

DIVISION OF HOUSING AND COMMUNITY RENEWAL

MISSION

Created in 1927, 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 Affordable Housing Corporation and the Housing Trust Fund Corporation.

Executive Budget recommendations for the Division of Housing and Community Renewal total over \$220 million. The 1999-2000 Budget will:

- Provide nearly \$7 million to administer the development of low-income housing and \$12 million to supervise the operation of publicly assisted housing, including the State-financed Mitchell-Lama portfolio;
- 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; and

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- Provide \$26.3 million to support rent regulation activities. The State's rent regulation laws, which were revised by the Legislature in the Spring 1997, continue to allow regulated apartments to move gradually toward the free market, while fully protecting the rights of existing tenants.

PROGRAM HIGHLIGHTS

COMMUNITY DEVELOPMENT

Community Development staff provide staff support to the Housing Trust Fund Corporation and the Affordable Housing Corporation, which are public benefit corporations that provide 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 Federal low-income housing tax credits across the State. These tax credits promote the production of low-income rental housing projects by reducing the Federal tax liability of investors who finance the acquisition and construction of these projects.

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:

- 246 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 98,000 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 over 20,000 apartments for low-income families; and
- Approximately 900 low-income apartment projects partially financed by State or Federal capital funds.

In addition to its regulatory functions, the Housing Program directly administers approximately 3,500 Federal Section 8 program vouchers, that provide rental assistance to low-income tenants in New York State.

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 \$25 million appropriation and \$113 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 \$51 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. At these funding levels, the two programs will be able to construct approximately 1,700 new housing units in the upcoming State fiscal year.

To support municipal housing authorities, this Budget also recommends that \$12.8 million in new funding and \$71 million in reappropriations be provided to continue repairs and renovations to the State's existing public housing stock. Finally, this Budget

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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

Category	Available 1998-99	Appropriations Recommended 1999-00	Change	Reappropriations Recommended 1999-00
State Operations	\$61,771,000	\$61,526,000	-\$245,000	\$3,951,000
Aid To Localities	95,342,224	94,710,000	-632,224	139,705,370
Capital Projects	63,200,000	67,700,000	+ 4,500,000	344,028,000
Total	<u>\$220,313,224</u>	<u>\$223,936,000</u>	<u>+ \$3,622,776</u>	<u>\$487,684,370</u>

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	1999-00 Recommended Average Fill Level				Change
	Available 1998-99	Personal Service (Regular)	Maintenance Undistributed	Total Recommended 1999-00	
Administration					
General Fund	80	79	. . . .	79	-1
Housing Information Systems					
General Fund	68	68	. . . .	68	. . . .
Rent Administration					
General Fund	573	570	. . . .	570	-3
Community Development					
General Fund	51	51	. . . .	51	. . . .
Special Revenue Funds — Federal	24	24	. . . .	24	. . . .
Special Revenue Funds — Other	7	7	. . . .	7	. . . .
Housing					
General Fund	55	54	. . . .	54	-1
Special Revenue Funds — Federal	44	42	. . . .	42	-2
Special Revenue Funds — Other	67	65	. . . .	65	-2
New Facilities					
Capital Project Funds	43	41	. . . .	41	-2
Subtotal, Direct Funded Programs	<u>1,012</u>	<u>1,001</u>	<u>. . . .</u>	<u>1,001</u>	<u>-11</u>
Suballocations:					
General Fund	13			13	. . . .
Special Revenue Funds — Federal	24			24	. . . .
Capital Project Funds	16			14	-2
Total	<u>1,065</u>			<u>1,052</u>	<u>-13</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1998-99	Recommended 1999-00	Change
General Fund	\$39,913,000	\$39,114,000	-\$799,000
Special Revenue Funds — Federal	5,705,000	5,743,000	+ 38,000
Special Revenue Funds — Other	16,153,000	16,669,000	+ 516,000
Total	<u>\$61,771,000</u>	<u>\$61,526,000</u>	<u>-\$245,000</u>

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STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1998-99	Recommended 1999-00	Change
Administration			
General Fund	\$10,163,000	\$10,385,000	+ \$222,000
Housing Information Systems			
General Fund	5,436,000	6,057,000	+ 621,000
Rent Administration			
General Fund	17,323,000	15,606,000	-1,717,000
Special Revenue Funds — Other	10,150,000	10,650,000	+ 500,000
Community Development			
General Fund	3,625,000	3,696,000	+ 71,000
Special Revenue Funds — Federal	2,809,000	2,809,000	. . . . .
Special Revenue Funds — Other	415,000	426,000	+ 11,000
Housing			
General Fund	3,366,000	3,370,000	+ 4,000
Special Revenue Funds — Federal	2,896,000	2,934,000	+ 38,000
Special Revenue Funds — Other	5,588,000	5,593,000	+ 5,000
Total	<u>\$61,771,000</u>	<u>\$61,526,000</u>	<u>-\$245,000</u>

STATE OPERATIONS — GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

Program	Total Personal Service		Personal Service Regular (Annual Salaried)		Temporary Service (Nonannual Salaried)	
	Amount	Change	Amount	Change	Amount	Change
Administration	\$3,800,000	-\$214,000	\$3,758,000	-\$214,000	\$13,000	. . . . .
Housing Information Systems	3,500,000	+ 100,000	3,483,000	+ 100,000	. . . . .	. . . . .
Rent Administration	24,010,000	-1,282,000	23,876,000	-1,282,000	120,000	. . . . .
Community Development	3,500,000	+ 65,000	3,473,000	+ 65,000	20,000	. . . . .
Housing	3,226,000	. . . . .	3,219,000	. . . . .	. . . . .	. . . . .
Total	<u>\$38,036,000</u>	<u>-\$1,331,000</u>	<u>\$37,809,000</u>	<u>-\$1,331,000</u>	<u>\$153,000</u>	<u>.</u>

Program	Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change
Administration	\$29,000	. . . . .
Housing Information Systems	17,000	. . . . .
Rent Administration	14,000
Community Development	7,000
Housing	7,000
Total	<u>\$74,000</u>	<u>.</u>

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STATE OPERATIONS — GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	\$6,585,000	+ \$436,000	\$200,000	. . . .
Housing Information Systems	2,557,000	+ 521,000	159,000	. . . .
Rent Administration	2,246,000	+ 65,000	273,000	. . . .
Community Development	196,000	+ 6,000	29,000	. . . .
Housing	144,000	+ 4,000	8,000	. . . .
Total	<u>\$11,728,000</u>	<u>+ \$1,032,000</u>	<u>\$669,000</u>	<u>. . . .</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	\$110,000	. . . .	\$6,265,000	+ \$436,000
Housing Information Systems	26,000	. . . .	2,351,000	+ 521,000
Rent Administration	52,000	. . . .	1,880,000	+ 65,000
Community Development	135,000	. . . .	32,000	+ 6,000
Housing	41,000	. . . .	95,000	+ 4,000
Total	<u>\$364,000</u>	<u>. . . .</u>	<u>\$10,623,000</u>	<u>+ \$1,032,000</u>

Program	Equipment	
	Amount	Change
Administration	\$10,000	. . . .
Housing Information Systems	21,000	. . . .
Rent Administration	41,000	. . . .
Community Development . . . . .	. . . .	. . . .
Housing . . . . .	. . . .	. . . .
Total	<u>\$72,000</u>	<u>. . . .</u>

STATE OPERATIONS — OTHER THAN GENERAL AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 1999-00 RECOMMENDED

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Community Development	\$3,235,000	+ \$11,000	\$2,150,000	+ \$8,000
Housing	8,527,000	+ 43,000	5,852,000	+ 103,000
Total	<u>\$11,762,000</u>	<u>+ \$54,000</u>	<u>\$8,002,000</u>	<u>+ \$111,000</u>

Program	Nonpersonal Service	
	Amount	Change
Community Development	\$1,085,000	+ \$3,000
Housing	2,675,000	-60,000
Total	<u>\$3,760,000</u>	<u>-\$57,000</u>

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AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

<u>Fund Type</u>	<u>Available 1998-99</u>	<u>Recommended 1999-00</u>	<u>Change</u>
General Fund	\$60,292,224	\$61,185,000	+ \$892,776
Special Revenue Funds — Federal	25,050,000	23,525,000	-1,525,000
Fiduciary Funds	10,000,000	10,000,000	. . . .
Total	<u>\$95,342,224</u>	<u>\$94,710,000</u>	<u>-\$632,224</u>

AID TO LOCALITIES ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

<u>Program</u>	<u>Available 1998-99</u>	<u>Recommended 1999-00</u>	<u>Change</u>
Neighborhood Preservation			
General Fund	\$11,750,000	\$11,750,000	. . . .
Housing Development Fund Program			
Fiduciary Funds	10,000,000	10,000,000	. . . .
Community Development			
Special Revenue Funds — Federal	11,950,000	10,425,000	-\$1,525,000
Periodic Subsidies - Local Areas			
General Fund	26,010,000	24,486,000	-1,524,000
Urban Renewal Periodic Subsidies			
General Fund	1,020,000	1,433,000	+ 413,000
Rural Rental Assistance			
General Fund	14,477,000	18,156,000	+ 3,679,000
HUD Section 8 New Construction			
Special Revenue Funds — Federal	13,100,000	13,100,000	. . . .
Public Housing Drug Elimination Program			
General Fund	500,000	500,000	. . . .
Rural Preservation			
General Fund	4,860,000	4,860,000	. . . .
Lead Poisoning Prevention Program			
General Fund	150,000	. . . .	-150,000
Legislative Initiatives			
General Fund	1,525,224	. . . .	-1,525,224
Total	<u>\$95,342,224</u>	<u>\$94,710,000</u>	<u>-\$632,224</u>

CAPITAL PROJECTS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

<u>Comprehensive Construction Programs</u>	<u>Available 1998-99</u>	<u>Recommended 1999-00</u>	<u>Change</u>	<u>Reappropriations 1999-00</u>
Affordable Housing Corporation				
Housing Program Fund	\$25,000,000	\$25,000,000	. . . .	\$51,125,000
Housing Assistance Fund				
Housing Assistance Fund . . . . .	. . . .	. . . .	. . . .	17,933,000
Low Income Housing Trust Fund				
Housing Program Fund	25,000,000	25,000,000	. . . .	112,925,000
Maintenance and Improvements of Existing Facilities				
Housing Program Fund . . . . .	. . . .	4,500,000	+ \$4,500,000	11,548,000
Housing Opportunity Program For Elderly				
Housing Program Fund	400,000	400,000	. . . .	400,000
Housing Program Capital Improvement				
Capital Projects Fund . . . . .	. . . .	. . . .	. . . .	22,415,000
State Housing Bond Fund				
State Housing Bond Fund . . . . .	. . . .	. . . .	. . . .	7,344,000
New Facilities				
Capital Projects Fund . . . . .	. . . .	. . . .	. . . .	3,660,000
Federal Capital Projects Fund . . . . .	. . . .	. . . .	. . . .	46,003,000
Public Housing Modernization Program				
Housing Program Fund	12,800,000	12,800,000	. . . .	70,675,000
Total	<u>\$63,200,000</u>	<u>\$67,700,000</u>	<u>+ \$4,500,000</u>	<u>\$344,028,000</u>