

DIVISION OF HOUSING AND COMMUNITY RENEWAL

MISSION

The Division of Housing and Community Renewal is responsible for the supervision, maintenance and development of affordable low- and moderate-income housing in New York State. The Division currently performs a number of activities in fulfillment of this mission, including:

- Oversight and regulation of the State's public and publicly assisted rental housing;
- Administration of the State's rent regulations; and
- Administration of housing development and community preservation programs, including State and Federal grants and loans to housing developers to finance construction or renovation of affordable housing.

ORGANIZATION AND STAFFING

Headed by a Commissioner, the Division of Housing and Community Renewal maintains three main offices and nine regional offices. Main offices in Albany and Manhattan are responsible for agency-wide administrative functions and the development and execution of the Division of Housing and Community Renewal's policies for its Community Development and Housing programs. The Division of Housing and Community Renewal's Rent Administration program is administered through the main office in Queens and local offices in rent regulated communities.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Division of Housing and Community Renewal's fee revenues come from the following sources: 1) mortgage servicing fees; 2) application and monitoring fees collected from developers of housing projects that are partially financed by Federal low-income tax credits; 3) payments by New York City to finance a portion of the Division's rent regulation activities; and 4) fees collected from the U.S. Department of Housing and Urban Development in connection with State administration of the Federal Section 8 rental subsidy program.

The Division of Housing and Community Renewal is the lead State agency for the development, construction and oversight of State-assisted housing. The majority of the State's housing construction and rehabilitation programs are supported by appropriations administered by three public benefit corporations: the Housing Finance Agency; the Affordable Housing Corporation; and the Housing Trust Fund Corporation. The Division of Housing and Community Renewal provides administrative support to the Housing Trust Fund Corporation.

Executive Budget recommendations for the Division of Housing and Community Renewal total more than \$318 million. The 2006-07 Budget will:

- Make permanent the Governor's Low-Income Housing Tax Credit Program and provide an additional \$2 million in support of the program, resulting in nearly \$20 million in new funding for affordable housing over the next ten years;
- Provide over \$74 million in housing capital funds, including \$7 million for the nationally recognized Homes for Working Families Program;
- Provide \$8.3 million to administer the development of low-income housing and over \$18.4 million to supervise the operation of publicly assisted housing, including the State-financed Mitchell-Lama portfolio;
- Provide \$7.8 million in administrative funding for the Neighborhood and Rural Preservation Programs; and

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- Continue the Division's administration of the federally funded Weatherization Assistance Program, providing grants to local not-for-profit groups and governments to assist low-income households in reducing their energy consumption and lowering their fuel bills.

PROGRAM HIGHLIGHTS

COMMUNITY DEVELOPMENT

Community Development staff provide support to the Housing Trust Fund Corporation, a public benefit corporation that provides State-funded loans and grants to for-profit and not-for-profit entities to develop housing for low-income families, tenants with special needs and the low-income elderly.

Community Development staff also administer the allocation of low-income housing tax credits across the State. These tax credits promote the production of low-income rental housing projects by reducing the tax liability of investors who finance the acquisition and construction of these projects.

SMALL CITIES

The Governor's Office for Small Cities, operated within the New York State Housing Trust Fund, administers approximately \$58 million in annual block grant funds from the U.S. Department of Housing and Urban Development (HUD). The Small Cities program supports projects in communities with populations of less than 50,000 or non-urban counties with populations of less than 200,000 for housing rehabilitation, job creation or retention, infrastructure repair or replacement, micro-enterprise programs and homeownership assistance.

HOUSING OVERSIGHT

The Housing Program oversees the management of State-assisted housing projects. On a project-by-project basis, Housing Program staff periodically review the financial and physical condition of:

- 220 housing developments constructed between 1957 and 1974 under the State's Mitchell-Lama housing laws and financed with State-guaranteed debt. These projects provide more than 92,000 dwelling units to low- and moderate-income families;
- 74 public housing projects constructed between 1941 and 1973 and financed with State General Obligation bonds that provide more than 20,000 apartments for low-income families; and
- Approximately 1,000 low-income apartment projects partially financed by State or Federal capital funds.

In addition to its regulatory functions, the Housing Program is responsible for the administration of over 33,000 HUD Housing Choice vouchers in New York State. These vouchers provide rental assistance to low-income families in 50 local program areas in New York State.

RENT ADMINISTRATION

The Omnibus Housing Act of 1983 mandated the consolidation of all rent regulation under the Division of Housing and Community Renewal in order to ensure that the State's rent laws are administered in a manner that recognizes the concerns of both landlords and tenants. The Office of Rent Administration has been recognized for its outstanding efforts to make the program more responsive to its customers. Since 1995, over 90 percent of the

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backlog of rent regulated cases subject to adjudication have been eliminated. By streamlining the administrative process, the amount of time necessary to close a rent overcharge case has been reduced significantly.

HOUSING CAPITAL PROGRAMS

There are two primary low- and moderate-income housing construction programs supported by State appropriations: the Housing Trust Fund Program and the Affordable Housing Corporation Program. This Budget includes a \$29 million appropriation and \$124.4 million in reappropriations for the Housing Trust Fund Program, which provides grants to finance construction or rehabilitation of low-income apartment buildings. The Affordable Housing Corporation will receive \$25 million in new funds and \$100.6 million in reappropriations to stimulate local economic growth and stabilize distressed communities across the State by providing grants of up to \$25,000 to first-time low- and moderate-income home buyers.

To support municipal housing authorities, this Budget also recommends that \$12.8 million in new funding and \$65.6 million in reappropriations be provided to continue repairs and renovations to the State's existing public housing stock. Finally, the Budget recommends the reauthorization of on-going funding from prior years for a number of programs, including: the Permanent Housing for Homeless Families Program, the Housing Project Repair Program and the Federal National Affordable Housing Act Program.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	94,722,500	98,235,000	3,512,500	48,512,000
Aid To Localities	153,505,500	146,094,000	(7,411,500)	150,034,000
Capital Projects	99,200,000	74,200,000	(25,000,000)	387,847,000
Total	<u>347,428,000</u>	<u>318,529,000</u>	<u>(28,899,000)</u>	<u>586,393,000</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	FTE Change
Administration			
General Fund	74	74	0
Community Development			
General Fund	50	50	0
Special Revenue Funds - Federal	43	43	0
Special Revenue Funds - Other	12	12	0
Housing			
General Fund	44	44	0
Special Revenue Funds - Federal	41	41	0
Special Revenue Funds - Other	87	87	0
Housing Information Systems			
General Fund	71	71	0
New Facilities			
Capital Projects Funds - Federal	42	42	0
Rent Administration			
General Fund	81	81	0
Special Revenue Funds - Other	395	395	0
Total	<u>940</u>	<u>940</u>	<u>0</u>

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STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	29,701,100	31,544,000	1,842,900
Special Revenue Funds - Federal	9,018,050	9,698,000	679,950
Special Revenue Funds - Other	56,003,350	56,993,000	989,650
Total	<u>94,722,500</u>	<u>98,235,000</u>	<u>3,512,500</u>

Adjustments:

Transfer(s) From			
Special Pay Bill			
General Fund	(30,100)		
Special Revenue Funds - Federal	(23,050)		
Special Revenue Funds - Other	(1,089,350)		
Appropriated 2005-06	<u>93,580,000</u>		

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
General Fund	12,523,000	13,252,000	729,000
Special Revenue Funds - Other	2,911,000	2,911,000	0
Community Development			
General Fund	3,484,000	3,484,000	0
Special Revenue Funds - Federal	3,254,000	3,254,000	0
Special Revenue Funds - Other	1,627,000	1,646,000	19,000
Housing			
General Fund	2,895,000	2,979,000	84,000
Special Revenue Funds - Federal	5,764,050	6,444,000	679,950
Special Revenue Funds - Other	8,765,000	9,045,000	280,000
Housing Information Systems			
General Fund	7,453,000	8,483,000	1,030,000
Rent Administration			
General Fund	3,346,100	3,346,000	(100)
Special Revenue Funds - Other	42,700,350	43,391,000	690,650
Total	<u>94,722,500</u>	<u>98,235,000</u>	<u>3,512,500</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	4,802,000	140,000	4,802,000	140,000
Community Development	3,315,000	0	3,315,000	0
Housing	2,862,000	84,000	2,862,000	84,000
Housing Information Systems	4,472,000	130,000	4,472,000	130,000
Rent Administration	2,796,000	(100)	2,796,000	(100)
Total	<u>18,247,000</u>	<u>353,900</u>	<u>18,247,000</u>	<u>353,900</u>

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STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	8,450,000	589,000	206,000	0
Community Development	169,000	0	30,000	0
Housing	117,000	0	8,300	0
Housing Information Systems	4,011,000	900,000	219,900	0
Rent Administration	550,000	0	0	0
Total	13,297,000	1,489,000	464,200	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	110,000	0	8,124,000	589,000
Community Development	105,000	0	34,000	0
Housing	41,000	0	67,700	0
Housing Information Systems	26,000	0	3,541,100	900,000
Rent Administration	0	0	0	0
Total	282,000	0	11,766,800	1,489,000

Program	Equipment		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	10,000	0	0	0
Community Development	0	0	0	0
Housing	0	0	0	0
Housing Information Systems	224,000	0	0	0
Rent Administration	0	0	550,000	0
Total	234,000	0	550,000	0

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2006-07 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	2,911,000	0	0	0
Community Development	4,900,000	19,000	2,600,000	19,000
Housing	15,489,000	959,950	8,904,000	805,150
Rent Administration	43,391,000	690,650	26,145,000	150
Total	66,691,000	1,669,600	37,649,000	824,300

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	0	0	2,911,000	0
Community Development	1,300,000	0	1,000,000	0
Housing	5,085,000	154,800	1,500,000	0
Rent Administration	17,246,000	690,500	0	0
Total	23,631,000	845,300	5,411,000	0

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2005-06	Recommended 2006-07	Change
General Fund	51,055,500	43,644,000	(7,411,500)
Special Revenue Funds - Federal	92,450,000	92,450,000	0
Special Revenue Funds - Other	10,000,000	10,000,000	0
Total	153,505,500	146,094,000	(7,411,500)

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AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Program	Available 2005-06	Recommended 2006-07	Change
Housing Development Fund Program			
Special Revenue Funds - Other	10,000,000	10,000,000	0
HUD Section 8 New Construction			
Special Revenue Funds - Federal	13,100,000	13,100,000	0
Low Income Weatherization			
Special Revenue Funds - Federal	21,350,000	21,350,000	0
Neighborhood Preservation			
General Fund	10,506,500	5,465,000	(5,041,500)
Periodic Subsidies - Local Areas			
General Fund	16,220,000	16,220,000	0
Rural Preservation			
General Fund	4,725,000	2,355,000	(2,370,000)
Rural Rental Assistance			
General Fund	19,604,000	19,604,000	0
Small Cities Community Development Block Grant			
Special Revenue Funds - Federal	58,000,000	58,000,000	0
Total	<u>153,505,500</u>	<u>146,094,000</u>	<u>(7,411,500)</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

Comprehensive Construction Program	Available 2005-06	Recommended 2006-07	Change	Reappropriations 2006-07
Affordable Housing Corporation				
Housing Program Fund	35,000,000	25,000,000	(10,000,000)	100,675,000
Housing Assistance Fund				
Housing Assistance Fund	1,500,000	0	(1,500,000)	12,833,000
Low Income Housing Trust Fund				
Housing Program Fund	39,000,000	29,000,000	(10,000,000)	124,438,000
Maintenance and Improvements of Existing Facilities				
Housing Program Fund	0	0	0	4,026,000
Housing Opportunity Program For Elderly				
Housing Program Fund	1,400,000	400,000	(1,000,000)	1,050,000
Housing Program Capital Improvement				
Capital Projects Fund	0	0	0	19,720,000
State Housing Bond Fund				
State Housing Bond Fund	0	0	0	7,344,000
New Facilities				
Capital Projects Fund	0	0	0	123,000
Federal Capital Projects Fund	0	0	0	30,700,000
Public Housing Modernization Program				
Housing Program Fund	12,800,000	12,800,000	0	65,638,000
Rural Revitalization Program				
Housing Program Fund	1,000,000	0	(1,000,000)	1,000,000
Urban Initiatives Program				
Housing Program Fund	1,500,000	0	(1,500,000)	1,500,000
Homes for Working Families Program				
Housing Program Fund	7,000,000	7,000,000	0	18,800,000
Total	<u>99,200,000</u>	<u>74,200,000</u>	<u>(25,000,000)</u>	<u>387,847,000</u>