

DIVISION OF HOUSING AND COMMUNITY RENEWAL

MISSION

The Division of Housing and Community Renewal (DHCR) 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 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's Rent Administration program is administered through the main office in Queens.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$465.3 million All Funds** (\$61.5 million General Fund; \$403.8 million Other Funds) for the Division of Housing and Community Renewal. This is a decrease of **\$434.2 million** (\$17.8 million decrease General Fund; \$416.4 million decrease Other Funds) from the 2009-10 budget. This net change primarily reflects the elimination of one-time American Recovery and Reinvestment Act (ARRA) appropriations and various program reductions. The Executive Budget recommends a staffing level of **875 FTEs** for the Division of Housing and Community Renewal.

Major budget actions include:

- **Housing Agency/Authority Efficiencies:** The 2010-11 Executive Budget assumes that the consolidation of administrative and program operations within the Division of Housing and Community Renewal and the nyhomes family of public benefit corporations will achieve total savings of \$3.5 million.
- **Reduce Neighborhood Preservation and Rural Preservation Program Funding:** The 2010-11 Executive Budget recommends funding of \$12 million for these programs, a \$3.7 million decrease from the \$16.6 million originally enacted for these programs in 2009-10. This reduction includes recurring savings of \$2.9 million enacted as part of the 2009-10 Deficit Reduction Plan. These programs provide funding to 217 not-for-profit community based housing corporations that provide housing related services across the State.

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- **Various Operational Efficiencies:** Consistent with administrative actions taken by other agencies in 2009-10, DHCR reduced its operational costs by 10 percent. These actions generate recurring savings of \$2.2 million that are reflected in the 2010-11 Executive Budget.
- **State Low Income Housing Tax Credit:** The 2010-11 budget recommends \$4 million for the State Low-Income Housing Tax Credit Program which will result in nearly \$40 million in new funding for affordable housing over the next ten years.

The Division'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.

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 Small Cities Community Development Block Grant Program administers approximately \$58 million in annual funding 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:

- 176 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 83,380 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

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- Approximately 1,150 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 nearly 40,000 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 DHCR in order to ensure that the State's rent laws are administered in a manner that recognizes the concerns of both landlords and tenants.

HOUSING CAPITAL PROGRAMS

The 2010-11 Executive Budget reflects the continuation of recurring capital funding levels and the reappropriation of \$100 million in one-time capital funding for housing development projects in the 2008-09 budget. 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 \$146.5 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 \$76.1 million in reappropriations to stimulate local economic growth and stabilize distressed communities across the State by providing grants of up to \$35,000 per unit or \$40,000 per unit in designated high cost areas. To support municipal housing authorities, this budget also recommends that \$12.8 million in new funding and \$69 million in reappropriations be provided to continue repairs and renovations to the State's existing public housing stock.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2009-10	Appropriations Recommended 2010-11	Change	Reappropriations Recommended 2010-11
State Operations	106,206,000	99,303,000	(6,903,000)	66,800,000
Aid To Localities	466,070,596	291,800,000	(174,270,596)	474,827,400
Capital Projects	327,200,000	74,200,000	(253,000,000)	654,713,000
Total	<u>899,476,596</u>	<u>465,303,000</u>	<u>(434,173,596)</u>	<u>1,196,340,400</u>

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

Program	Full-Time Equivalent Positions (FTE)		
	2009-10 Estimated FTEs 03/31/10	2010-11 Estimated FTEs 03/31/11	FTE Change
Administration			
General Fund	71	67	(4)
Community Development			
General Fund	58	54	(4)
Special Revenue Funds - Federal	58	58	0
Housing			
General Fund	32	28	(4)
Special Revenue Funds - Federal	107	107	0
Special Revenue Funds - Other	71	71	0
Housing Information Systems			
General Fund	75	71	(4)
New Facilities Purpose			
Capital Projects Funds - Federal	33	33	0
Rent Administration			
General Fund	45	45	0
Special Revenue Funds - Other	341	341	0
Total	891	875	(16)

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	28,604,000	23,061,000	(5,543,000)
Special Revenue Funds - Federal	17,007,000	16,837,000	(170,000)
Special Revenue Funds - Other	60,595,000	59,405,000	(1,190,000)
Total	106,206,000	99,303,000	(6,903,000)

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

Program	Available 2009-10	Recommended 2010-11	Change
Administration			
General Fund	13,008,000	10,116,000	(2,892,000)
Special Revenue Funds - Other	2,911,000	2,634,000	(277,000)
Community Development			
General Fund	2,051,000	1,819,000	(232,000)
Special Revenue Funds - Federal	5,909,000	5,758,000	(151,000)
Special Revenue Funds - Other	1,968,000	2,338,000	370,000
Housing			
General Fund	1,416,000	1,254,000	(162,000)
Special Revenue Funds - Federal	11,098,000	11,079,000	(19,000)
Special Revenue Funds - Other	8,841,000	8,265,000	(576,000)
Housing Development Fund Program			
Special Revenue Funds - Other	1,371,000	1,279,000	(92,000)
Housing Information Systems			
General Fund	9,464,000	7,580,000	(1,884,000)
Rent Administration			
General Fund	2,665,000	2,292,000	(373,000)
Special Revenue Funds - Other	45,504,000	44,889,000	(615,000)
Total	106,206,000	99,303,000	(6,903,000)

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STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2010-11 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,465,000	(415,000)	3,440,000	(415,000)
Community Development	1,767,000	(212,000)	1,742,000	(212,000)
Housing	1,204,000	(144,000)	1,199,000	(144,000)
Housing Information Systems	3,835,000	(460,000)	3,815,000	(460,000)
Rent Administration	1,915,000	(230,000)	1,911,000	(229,000)
Total	12,186,000	(1,461,000)	12,107,000	(1,460,000)

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay	
	Amount	Change	Amount	Change
Administration	25,000	0	0	0
Community Development	25,000	0	0	0
Housing	0	0	5,000	0
Housing Information Systems	0	0	20,000	0
Rent Administration	0	0	4,000	(1,000)
Total	50,000	0	29,000	(1,000)

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2010-11 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	6,651,000	(2,477,000)	217,000	(82,000)
Community Development	52,000	(20,000)	5,000	(2,000)
Housing	50,000	(18,000)	1,000	(1,000)
Housing Information Systems	3,745,000	(1,424,000)	20,000	(7,000)
Rent Administration	377,000	(143,000)	31,000	(12,000)
Total	10,875,000	(4,082,000)	274,000	(104,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	186,000	(70,000)	5,828,000	(2,165,000)
Community Development	26,000	(10,000)	13,000	(5,000)
Housing	34,000	(12,000)	11,000	(4,000)
Housing Information Systems	33,000	(13,000)	2,881,000	(1,095,000)
Rent Administration	4,000	(1,000)	274,000	(104,000)
Total	283,000	(106,000)	9,007,000	(3,373,000)

Program	Equipment	
	Amount	Change
Administration	420,000	(160,000)
Community Development	8,000	(3,000)
Housing	4,000	(1,000)
Housing Information Systems	811,000	(309,000)
Rent Administration	68,000	(26,000)
Total	1,311,000	(499,000)

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STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2010-11 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	2,634,000	(277,000)	605,000	(55,000)
Community Development	8,096,000	219,000	3,838,000	(214,000)
Housing	19,344,000	(595,000)	11,498,000	(556,000)
Housing Development Fund Program	1,279,000	(92,000)	833,000	(92,000)
Rent Administration	44,889,000	(615,000)	27,635,000	(520,000)
Total	<u>76,242,000</u>	<u>(1,360,000)</u>	<u>44,409,000</u>	<u>(1,437,000)</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	2,029,000	(222,000)	0	0
Community Development	4,258,000	433,000	0	0
Housing	7,846,000	1,462,000	0	(1,501,000)
Housing Development Fund Program	446,000	0	0	0
Rent Administration	17,254,000	(95,000)	0	0
Total	<u>31,833,000</u>	<u>1,578,000</u>	<u>0</u>	<u>(1,501,000)</u>

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

Fund Type	Available 2009-10	Recommended 2010-11	Change
General Fund	50,643,048	38,411,000	(12,232,048)
Special Revenue Funds - Federal	407,200,000	245,162,000	(162,038,000)
Special Revenue Funds - Other	8,227,548	8,227,000	(548)
Total	<u>466,070,596</u>	<u>291,800,000</u>	<u>(174,270,596)</u>

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

Program	Available 2009-10	Recommended 2010-11	Change
Foreclosure Prevention Program			
Special Revenue Funds - Federal	21,875,000	0	(21,875,000)
Housing Development Fund Program			
Special Revenue Funds - Other	8,227,548	8,227,000	(548)
HUD Section 8 New Construction			
Special Revenue Funds - Federal	13,100,000	13,100,000	0
Low Income Weatherization			
Special Revenue Funds - Federal	305,625,000	174,062,000	(131,563,000)
Neighborhood Preservation			
General Fund	11,021,508	8,479,000	(2,542,508)
Periodic Subsidies - Local Areas			
General Fund	15,430,000	11,591,000	(3,839,000)
Rural Preservation			
General Fund	4,686,150	3,539,000	(1,147,150)
Rural Rental Assistance			
General Fund	14,802,594	14,802,000	(594)
Small Cities Community Development			
Block Grant			
Special Revenue Funds - Federal	66,600,000	58,000,000	(8,600,000)
Community Projects			
General Fund	4,702,796	0	(4,702,796)
Total	<u>466,070,596</u>	<u>291,800,000</u>	<u>(174,270,596)</u>

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

Comprehensive Construction Program	Available 2009-10	Recommended 2010-11	Change	Reappropriations 2010-11
Affordable Housing Corporation				
Housing Program Fund	25,000,000	25,000,000	0	76,138,000
Housing Assistance Fund				
Housing Assistance Fund	0	0	0	9,400,000
Low Income Housing Trust Fund				
Housing Program Fund	29,000,000	29,000,000	0	146,569,000
Maintenance and Improvements of Existing Facilities				
Federal Stimulus	253,000,000	0	(253,000,000)	253,000,000
Housing Program Fund	0	0	0	3,307,000
Housing Opportunity Program For Elderly				
Housing Program Fund	400,000	400,000	0	400,000
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
Main Street Program				
Housing Program Fund	0	0	0	1,938,000
New Facilities				
Capital Projects Fund	0	0	0	122,000
Federal Capital Projects Fund	0	0	0	21,446,000
Housing Program Fund	0	0	0	2,000,000
Public Housing Modernization Program				
Housing Program Fund	12,800,000	12,800,000	0	68,623,000
Rural Revitalization Program				
Housing Program Fund	0	0	0	6,225,000
Urban Initiatives Program				
Housing Program Fund	0	0	0	3,806,000
Homes for Working Families Program				
Housing Program Fund	7,000,000	7,000,000	0	34,675,000
Total	<u>327,200,000</u>	<u>74,200,000</u>	<u>(253,000,000)</u>	<u>654,713,000</u>
Adjustments:				
Prior Year Deficiency				
Housing Assistance Fund	10,000,000			
Housing Assistance Fund	6,000,000			
Housing Assistance Fund	15,000,000			
Appropriated 2009-10	<u>358,200,000</u>			