19 or MCI or individual apartment improvements
20 or the issues around 421-a abuses that we've
21 seen across the city and state?

22 MS. LONG: No, they don't at this
23 time. We -- like I said in my statement,
24 we've been sitting at the table with them

1 since 2015, and we're still having the same
2 discussion. We do know that there's a lack
3 of -- they have a lack of resources as far as
4 employees, money, computer upgrades. So yes,
5 they do need \$500 million in order for them
6 to be able to address the issues that have
7 always been before them.

8 ASSEMBLYMAN EPSTEIN: And do you feel
9 like with additional resources they could
10 address it, or you think they need to --
11 there are legislative solutions as well that
12 we need to work to ensure that tenants have
13 the protections that they need?

14 MS. LONG: Yes. Everything needs to
15 be addressed, especially because of the
16 COVID-19, which has created more problems.

17 ASSEMBLYMAN EPSTEIN: Thank you for
18 saying that.

19 And, Mr. Simmons, a question around
20 public housing. We've heard the concern that
21 you've raised around insufficient capital
22 dollars going to public housing developments
23 and that you need additional resources. Do
24 you think that -- are these public housing

1 developments units that have been already
2 opting into -- out of Section 8 into
3 Section 9 -- sorry, into Section 8, or are
4 these developments that have not switched
5 into a voucher-based program?

6 MR. SIMMONS: These are properties
7 that have moved to reposition themselves to
8 Section 8. So yeah, it's that gap financing
9 to fill in the gaps. Because in upstate
10 New York, the housing market is suppressed,
11 unlike in New York City and White Plains,
12 where you can get kinds of rents to make
13 these deals pencil out.

14 In upstate New York, the housing
15 market is suppressed, and in order to get
16 these deals to pencil out, we really need
17 that gap financing. But we are moving
18 towards a more sustainable model, which is
19 the -- from Section 9 to Section 8.

20 ASSEMBLYMAN EPSTEIN: And how many
21 units still haven't moved to the Section 8
22 model in upstate New York, outside of NYCHA
23 units?

24 MR. SIMMONS: I'll get a more definite

1 number for you, but you're probably looking
2 at maybe one-third having moved already and
3 still another two-thirds that need to do
4 this.

5 ASSEMBLYMAN EPSTEIN: And it's a
6 financing issue, or is it that they don't
7 have the system and structures in place to do
8 it?

9 MR. SIMMONS: I think now it's more of
10 a financing issue. Because in the past five
11 years that we've been working with New York
12 State, most of it was educational. In many
13 of these communities it was very intimidating
14 for a executive director who was in charge of
15 300 units, and their board, to say, okay, I'm
16 going to reposition my properties and work
17 with developers and there's gap financing and
18 all these sophisticated deals.

19 And initially there was a lot of fear.
20 But I think we've gotten past fear mode and
21 things -- deals are really starting to ramp
22 up. And so we're past that hurdle and now
23 it's more making sure the dollars are there
24 to close the gaps for these deals.

1 ASSEMBLYMAN EPSTEIN: Thank you.

2 Sorry to run over my time,

3 Madam Chair.

4 CHAIRWOMAN WEINSTEIN: Thank you. I

5 believe that is all for this panel. Thank

6 you all for being here.

7 And we'll move on to Panel C now.

8 MR. STREB: Thank you.

9 MR. SEBASTIAN: Thank you.

10 CHAIRWOMAN WEINSTEIN: Legal Aid

11 Society of Mid-New York, Jay Flemma; Citizen

12 Action-New York, Rebecca Garrard; Tenants

13 Political Action Committee, Michael McKee;

14 Empire Justice Center, Kirsten Keefe.

15 As soon as they are up, we will -- we

16 have to move on.

17 MR. FLEMMMA: Good afternoon, everyone.

18 And thank you very much once again for

19 allowing me to testify. It's been four years

20 since we last spoke, and I would start by

21 thanking you for answering the clarion call

22 so admirably back in 2017.

23 It's rare that we face an issue so

24 universal to each and every one of you, and

1 yet is such an existential threat to the
2 peace, prosperity and financial security of
3 every one of your constituents. The
4 foreclosure crisis cut a devastating swath
5 across everyone, no matter who they were and
6 what they looked like.

7 Now, as Kirsten Keefe of EJC will
8 portray admirably in her written and oral
9 testimony in a few moments, the crisis is
10 hitting the most vulnerable and protected
11 classes the hardest. I will echo Senator
12 Harckham's words when I say that without
13 attorneys, these poor people are lost.
14 Foreclosure law is too complicated, too
15 byzantine, too confusing, and there are too
16 many against these people to be forced to
17 represent themselves. Banks with huge slush
18 funds for litigation and attorney's fees that
19 will be charged against the homeowners no
20 matter what happens.

21 As Shakespeare said in Henry VI, if
22 you want to foment chaos, well, the first
23 thing you do is get rid of the lawyers.

24 The economic crisis is going to be

1 even worse post-pandemic. And the potential
2 damage to the housing market could trigger a
3 second crisis. Without the assistance of
4 Legal Aid and other service providers such as
5 housing counselors, I foresee a massive
6 redistribution of real property ownership
7 from ordinary people to corporations or to
8 governments.

9 And this could possibly result in the
10 most significant collapse of the American
11 housing market that we've seen to date.

12 Now, I can also report to you that
13 from the front lines, as an attorney, I am
14 seeing no drop in the number of scams that
15 I've had to stop. Whether they're deed debt
16 scams through violations of the Home Equity
17 Theft Protection Act or other type of scams.
18 Tax foreclosures are continuing to proceed
19 apace, even though there was temporary
20 stoppage of redemption dates. They were held
21 off for a bit, but there are still some
22 foreclosure sales that have gone on.

23 And finally, every single day I catch
24 plaintiff's attorneys cheating on attorney's

1 fees. And otherwise, without the ability of
2 having a lawyer or a housing counselor
3 experienced in these areas, there's going to
4 be no way for your constituents to defend
5 themselves.

6 I'll reserve the rest of my time for
7 questions. Thank you.

8 CHAIRWOMAN WEINSTEIN: Thank you.

9 Rebecca?

10 MS. GARRARD: Thank you. Thank you
11 for the opportunity to testify.

12 My name is Rebecca Garrard. I am the
13 campaigns manager for Housing Justice with
14 Citizen Action of New York.

15 So today you will hear and have
16 already heard vital testimony on the housing
17 budgetary needs in this state. These include
18 the formation of landlord hardship funds to
19 address the rental crisis within the state,
20 deep investment in supportive housing and
21 public housing, the allotment of significant
22 resources towards the creation of social
23 housing programs such as community land
24 trusts, residential cooperatives and programs

1 which give tenants the resources and right of
2 purchase when their buildings go up for sale.

3 All of these are crucial in this
4 moment and could and should be funded through
5 raising revenue on the wealthiest
6 New Yorkers, as outlined in the platform of
7 the Invest in Our New York Coalition.

8 However, I'm going to speak to a
9 different revenue need which will not likely
10 be brought up in other testimony today. I
11 want to testify about the need for this
12 budget to finally invest in ending the crisis
13 of lead poisoning that exists across our
14 state.

15 New York State has a higher number of
16 children who test positive for lead poisoning
17 than any other state in this country, even
18 though only about a third of the children in
19 this state are even tested for lead exposure.
20 Many upstate counties have children that test
21 positive for lead poisoning at rates as much
22 as five to 10 times higher than the children
23 in Flint, Michigan, during the height of
24 their crisis.

1 A study published in the Journal of
2 Pediatrics showed that between 2009 and 2015
3 children in the City of Syracuse had the
4 highest percentage of children with lead
5 poisoning in the nation. And Buffalo and
6 Poughkeepsie joined Syracuse in ranking in
7 the top six cities in the country with the
8 highest percentages of children with lead
9 poisoning. In certain Syracuse zip codes
10 where residents are almost exclusively Black
11 and Brown, approximately one in four children
12 test positive for lead poisoning.

13 Make no mistake: That profile is
14 mirrored in every impacted city. Communities
15 of color are significantly disproportionately
16 affected by this crisis.

17 The impacts of lead poisoning are
18 irreversible and not limited to health
19 implications. They also cause learning
20 disabilities, behavioral disorders and a
21 variety of other consequences which
22 negatively impact the quality of life and the
23 potential for our children who have been
24 exposed to lead.

1 Families who already struggle, through
2 no fault of their own, with the burdens of
3 poverty and racist socioeconomic systems are
4 further abused by our state when the only
5 housing they have access to is poisoning
6 their children through lead-contaminated
7 paint, dust and water.

8 It is well past time that New York
9 address this travesty through devoting
10 resources to ensure that all of our children
11 have access to safe and healthy homes. Thank
12 you.

13 CHAIRWOMAN WEINSTEIN: Thank you.

14 Michael?

15 MR. McKEE: Good afternoon, Chairs
16 Weinstein and Krueger, Chairs Cymbrowitz and
17 Kavanagh, members of the Legislature. Thank
18 you for the opportunity to testify.

19 My name is Michael McKee. I'm the
20 treasurer of Tenants Political Action
21 Committee. Tenants PAC is a proud member of
22 the Upstate/Downstate Housing Alliance,
23 otherwise known as Housing Justice for All.

24 I want to first thank you for the

1 moratorium on evictions that you enacted on
2 December 28th. This gives us some breathing
3 room to figure out what to do about back
4 rent -- I'll get to that in a minute.

5 But I want to point out to you that we
6 have had reports of upstate judges ignoring
7 the moratorium on evictions and allowing
8 eviction proceedings to move forward, just as
9 they ignored the Tenants Safe Harbor Act
10 beginning in October when Governor Cuomo
11 lifted the moratorium on evictions.

12 So that's why we had hundreds of
13 evictions in upstate New York in October,
14 November and December, and a few in New York
15 City -- including, I want to point out, the
16 arrest of Assemblymember Demond Meeks by the
17 Rochester police.

18 On the issue of rent relief, whether
19 you call it cancel rent, whether you call it
20 a landlord hardship fund, don't follow the
21 Governor's model, don't follow the
22 legislation that you enacted last year, which
23 we said at the time was not going to work.
24 And I believe we were proven right. We urge

1 you to follow the model that's laid out in
2 the bill sponsored by Senator Julia Salazar
3 and Assemblymember Yuh-Line Niou. We think
4 this is a much better model, and I urge you
5 to use it.

6 My basic message to you is that you
7 must finally, once and for all, tax the rich.
8 You've got to get away from this "we can't
9 afford it" syndrome that the state has been
10 stuck in for decades, and we have to have
11 some structural balance in the State Budget.
12 The federal money, whatever else you can say
13 about it, will not be enough. And it's also
14 a one-shot. We're not going to get that
15 every year. So you really need to deal with
16 the State Budget.

17 And the only way we're ever going to
18 be able to have a civilized society in this
19 state is with a much larger budget. And you
20 can't do that, and you can't do all of these
21 things that people are talking about,
22 including lead remediation -- which I share
23 Rebecca's comments very strongly -- without
24 more money.

1 You know, you have new powers. I'm
2 pleased to say that Tenants PAC played a role
3 last year in terms of giving the Senate new
4 powers with the greater majority. You need
5 to use those powers.

6 You know, a couple of years ago
7 Andrew Cuomo said he would change his name to
8 Amazon Cuomo if they built their headquarters
9 in Queens. Well, I think he should change
10 his name to Austerity Cuomo, because that's
11 who he is, and it starts with an A.

12 Thank you very much.

13 MS. KEEFE: Am I on?

14 CHAIRWOMAN WEINSTEIN: There you are,
15 yup.

16 MS. KEEFE: Okay, great. Thanks.

17 So thank you, Assemblymember Weinstein
18 and Senator Krueger, to our Housing chairs
19 and all the members, for the opportunity to
20 testify today.

21 My name's Kirsten Keefe. I'm a senior
22 attorney with the Empire Justice Center in
23 our Albany office. My role at Empire Justice
24 Center is to work with the New York State

1 Office of the Attorney General. We are an
2 anchor partner under their Homeowner
3 Protection Program, or HOPP. Our co-anchor
4 partner is the Center for New York City
5 Neighborhoods in New York City, and together
6 we provide oversight, training and technical
7 assistance to HOPP grantees statewide.

8 There has been a lot of mention of
9 HOPP today, which is very reassuring, because
10 there is no money included in the Executive
11 Budget. So we are looking for at least a
12 \$20 million inclusion in the final budget in
13 New York State.

14 My written testimony provides a full
15 history of HOPP, including where all the
16 funding sources have come from. And also
17 even before HOPP, funding started to be
18 provided by New York State following the
19 Great Recession in 2008, originally through
20 Homes and Community Renewal, and then we
21 moved to the AG's office in 2012. So there's
22 a complete history of HOPP, including a
23 description of all the services we provide,
24 in my written testimony.

1 I also include -- you know, HOPP has
2 really been New York State's homeowner
3 retention program, along with a number of
4 consumer protections that the Legislature has
5 passed and a number of programs that have
6 been implemented by state agencies, that
7 really are dependent, if not mandate, the
8 services that are provided under HOPP. So
9 those are all set forth in my written
10 testimony as well.

11 And there is also an in-depth economic
12 impact analysis that's included in the
13 written testimony done a year ago, so the
14 \$4 billion loss that's predicted if we don't
15 assist homeowners in foreclosure will be even
16 worse today if we were to be able to update
17 that data.

18 But I really want to focus on the
19 delinquency numbers. So we have been
20 tracking delinquencies in New York State
21 since the beginning of the pandemic, mostly
22 looking at the U.S. Census Household Pulse
23 survey data, and it is extremely alarming.

24 Looking at -- that data comes out in

1 two-week increments, and I did an average
2 over the last six months. And in any
3 two-week time period, the average is
4 13 percent of homeowners are delinquent.
5 That's compared to our historical high in
6 January 2009, where we had a 3.8 percent
7 delinquency rate. So we are more than three
8 times higher than we were at that point in
9 time.

10 I also really want to point out the
11 racial disparities. Like all housing issues,
12 homeowners of color, communities of color are
13 disproportionately impacted. When you look
14 at the delinquency rates among Hispanic and
15 Latino homeowners, it's 23 percent. Black
16 homeowners, it's 17 percent. Asian
17 homeowners, it's 18 percent. Compared to
18 white homeowners at 10 percent.

19 HOPP services statewide, 43 percent of
20 our clients are homeowners of color. And in
21 New York City alone, 75 percent of the
22 homeowners that we serve are homeowners of
23 color.

24 So more information in my written

1 testimony, and I'm happy to answer any
2 questions.

3 CHAIRWOMAN WEINSTEIN: Thank you.

4 We go to our chair of Housing,
5 Assemblyman Steve Cymbrowitz.

6 ASSEMBLYMAN CYMBROWITZ: Thank you
7 very much. And welcome, everyone.

8 I wanted to just find out a little bit
9 about disparities in delinquency or
10 foreclosure trends between single-family and
11 multifamily. Has there been a difference, or
12 is there just one -- you know, just one pot
13 that everybody is in?

14 MS. KEEFE: So that's an excellent
15 question. I have not been tracking that.

16 I will go back to the U.S. Census
17 Pulse data to see if it tracks it. There are
18 a number of other factors -- like head of
19 household, education level of the
20 homeowner -- that the Census data has been
21 tracking. I don't know if it has home
22 composition. So I will go back and look out
23 for that and get back to you.

24 ASSEMBLYMAN CYMBROWITZ: And what

1 counseling -- what foreclosure prevention
2 counseling services are required by law, and
3 what are those that are only offered with
4 HOPP funding?

5 MS. KEEFE: So for example, one of the
6 strongest protections that the Legislature
7 passed, I think it was in 2008-2009 --
8 Assemblymember Weinstein can correct me,
9 since she was the sponsor of it -- was a
10 90-day pre-foreclosure filing notice. A
11 notice has to be sent to all homeowners with
12 residential home loans by the servicers at
13 least 90 days before the servicer can file a
14 foreclosure complaint. And it is mandated
15 that -- there's statutory language for the
16 notice, and it's mandated that the notice
17 attach a list of at least five counseling
18 agencies in the geographic region of the
19 homeowner.

20 So the Department of Financial
21 Services maintains that list, and those are
22 all HOPP agencies.

23 Similarly, there's a Homeowner Bill of
24 Rights that homeowners have to be provided,

1 it's essentially a pamphlet. So when they
2 start -- we have mandatory settlement
3 conferences in New York State, and the judges
4 have to provide also referrals to legal
5 services programs like Jay Flemma's and
6 others in the geographic region.

7 There are other programs like the
8 mandatory settlement conferences that don't
9 mandate the HOPP services, but at this point
10 in time, across the state, the HOPP network
11 is fully integrated into the settlement
12 conferences with the courts. So they are
13 either staffing clinic days -- so when
14 homeowners come in for the settlement
15 conferences, there are oftentimes HOPP
16 service providers right there for folks to
17 refer them to, or get referrals.

18 ASSEMBLYMAN CYMBROWITZ: I want to
19 just get in a very quick question based on
20 the first tranche of federal funds, the
21 1.3 billion, which I don't think will be the
22 last. What priorities do you think we should
23 be looking at, other than what the feds
24 mandate? Is there some -- you know, other

1 than the 50 percent, those that are
2 unemployed, do you have anything that you
3 would want us to consider when we put the
4 program together?

5 MR. McKEE: Are you asking Rebecca or
6 me or who are you asking?

7 ASSEMBLYMAN CYMBROWITZ: Well, either
8 one.

9 MR. McKEE: Well, I think one thing
10 you need to look at is there's some question
11 as to whether undocumented New Yorkers can be
12 covered by the federal funds. My
13 understanding is that the Treasury Department
14 has said no, but that there's a federal judge
15 in Arizona who said yes.

16 But you might want to consider putting
17 in -- you need to put in state money anyway,
18 because the federal money's not going to be
19 enough. But you might want to put in some
20 state money for that specific purpose.

21 Rebecca, I don't know if I --

22 MS. GARRARD: I would add on to that
23 that I anticipate that we'll have tenants who
24 are in need of assistance with the rent

1 that's in arrears that don't fall within the
2 80 percent AMI criteria set forth and
3 connected to the federal funds. And so state
4 resources need to be allocated to address
5 that issue.

6 CHAIRWOMAN WEINSTEIN: Thank you.

7 I don't believe there are any
8 questions from members of the Senate, so --

9 CHAIRWOMAN KRUEGER: No, we just want
10 to thank you for your work.

11 CHAIRWOMAN WEINSTEIN: Thank you. But
12 I want to go -- we still have a couple of
13 members. Assemblyman Meeks first, and then
14 Epstein.

15 ASSEMBLYMAN MEEKS: Yes, this question
16 is for Rebecca. You brought up lead, issues
17 with lead levels. And that has been a
18 challenge here in this Rochester community
19 for some time.

20 I remember growing up in the early
21 '80s and having a family member with
22 extremely high lead levels. And then just as
23 recently as, you know, early 2000s, dealing
24 with a nephew with high lead levels. And it

1 continues to be a challenge.

2 So what do you believe are the reasons
3 that the lead crisis in New York State has
4 not been comprehensively addressed up to this
5 point?

6 MS. GARRARD: Thank you,
7 Assemblymember Meeks. Yes, I think it's the
8 combination of a couple of things.

9 One is that there is no uniform system
10 for inspections and oversight in upstate
11 communities. There is a lot of autonomy on
12 what is inspected, and then there's no
13 oversight even when there is mandates to
14 ensure it's happening within individual
15 municipalities.

16 And then the other factor is that we
17 hear from municipalities that they do not
18 have the resources to address the systemic
19 nature of this crisis, which is exactly why
20 we need this to be addressed in not only a
21 structural capacity, but a budgetary
22 capacity.

23 ASSEMBLYMAN MEEKS: Thank you.

24 CHAIRWOMAN WEINSTEIN: Assemblyman

1 Epstein.

2 ASSEMBLYMAN EPSTEIN: I also see
3 Senator Kavanagh did put his hand up, if you
4 want to go first.

5 SENATOR KAVANAGH: No, you can go.

6 ASSEMBLYMAN EPSTEIN: Just -- Kirsten,
7 just on the -- what happens if the
8 \$20 million in foreclosure prevention money
9 doesn't come back? What happens to
10 homeowners across the state?

11 MS. KEEFFE: So services will virtually
12 go away across the state. This has been
13 really the only dedicated source for funding.

14 So in talking about, for example,
15 legal services in particular, there are no
16 other dedicated sources. And even the
17 general funding for civil legal services
18 would not allow most organizations to provide
19 assistance to homeowners because homeowners
20 tend to be typically above the income limits.
21 So it's really critical that we have this
22 dedicated source. So the services would just
23 go away.

24 There are moratoria in place, but they

1 will -- you know, they're a double-edged
2 sword, first of all, because it just means
3 the amounts are accruing and it's going to be
4 tougher for people to get out of it.

5 There are many programs, but as Jay
6 pointed out, it's a very complicated process,
7 and it really depends on who owns your
8 mortgage and what program you might be
9 eligible for. And so again, the services,
10 the housing counseling agencies and the legal
11 services, know these programs, and it takes
12 somebody like that to make sure homeowners
13 have access to those programs.

14 MR. FLEMMMA: If I can add,
15 Assemblyman Epstein, I conservatively
16 estimate that without attorneys and housing
17 counselors -- and in particular, attorneys to
18 assist homeowners getting through the legal
19 morass, that two out of every three houses
20 that we ordinarily would have saved will be
21 lost.

22 I've practiced complex litigation for
23 20 of my 26 years, including patent,
24 copyright, internet law. I specialize in

1 areas of law and they brought me specifically
2 to Legal Aid because I practice in areas of
3 law in which it changes every day. And I
4 have never seen a more complicated or larger
5 body of sources of law, or more intricate
6 laws, than in the practice of mortgage
7 foreclosure law. The average layman stands
8 zero chance of being able to negotiate
9 effectively against the banks or deal with
10 the legal ramifications of what the banks
11 will be doing to them.

12 ASSEMBLYMAN EPSTEIN: Thank you. And
13 I know I'm almost out of zero time. If I
14 can -- can I just -- one quick question,
15 just --

16 CHAIRWOMAN WEINSTEIN: Go ahead.

17 ASSEMBLYMAN EPSTEIN: -- on rent
18 relief, to Rebecca and Michael, of, you know,
19 what -- like I know you mentioned it earlier,
20 if there's specific things that, you know --
21 you know, Assemblyman Niou's bill -- but
22 ensuring that landlords can apply, other
23 really critical pieces of that you need -- do
24 you think we need to do?

1 MS. GARRARD: I think it's -- I'll
2 jump in, Michael, feel free. But I think
3 it's vital that we set up an application
4 process for landlords. I think what we saw
5 in May and what I fear we will see from this
6 latest round is that these tenant application
7 processes do not result in tenants being able
8 to access relief. And we kind of end up with
9 a crisis of epic proportions, like we are
10 headed towards.

11 MR. McKEE: And if you read what's
12 been written in newspaper stories in the last
13 couple of weeks, apparently the real estate
14 lobby agrees with us that this is the better
15 approach. And we told you last spring that
16 what you were doing would not work, and I
17 think we were proven right.

18 So I think you need a new model. You
19 need to go back to the drawing board. I
20 strongly urge you to look at the legislation
21 sponsored by Senator Salazar and
22 Assemblymember Niou, because that's the model
23 you should be using.

24 ASSEMBLYMAN EPSTEIN: Thank you.

1 CHAIRWOMAN WEINSTEIN: Thank you.

2 We go to the Senate, Senator Kavanagh.

3 SENATOR KAVANAGH: Thank you. And
4 sorry to go out of turn here. Yeah, the
5 clock's up.

6 Okay, so just very briefly, Rebecca,
7 just -- I just want to make sure to clarify
8 for colleagues. You're talking about two --
9 there are two distinct needs you're talking
10 about. You're talking about a need for
11 additional funding which would basically be
12 expense funding for localities to do code
13 enforcement, and then an additional need to
14 do the kind of money that would be necessary
15 to make capital expenditures or subsidies for
16 abatement and remediation of lead?

17 MS. GARRARD: That's correct. And I
18 think, you know, as I said -- and thank you
19 for following up. This time limit is deeply
20 challenging.

21 I mean, I think the primary problem is
22 that we don't have a system right now where
23 we can identify where the lead exposure is,
24 and that is just the first and foremost

1 problem. Right now our children are our
2 testing strips. We do know not when the
3 property has lead until the child tests
4 positive for lead poisoning.

5 And I can certainly hope that we would
6 all agree that that is not a humane system
7 for identifying those points of exposure.
8 And so in order to start with what is the
9 most minimum of steps, right -- which is
10 identifying where the contamination is -- we
11 need a system of oversight that doesn't
12 exist. And municipalities are going to need
13 resources to implement that system in terms
14 of staffing and then also providing
15 assistance for remediation.

16 SENATOR KAVANAGH: I'll just jump in
17 and take a 10-second banner ad here. But the
18 Senate did a big investigation of local code
19 enforcement and found it wanting in many
20 respects, and also found that there was
21 additional need for resources, financial
22 resources for localities to do their job. We
23 passed that package just before COVID set in.
24 We will be revisiting it this year. And I've

1 had the opportunity to speak with Rebecca and
2 Citizen Action about making sure lead is a
3 part of those conversations.

4 Just very briefly -- Jay, first of
5 all, that's the most compelling version of
6 why we need this kind of counseling I've ever
7 heard. So thank you. And I've done a few
8 complicated areas of law myself.

9 Just -- the commissioner -- this is a
10 very specific question. The commissioner
11 mentioned previously a -- I don't know if you
12 were here, but mentioned a federal funding
13 source for work on foreclosure. Any -- are
14 you aware of that and what that money is
15 being spent on and whether it meets the need?

16 MR. FLEMMMA: May I defer that to
17 Kirsten. She has the expert analysis.

18 SENATOR KAVANAGH: Yeah, that was for
19 both of you, actually. Yeah, go ahead,
20 Kirsten.

21 MS. KEEFFE: I -- I don't know. You
22 know, it was my understanding that funding
23 was going to some agencies potentially around
24 rent, providing assistance around tenants and

1 rent. But I'm not entirely sure.

2 So I did hear that piece of her
3 testimony, and wrote it down to try to look
4 up who those 20 agencies are. It's not --
5 you know, I have not heard of any agencies
6 getting significant money from HCR to do
7 foreclosure prevention work.

8 SENATOR KAVANAGH: Okay. We'll be
9 following up with her. But if you discern
10 anything about that, if you can share that
11 with us, we'd appreciate it.

12 MS. KEEFE: We will.

13 SENATOR KAVANAGH: And I will -- I
14 guess I'll leave it there. Just I'm going to
15 ask, and I would encourage folks to think
16 about there's been a lot of focus on the
17 question of how much rent is due, the scale
18 of arrears and all that. I think there's
19 been less focus -- we focused a lot on
20 counseling, foreclosure prevention, all that
21 sort of stuff. I think a little less focus
22 on what the financial need would be to
23 address some of these housing costs that have
24 arisen in the homeowner side. And I would

1 urge -- I'd like to -- if you can offline
2 follow up and we can talk a little bit more
3 about that, I'd appreciate it.

4 MR. FLEMMMA: Certainly, Senator.

5 SENATOR KAVANAGH: Thank you all.

6 CHAIRWOMAN WEINSTEIN: Thank you.

7 And we have a question from

8 Assemblywoman Niou.

9 ASSEMBLYWOMAN NIOU: Hi. Sorry, I'm
10 joining by phone and with the session on my
11 computer, so I apologize for the strange
12 screen.

13 But I wanted to say thank you for all
14 of your testimony. I also wanted to ask a
15 couple of questions. I wanted to see what
16 your thoughts were on public housing, and
17 what do you think the budget should be for
18 public housing within our state.

19 MR. McKEE: I'll take a stab at that.

20 We made a specific ask last year,
21 which you did not provide. I mean, you know,
22 it's nothing short of a scandal that we are
23 allowing people to live in deteriorating
24 housing and like -- just like what Rebecca

1 talked about, what's happening with lead
2 paint poisoning, which is a problem all over
3 the state. This is a problem, you know -- we
4 visit this upon our fellow citizens because
5 they're poor and because they're Black and
6 Brown and, you know, they're not considered
7 important. And it's a scandal.

8 But, you know, we made a specific ask
9 last year which the Legislature pretty much
10 ignored. It's not going to be enough to do
11 what everything needs to be done, but you can
12 certainly do more. I don't remember what --

13 ASSEMBLYWOMAN NIOU: We asked for
14 \$5 billion.

15 MS. GARRARD: I was going to say I
16 thought it was 10. I thought it was 10.

17 ASSEMBLYWOMAN NIOU: We asked for
18 \$5 billion.

19 MS. GARRARD: Yeah. Yeah. And if --
20 if I can jump in quickly. And certainly
21 there are many friendly faces, right, on this
22 panel who fight really hard for housing
23 justice, and we appreciate it. And yes,
24 right, even if it were 10 -- I can't remember

1 now if it was 5 or 10. I thought it was 10.
2 But even if it were 10, that was a Year 1
3 investment. It was not going to get us where
4 we needed to be.

5 And so if I could use this moment to
6 sort of bump up what was part of my
7 testimony, in that this could be framed as a
8 year of austerity by our Governor, and yet it
9 should be framed as a year of opportunity,
10 where we have a package of six bills that
11 could raise \$50 billion on the wealthiest New
12 Yorkers. And instead of not only failing to
13 address the chronic disinvestment that has
14 happened in New York for decades, we could
15 reverse the proposals that are taking that
16 one step further and actually suggesting that
17 we should cut further from those who are most
18 impacted during a pandemic.

19 And so I'll say 10 billion, and that's
20 a Year 1 investment. The lead crisis will be
21 a multiyear investment. And it doesn't have
22 to be austerity, it can be opportunity.

23 ASSEMBLYWOMAN NIOU: And I know I'm
24 out of time, but just if there was just -- if

1 you could just answer really quickly, what
2 are the -- what do you think would happen to
3 us if we did not get total rent relief?

4 MS. GARRARD: We would have a crisis
5 of evictions that I don't think we can even
6 fully wrap our heads around. A crisis of
7 homelessness, a crisis of instability in our
8 education systems, in our occupational
9 systems. And this state absolutely cannot
10 allow that to happen.

11 CHAIRWOMAN WEINSTEIN: Thank -- thank
12 you. Thank you all for being here.

13 We're now going to move on to Panel D:
14 Crown Heights Tenant Union, Michael
15 Hollingsworth. Cooper Square is not here, so
16 then 1616 President Street Tenant
17 Association, Vincia Barber; City-Wide Tenant
18 Union of Rochester, Allie Dentinger; and
19 249 East 37th Street Tenants' Association,
20 Judith Douglas.

21 So we can just begin with Michael
22 Hollingsworth.

23 MR. HOLLINGSWORTH: Thank you. Good
24 afternoon. Thank you for allowing me this

1 space to speak today.

2 My name is Michael Hollingsworth. I'm
3 a rent-stabilized tenant and member organizer
4 with the Crown Heights Tenant Union, or CHTU,
5 for short, an autonomous, tenant-led,
6 all-volunteer union of tenant associations.
7 We're proud members of the Housing Justice
8 for All, Right to Counsel, and Rent Justice
9 Coalitions. I speak to you today to demand
10 budget justice for tenants, particularly in
11 funding DHCR.

12 We tenants have spent the past year
13 fighting for each other because our
14 governments fail to do the bare minimum to
15 protect us, specifically in response to the
16 COVID-19 pandemic, but also in the context of
17 the preexisting housing crisis. Since 2013,
18 CHTU has been bringing long-term residents of
19 Crown Heights together with newer arrivals to
20 the neighborhood, to join forces to fight
21 back against the cycle of displacement and
22 overcharge that was allowing the real estate
23 industry to exploit and abuse tenants and
24 destroy communities one unit at a time.

1 This cycle of displacement and
2 overcharge, specifically incentivized by
3 loopholes in New York State law designed by
4 the real estate industry lobbyists, was
5 enabled by an enforcement regime that was
6 designed to fail. CHTU members, whether they
7 live in rent-stabilized apartments or
8 illegally deregulated apartments, came to
9 Albany repeatedly with Housing Justice for
10 All to demand change. And in 2019, we
11 finally got some justice. Yet Albany left
12 the biggest protection, the right to renew a
13 lease, off the table, and only shrank some
14 loopholes that should have been closed
15 entirely.

16 But our Legislature earned back some
17 of our trust with the passage of HSTPA. But
18 as you know, faith without works is dead.
19 Since our win in 2019, we have seen the
20 limitations of a law without adequate funding
21 or enforcement. Landlords in Brooklyn
22 continue to overcharge or issue illegally
23 destabilized leases to unsuspecting tenants,
24 and harass tenants who try to push back. And

1 DHCR continues to register rents in an
2 antiquated honor system in which the side
3 with all the economic advantages behaves
4 dishonorably.

5 And the result is a two-year backlog
6 on overcharge cases unless a tenant wants to
7 roll the dice in Eviction court -- okay,
8 Housing Court.

9 The recent failure of the COVID-19
10 rent relief program, in which 60 percent of
11 the money allocated through a complex program
12 ended up unspent, is a perfect symbol of
13 what's wrong. We need Albany to stop
14 choosing piecemeal solutions that put the
15 entire burden of enforcement on tenants. We
16 need to fund the kind of DHCR that can
17 actually stabilize housing and renew
18 communities.

19 We need Albany to stop giving
20 pointless tax breaks to developers who
21 benefit from displacement and defraud the
22 system, and to instead spend the money on the
23 simple technology that it would take to have
24 a functional enforcement system for rent

1 laws -- and, of course, #CancelRent. It's a
2 lot cheaper than sending thousands of tenants
3 into the shelter system during a pandemic,
4 and it also happens to be the right thing to
5 do.

6 Thank you.

7 CHAIRWOMAN WEINSTEIN: Thank you.

8 We go on to 1615 President Street
9 Tenant Association.

10 MS. BARBER: Hi. Good afternoon,
11 State Senate and Assembly members. Thank
12 you. My name is Vincia. I'm from
13 1616 President. I'm here to speak about my
14 experience at 1616 President.

15 My building is owned by Jason Korn,
16 who has been ranked New York City's worst
17 private landlord, second time in a row, in
18 New York City. My neighbors and I live in
19 tough conditions -- leaks, mold, I mean,
20 everything that you can imagine. Constant
21 patchwork from years of patchwork. And we
22 have decided to be on strike for -- as of May
23 1, 2020, in the middle of the pandemic, due
24 to a lot of tenants in my building, and I,

1 losing work.

2 The thing -- the condition with my
3 building, Jason Korn owns 50 buildings in New
4 York City. He is a private landlord, and
5 he's refused to do any of the work that he's
6 supposed to do here. We said no more, and
7 organized. We organized a tenant association
8 that started on May 1st. We've been on rent
9 strike from May 1st as of now.

10 Many of us have given Jason Korn a
11 second chance to do the repairs. He has
12 chose not to do the repairs. I'm going to
13 give my story. I moved in a year ago, May 1,
14 2019. I moved in as a single mom paying
15 \$1850 rent. And when I moved in, it was not
16 the apartment I was supposed to get, it was
17 falsely advertised. My daughter has
18 developed asthma. There is a 2.5 lead in my
19 bathroom as of now. My ceiling has fallen
20 down. It's a health hazard. It's a health
21 hazard.

22 And I know that there is a moratorium,
23 but as of the 17th of February, Jason Korn
24 has taken me to court. I mean, there is

1 something that has to be done. I have
2 applied to DHCR for the rent relief, and I
3 know a lot of the tenants in my building have
4 applied for it, and still nothing.

5 I worked before 2020, I worked
6 full-time as a nanny, 21 years as a nanny in
7 New York City, and always paid my landlord.
8 And it's so hard that it's in the middle of
9 the pandemic that he still refused to do the
10 work, but also wants to evict. There's a lot
11 of harassment, it's rats, rodents, it's
12 just -- it's disgusting. And the cost of
13 living. And he has not done the repairs.

14 We applied also for our rent reduced
15 from DHCR, and they have canceled it. They
16 have not come to our unit and seen any of the
17 repairs, none of the -- why is the property
18 worth 2200 when a landlord that is a private
19 landlord -- and also listed as New York
20 City's worst landlord, second time in a row,
21 is still doing these things.

22 CHAIRWOMAN WEINSTEIN: Thank -- thank
23 you. Your time has expired. And we also
24 have your written testimony. We'll review it

1 and see if someone could get back to you on
2 some of these issues that you've raised.

3 Thank you.

4 MS. BARBER: Thank you.

5 CHAIRWOMAN WEINSTEIN: Can we go to
6 City-Wide Tenant Union of Rochester.

7 MS. DENTINGER: Thank you.

8 CHAIRWOMAN WEINSTEIN: Allie? Yes.

9 MS. DENTINGER: Hi. So my name is
10 Allie Dentinger, and I work with the
11 City-Wide Tenant Union of Rochester
12 supporting tenant organizing --

13 (Zoom interruption.)

14 MS. DENTINGER: And I think most of
15 you probably became familiar with us back in
16 December. We became sort of statewide, even
17 national news through our eviction
18 moratorium, for the fight for our eviction
19 moratorium and the blockade of Clionda
20 Florance-Yarde's house. She was the tenant
21 that was violently evicted and arrested for
22 standing up to her slumlord in the middle of
23 a global pandemic, followed by the arrest of
24 our brand-new Assemblymember, Assemblymember

1 Meeks.

2 And I want to thank the New York State
3 Legislature for that eviction moratorium and
4 for the upwards of 20,000 people in the
5 Rochester area that are behind on rent. It's
6 life-changing to have just a little bit of
7 protection, to know that right here, right
8 now, they're not headed to the streets.

9 The shelter systems in Rochester are
10 terrifying. COVID is currently going through
11 them. So to tell this single mother of three
12 kids that she's homeless now -- by the way,
13 she still hasn't found housing. I just -- I
14 did want to make that fact known. But her
15 kids are at risk for COVID because of this
16 crisis.

17 And I really want to walk through some
18 of what my day looks like. Pre the
19 moratorium being lifted, back in the fall, I
20 worked with hundreds and hundreds of tenants,
21 along with my other team members, to try and
22 get rental assistance to people, to try and
23 get folks plugged into legal assistance, and
24 it was a disaster, an absolute disaster.

1 We don't have broadband in a lot of
2 areas of this area. Four out of 10 residents
3 in Rochester only have access to internet on
4 their phone; two out of 10 don't have access
5 to internet at all. And those are staggering
6 numbers.

7 And the language barrier -- I'm going
8 to be honest, most people couldn't even tell
9 you what HCR is in Rochester or what that
10 means for them. And it's terrifying, the
11 idea that in a matter of potentially months
12 we are going to see the biggest spike in
13 homelessness that this city has ever seen,
14 that this state, this nation -- and the idea
15 that tenants are going to be responsible for
16 applying for their own rental assistance is
17 nauseating.

18 I beg you to look deeply at the
19 proposal from Senator Salazar and
20 Assemblywoman Niou that puts the burden on
21 the landlords. And I promise you -- I trust
22 that there are small landlords that need
23 this, and I know that's an absolute truthful
24 statement. But the means-testing of tenants

1 applying for themselves is going to leave so
2 many people out. And way more people are
3 going to fall through the cracks that way
4 than if we don't allow the landlords that
5 truly need the assistance to just apply for
6 it and get it.

7 We can do this. I ask you to raise
8 taxes on the ultra-wealthy and to stand up to
9 Governor Cuomo. We elected a supermajority
10 because we trust that this Legislature is
11 going to make the right chance.

12 Once again, thank you for your time.

13 CHAIRWOMAN WEINSTEIN: Thank you.

14 And now Judith Douglas.

15 MS. DOUGLAS: Hi, everyone, Senate and
16 Assembly members. My name is Judith Douglas.
17 I am from 249 East 37th Street, and I'm the
18 leader of my building's tenants association,
19 which was formed over a year ago. I'm here
20 today to talk about what is real recovery for
21 tenants and homeless New Yorkers like me.

22 We were already in a housing crisis
23 before the COVID, and now with this
24 opportunity to turn our back on millions,

1 letting them be evicted, we're asking you to
2 stand up and pass the Housing Justice for
3 All.

4 I mean, like so many tenants, I am
5 organizing with my neighbors to demand basic
6 rights as tenants for safe conditions. And
7 we also, for years, having been suffering
8 under a landlord who cares not much about his
9 tenants but about his money in his pocket.
10 So now we have to put a stop to that and say,
11 you know, enough is enough. We want to hold
12 them responsible.

13 As a leader in the Housing Justice for
14 All Coalition, I have been fighting, along
15 with my neighbors, for real support and
16 reform within the HCR. This budget season, I
17 mean more so than ever, we are urging you to
18 make additional funds to HCR specifically to
19 improve and make more accessible direct
20 services to New York renters seeking
21 enforcement of basic tenants rights.

22 I mean, the current budget allocated
23 for HCR or ORA will not be sufficient. I
24 mean, we need better monitoring of HCR

1 projects in buildings, we need support from
2 the state for the HCR. HCR personnel need to
3 review work the landlord is claiming that
4 they're doing and charging tenants without
5 even verifying the work was done, which is
6 unfair to tenants. We're suffering years of
7 paying this back rent. That makes no sense.

8 HCR needs to -- this money will help
9 for lower wait time for tenants applying for
10 tenant-initiated complaints, overcharge of
11 rents, rent reduction and lease complaints.
12 Some tenants don't have leases and some
13 tenants have been overcharged on their rent.

14 I mean, this money will help to make
15 necessary technology upgrades because HCR
16 needs to upgrade their technology to serve
17 New Yorkers, especially those who have a
18 second language -- for example, Spanish.

19 I mean, this is a crucial time when
20 New Yorkers are struggling to maintain safe
21 and adequate housing and the services that
22 DHCR provides, from dealing with rent issues,
23 to repairs, harassment and more, we need to
24 make accessible to the most vulnerable

1 members of our community. We have so many
2 aging members in our buildings, in our
3 communities, who really need their support
4 and their help.

5 We are standing up in our buildings
6 and across the state to protect one another,
7 but we cannot do it alone without your help.
8 You need to fully fund HCR to ensure
9 landlords are held accountable --

10 CHAIRWOMAN WEINSTEIN: Thank you.
11 Judith, I think I'm going to need cut you
12 off. We gave you a little bit of extra time.
13 But we do have the testimony you submitted,
14 and we have a couple of questions, so you may
15 have an opportunity.

16 We're going to go first to
17 Assemblyman Epstein and then to the Senate.

18 ASSEMBLYMAN EPSTEIN: Thank you,
19 Madam Chair. I really appreciate the time
20 here, and I really want to thank all the
21 witnesses who have spoken.

22 I just want to know, you know, how
23 hard -- it sounds like you've experienced
24 some concerns about the current rent relief

1 program that we had put into place.

2 How do you feel about the landlords
3 being the applicant instead of the tenant?
4 And for the tenants or advocates for tenants
5 here, you know, to have people who have
6 serious rent arrears, what are you hearing
7 out there that would be helpful as we move
8 forward on trying to create a program for
9 this \$1.3 billion now and essentially other
10 federal dollars coming together and state
11 dollars coming together?

12 MR. HOLLINGSWORTH: Thank you,
13 Assemblymember Epstein. I'll try to be quick
14 so maybe some of my fellow tenants can chime
15 in.

16 But yeah, I think we feel that the
17 landlords should be the ones that have to
18 prove hardship, not the tenants. So that's
19 something that we'd like to see.

20 And in terms of the rent relief
21 program from last year, CHTU has a pretty big
22 membership, and we had exactly zero tenants
23 able to receive assistance from that program.
24 Thank you.

1 MS. DENTINGER: One of the
2 observations that we have in Rochester is
3 that 80 to 90 percent of our landlords have
4 access to lawyers that would be able to
5 assist them in demonstrating that they are
6 financially in need of the assistance.

7 Where in Rochester it is very
8 challenging to get a lawyer traditionally, we
9 are fortunate enough to have a pilot program
10 for tenants facing eviction. But that's just
11 the tip of the iceberg for folks to be able
12 to apply for these programs. That's not
13 really a service that lawyers are currently
14 offering.

15 But many landlords would have access
16 to that and could easily demonstrate -- they
17 have people that do the books for them; they
18 could just hand them over and say: Look, I'm
19 not collecting enough rent to make my bills,
20 please assist me. That's just really not an
21 option for a lot of the tenants in our city.

22 ASSEMBLYMAN EPSTEIN: Great. And for
23 the tenants alone, if they could -- I have
24 about a minute left if they want to respond.

1 Judith?

2 MS. BARBER: I can respond to that.
3 My response is why would we give a landlord
4 money that he's not doing the repairs, he's
5 not doing the repairs in his building? Why
6 should we give him money that -- when he's
7 not doing the job he's supposed to do?

8 ASSEMBLYMAN EPSTEIN: Thank you.

9 MS. BARBER: Thank you.

10 CHAIRWOMAN WEINSTEIN: Thank you. We
11 go to the Senate now.

12 {Zoom interruption.}

13 CHAIRWOMAN KRUEGER: I'm so sorry.

14 Brian, do you have a question?

15 SENATOR KAVANAGH: I didn't want to
16 jump the gun. But thank you.

17 CHAIRWOMAN KRUEGER: No, no, no.

18 SENATOR KAVANAGH: Yeah, so it's late
19 in our day and we do have another hearing on
20 workforce issues and other important issues
21 that are coming up, so I'll be brief here.
22 But just -- I just wanted to -- you know, I
23 think it was Ms. Dentinger who said, you
24 know, we probably heard of all of you in the

1 very dramatic and terrible events that
2 happened in December, I think it was.

3 But just to be clear, like your
4 organization and, you know, Crown Heights
5 Tenant Union also have quite a big part in
6 the work we've done over the last couple of
7 years, and particularly in our work in
8 crafting the HSTPA and, you know, very -- you
9 know, Crown Heights Tenant Union was at our
10 hearing we held in Brooklyn with our
11 colleague Zellnor Myrie and others. And
12 certainly, you know, the Crown Heights Tenant
13 Union made a big impact in getting a lot
14 of --

15 {Zoom interruption.}

16 SENATOR KAVANAGH: -- what we were up
17 against when we were doing that. And
18 particularly I remember you testifying at our
19 Albany hearing.

20 We are -- and just to respond
21 generally, I mean we are committed, a lot of
22 us have said this from the beginning, to the
23 notion that nobody should lose their home as
24 a result of the COVID pandemic. That is why

1 we pushed for a moratorium from the very
2 beginning of this last March, and why we
3 finally had to -- you know, for a long time
4 we were pushing the courts and the Governor
5 and finally, you know, enacted our very broad
6 moratorium for anybody who's experiencing
7 hardship.

8 We are now in the process of trying to
9 figure out how to get this -- we have
10 \$1.3 billion that's already come into the
11 state, and expecting additional money.

12 But we do hear you. We understand the
13 really severe limitations of the prior
14 program, which was -- you know, is a tiny
15 fraction of what was needed. And obviously
16 we've seen some of the ways in which that
17 hasn't worked.

18 But I just wanted to take a moment in
19 appreciation for your testimony and for all
20 the work you do organizing and for the
21 struggles you have in your communities and
22 say that, you know, we're working -- we're
23 working on it and we're pushing for, you
24 know, the next round of this to do what's

1 necessary for folks.

2 MR. HOLLINGSWORTH: Thank you.

3 CHAIRWOMAN KRUEGER: Thank you.

4 I think the Senate's done.

5 CHAIRWOMAN WEINSTEIN: Actually,
6 Assemblyman Meeks has a question.

7 CHAIRWOMAN KRUEGER: Okay.

8 ASSEMBLYMAN MEEKS: All right, thank
9 you, Madam Chair.

10 I have a question. It's my
11 understanding that a number of folks were
12 basically declined rent relief. Just
13 wondering if you could speak to why, as far
14 as the constituents or those who you've
15 worked with in your different communities --
16 what were some of the reasons that
17 individuals were denied, that you know of?

18 MS. DOUGLAS: I did apply for the rent
19 relief from HCR, and one of the questions
20 that they asked, there was prescreening on
21 the questions, and one of the questions that
22 they asked, if you don't have a job
23 initially, they said you're not qualified.
24 So you could not go on further in terms of

1 the questionnaire.

2 The second time I applied they said I
3 wasn't qualified because I was making more
4 money on the unemployment than before the
5 unemployment. So that's another way you're
6 being disqualified.

7 And like a lot of other people who are
8 in the Housing Justice for All campaign, many
9 of them applied and they never heard one word
10 from the agency to say whether or not they
11 were qualified or disqualified.

12 But recently they had opened up the
13 books because the past president said I'm not
14 giving New York any more money because you
15 have money on your books and you're not using
16 it. So they were able to open it up again,
17 and I reapplied. So I'm still waiting. But
18 many people were not that lucky to get
19 anything.

20 MS. BARBER: So I have applied twice
21 to the rent relief due to me losing my job
22 last year when the pandemic started. And I
23 am a single mom, a single household income,
24 and I just reapplied when it reopened, and it

1 told me I was not eligible when I put in the
2 information of everything.

3 So this is my third time applying for
4 the rent relief, and I'm still getting
5 denied. I don't know why. There was no
6 response of why they denied me. I think I am
7 qualified for it, but still there was
8 nothing. And I have not received any kind of
9 money from the government, it's just -- it's
10 just -- there's nothing. It's just DHCR rent
11 relief did not work for us.

12 And I know many of my tenants at 1616
13 President Street applied and still did not
14 get it also. Thank you.

15 CHAIRWOMAN WEINSTEIN: Thank you.

16 So this is the end of this panel.
17 Thank you for being here.

18 And we go on to our last panel, which
19 is Housing Organizers for People Empowerment
20 in East Brooklyn (HOPE), Viola Bibins,
21 member. VOCAL-NY is not here. And then from
22 Make the Road NY we have Sonia Perez, who is
23 a member and has with her Translator Julian
24 Gomez.

1 So we are ready for Viola, if you
2 are -- we just had some of the people from
3 the last panel leave, and I think -- ah,
4 okay.

5 MS. BIBINS: Good afternoon. Can you
6 hear me?

7 CHAIRWOMAN WEINSTEIN: Yes, we can.

8 MS. BIBINS: Good afternoon. My name
9 is Viola Bibins. I live at 1074 Eastern
10 Parkway in Brooklyn, and for the last
11 40 years. I am 75 years old and a tenant
12 organizer with HOPE, Housing Opportunities
13 for People Empowerment.

14 When you think of COVID-19, you say --
15 you can't help but think of the Great
16 Depression, which I wasn't around. But
17 COVID-19 has done so much to the people, for
18 the Black and Latinx communities, it's
19 unbelievable. We need help. We need to
20 cancel the rent.

21 We would like a bill like that of
22 Senator Salazar and Assemblymember Niou.
23 While the state budget has federal rent
24 relief, there is nothing for tenants. This

1 problem mostly affects Black and Latino
2 communities.

3 Research shows that 1.2 million
4 households won't be able to pay their rent,
5 and they will also owe \$2.2 billion in rent.
6 If you are undocumented, that makes it worse,
7 because you cannot get a stimulus. You don't
8 receive anything from the government.

9 I watched the lines at the food
10 pantries stretch further and further. In my
11 building, I have tried to put up the numbers
12 where my neighbors who are struggling could
13 get help with the food or whatever is
14 necessary.

15 We need help. We often go to rallies
16 to help our neighbors because they're --
17 looking up in the ceilings, the landlord
18 doesn't fix anything, but yet we have to pay
19 rent. Why should we give him rent when he
20 doesn't do anything?

21 There are a lot of children who are
22 going to be displaced if they're homeless.
23 If they go to shelters, would they have the
24 tablets or computers to do their schoolwork?

1 We have to look at those things. There is a
2 lot of stuff.

3 If you could help us cancel the rent
4 and maybe do something for the small
5 landlords like put up a moratorium or
6 something, give -- talk to the banks or
7 something. But the bigger landlords, they
8 could fend -- like someone said, they could
9 get their lawyers. They have money. They
10 own two and three buildings. They could take
11 care of that.

12 Where I live, my landlord used to give
13 me so much trouble. He would send a super to
14 patch stuff up, and then it still is not
15 fixed. So --

16 CHAIRWOMAN WEINSTEIN: Thank -- thank
17 you. Thank you, Ms. Bibins. Thank you. We
18 have your written testimony. Thank you for
19 your advocacy in Brooklyn.

20 MS. BIBINS: Thank you for listening.

21 CHAIRWOMAN WEINSTEIN: Yes, thank you.

22 Now we're going to go to Sonia Perez,
23 and Julian Gomez is going to translate. So
24 maybe we could put five minutes on the clock,

1 because it's obviously going to take some
2 extra time to do some translation.

3 MS. PEREZ: (In Spanish.)

4 CHAIRWOMAN WEINSTEIN: Julian, can you
5 assist in --

6 TRANSLATOR GOMEZ: Yeah, it will take
7 me one minute.

8 So hello, my name is Sonia Perez. I
9 am a Make the Road NY member, and I live in
10 Brooklyn with my four kids. As thousands in
11 our state, I have been affected financially
12 by COVID-19. I am a street vendor and
13 therefore an excluded worker, since I cannot
14 apply for unemployment.

15 Due to the coronavirus epidemic,
16 my sales fell for the last few months and
17 then I couldn't sell anything due to
18 restrictions and because I'm high-risk due to
19 having diabetes.

20 The father of my children, who was
21 helping me sustain them financially, passed
22 away from COVID-19, and that has made things
23 worse.

24 I'm a single mother, and what worries

1 me the most is the rent payment. Although
2 we have an eviction moratorium now, I don't
3 know what I'll do when that ends. If there
4 is no financial support from the state
5 government for people like me, undocumented
6 immigrants, my family and I will end up
7 living on the street.

8 We need help to cancel our debts that
9 have been accumulating without being able to
10 work. I will not be able to pay all I owe at
11 this point, and I'm going on almost a year of
12 no income.

13 My landlord has sent me multiple rent
14 request letters, and I have been denied from
15 the Rent Relief Program. I know what is now
16 happening to me, there are thousands of
17 people in this situation because we do not
18 have a way to pay. We have lost everything,
19 and we don't know when we're going to get out
20 of COVID.

21 We're hardworking and responsible
22 people, but at this time we cannot do more.
23 It is not that we do not want to pay or that
24 we are taking advantage. We don't have a

1 single dollar. We're living off food aid
2 programs and organizations and charges.

3 Today we are desperate and we don't
4 know what to do. I ask for the support of
5 the elected officials. We need help to pay
6 our debts. We need enough money in this
7 budget not to end up on the streets.

8 I continue to live in fear every day,
9 and waiting for the first of May, where I
10 will go with my children. I don't know what
11 I'm going to do. Please help us. Make sure
12 we see this through without evictions. Thank
13 you.

14 CHAIRWOMAN WEINSTEIN: Thank you.
15 Gracias, Ms. Perez. Thank you, Julian, for
16 translating.

17 I want to thank all the members who
18 are here and the panelists who are sharing
19 their stories. This is going to conclude
20 the -- before we conclude, I know Senator
21 Kavanagh has a question, I believe.

22 CHAIRWOMAN KRUEGER: Brian, do you
23 have a question?

24 SENATOR KAVANAGH: Yeah, really just a

1 comment. But again, particularly to
2 Ms. Bibins' point about this being
3 particularly a hardship for people who have
4 been disqualified from a lot of programs
5 because of immigration status issues, that is
6 one area where we do expect a different
7 response from a new administration in
8 Washington.

9 There was a difference of opinion
10 about whether the original Emergency Rent
11 Relief money could have been used for that
12 purpose, but there was a great concern that
13 an administration in Washington that had the
14 ability to make regs would shut down any
15 effort to do that.

16 We are getting all signals that the
17 current federal money, the \$1.3 billion
18 that's been mentioned a few times today, is
19 available regardless of immigration status.
20 And a lot of us are committed to making sure
21 that that remains the case.

22 So -- and May 1st was the date that we
23 chose in the end of December as a period for
24 people to be protected and get on their feet

1 and hopefully get past the worst of the COVID
2 epidemic, but obviously we will need to
3 continue to revisit that date.

4 And again, as I said before, you know,
5 each of you work with great organizations
6 that advocate on your behalf, and we are
7 really committed to making sure that no one
8 loses their home as a result of the COVID-19
9 pandemic.

10 And so just thank you all for your
11 testimony and for your work.

12 CHAIRWOMAN KRUEGER: And I also want
13 to thank everyone on the last panel and all
14 the testifiers here today.

15 And Helene, I think you get to close
16 us out.

17 CHAIRWOMAN WEINSTEIN: Thank you.

18 So we, you know, again thank everybody
19 who has been here today, thank the members
20 for their participation.

21 This is going to close the Housing
22 hearing. People can still submit testimony
23 today, and everything that is submitted is
24 part of the official record.

1 I think, Senator Krueger, we should
2 take like a five-minute -- oh, wait, I have
3 Mr. Epstein waving.

4 CHAIRWOMAN KRUEGER: No, go away,
5 Mr. Epstein.

6 (Laughter.)

7 CHAIRWOMAN WEINSTEIN: You didn't
8 raise your hand, but you're waving your hand.
9 Oh, no, he's saying goodbye. He's just
10 saying goodbye, not a question.

11 As I said --

12 CHAIRWOMAN KRUEGER: Give us all about
13 five or six minutes, and then you can tune
14 back into the next budget hearing on
15 Workforce Issues.

16 CHAIRWOMAN WEINSTEIN: So we just need
17 time for members to leave and the Workforce
18 people to come. So the Ways and Means
19 members, you can stay in the Zoom and we'll
20 be moving on to Workforce. But everybody
21 stretch your legs for a few minutes.

22 SENATOR KAVANAGH: Thank you,
23 Madam Chairs, for your work. Appreciate it.

24 CHAIRWOMAN KRUEGER: Thank you,

1 everyone. Thank you.

2 (Whereupon, the budget hearing

3 concluded at 3:35 p.m.)

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