



**New York State Assembly**

Carl E. Heastie, Speaker

# ANNUAL REPORT 2015

A dark blue silhouette of a city skyline, including various skyscrapers and buildings, positioned behind the large white text of the title.

Committee on

**Housing**

Keith L.T. Wright, Chair



KEITH L.T. WRIGHT  
Assemblyman 70<sup>TH</sup> District  
New York County

THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

CHAIR  
Committee on Housing

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Asian Legislative Caucus  
Puerto Rican/Hispanic Task Force

Honorable Carl E. Heastie  
Speaker of the Assembly  
State Capitol, Room 349  
Albany, New York 12248

Dear Mr. Speaker:

I am pleased to present the 2015 Annual Report for the Assembly Standing Committee on Housing. As Chair of the Committee on Housing, I have been committed to advancing legislation that will help provide safe, affordable, and accessible housing to millions of New Yorkers. This year, the Committee continued addressing important issues that directly affect low- and middle-income families across New York State, including public housing, the Mitchell-Lama housing program, and rent regulation protections.

At the end of the legislative session, the Legislature passed an important piece of legislation which extended rent regulation laws for four years and strengthened those laws to expand tenant protections for more than two million tenants in and around New York City. The legislation made significant enhancements such as: limiting the vacancy bonus provided to landlords on units with tenants who receive preferential rents; extending the amortization period for major capital improvements; increasing the vacancy decontrol threshold and indexing it to the applicable rent guidelines board's recommendation; increasing the high-rent deregulation threshold and indexing it to the applicable rent guidelines board's recommendation; and increasing civil penalties for tenant harassment.

Another significant action of the Committee was reopening the application window for buildings to be covered under the "Loft Law" for two more years, and launching a new phase of the "421-a" real property tax exemption program for new housing developments in New York City.

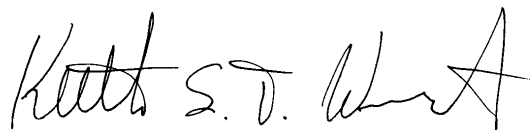
As Chair, ensuring the integrity and sustainability of public housing is one of my top priorities, and the Committee on Housing plays an important role in regulating and supporting public housing's sustainability and operation. The New York City Housing Authority (NYCHA) is the largest housing authority in the country; however, in recent years, it has fallen behind in its ability to address and remedy tenant complaints. In this year's State budget, the Committee helped secure \$100 million in much-needed capital funding. The Committee also remains focused on NYCHA's infill proposal, as well as its

dedication to preserving, supporting, and creating affordable housing for the residents of New York City. In addition, the Assembly passed several bills this legislative session which provide public housing residents with additional information regarding leases, notices, and vacancies.

Since its creation in 1955, the Mitchell-Lama housing program has provided affordable rental and cooperative housing to moderate- and low-income New York families. One of the main concerns regarding Mitchell-Lama developments is the voluntary dissolution of the housing companies that operate them. After a period of 20 years and full payment of any outstanding mortgage debt on the property, owners of Mitchell-Lama developments may voluntarily dissolve their company, in a process known as “buying out”, and leave the program. This year, the Assembly passed several bills that would require the collection of information regarding such buy-outs as well as provide notice of such intention to rental tenants. The Assembly also passed a bill that I sponsored, which would raise the family income limits for Mitchell-Lama housing eligibility. This would help close the gap in the availability of housing for moderate-income New Yorkers and ensure that middle-class individuals and families can continue to live in the communities that they help to build.

Mr. Speaker, I look forward to our continuing efforts to preserve and develop new housing policies. I wish to extend my sincerest thanks to the members of the Committee on Housing, my staff, the staff of the Committee, and to you, Mr. Speaker, for your commitment and support.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith L.T. Wright". The signature is fluid and cursive, with the first name "Keith" being the most prominent part.

Keith L.T. Wright  
*Chair, Committee on Housing*

**2015 ANNUAL REPORT  
OF THE  
ASSEMBLY STANDING COMMITTEE ON HOUSING**

**KEITH L.T. WRIGHT, CHAIR**

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Linda B. Rosenthal  
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Walter T. Mosley  
Ron Kim  
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Felicia A. Reid, *Associate Counsel*  
Anthony Kergaravat, *Legislative Analyst*  
Aubree Heydrick, *Committee Assistant*  
Jeanine R. Johnson, *Chief of Staff*  
Francisco Polanco, *Committee Clerk*  
Cindy Ceniviva, *Program and Counsel Secretary*

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## I. COMMITTEE JURISDICTION AND PURVIEW

The New York State Assembly Standing Committee on Housing is responsible for legislation on housing development and preservation. Its purview includes rent regulation, as well as legislation amending the following areas of the New York State Law:

- *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 any other city, town, or village that has chosen to adopt the law;
- *Multiple Residence Law*, which covers health and safety standards for buildings with three or more families living independently of each other in all cities, towns, and villages outside of New York City;
- *Private Housing Finance Law*, which governs the following entities and 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; several New York City programs; and the administration of the New York 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 these laws, the Committee has jurisdiction over legislation amending housing-related sections of the Executive Law, Real Property Law, Real Property Actions and Proceedings Law, and Public Authorities Law – and the following unconsolidated areas of New York Law: 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; and sections of the General Business Law that relate to the conversion of real property from rental to cooperative or condominium status.

## **II. 2015 LEGISLATIVE HIGHLIGHTS**

### **A. Rent Regulation**

Rent regulation in New York State protects tenants residing in apartments that are subject to rent control or rent stabilization. Currently, rent regulation laws apply in New York City, as well as Nassau, Rockland, and Westchester counties. The majority of rent-regulated tenants reside in New York City. Initial findings from the 2014 New York City Housing and Vacancy Survey (HVS) conducted by the U.S. Census Bureau estimates that there are approximately 1.057 million rent-regulated units within New York City, representing around 48.2% of the City's total rental housing stock.

For rent regulation laws to apply, a municipality must declare a rental housing emergency – defined as a housing stock vacancy rate of 5% or lower. According to the 2014 HVS, the vacancy rate in New York City and some surrounding counties remains under 5%, with the two most recent reports showing a vacancy rate of 3.12% in 2011, and 3.45% in 2014. Due to the existence of this emergency, intervention is critical to protect tenants from unreasonable rent increases and evictions.

#### **1. Submetering Rent Reduction Schedules**

A.658 (Hevesi); Passed Assembly

This bill would require, when a rent-regulated building converts from master metering for electricity to submetering, that all tenants must then pay their own utility costs. The State Division of Housing and Community Renewal would be required to formulate and publish a rent-reduction schedule within six months of the issuance of a housing schedule by the U.S. Census Bureau in order to facilitate fair rent reductions for regulated apartments that factored electricity into the base rent prior to the conversion to submetering.

#### **2. Assembly One-House Rent Regulation Bill**

A.7526 (Wright); Passed Assembly

This bill would extend rent regulation provisions and General Business Law provisions pertaining to cooperative and condominium conversion, for an additional four years, from June 15, 2015 to June 15, 2019.

The bill would provide the following changes in relation to rental increases:

- Owners would be prohibited from adjusting the preferential rent upon lease renewal and vacancy, if such vacancy was caused by the owner's violation of the warranty of habitability;
- The "vacancy bonus" would be reduced, from 20% to 7.5%;

- Rent increases available for rent-controlled units would be capped at a rate equal to the average of the last five years of the local Rent Guidelines Board adjustments for one-year rent-stabilized renewal leases; and
- The current ownership period for an owner to be eligible to apply for an alternative hardship exemption would be increased, from three years to six years.

The bill would provide the following changes in relation to securing rent regulation status:

- Vacancy decontrol would be repealed and formerly rent-regulated units that were deregulated pursuant to vacancy decontrol prior to December 31, 2014 would be re-regulated;
- The high-income (luxury) deregulation threshold would be increased from \$200,000 to \$225,000, and the high-rent deregulation threshold would be increased from \$2,500 to \$3,500;
- Former federal Section 8 projects, which have contracts that are no longer in effect, would become subject to rent regulation;
- Buildings that were formerly owned by a Mitchell-Lama limited-profit housing company, where the company has voluntarily dissolved, would become subject to rent regulation; and
- A landlord would be permitted to recover only one housing accommodation as a primary residence, either for his or her own personal use and occupancy, or for the use and occupancy of the landlord's immediate family. Such a recovery would be prohibited if a tenant has occupied an apartment for 15 or more years.

The bill would provide the following changes in relation to tenant harassment:

- The crime of second-degree harassment of a rent-regulated tenant would be established;
- Civil penalties for harassment of a tenant to obtain vacancy of his or her housing accommodation, as well as for a violation of an order of the State Division of Housing and Community Renewal (DHCR), would be increased;
- The filing of a certificate of merit in any eviction proceeding, or in any action to deregulate a unit, would be required;



- When considering cases of fraud and/or outstanding orders issued by DHCR, a court or hearing officer would be permitted to consider evidence based on circumstances that occurred more than four years prior to the filing of an overcharge complaint. A court or DHCR would also be allowed to consider, in determining the legal regulated rent, any year where a landlord did not timely file an annual rent registration statement as required by law; and
- A written receipt upon the payment of rent for residential purposes in the form of cash, or for any negotiable instrument other than a lessee's personal check, would be required.

The bill would provide the following changes in relation to major capital improvements (MCIs) and individual apartment improvements (IAIs):

- Rental increases associated with MCIs would be surcharges to the legal regulated rent and would be separately designated and billed as such. The authorized surcharge for MCIs would cease after the cost of the improvement is recovered;
- The cost of an MCI would be reduced by any grant provided therefor by the New York State Energy Research and Development Authority;
- MCI rent adjustments would be offset by 100% of the total annual tax abatement benefits, and by any tax abatement benefits that were received prior to such adjustments, provided that such abatement benefits were the result of participation in the J-51 program;
- The rent increase amount that a landlord could collect for a building would be reduced from 1/40th to 1/84th of the cost of the IAI. Rental increases associated with IAIs would be surcharges to the legal regulated rent, and the authorized surcharge for any IAI would cease after the cost of the improvement(s) is recovered; and
- DHCR would be required, within 120 days of the bill's enactment, to issue a schedule of reasonable costs (based on regional costs) for upgrades and improvements that may be claimed as a basis for an adjustment of rent.

The bill would provide the following changes in relation to lofts:

- The six-month time limit under which applications for registration as an interim multiple dwelling or for coverage of residential units must occur would be removed; and
- Provisions of Chapter 4 of the Laws of 2013 pertaining to lofts would be made permanent.

### **3. Two-Day Rent Regulation Extender**

A.8230 (Wright); Passed Assembly

This bill would have extended, through June 17, 2015, the various provisions of laws relating to rent regulation to allow for these important protections to continue during negotiations.

### **4. Temporary Rent Regulation Extender**

A.8299 (Wright); Chapter 19 of the Laws of 2015

This legislation extended, through June 23, 2015, various rent regulation and General Business Law provisions pertaining to cooperative and condominium conversion which allowed for additional time for negotiations.

### **5. The Rent Act of 2015**

A.8323 (Heastie); Chapter 20 of the Laws of 2015

Rent regulation and General Business Law provisions pertaining to cooperative and condominium conversion were extended by Part A of this legislation for an additional four years, from June 15, 2015 to June 15, 2019.

#### **Rent-Controlled and Rent-Stabilized Housing**

The Rent Act of 2015 established the following changes in relation to preferential rent:

- Vacancy increases, when the immediately prior lease offered a preferential rent, will be based on the amount of time that has passed since the last vacancy lease occurred. The percentage of increase will be tied to the legal regulated rent. If the prior vacancy was:
  - Less than 2 years ago, the increase will be capped at 5%;
  - Less than 3 years ago, the increase will be capped at 10%;
  - Less than 4 years ago, the increase will be capped at 15%; or
  - 4 or more years ago, the increase will be capped at 20%.

The Rent Act of 2015 provided the following changes in relation to major capital improvements (MCIs):

- MCI rental increases will be amortized over an 8-year period (96 months) for buildings with 35 or fewer units, and buildings with more than 35 units will be amortized over a 9-year period (108 months); and
- Assessments attributable to an MCI increase will be reduced for a one- or two-year period, depending on the number of units in the building, to offset the increased value of the MCI.

The Rent Act of 2015 increased the high-rent deregulation threshold from \$2,500 to \$2,700, with annual increases indexed to the most local recent Rent Guidelines Board increase.

The Rent Act of 2015 provided the following changes in relation to tenant harassment:

- Civil penalties for tenant harassment were increased, so that a violation of an order by the State Division of Housing and Community Renewal will result in a civil penalty of:
  - between \$1,000 and \$2,000, for a first offense; and
  - between \$2,000 and \$3,000 for any subsequent offense.
- Harassment of a tenant to obtain vacancy of his or her housing accommodation would result in a civil penalty of:
  - between \$2,000 and \$3,000, for the first offense; and
  - between \$10,000 and \$11,000 for any subsequent offense, or for a violation directed at the tenants of more than one housing accommodation.

## **Lofts**

The Rent Act of 2015 provided the following changes in relation to lofts:

- The window during which applications for registration as an interim multiple dwelling, or for when coverage of residential units must occur, was extended for two years, until June 15, 2017;
- Provisions of Chapter 4 of the Laws of 2013 that pertain to lofts were extended for four years. This includes:
  - the reduction of minimum unit size required to be covered;
  - the coverage prohibition on units in a building with hazardous activities that exist on the date of submission for coverage;
  - the reduction in the percent of rent increase allowed for coming into various stages of compliance with fire and safety standards; and
  - allowing the New York City Loft Board to make case-by-case determinations on incompatible uses in a building.

## **421-a Reform**

This Rent Act of 2015 also made significant changes to the exemption program under section 421-a of the Real Property Tax Law – it enhances tenant protections, and fosters the creation of more affordable housing in the City of New York.

To qualify for the new phase of the 421-a program, construction must commence on or after January 1, 2016. The legislation grandfathers any current projects into the program, provided that an application for a 421-a tax exemption has been completed on or before December 31, 2015.

The tax exemption under the amended 421-a program will be available for new multiple dwellings that commence construction on or before December 31, 2015, provided, however, that such multiple dwelling receives its first temporary or permanent certificate of occupancy covering all residential areas on or before December 31, 2019. Only projects with six or more dwelling units will qualify. Condominium and cooperative units can qualify, with primary residence requirements and certain other conditions; condominium and cooperative units cannot qualify in Manhattan

The Rent Act of 2015 offers four different affordability requirements, from which developers may choose, to qualify for the amended 421-a program. Under:

*Option A*

- at least 10% of the dwelling units must be affordable to a household whose income is at or below 40% of the area median income (AMI);
- at least 10% of the dwelling units must be affordable to a household whose income is at or below 60% of the AMI; and
- at least 5% of the dwelling units must be affordable to a household whose income is at or below 130% of the AMI.

This option allows for subsidies, limited to tax exempt bonds and 4% tax credits.

*Option B*

- at least 10% of the dwelling units must be affordable to a household whose income is at or below 70% of the AMI; and
- at least 20% of the dwelling units must be affordable to a household whose income is at or below 130% of the AMI.

This option allows for direct subsidies, tax exempt bonds, and 9% tax credits.

*Option C*

- at least 30% of the dwelling units must be affordable to a household whose income is at or below 130% of the AMI.

Subsidies will not be allowed under this option. Further, this option is only available to projects below 96<sup>th</sup> Street in the borough of

Manhattan. The City of New York has the authority to exclude more areas from this option by amending local law.

*Option D*

This option is only available for buildings with 35 or fewer dwelling units in the Bronx, Brooklyn, Staten Island, and Queens. In addition, only homeownership projects (cooperatives or condominiums) where 100% of the units have an average assessed value no more than \$65,000 upon the first assessment following the completion date may qualify. To receive the benefit, the unit must be the primary residence of the homeowner for at least five years.

For all four options, unless preempted by the requirements of a federal, state, or local housing program, the chosen option must also do either of the following:

- the affordable housing units in an eligible site must have a unit mix proportional to the market units; or
- at least 50% of the affordable housing units in an eligible site must have two or more bedrooms, and no more than 25% of the affordable housing units can have less than one bedroom.

The amended 421-a program offers a 35-year exemption for options A, B, and C. This is divided into a 100% tax exemption for 25 years, plus a ten-year phase-out tax exemption equal to the percentage of affordable units in the building. For option D, the amended program provides a 20-year tax exemption, which is divided into a 100% tax exemption for 14 years and a six-year phase-out having with a 25% tax exemption. No exemption will be given for any portion of a unit's assessed value that exceeds \$65,000.

In order to ensure that tenants will not be "priced-out" of their homes, affordable units will be fully subject to rent stabilization during the tax exemption period, and tenants holding a lease at the expiration of the tax exemption period will receive rent-stabilized benefits for the duration of their occupancy.

The Rent Act of 2015 also prohibits the use of "poor doors". This means that affordable units must share the same common entrances and common areas of a building as market rate units. Affordable units may not be relegated or isolated to a specific floor or area of a building relative to market rate units.

The Rent Act of 2015 also made the following changes to the 421-a program in relation to prevailing wage:

- Current projects with over 50 units or projects that are designated as 50% affordable are subject to prevailing wage requirements for building service workers; and
- Future projects or projects receiving extended benefits will be subject to prevailing wage requirements for building service workers if there are at least 30 units, or the project is designated as 100% affordable and at least 50% of the dwelling units are affordable to a household whose income is at or below 125% of the AMI.

The largest trade association of residential real estate developers and the largest trade association representing building and construction workers in New York City are required to enter into a Memorandum of Understanding (MOU) regarding the wage and wage supplements for construction workers on buildings in new projects that have over 15 units. This agreement must be reached on or before January 15, 2016. The terms and conditions of the MOU will be binding on future projects. The conditions for the MOU and prevailing wage for building service workers went into effect on June 15, 2015.

## **B. Mitchell-Lama Public Housing**

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

To date, owners of thousands of apartments have left the program by repaying loans issued under the Private Housing Finance Law. In New York City, over 40,000 units have left the program and thousands have begun the process to withdraw. These "buy-outs" can have a devastating impact on the families living in these developments, as rents can increase significantly when existing leases expire.

### **1. Income Thresholds**

A.3728 (Wright); Passed Assembly

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 of heat, light, water, and cooking fuel for their household. However, in the case of families that have three or more dependents, such ratio would be adjusted to 9:1.

## **2. Tenant Notification of Mitchell-Lama Buy-Outs**

A.3729 (Wright); Passed Assembly

This bill would require Mitchell-Lama housing companies that intend to dissolve to provide notice of such intention to their leaseholders at least six months prior to the anticipated date of dissolution. The bill specifies the information that must be included in the required notice and requires that the commissioner or supervising agency prepare and make a report available to all tenants within three months of receipt of the notice.

## **3. Additional Information Regarding Buy-Outs**

A.7973 (Blake); Passed Assembly

This bill would require the State Division of Housing and Community Renewal (DHCR) to include, in its annual report on the Mitchell-Lama program, information regarding any limited-profit housing company that has voluntarily dissolved in the preceding calendar year as well as any limited-profit housing company that has filed, with the Commissioner of DHCR and the supervising agency, a notice of its intent to dissolve in the following year. The bill specifies the additional information that must be included in the annual report.

This bill would also require DHCR to submit the annual report to the State Comptroller and the Attorney General. Currently, DHCR is only required to submit its annual Mitchell-Lama program report to the State Legislature.

## **C. Public Housing**

The Housing Committee continues to play an important role in regulating and supporting the operation of public housing. Currently, there are over 18,000 public housing units operated by 30 public housing authorities across New York State. Of these, the New York City Housing Authority is the largest and provides housing to over 400,000 residents in 328 public housing developments throughout the five boroughs.

Public housing developments play an important role in the State's efforts to provide affordable housing, but they are also in desperate need of assistance to make long-overdue capital improvements. Due to inadequate levels of federal dollars and funding from the State's Public Housing Modernization program over the last decade, many of these developments continue to languish, despite the pressing need for maintenance and repairs.

### **1. Adding Legal Occupants to a Lease**

A.1477 (Wright); Passed Assembly

This bill would give residents of the New York City Housing Authority notice of their ability to add a legal occupant to their leases. The bill would also ensure that requests for documents to add a legal occupant are fulfilled.

**2. Renewing Scaffolding Permits for Ongoing Construction Projects**

A.2409 (Rodriguez); Chapter 520 of the Laws of 2015

This bill would prohibit the Commissioner of the New York City Department of Buildings from renewing a scaffolding permit issued for a New York City Housing Authority construction project unless it is determined that such scaffolding is being used as part of an ongoing construction project.

An “ongoing construction project” is defined as any construction project during which persons employed in construction work are utilizing the scaffolding at least two days per week, or have utilized such scaffolding for at least two days per week at any time over the course of the six months prior to a request to renew a scaffolding permit.

**3. Notice upon Denial of Request**

A.4102 (Wright); Passed Assembly

This bill would require the New York City Housing Authority to provide a tenant, upon the denial of any request that would permit a tenant to institute a grievance procedure, with a written notice specifically articulating its reasons for denial.

**4. Notice to Mobility-Impaired Tenants**

A.4232 (Titus); Passed Assembly

This bill would direct the New York City Housing Authority to give mobility-impaired tenants first notice when a unit becomes available on a lower floor, provided that the vacant unit is the same size, or smaller than, the unit occupied by such tenant.

**5. Notice of Opportunity to Meet to Discuss Possible Termination of Tenancy**

A.8140-A (Wright); Passed Assembly

This bill would require the New York City Housing Authority (NYCHA), when mailing a notice regarding a pre-termination meeting to a household having an authorized occupant over the age of 62 years, to include with such notice a notification informing the tenant that he or she has the opportunity to meet with the property manager, or his or her designee, to discuss the possible termination of tenancy. Such notice would be mailed to such households by certified mail.

The property manager, or his or her designee, would be required to schedule a pre-termination meeting no more than seven days after the date such notice is mailed. The meeting could occur up to 14 days after the date of mailing, upon a tenant’s request. The pre-termination notice would have to be mailed at least 45 days before the date of a termination of tenancy hearing. NYCHA would not be permitted to provide less than 15 days’ notice before the date of a termination of tenancy hearing if the charges are based on non-desirability.



## **D. Other Legislation**

### **1. Limiting Municipal Restrictions on Manufactured Homes**

A.2362 (Brindisi); Chapter 425 of the Laws of 2015

This legislation prohibits any municipality from barring the installation of manufactured housing on a permanent foundation. The law facilitates the utilization of manufactured housing by requiring the equal application of local land-use controls and appearance criteria to both manufactured housing and site-built housing.

### **2. Reviewing and Reporting on Section 3 Projects**

A.7617-A (Blake); Passed Assembly

This bill would require the State Division of Housing and Community Renewal (DHCR) to promulgate regulations, rules, and policies that provide for the review and determination of compliance with Section 3 of the federal Housing and Urban Development Act of 1968. The Commissioner of DHCR would be required to submit a report every six months detailing the findings of such investigation to the Speaker and Minority Leader of the Assembly, and the Temporary President and Minority Leader of the Senate.

The federal Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide job training, employment, and contract opportunities to low-income or very low-income residents in connection with projects and activities in their neighborhoods.

### **3. Extending Powers of Certain State Agencies**

A.7912 (Wright); Chapter 85 of the Laws of 2015

This legislation increases the bonding authority of the New York State Housing Finance Agency by \$3 billion, to a maximum aggregate of \$21.780 billion. The legislation also extends, until July 23, 2017:

- The federal Housing Finance Agency's authority to finance certain multi-family housing projects;
- The State of New York Mortgage Agency (SONYMA)'s authority to purchase forward commitment mortgages;
- SONYMA's authority to issue new taxable and tax-exempt bonds;
- The sunset date of legislation enacted in 1989 that allowed the Mortgage Insurance Fund to provide primary mortgage insurance, on a statewide basis, to individual homeowners, and provide pool insurance to all of SONYMA's loans;

- The sunset date of legislation enacted in 2004 concerning development corporation credit support relating to the Jacob Javits Convention Center in Manhattan;
- The sunset date of the requirement that at least 20% of a rehabilitation loan given by SONYMA be used for rehabilitation or construction of improvements;
- The sunset date regarding the definition of government sponsored enterprises; and
- The sunset date regarding the SONYMA Mortgage Insurance Fund's provision of 100% mortgage insurance on certain loans extended for the sole purpose of refinancing existing indebtedness which relates to over-leveraged multi-family residential buildings.

#### **4. Evaporating Liens on Article 7-a Properties**

A.7913 (Wright); Chapter 48 of the Laws of 2015

This legislation extends New York City's authority to "evaporate" liens on Article 7-A properties for municipally-financed repairs, until June 30, 2018. This legislation also authorizes an administrator of such property to spend funds for the purpose of managing a building. Previously, the law only permitted an administrator to accept and spend funds to make repairs and improvements to a building.

### III. SFY 2015-2016 BUDGET HIGHLIGHTS

#### APPROPRIATED AMOUNT

#### A. Division of Housing and Community Renewal Capital Projects

**Low Income Housing Trust Fund** **\$47.7 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. The \$47.7 million total resulted from a combination of capital appropriations and money drawn from the Mortgage Insurance Fund's reserves.

**Affordable Housing Corporation** **\$29 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- and moderate-income New Yorkers.

**Homes for Working Families Program** **\$9 million**

The Homes for Working Families program helps finance the construction and rehabilitation of rental housing for low-income families and senior citizens.

**Public Housing Modernization Program** **\$6.4 million**

The Public Housing Modernization Program allocates funds to New York State's public housing for expenses related to maintenance, improvement, and repairs.

**Main Street Program** **\$4.2 million**

The Main Street Program helps revitalize and improve village centers and historic downtowns by supplying grants for building renovations, façade 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.

**Housing Opportunities Program for the Elderly** **\$1.4 million**

The Housing Opportunities Program for the Elderly helps to provide safe, decent, and affordable housing for older adults in New York State. The program offers contracts to not-for-profit corporations and municipalities to provide financial assistance for the administration of emergency home repairs programs, which deliver grants and loans in an amount of up to \$10,000 per unit for the cost of

correcting any condition which poses a threat to the life, health, or safety of a low-income elderly homeowner.

**Access to Home Program**

**\$1 million**

The Access to Home 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 wheelchair ramps and lifts, handrails, kitchen modifications to create easy-to-reach work and storage areas, and roll-in showers with grab bars, among other improvements.

**B. Aid to Localities**

**Mortgage Settlement Proceeds Trust Fund**

**\$439.55 million**

In November 2013, JPMorgan Chase & Co. and the United States Department of Justice agreed to a \$13 billion settlement in the wake of the 2008 financial crisis, which left many homeowners facing foreclosure. As a result of the settlement, New York State received a portion of the settlement funds. These funds will be spent over several years to aid New Yorkers facing housing issues as a result of the crisis.

In the 2015-2016 Aid to Localities budget, the State Division of Housing and Community Renewal was able to utilize over \$400 million of the settlement funds. The funds have been distributed to support the following housing-related initiatives:

- **\$124.5 million** for the NY/NY IV agreement and other initiatives, to help provide for the development of supportive housing and services for vulnerable New Yorkers, including, but not limited to: seniors, veterans, victims of domestic violence, formerly incarcerated individuals, and homeless individuals with co-presenting health conditions;
- **\$100 million** for a public housing modernization or improvement program for housing developments owned or operated by the New York City Housing Authority (NYCHA);
  - The State Division of Housing and Community Renewal, in consultation with NYCHA, was tasked with developing a plan for distributing the funds for capital revitalization. The Dormitory Authority of the State of New York will oversee the management of projects funded by this appropriation. The New York City Comptroller was also directed to perform an audit of NYCHA's rehabilitation efforts.

- **\$40 million** for the Living in Communities 1 (LINC 1) program to provide rental assistance for families transitioning out of New York City homeless shelters and into more permanent housing;
- **\$27 million** for the “30% rent cap” for clients of the New York City HIV/AIDS Services Administration. This cap limits the rent contribution of public assistance recipients diagnosed with HIV and AIDS, to 30% of the individual’s income;
- **\$25 million** for a new program to finance the construction and rehabilitation of units for households of low- and moderate-income that earn up to 130% of the area median income;
- **\$25 million** for the rehabilitation of Mitchell-Lama developments;
- **\$25 million** for the Restore New York Communities Initiative, which provides municipalities with financial assistance for the revitalization of commercial, community, and residential spaces;
- **\$21.6 million** for a neighborhood revitalization purchase program to be administered by the State of New York Mortgage Agency;
- **\$20.2 million** for the Neighborhood Preservation Program and the Rural Preservation Program, which support community preservation and renewal throughout New York State by providing funds to not-for-profits that carry out community preservation and renewal activities;
- **\$19.6 million** in additional funds for the Access to Home program, for the purpose of providing disabled veterans with accessibility improvements for their homes;
- **\$5.5 million** for contracts with not-for-profit corporations and municipalities to provide state fiscal assistance to administer main street or downtown revitalization projects for communities;
- **\$5 million** in additional funds for the Housing Opportunity Program for the Elderly; and
- **\$1 million** for the Adirondack Community Housing Trust, to reduce the cost of home purchases for families making up to 120% of the area median income.

**Small Cities Community Development Block Grant Program      \$40 million**

The Small Cities Community Development Block Grant Program provides financial assistance to eligible cities, towns, and villages with populations under

50,000 and counties with a population under 200,000. The purpose of this program is to support the growth of affordable housing and suitable living environments. The program also works to expand economic opportunities for persons of low- and moderate-income.

**New York City Housing Authority Tenant Patrol Pilot Program      \$742,000**

The Tenant Patrol Pilot Program helps ensure that State-constructed New York City Housing Authority developments remain safe and free from crime by providing monthly stipends to tenants and other volunteers who serve as the “eyes and ears” of the police by patrolling housing developments and community and senior centers. In this year’s budget the Executive proposed eliminating all funding for this program. The Legislature added \$742,000 to ensure this program continues to receive financial support.

**C. The Mortgage Insurance Fund**

In the 2015-2016 State Budget, Article VII language transferred over \$125 million to utilize reserves in the Mortgage Insurance Fund (MIF) to support programs that target affordable housing, supportive housing, urban and rural preservation, as well as property rehabilitation. The following is a breakdown of how the funding was dispersed to various housing programs:

- \$42 million for the rehabilitation of Mitchell-Lama housing projects;
- \$21.642 million for the Rural Rental Assistance Program;
- \$17 million for the Rural and Urban Community Investment Fund;
- \$16.342 million for the New York State Supportive Housing Program, the Solutions to End Homelessness Program, the Operational Support for AIDS Housing Program, or to qualified grantees under such programs;
- \$8.5 million for the Homes for Working Families Program;
- \$8.479 million for the Neighborhood Preservation Program;
- \$7.5 million to support the Low Income Housing Trust Fund; and
- \$3.539 million for the Rural Preservation Program.

## **IV. LEGISLATIVE HEARINGS**

### **Reviewing the Impact and Implementation of the State Budget for Housing**

The Committee scheduled a hearing for December 21, 2015 to review the impact and implementation of the State Budget for housing. Ensuring that New Yorkers' housing needs are being met is a top priority of the Committee. Addressing New Yorkers' needs for adequate, safe, and affordable housing can be challenging when the availability of and accessibility to different types of housing often varies between neighborhoods and communities. Several of the State's housing programs are designed to complement the diversity of New York's communities and geography. To respond best to the ever-changing needs of New Yorkers, the Committee scheduled this hearing to hear feedback from stakeholders within the housing community to understand better the needs and experiences of New Yorkers as impacted by the State Fiscal Year 2015-2016 Budget. It is important that the State's housing programs undergo regular review to ensure that they are continuing to meet the needs of New York's residents.

## V. OUTLOOK FOR 2016

In next year's legislative session, the Assembly Committee on Housing will continue working on providing safe and affordable housing in New York State by developing policies that leverage private resources, encourage individual home ownership, create new housing opportunities, and expand affordable housing development. Also, 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, elderly, and those with special needs.

The Rent Act of 2015 renewed and enhanced various rent regulation laws to help protect more than two million tenants in and around New York City. In the upcoming legislative session, the Committee on Housing will continue to push for the strengthening of the State's rent regulation laws and guaranteeing that the residents of New York can access quality housing that is both safe and affordable.

The Committee will also remain focused on the New York City Housing Authority's infill proposal, as well as its dedication to preserving, supporting, and creating affordable housing for residents of New York City. The Committee will continue to take steps to help improve the operation of housing authorities throughout the State, as public housing provides homes to hundreds of thousands of New Yorkers.

A continued priority for the Committee is to identify capital funding dedicated to the construction of affordable housing. Ensuring that both the New York State 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 the State is critical.

Homelessness continues to be one of the most severe crises facing New York State, and the Committee on Housing recognizes that one of its primary causes, particularly among families, is a lack of affordable housing. The Committee will continue to address the growing concerns surrounding this issue, including developing strategies to help prevent vulnerable New Yorkers from becoming homeless. For these reasons, in the upcoming legislative session, the Committee will advocate for more State-funded supportive housing to help provide much-needed assistance to New York's homeless population and ensure that all New Yorkers have access to safe and permanent housing.

In recent years, many owners of limited-income cooperatives in New York City, known formally as Housing Development Fund Corporations (HDFCs), have fallen onto hard times. Established under Article XI of the Private Housing Finance Law, HDFCs benefit from reduced real estate taxes in exchange for following certain standards for the selling and renting of apartments. The Committee on Housing, in its dedication to serving low-income families across the State, will examine struggling HDFCs and their capital needs in the upcoming legislative session.



**APPENDIX A**

**2015 Summary Sheet  
Summary of Action on All Bills Referred to the Committee on Housing**

| <b>Final Action</b>                                       | <b>Assembly Bills</b> | <b>Senate Bills</b> | <b>Total Bills</b> |
|---|-----------------------|---------------------|--------------------|
|   |                       |                     |                    |
| <b>Bills Reported With or Without Amendment</b>           |                       |                     |                    |
| To Floor; Not Returning to Committee (Favorable)          | 7                     | 0                   | 7                  |
| To Ways and Means   | 4                     | 0                   | 4                  |
| To Codes  | 8                     | 0                   | 8                  |
| To Rules  | 12                    | 0                   | 12                 |
| To Judiciary  | 0                     | 0                   | 0                  |
| Total   | 31                    | 0                   | 31                 |
|   |                       |                     |                    |
| <b>Bills Having Committee Reference Changed</b>           |                       |                     |                    |
| To Health   | 1                     | 0                   | 1                  |
| Total   | 1                     | 0                   | 1                  |
|   |                       |                     |                    |
| <b>Senate Bills Substituted or Recalled</b>               |                       |                     |                    |
| Substituted   |                       | 2                   | 2                  |
| Recalled  |                       | 1                   | 1                  |
| Total   |                       | 3                   | 3                  |
|   |                       |                     |                    |
| <b>Bills Defeated in Committee</b>                        | 0                     | 0                   | 0                  |
| <b>Bills Held for Consideration with a Roll-Call Vote</b> | 0                     | 0                   | 0                  |
| <b>Bills Never Reported, Died in Committee</b>            | 191                   | 10                  | 201                |
| <b>Bills Having Enacting Clauses Stricken</b>             | 2                     | 0                   | 2                  |
| <b>Motions to Discharge Lost</b>                          | 0                     | 0                   | 0                  |
|   |                       |                     |                    |
| <b>Total Bills in Committee</b>                           | 225                   | 13                  | 238                |
|   |                       |                     |                    |
| <b>Total Number of Committee Meetings Held</b>            | 6                     |                     |                    |
|   |                       |                     |                    |

**APPENDIX B**

**Bills that Passed the Assembly in 2015**

| <b>BILL #</b> | <b>SPONSOR</b> | <b>DESCRIPTION</b>  |
|---------------|----------------|---|
| A.658         | Hevesi         | Would require a specific timeline to which the Division of Housing and Community Renewal must adhere to when setting rent reduction schedules so that rent-regulated apartments that have electricity factored into their base rent have a fair reduction at the time submetering begins.   |
| A.1477        | Wright         | Would give New York City Housing Authority tenants notice of their ability to add legal occupants to their leases. Would also ensure that requests for documents to add additional legal occupants are fulfilled.   |
| A.3728        | Wright         | Would raise the income limits for families that would be eligible for Mitchell-Lama housing.  |
| A.3729        | Wright         | 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.   |
| A.4102        | Wright         | Would require the New York City Housing Authority to provide a tenant, upon the denial of any request that would permit a tenant to institute a grievance procedure, with a written notice specifically articulating its reasons for such denial.   |
| A.4232        | Titus          | Would direct the New York City Housing Authority to give mobility-impaired tenants first notice when a unit becomes available on a lower floor.   |
| A.7526        | Wright         | Would extend rent regulation provisions and General Business Law provisions pertaining to cooperative and condominium conversion, for an additional four years. Would also make significant changes to the rent regulation system in order to provide enhanced tenant protections for rent-regulated tenants.   |
| A.7617-A      | Blake          | Would require the State Division of Housing and Community Renewal to promulgate regulations, rules, and policies that provide for the review and determination of compliance with Section 3 of the federal Housing and Urban Development Act of 1968.   |
| A.7973        | Blake          | Would require the State Division of Housing and Community Renewal to include in its annual report on the Mitchell-Lama Program information regarding any limited-profit housing company that has voluntarily dissolved in the preceding calendar year or has filed a notice of its intent to dissolve in the upcoming year. Would also require such report to be submitted to the State Comptroller and the Attorney General. |
| A.8140-A      | Wright         | Would require the New York City Housing Authority to inform a tenant over the age of 62 years that he or she has the opportunity to meet with the property manager to discuss the possible termination of tenancy.  |

| <b>BILL #</b> | <b>SPONSOR</b> | <b>DESCRIPTION</b>   |
|---------------|----------------|--|
| A.8230        | Wright         | Would extend provisions of rent regulations until, and including, June 17, 2015. |

**APPENDIX C**

**Chapters of 2015 – Bills Signed into Law by the Governor**

| <b>CHAPTER</b> | <b>ASSEMBLY<br/>BILL #<br/>(SPONSOR)</b> | <b>SENATE<br/>BILL #<br/>(SPONSOR)</b> | <b>DESCRIPTION</b>  |
|----------------|--|--|---|
| 19             | A.8299<br>(Wright)                       | S.5997<br>(Rules)                      | Extends various rent regulation provisions, and General Business Law provisions pertaining to cooperative and condominium conversion, until, and including, June 23, 2015.  |
| 20             | A.8323<br>(Heastie)                      | S.6012<br>(Flanagan)                   | Part A of this legislation extends various rent regulation provisions, and General Business Law provisions pertaining to cooperative and condominium conversion, for an additional four years, from June 15, 2015 until June 15, 2019. The legislation also makes several changes in relation to preferential rents, major capital improvements, vacancy deregulation, tenant harassment, and lofts, as well as establishing a new version of the 421-a real property tax exemption program for the City of New York. |
| 48             | A.7913<br>(Wright)                       | S.5081<br>(Young)                      | Extends the authority of New York City to permit evaporation of liens on Article 7-A properties for municipally-financed repairs, until June 30, 2018. This legislation also authorizes an administrator of such property to spend funds for the purpose of managing a building.  |
| 85             | A.7912<br>(Wright)                       | S.4978-A<br>(Young)                    | Increases the bonding authority of the New York State Housing Finance Agency, and extends authorities and sunset dates for various State agencies.  |
| 425            | A.2362<br>(Brindisi)                     | S.4193<br>(Young)                      | Limits a municipality's ability to place restrictions on the siting of manufactured homes.  |
| 520            | A.2409<br>(Rodriguez)                    | S.5369<br>(Perkins)                    | Prohibits the Commissioner of the New York City Department of Buildings from renewing a scaffolding permit issued for a construction project by the New York City Housing Authority unless it is determined that such scaffolding is being used as part of an ongoing construction project.   |