



New York State Assembly
2011 ANNUAL REPORT

committee on
HOUSING

Vito J. Lopez
Chairman



Sheldon Silver
Speaker

December 15, 2011

Honorable Sheldon Silver
Speaker of the Assembly
Legislative Office Building
Albany, New York 12248

Dear Mr. Speaker:

I am pleased to present the 2011 Annual Report for the Assembly Committee on Housing highlighting the accomplishments of the past legislative session.

During the 2011 legislative session, the Assembly advanced several packages of legislation and bills important to the preservation and creation of affordable housing. The most significant of these bills was the Rent Act of 2011. The Rent Act included significant provisions that extended and strengthened the rent-regulation laws. This Act enacted the first strengthening of tenant protections in the rent-regulation system in over two decades. This legislation will serve to provide affordable housing to working families throughout the State. The passage of this law helps to ensure that families, who provide the foundation for the growth of communities, will continue to have a home in the neighborhoods where they have lived for generations, and provide affordable housing to new residents seeking to make a better life in New York. Additionally, the Committee advanced legislation that provides additional protections for tenants living in loft apartments, that were brought into the system in the 2010 expansion of the Loft Laws. This law will ensure that apartments will continue to have essential services maintained while they are being brought into compliance with existing laws. Furthermore, the Committee acted to increase the bonding authority of state agencies that are responsible for financing the development and rehabilitation of housing units throughout the State. This increase in funds will allow these Agencies to continue to improve the housing stock of New York and provide families with new opportunities for home ownership.

The Committee held several public hearings in 2011. On January 20, 2011, the Housing Committee held a public hearing to determine what actions can be taken to preserve the existing supply of rent regulated housing, encourage the development of new units, and examine the extension of rent regulation laws. The Housing Committee also held a public hearing on February 18, 2011, to examine laws and rules pertaining to loft units that potentially would be covered under the expansion of the loft law. The Committee held two public hearings in March and July to examine and evaluate the operation and effectiveness of the Neighborhood and Rural Preservation Programs and to explore potential changes to the program to make it more efficient. Additionally, the Housing Committee conducted another public hearing on August 9, 2011, to discuss the creation and preservation of affordable housing for low- and middle-income families in Buffalo and the surrounding communities. The Committee held a hearing on November 7, 2011. It was a joint hearing with the Banks and Judiciary Committees. This hearing focused on foreclosures in New York. The Committee's most recent hearing was on December 13, 2011. It examined capital funding for housing programs and projects, and explored the effects this year's budget had on housing programs. It is also important to note that, during the extraordinary session on December 9, 2011, \$1 million in funding was added as an emergency stopgap to ensure the foreclosure prevention program had funds to continue its important work into next year.

I am pleased with the many successes of the Committee and look forward to continuing our efforts in what is sure to be an exciting session ahead. I wish to extend my sincerest thanks to the members of the Committee, my staff, the staff of the Housing Committee, and to you, Mr. Speaker, for your commitment and support.

Sincerely,

A handwritten signature in black ink, appearing to read "Vito J. Lopez". The signature is fluid and cursive, with a large initial "V" and "L".

Vito J. Lopez
Chairman

2011 ANNUAL REPORT
OF THE
ASSEMBLY STANDING COMMITTEE ON HOUSING
VITO J. LOPEZ, CHAIRMAN

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I. COMMITTEE JURISDICTION AND PURVIEW

The New York State Assembly Committee on Housing is composed of 28 members. The Committee is responsible for legislation concerning housing development and preservation. Its purview includes rent regulation, as well as legislation that amends the following volumes of the New York State Consolidated Laws:

- Multiple Dwelling Law, which encompasses health and safety standards for buildings with three or more families living independently of each other in New York City and Buffalo;
- Multiple Residence Law, which covers health and safety standards for buildings with three or more families living independently of each other in all localities other than New York City and Buffalo;
- Private Housing Finance Law, which governs the following state programs: Mitchell-Lama; Limited Dividend Companies; Redevelopment Companies; Housing Trust Fund; Affordable Home Ownership Development; Turnkey; Permanent Housing for Homeless Families; Infrastructure Development Demonstration; Mobile Home Cooperative Fund; Housing Development Fund; Neighborhood Preservation; Rural Preservation; Rural Area Revitalization; Rural Rental Assistance; Special Needs Housing; Urban Initiatives; Permanent Housing for Homeless Families; several New York City programs; and the administration of the State Housing Finance Agency and New York City Housing Development Corporation; and
- Public Housing Law, which covers the safety, management, and financing of local public housing authorities throughout the State.

In addition to bills regarding these laws, the Committee has jurisdiction over legislation amending the following sections of the Unconsolidated Laws: the Emergency Housing Rent Control Law; the Local Emergency Housing Rent Control Law; the New York City Rent Stabilization Law; the Emergency Tenant Protection Act of 1974; sections of the New York City Administrative Code and the City of Buffalo Administrative Code; sections of the General Business Law that relate to the conversion of real property from rental to cooperative (co-op) or condominium (condo) status; and housing-related sections of the Executive Law, Real Property Law, Real Property Actions and Proceedings Law, and the Public Authorities Law.

II. LEGISLATIVE HEARINGS

A. Rent Regulated Housing

On January 20, 2011, the Housing Committee held a public hearing to determine what actions can be taken to preserve the existing supply of rent regulated housing, encourage the development of new units, and examine the extension of rent regulation laws. The hearing focused on the loss of affordable housing provided by the rent-regulation system through deregulation and potential changes that could be made to the program in order to preserve remaining units. Additionally, the hearing raised issues of concern for many tenants that live in rent regulated housing. Testimony was presented by Homes and Community Renewal, the state agency tasked with overseeing and administering the rent-regulation laws, which provided analysis of the units that are in and that have left the program. Additionally, testimony was provided by tenant organizations as well as various tenants themselves regarding different facets of the rent-regulation program.

B. The Expansion of the Loft Law

On February 18, 2011, the Housing Committee held a public hearing to examine current and proposed laws and rules pertaining to loft units that would potentially be covered under the expansion of the loft law. In 2010, the Loft Law was significantly expanded to allow for the inclusion of many apartments that are currently being used as residential housing but are currently designated non-residential for zoning purposes. As a result many tenants and landlords living in or owning these units have applied for coverage under the Loft Law. At the hearing, testimony was given by members and staff of the Loft Board, the New York City department tasked with administering the Loft Law and developing rules and regulations for the inclusion of new units. Additionally, testimony was presented by tenants of loft apartments that are seeking coverage under the loft law expansion and by tenant organizations.

C. The Neighborhood and Rural Preservation Programs

On March 1, 2011, the Housing Committee held a public hearing to examine and evaluate the operation and effectiveness of the Neighborhood and Rural Preservation Programs. The Neighborhood and Rural Preservation Programs provide funding to not-for-profit organizations throughout the state to engage in activities to improve and expand New York's housing stock. The hearing focused on how these programs currently operate, the benefits they provide, and potential changes that could be made to the programs in order to achieve greater efficacy and efficiency. At the hearing many issues pertaining to the program such as funding, the executive's proposed amendments to the program, and other proposed amendments to the program were discussed. Testimony was presented by an organization that provides support to the not-for-profit companies as well as by the companies themselves.

D. Potential Amendments to the Neighborhood and Rural Preservation Programs

On July 12, 2011, the Committee held a hearing examining services provided by Neighborhood and Rural Preservation Programs, the distribution of such services throughout the state, and potential changes that could be made to the programs in order to achieve greater efficacy and efficiency. In particular this hearing explored the topic of merging and consolidating individual neighborhood and rural preservation companies in order to provide housing services in a more efficient and evenly distributed manner. Testimony was presented by the two organizations that provide administrative support services to the neighborhood and rural preservation companies. Many neighborhood and rural preservation companies also provided testimony on these subjects.

E. Affordable Housing in Buffalo and the Surrounding Communities

The Committee examined the creation and preservation of affordable housing for low- and middle-income families in Buffalo and the surrounding communities in a hearing on August 9, 2011. The hearing focused on the unique circumstances that exist in the region, how they affect the supply of affordable housing, and potential ideas to address these housing concerns. At the hearing, testimony was presented by the United States Department of Housing and Urban Development, New York State Homes and Community Renewal, members of the Buffalo Common Council, a state judge, community organizations that provide housing services, and concerned citizens.

F. Mortgage Foreclosures in New York

On November 7, 2011, the Assembly Standing Committees on Judiciary, Banking, and Housing held a public hearing to analyze the impact of the ongoing mortgage foreclosure crisis in New York State. The hearing examined the ongoing effects of the recent rise in mortgage foreclosures and the effect these foreclosures are having on communities and families throughout the State. At this hearing a wide range of individuals testified. An administrative law judge that oversees foreclosure proceedings testified regarding some of the challenges of the foreclosure process. Additionally, the New York State Bankers Association discussed foreclosures from a banking perspective. Individuals working to assist homeowners facing foreclosure also testified. Several homeowners that had gone through the foreclosure process themselves discussed their experiences.

G. Studying the Impact of Recent Changes in the Administration of the Senior Citizen Rent Increase Exemption Program in New York City

On November 22, 2011, Assembly Standing Committees on Housing and Aging held a joint public hearing to explore the impact of recent changes in the administration of the Senior Citizen Rent Increase Exemption (SCRIE) Program in New York City. In 2009, New York City transferred the administrative responsibility for the SCRIE program from the Department for the Aging to the Department of Finance in order to create

administrative efficiencies. The hearing focused on the problems seniors have had with the SCRIE application process, which was New York City's 311 call center. Most witnesses concluded that the Department of Finance needs to expand their outreach efforts beyond NYC 311 to reach more seniors entitled to SCRIE benefits. At the hearing, the New York City Department of Finance, members of the New York City Council, senior advocacy groups, and concerned senior citizens testified.

H. Housing Capital Programs, and the construction of affordable housing.

On December 13, 2011, the Housing Committee held a hearing to examine housing capital programs in New York State and to examine the effect the most recent budget has had on those programs. Capital programs provide the majority of funding for the creation and preservation of affordable housing in New York. There are a wide variety of capital programs in New York that are designed to address specific housing needs throughout the State. At the hearing, testimony was given by advocates and not-for-profit corporations that are heavily involved in the generation of affordable housing. Testimony included the discussion of New York's current housing needs, where more investment is needed, and suggestions regarding means to more effectively address New York's housing needs in a stark economic climate.

III. 2011 LEGISLATIVE HIGHLIGHTS

A. **State and City Housing Entities: Housing Finance Agency (HFA), New York City Housing Development Corporation (HDC), State of New York Mortgage Agency (SONYMA), Mortgage Insurance Fund (MIF), and Low Income Housing Trust Fund (LIHTF)**

1. **Private Placement of Bonds**

A.7641 (Bing); Chapter 575 of the Laws of 2011

This law provides authority for Housing Development Corporation and the Housing Finance Agency to issue unrated bonds for private placement to entities separately regulated under the Private Housing Finance Law.

2. **Extension and Expansion of Statutory Authority**

A.8249 (Lopez); Chapter 100 of the Laws of 2011

This law increases the aggregate bond cap for the Housing Finance Agency, by \$1 billion to a maximum of \$16.28 billion. It also extends provisions of law that allow HFA and HDC to finance certain multi-family housing until July 23, 2013. Furthermore, the provisions of this law extend the authorization for a property tax abatement for certain multiple dwellings financed by HFA located within New York City.

The law extends the authority of the State of New York Mortgage Agency to purchase forward commitment mortgages and to issue new money tax-exempt bonds and new money taxable bonds until July 23, 2013. It also increased the maximum amount of SONYMA's authority to issue new money tax-exempt bonds by \$1 billion to a maximum of \$10.22 billion. Furthermore, the law extended the sunset date of the Mortgage Insurance Fund's ability to provide primary mortgage insurance on a statewide basis to individual homeowners and to provide pool insurance to all of SONYMA's loans, and to provide credit support for the Jacob Javits Convention Center from July 16, 2011, until July 23, 2013.

3. **Loan Purchasing**

A.8242 (Lopez, V.); Chapter 185 of the Laws of 2011

This law allows HDC to acquire certain mortgage loans or a participation interest in such loans made by the City of New York. In addition, HDC is now allowed to issue certain loans or guaranties for certain units located in an area designated as blighted.

4. **Eligibility and Reporting Requirements**

A.8244 (Lopez, V.); Chapter 197 of the Laws of 2011

This law eliminates the sunset provisions in the Private Housing Finance Law that apply to expanded eligibility for the Low Income Housing Trust Fund program and to eliminate

a reporting requirement connected to those provisions that would sunset.

B. Rent Regulation

New York's rent-regulation laws provide protection to over 2.5 million tenants throughout the state. The basis for both rent control and rent stabilization is a housing emergency, defined as a vacancy rate below five percent, which still exists in some areas of the state. Due to the existence of this emergency, government intervention is critical to protect tenants from unreasonable rent increases and evictions.

1. The Rent Act of 2011

Part B of A.8518 (Lopez, V.); Chapter 97 of the Laws of 2011

This law, negotiated with the Senate and the executive, enacted many different provisions relating to the creation of affordable housing and included the following provisions:

- **Extender.** The extension of the rent regulation laws. The Rent Act of 2011 extended the provisions that establish the rent regulation system until June 15, 2015;
- **Individual Apartment Improvements.** The law allows a landlord who made substantial improvements to an individual apartment to only increase rent for the apartment for 1/60th of the cost of the improvement for buildings with more than thirty-five housing accommodations; the law prior to these amendments allowed an increase of 1/40th of the rent. The adjustment remains at 1/40th for buildings with thirty-five or fewer housing accommodations;
- **Raising Vacancy Deregulation Threshold.** The Act adjusted the rental threshold for vacancy deregulation from \$2,000 per month to \$2,500 per month;
- **Vacancy Increase.** The Act limits the number of allowable increases a landlord may take for vacancies to only one increase per calendar year;
- **High Income / High Rent Deregulation Thresholds.** The thresholds for deregulation due to high income combined with high rent increased the income threshold from \$175,000 to \$200,000 for the individuals living in the unit and the rent threshold from \$2,000 to \$2,500;
- **DHCR Enforcement.** This law requires the Division of Housing and Community Renewal (DHCR) to promulgate rules and regulations to implement and enforce all provisions of the rent regulation laws of 2011;
- **421-a Tax Exemption.** The law extends the tax exemption program established for New York City in Real Property Tax Law, §421-a, to June 15, 2015. It also extends the construction period time from three years to six years for projects which commenced between January 1, 2007, and June 13, 2009. As a result of the

financial crisis, many programs during this period were stalled because of lack of financing. This bill would provide an additional three years to complete construction; and

- 421-m Tax Exemption. This law created a program similar to the 421-a tax exemption program available to municipalities other than New York City. The new Real Property Tax Law, §421-m allows a locality to exempt certain new or substantially rehabilitated multiple dwellings from local taxation in municipalities outside of New York City.

2. The Omnibus Rent Regulation Bill A.2674-A (Lopez, V.); Passed Assembly

This bill would enact many tenant protections for those households living in rent regulated housing. The bill's provisions would:

- Limit a building owner's ability to recover a rent regulated apartment for personal use so that only one unit could be recovered;
- Reduce the amount by which rent can be increased after a vacancy from twenty percent to ten percent and limit the number of allowable increases to one per year;
- Permit the declaration of an emergency by localities for rental housing accommodations constructed after 1974 and located in buildings covered by a project based assistance contract pursuant to section 8 of the U.S. Housing Act of 1937;
- Remove provisions prohibiting New York City from strengthening rent regulation laws to provide more comprehensive coverage than state laws;
- Extend the rent regulation laws for an additional five years;
- Limit individual apartment improvement rent increases from 1/40th to 1/60th of the cost of the improvement made and require the Division of Housing and Community Renewal to review and approve applications for increases based on improvements made when a unit was vacant;
- Repeal vacancy decontrol of apartments renting at or above \$2,000 per month and recapture formerly rent-regulated apartments that rent for less than \$5,000 per month in New York City or \$3,500 per month outside New York City;
- Disallow the practice of increasing previously preferential rent upon lease renewal;
- Require a landlord to own a building for six years before they may apply for an alternative hardship exemption;

- Require that rent surcharges authorized for major capital improvements shall cease when the cost of the improvement has been recovered;
- Allow for developments constructed after 1974 to become rent stabilized if the development leaves the Mitchell-Lama program; and
- Adjust the high income deregulation thresholds to more accurately reflect inflation.

3. Emergency Extenders

- A.8463 (Lopez, V.); Chapter 78 of the laws of 2011
- A.8501 (Lopez, V.); Chapter 79 of the laws of 2011
- A.8508 (Lopez, V.); Chapter 80 of the laws of 2011
- A.8511 (Lopez, V.); Chapter 93 of the laws of 2011

These bills provided an emergency temporary extender for the provisions of the Rent Stabilization and Rent Control Laws.

4. Demolitions

- A.3596 (Glick); Passed Assembly

This bill would establish more stringent criteria that landlords must meet in order to demolish a rent stabilized building in New York City, including requiring the landlord to establish to the satisfaction of the Division of Housing and Community Renewal (DHCR) that the building is in substandard or seriously deteriorated condition and submitting proof to DHCR that the necessary plans and permits have been approved and issued by the Department of Buildings. In addition, landlords would have to provide tenants in buildings that are being demolished assistance in securing new apartments as well as limited financial assistance.

C. Loft Law

Originally passed in 1982, the Loft Law provides a mechanism for legalizing commercial lofts in New York City that had been converted in the early 1980's to residential or combined commercial and residential use. The law also provides these residential tenants with protections against arbitrary evictions and rent hikes. The law was scheduled to expire on May 31, 2010, and these tenants, long-term residents of the city, many of whom provide strong support for its prominence in artistic fields, were threatened by changing demographics and needed greater protections. This concern was addressed last year when the Legislature made the Loft Law permanent.

In addition to making the law permanent, the 2010 chapter expanded the scope of coverage. At the beginning of 2010, it was estimated that in Brooklyn alone, 10,000 people who lived in buildings zoned for commercial or manufacturing use were not protected by the existing

Loft Law. When the Assembly became aware of the large number of tenants threatened with eviction, it developed a package of bills to address the situation. By expanding the Loft Law, the Assembly increased the number of residents covered under the existing statute and provided important tenant protections for residents whose loft apartments were not covered because they had moved to residential use after the original 1982 enactment.

1. Technical Amendments

A.4937 (Lopez, V.); Chapter 139 of the Laws of 2011

This law made a technical change to the Multiple Dwelling Law by changing "forty-seventh street" in Long Island City to "forty-seventh avenue" to accurately reflect the intent of the amendments to the Loft Law in chapter 147 of the Laws of 2010.

2. Interruption of Essential Services

A.5375 (Lopez, V.); Chapter 159 of the Laws of 2011

This law made it unlawful for an owner to interrupt or discontinue essential services to a unit if the tenant has applied to and received a docket number from the loft board for coverage under the auspices of the recent expansion of the Loft Law contained in chapter 147 of the Laws of 2010.

3. Rental Adjustments

A.7467-A (Lopez, V.); Passed Assembly

This bill would adjust the initial rent for units covered by the Loft Law to eliminate the provisions that allow for escalations. Rent adjustments, allowed when various stages of compliance are met, would be amended to make the adjustments a rental surcharge that would end when the cost of complying with the law is recovered. In addition, duplicative rent adjustments to cover costs of compliance would be prohibited. Finally, this bill would require a calculation of the costs of compliance to be provided to the Loft Board and made available to tenants in the affected units.

D. Mitchell-Lama Housing

Since the 1950s, the Mitchell-Lama program has provided affordable housing to moderate-income New Yorkers. Around 250 Mitchell-Lama developments, housing approximately 120,000 families, exist throughout the State. The continued viability of this housing remains a critical part of New York State's effort to ensure the availability of affordable housing for each of its citizens.

To date, owners of thousands of apartments have ended rental or sales restrictions that cover their buildings by repaying loans issued under the Mitchell-Lama guidelines. In New York City, over 40,000 units have left the program and thousands have begun the process to withdraw from the program. These "buy-outs" can have a devastating impact on the

families living in these buildings as rents may double or triple when existing leases expire.

1. Income Levels for Admission

A.6262 (Silver); Passed Assembly

This bill would remove the requirement that families that make 125% of the average median income for their area or less must have two or more dependents to be eligible to live in a Mitchell-Lama development.

2. Maintenance of Essential Services

A.193 (Dinowitz); Advanced to Third Reading

This bill would establish a definition of “essential services” for individuals living in Mitchell-Lama housing. It would also require landlords to provide all essential services, as defined by the bill, and would require that the dwelling accommodations be maintained in proper condition and any hazardous conditions that might exist be corrected.

3. Supervision of Mitchell-Lama Projects

A.1222 (Bing); Advanced to Third Reading

This bill would require the Division of Housing and Community Renewal or the New York City Department of Housing Preservation and Development, which supervise Mitchell-Lama housing projects, to take the necessary steps to remedy any violation or potential violation of applicable laws and regulations by the owners of Mitchell-Lama housing.

4. Unique and Peculiar Rent Increases

A.1926 (Rosenthal); Advanced to Third Reading

This bill would ensure the continued affordability of apartments in Mitchell-Lama developments that buy out of the Mitchell-Lama program by making the last rent paid prior to dissolution the initial legal regulated rent and by prohibiting application of the “unique and peculiar” provision in these circumstances.

5. Income Thresholds

A.2490 Rules (Lopez, V.); Advanced to Third Reading

This bill would adjust the aggregate household income threshold of persons or families in the Mitchell-Lama program to eight times the rental amount, including the value or cost to them of heat, light, water, and cooking fuel. In the case of families that have three or more dependents, such ratio would be adjusted to nine to one.

6. Early Notification of Mitchell-Lama Buy-Outs

A.2592 (Lopez, V.); Advanced to Third Reading

This bill would require Mitchell-Lama housing companies that intend to dissolve to provide notice of such intention to all their leaseholders at least six months prior to the

anticipated date of dissolution. The bill specifies certain information that must be included in the required notice, and it also requires that the commissioner or supervising agency prepare and make available to all tenants of the project a report within three months of receipt of the notice. The report would include the following information relating to the tenants, which would be broken down according to household income in \$5000 intervals: the number of dwellings and tenants in each income range; the number of tenants in each income range who are senior citizens; the number of tenants in each income range receiving rental assistance; and the number of tenants in each income range who are disabled.

7. Continuation of Limited Profit Housing Companies in New York City
A.2595 (Lopez, V.); Advanced to Third Reading

This bill would alter several provisions that affect limited-profit housing companies and would provide incentives for these companies to remain in the Mitchell-Lama program. Additionally, the bill would grant additional protection to tenants. It would authorize Mitchell-Lama developments to pay dividends in excess of six percent with the approval of the Department of Housing Preservation and Development (HPD). The bill would also allow such developments to increase rents annually at a rate established by the New York City Rent Guidelines Board without a public hearing or approval from the supervising agency, when the owner and tenants association execute an agreement regarding their respective rights and obligations. Additionally, it would alter existing law so that post-1974 Mitchell-Lama rental developments that voluntarily dissolve would be covered by rent stabilization laws and would establish the initial rents if such a dissolution were to occur. Further, the bill would establish provisions to manage units that are occupied by individuals under the Section 8 voucher program.

E. Public Housing

The State of New York continues to play an important role in regulating and supporting the operation of public housing. Currently, over 18,000 units of public housing are operated by 30 public housing authorities. In New York City alone, public housing developments provide housing to over 30,000 people.

These developments, which play an important role in the state's efforts to provide affordable housing, desperately need additional assistance in order to make long overdue capital improvements. However, due to the inadequate levels of federal funding and funding provided through the state's Public Housing Modernization program over the last decade, many essential improvements and repairs continue to languish.

1. Expanding the Rights of Public Housing Tenants
A.570 (Wright); Passed Assembly

This bill would allow any organization composed of public housing tenants to use common areas owned by their housing authority to conduct meetings free of charge. It would require meetings to be announced at least three days in advance and be conducted during reasonable hours and in a peaceful manner.

2. Disabled Tenants

A.3420-A (Titus); Passed Assembly

This bill would give current tenants, upon a vacancy in their public housing development, the right to move to a unit on a lower floor if the vacant unit is the same size or smaller than the tenant's current unit, and they or any other legal occupant residing with them have a disabling condition that affects mobility.

F. Neighborhood and Rural Preservation Programs

The Neighborhood and Rural Preservation programs (NPP and RPP) provide grants to cover the costs of not-for-profit community groups engaged in a variety of housing activities ranging from housing development and rehabilitation to homebuyer counseling and tenant assistance. These not-for-profits are known as neighborhood and rural preservation companies (NPCs and RPCs). Since 1990, NPCs and RPCs have played an instrumental role in the creation of over 32,000 units of affordable housing. According to the New York State Division of Housing and Community Renewal (DHCR), for every dollar invested in NPCs and RPCs, \$40 and \$43 are leveraged respectively from private and other public sources for affordable housing. Earlier this year, a provision that removed the aggregate funding cap for NPCs and RPCs participating in these programs was incorporated into one of the budget bills. This will allow successful NPCs and RPCs to remain in the program and receive operational support from the state.

1. Affordable Home Ownership Development

A.7833 (Lopez, V.); Passed Assembly

This bill would permit qualifying not-for-profit housing organizations involved in affordable home ownership development programs to apply up to ten percent of the program or project cost they are awarded to the organization's operating expenses, including expenses related to the administration of the contract.

2. Facilitating Rural Area Revitalization

A.8081 (Russell); Passed Assembly

This bill would permit qualifying not-for-profit housing organizations involved in certain rural area revitalization projects to apply up to ten percent of the program or project cost they are awarded to the organization's operating expenses, including expenses related to their operating support and the administration of the contract.

G. Other

1. Prohibiting Discrimination

A.1121-B (Bing); Passed Assembly

This bill would prevent any person, firm, or corporation owning or in charge of any dwelling from refusing to rent any part of that dwelling to any person or family based on the person or family's lawful source of income.

2. Increasing the Minimum Heating Requirement

A.2531 (Lopez, V.); Passed Assembly

This bill would provide that certain multiple dwellings must be heated to a minimum temperature of 62 degrees Fahrenheit from October 1 to May 31 between 10 p.m. and 6 a.m. The current minimum temperature requirement is 55 degrees Fahrenheit.

3. Prohibiting Retaliation Against Family Day Cares

A.8243 (Castro); Passed Assembly

This bill would prohibit landlords from engaging in retaliatory behavior against tenants who operate a qualified group family day care home or family day care home in their home.

IV. BUDGET HIGHLIGHTS

A. DHCR CAPITAL PROJECTS APPROPRIATED AMOUNT

Low Income Housing Trust Fund \$32.2 million

The Low Income Housing Trust Fund provides funding to not-for-profits, localities, and private developers for the construction or rehabilitation of affordable rental housing for low-income households.

Affordable Housing Corporation \$25 million

This program provides grants and loans of up to \$35,000 per unit (plus an additional \$5,000 in high-cost areas) for rehabilitation and new construction of one- to four-family dwellings for low- to moderate-income New Yorkers.

Homes for Working Families Program \$7 million

The Homes for Working Families program helps finance the construction and rehabilitation of rental housing projects for low-income families and senior citizens. This program will receive the \$7 million for the upcoming year.

Public Housing Modernization Program \$6.4 million

This program provides funding to modernize state-aided public housing projects and to address structural problems that threaten the safety of tenants.

Main Street Program \$2.2 million

The Main Street Program helps revitalize and improve village centers and historic downtowns by supplying grants for building renovations, facade and streetscape improvements, and capital funding for projects that will anchor downtown districts. The appearance and functionality of main street buildings often determine the success of community revitalization efforts, and this program creates incentives for strategic investment of public and private resources. This program was unfunded in the Governor's proposal but will receive \$2.2 million in the budget passed by the legislature.

Access to Homes \$1 million

The Access to Homes program enables individuals with disabilities to live safely and comfortably in their homes by providing funds to help outfit homes with accessibility features such as wheel chair ramps and lifts, handrails, easy-to-reach kitchen work and storage areas, level handles on doors, and roll in showers with grab bars, among others. This program was unfunded in the Governor's proposed budget but will receive \$1 million pursuant to the budget passed by the legislature.

HOPE/RESTORE**\$400,000**

The HOPE/RESTORE program provides funds to help elderly residents make emergency repairs needed to eliminate hazardous conditions when the homeowner cannot afford to make repairs in a timely fashion.

B. Aid to Localities**Neighborhood Preservation Program****\$8.479 million**

The Neighborhood Preservation Program fosters community preservation and renewal throughout New York State by providing funds to groups that perform community preservation and renewal activities. Such activities include providing services related to home ownership financial counseling, tenant and client assistance services, and housing management for the benefit of people with low- to moderate-incomes. Funds may be used for administration and planning expenses necessary to conduct those activities.

Rural Preservation Program**\$3.539 million**

The Rural Preservation Program fosters community preservation and renewal in the rural areas of New York State by providing funds to groups that perform community preservation and renewal activities. Such activities include providing services related to home ownership counseling, tenant and client assistance services, and housing management for the benefit of people with low- to moderate-incomes, and funds may be used for administration and planning expenses necessary to conduct those activities.

Rural Rental Assistance**\$14.802 million**

The Rural Rental Assistance Program helps low-income families and the elderly afford their rent payments by providing direct rent subsidies to owners of multi-family housing projects in rural areas of New York State. Eligible owners include public housing authorities, non-profit corporations, and companies associated with the Housing Development Fund, the Mitchell-Lama Program, and the Rural Preservation Program. This program will receive \$14.8 million in funding for the coming year.

Foreclosure Prevention Program**\$1 million**

This program provides assistance to homeowners who have subprime or unconventional mortgages and who are facing default or foreclosure. The funds go to not-for-profit agencies and legal assistance providers who provide homeowners with mediation services, legal representation, and counseling regarding mortgage default and credit issues. Earlier this year, during the budget process, the Legislature approved \$1.5 million in funds to support this program. However, the executive exercised his line-item veto and removed all funding for the program. This could have led to the end of programs that provide foreclosure remediation services. However, the measure passed by the

Legislature during this year's extraordinary session on December 9, 2011, provided \$1 million in funding as a stopgap measure to ensure groups had enough funding, to continue their important foreclosure prevention work, until the completion of the SFY 2012-13 budget.

C. Federal Stimulus Funds

Low-Income Weatherization Program

\$44.372 million

This program provides grants to improve the energy efficiency of low-income households. The program was expanded to allow additional funds to be used for training and technical assistance. Additionally, income thresholds and awards were increased so a larger portion of the population will be able to qualify.

V. OUTLOOK FOR 2012

The challenge of providing safe and affordable housing in New York State is continually increasing due to continued budget shortfalls during our difficult economic climate. The Committee seeks to achieve this goal by developing policies that leverage private resources, encourage individual home ownership, lead to the creation of new housing opportunities, and lower the cost of affordable housing development. The Assembly's commitment to housing remains strong, and the Committee is eager to work with the Executive and Senate to realize this commitment and develop new policies to ease the statewide housing crisis.

One of the priorities for the Housing Committee in the upcoming session will be to obtain housing capital funding dedicated to the construction of affordable housing and to ensure that both the Housing Finance Agency (HFA) and the State of New York Mortgage Agency (SONYMA) have sufficient funds available to them so that they may continue to finance affordable housing throughout New York State. In addition to these goals, the Committee will also work to obtain funding needed to address the needs created by the ongoing mortgage foreclosure crisis.

Another priority for the Committee is to improve the laws governing rent regulation, so that tenants are protected and so that working families do not lose their homes. Especially during our current economic trouble, people with low and middle incomes cannot afford repeated rent increases that would eventually force them out of their affordable housing. Tenant protections need to be expanded. The Committee will continue to advance legislation that would repeal vacancy decontrol, require proper repairs to apartments and buildings to improve living conditions for tenants, and make other much needed improvements to housing governed by the rent regulation laws.

Finally, the Committee will continue to fight to ensure that the state budget provides adequate funding to assist in the development of affordable housing, the rehabilitation of existing units, and the expansion of housing opportunities for the homeless, the elderly, and those with special needs.

I look forward to my nineteenth year as chairman with enthusiasm and will make every effort to uphold the Assembly's commitment to high quality affordable housing for all of New York State's citizens.

APPENDIX A
2011 Summary Sheet
Summary of Action on All Bills Referred to the Committee on Housing

<u>FINAL ACTION</u>	<u>ASSEMBLY</u> <u>BILLS</u>	<u>SENATE</u> <u>BILLS</u>	<u>TOTAL</u> <u>BILLS</u>
BILLS REPORTED WITH OR WITHOUT AMENDMENT			
TO FLOOR; NOT RETURNING TO COMMITTEE	9	0	9
TO WAYS AND MEANS	13	0	13
TO CODES	11	0	11
TO RULES	7	0	7
TO JUDICIARY	0	0	0
TOTAL	40	0	40
BILLS HAVING COMMITTEE REFERENCE CHANGED			
TO REAL PROPERTY TAX COMMITTEE	1	0	1
TO WAYS AND MEANS COMMITTEE	1	0	1
TO CODES COMMITTEE	1	0	1
TO HOUSING COMMITTEE	2	0	2
TOTAL	5	0	5
SENATE BILLS SUBSTITUTED OR RECALLED			
SUBSTITUTED	0	3	3
RECALLED	0	1	1
TOTAL	0	4	4
BILLS DEFEATED IN COMMITTEE	0	0	0
BILLS NEVER REPORTED, HELD IN COMMITTEE	159	6	165
BILLS NEVER REPORTED, DIED IN COMMITTEE	0	0	0
BILLS HAVING ENACTING CLAUSES STRICKEN	5	0	5
MOTIONS TO DISCHARGE LOST	0	0	0
TOTAL BILLS IN COMMITTEE	211	10	221
TOTAL NUMBER OF COMMITTEE MEETINGS HELD	13		

APPENDIX B
Bills That Passed the Assembly

BILL #	SPONSOR	SUBJECT
A.570-A	Wright	Would allow public housing tenants to conduct reasonable meetings free of charge in common areas of their buildings.
A.1121-B	Bing	Would make discrimination based on a tenant's "source of income" illegal under the New York State Human Rights Law.
A.2531	Lopez, V.	Would provide that multiple dwellings of two stories or more must be heated to a minimum temperature of 62 degrees Fahrenheit from October 1 to May 31 between 10 pm and 6 am.
A.2674-A	Lopez, V.	Would make a wide variety of changes to the rent regulation laws.
A.3420-A	Titus	Would direct the New York City Housing Authority to offer vacant units on a lower floor to residents in the development that have a mobility impairment.
A.3596	Glick	Would define "demolition" for purposes of deregulation under the Rent Stabilization Law as the complete razing of the entire building, including exterior walls. Would also require owners seeking deregulation to demonstrate good faith in a hearing before the Division of Housing and Community Renewal.
A.6262	Silver	Would remove the requirement that families that make 125% of the average median income for their area or less must have two or more dependents to be eligible to live in a Mitchell-Lama development.
A.7467-A	Lopez, V.	Would adjust the initial rent for units covered by the Loft Law to eliminate the provisions that allow for escalations. Would change rent adjustments to make the adjustments a surcharge that end when the cost of complying with the law is recovered. Would eliminate duplicative rent adjustments. Would require a calculation of the costs to be provided to the Loft Board and made available to tenants.
A.7833	Lopez, V.	Would permit qualifying not-for-profit housing organizations involved in affordable home ownership development programs to apply up to ten percent of the program or project cost they are awarded toward the organization's operating expenses, including expenses related to and the administration of the contract.

BILL #	SPONSOR	SUBJECT
A.8081	Russell	Would permit qualifying not-for-profit housing organizations involved in certain rural area revitalization projects to use up to ten percent of the program or project cost they are awarded for the organization's operating expenses, including expenses related to the administration of the contract.
A.8243	Castro	Would prohibit landlords from engaging in retaliatory behavior against tenants who operate a qualified group family day care home or family day care home in their home.
A.8246	Jeffries	Would extend the sunset date of the Mortgage Insurance Fund's ability to provide primary mortgage insurance on a statewide basis to individual homeowners and to provide pool insurance to all of State of New York Mortgage Agency's loans, and to provide credit support for the Jacob Javits Convention Center from July 16, 2011, until July 23, 2013.
A.8446	Lopez, V.	Would extend the effectiveness of the Rent Regulation Laws until June 17, 2011.

APPENDIX C
Bills Signed into Law by the Governor

CHAPTER	BILL and SPONSOR	SUBJECT
139	A.4937 Lopez, V.	Makes a technical change to the Multiple Dwelling Law by changing "forty-seventh street" in Long Island City to "forty-seventh avenue."
575	A.7641 Bing	Provides authority for Housing Development Corporation and the Housing Finance Agency to issue unrated bonds for private placement to entities separately regulated under the Private Housing Finance Law.
159	A.5375 Lopez, V.	Makes it unlawful for an owner to interrupt or discontinue essential services to a unit if the tenant has applied to and received a docket number from the loft board for coverage under the auspices of the recent expansion of the Loft Law.
185	A.8242 Lopez, V.	Allows the New York City Housing Development Corporation to acquire or to acquire a participation interest in certain mortgage loans made by the City of New York. Allows the Housing Development Corporation to issue certain loans or guaranties for certain units located in an area designated as blighted.
197	A.8244 Lopez, V.	Eliminates the sunset provisions in the Private Housing Finance Law that apply to expanded eligibility for the Low Income Housing Trust Fund program and a reporting requirement.
135	A.8249 Lopez, V.	Increases the aggregate bond cap for the Housing Finance Agency (HFA) and the State of New York Mortgage Agency (SONYMA). Extends a law that allows HFA and the New York City Housing Development Corporation to finance certain multi-family housing. Extends the Mortgage Insurance Fund's ability to provide primary mortgage insurance on a statewide basis to individual homeowners and to provide pool insurance to all of SONYMA's loans. Extends the authority of the SONYMA to purchase forward commitment mortgages and to issue new bonds.
78	A.8463 Lopez, V.	Extends the effectiveness of the Rent Regulation Laws until June 20, 2011.

CHAPTER	BILL and SPONSOR	SUBJECT
79	A.8501 Lopez, V.	Extends the effectiveness of the Rent Regulation Laws until June 21, 2011.
80	A.8508 Lopez, V.	Extends the effectiveness of the Rent Regulation Laws until June 22, 2011.
93	A.8511 Lopez, V.	Extends the effectiveness of the Rent Regulation Laws until June 23, 2011.