

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 and local offices in rent regulated communities.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$330.3 million (\$86 million General Fund; \$244.3 million Other Funds)** for the Division of Housing and Community Renewal. This is a decrease of **\$9.2 million All Funds (\$13.2 million decrease for General Fund; \$4 million increase for General Funds)** from the 2007-08 budget. This net change primarily reflects continued growth in lease costs and other adjustments. The Executive Budget recommendation includes \$103.1 million of Federal funds, no change from the 2007-08 budget. The Executive Budget recommends a staffing level of **950 FTEs** for the Division of Housing and Community Renewal, no change from the 2007-08 budget.

Major budget actions include:

- **Housing Opportunity Fund**: For 2008-09, a total of \$400 million will be used for a new "Housing Opportunity Fund". These resources will be targeted to the development of affordable, supportive and workforce housing initiatives across the state. The new Fund will be financed by the release of reserves held by the State of New York Mortgage Agency (SONYMA) Mortgage Insurance Fund, and the sale of property at the Jacob K. Javits Convention Center site, and will provide \$300 million for Downstate housing efforts and \$100 million for Upstate housing efforts. The program would be directly administered by SONYMA, with the benefit of an advisory panel consisting of the Division of Housing and Community Renewal (DHCR), the Office of Temporary Disability Assistance (OTDA), the Office of Alcoholism and Substance Abuse Services (OASAS), the Office of Mental Health (OMH) and the Office of Mental Retardation and Developmental Disabilities (OMRDD).

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- **State Low Income Housing Tax Credit**: The 2008-09 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:

- 192 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 80,000 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.

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In addition to its regulatory functions, the Housing Program is responsible for the administration of over 35,000 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. 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 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 \$125.9 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 \$85.5 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 \$65.2 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 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	98,638,000	102,638,000	4,000,000	66,881,000
Aid To Localities	166,772,762	153,505,000	(13,267,762)	129,403,000
Capital Projects	74,200,000	74,200,000	0	380,206,000
Total	<u>339,610,762</u>	<u>330,343,000</u>	<u>(9,267,762)</u>	<u>576,490,000</u>

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

Program	Full-Time Equivalent Positions (FTE)		
	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	FTE Change
Administration			
General Fund	59	59	0
Community Development			
General Fund	62	62	0
Special Revenue Funds - Federal	43	43	0
Special Revenue Funds - Other	12	12	0
Housing			
General Fund	24	24	0
Special Revenue Funds - Federal	56	56	0
Special Revenue Funds - Other	78	78	0
Housing Information Systems			
General Fund	71	71	0
HUD Section 8 New Construction			
Special Revenue Funds - Federal	10	10	0
New Facilities			
Capital Projects Funds - Federal	34	34	0
Rent Administration			
General Fund	159	159	0
Special Revenue Funds - Other	342	342	0
Total	950	950	0

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
General Fund	30,994,000	34,994,000	4,000,000
Special Revenue Funds - Federal	10,651,000	10,651,000	0
Special Revenue Funds - Other	56,993,000	56,993,000	0
Total	98,638,000	102,638,000	4,000,000

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

Program	Available 2007-08	Recommended 2008-09	Change
Administration			
General Fund	13,373,000	15,373,000	2,000,000
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	1,646,000	1,646,000	0
Housing			
General Fund	2,339,000	2,339,000	0
Special Revenue Funds - Federal	7,397,000	7,397,000	0
Special Revenue Funds - Other	9,045,000	9,045,000	0
Housing Information Systems			
General Fund	8,452,000	10,452,000	2,000,000
Rent Administration			
General Fund	3,346,000	3,346,000	0
Special Revenue Funds - Other	43,391,000	43,391,000	0
Total	98,638,000	102,638,000	4,000,000

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STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	4,676,000	0	4,651,000	0
Community Development	3,315,000	0	3,290,000	0
Housing	2,272,000	0	2,267,000	0
Housing Information Systems	4,772,000	0	4,752,000	0
Rent Administration	2,796,000	0	2,791,000	0
Total	<u>17,831,000</u>	<u>0</u>	<u>17,751,000</u>	<u>0</u>

Program	Temporary Service (Nonannual Salaried)		Holiday/Overtime Pay (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	25,000	0	0	0
Community Development	0	0	25,000	0
Housing	0	0	5,000	0
Housing Information Systems	0	0	20,000	0
Rent Administration	0	0	5,000	0
Total	<u>25,000</u>	<u>0</u>	<u>55,000</u>	<u>0</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	10,697,000	2,000,000	350,000	0
Community Development	169,000	0	17,000	0
Housing	67,000	0	2,000	0
Housing Information Systems	5,680,000	2,000,000	30,000	0
Rent Administration	550,000	0	45,000	0
Total	<u>17,163,000</u>	<u>4,000,000</u>	<u>444,000</u>	<u>0</u>

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	300,000	0	9,397,000	2,000,000
Community Development	85,000	0	42,000	0
Housing	45,000	0	15,000	0
Housing Information Systems	50,000	0	4,369,000	2,000,000
Rent Administration	5,000	0	400,000	0
Total	<u>485,000</u>	<u>0</u>	<u>14,223,000</u>	<u>4,000,000</u>

Program	Equipment	
	Amount	Change
Administration	650,000	0
Community Development	25,000	0
Housing	5,000	0
Housing Information Systems	1,231,000	0
Rent Administration	100,000	0
Total	<u>2,011,000</u>	<u>0</u>

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STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2008-09 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	2,911,000	0	660,000	0
Community Development	4,900,000	0	2,915,000	0
Housing	16,442,000	0	9,494,000	0
Rent Administration	43,391,000	0	26,145,000	0
Total	<u>67,644,000</u>	<u>0</u>	<u>39,214,000</u>	<u>0</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	2,251,000	0	0	0
Community Development	1,985,000	0	0	0
Housing	5,447,000	0	1,501,000	0
Rent Administration	17,246,000	0	0	0
Total	<u>26,929,000</u>	<u>0</u>	<u>1,501,000</u>	<u>0</u>

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

Fund Type	Available	Recommended	Change
	2007-08	2008-09	
General Fund	64,322,762	51,055,000	(13,267,762)
Special Revenue Funds - Federal	92,450,000	92,450,000	0
Special Revenue Funds - Other	10,000,000	10,000,000	0
Total	<u>166,772,762</u>	<u>153,505,000</u>	<u>(13,267,762)</u>

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

<u>Program</u>	<u>Available 2007-08</u>	<u>Recommended 2008-09</u>	<u>Change</u>
Home Ownership Economic Stabilization Loan Program for Long Island General Fund	390,000	0	(390,000)
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
Lead Poisoning Prevention Program General Fund	400,000	0	(400,000)
Low Income Weatherization Special Revenue Funds - Federal	21,350,000	21,350,000	0
Neighborhood Preservation General Fund	13,906,500	10,634,000	(3,272,500)
New York City Housing Authority Tenant Pilot Program General Fund	1,200,000	0	(1,200,000)
Periodic Subsidies - Local Areas General Fund	20,220,000	16,220,000	(4,000,000)
Rural Community Revitalization Program General Fund	400,000	0	(400,000)
Rural Preservation General Fund	6,225,000	4,597,000	(1,628,000)
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
Urban Homeownership Assistance Program General Fund	388,000	0	(388,000)
Community Projects General Fund	1,589,262	0	(1,589,262)
Total	<u>166,772,762</u>	<u>153,505,000</u>	<u>(13,267,762)</u>

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

Comprehensive Construction Program	Available 2007-08	Recommended 2008-09	Change	Reappropriations 2008-09
Affordable Housing Corporation				
Housing Program Fund	25,000,000	25,000,000	0	85,513,000
Housing Assistance Fund				
Housing Assistance Fund	0	0	0	13,086,000
Low Income Housing Trust Fund				
Housing Program Fund	29,000,000	29,000,000	0	125,851,000
Maintenance and Improvements of Existing Facilities				
Housing Program Fund	0	0	0	4,025,000
Housing Opportunity Program For Elderly				
Housing Program Fund	400,000	400,000	0	0
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	122,000
Federal Capital Projects Fund	0	0	0	28,434,000
Public Housing Modernization Program				
Housing Program Fund	12,800,000	12,800,000	0	65,186,000
Rural Revitalization Program				
Housing Program Fund	0	0	0	2,750,000
Urban Initiatives Program				
Housing Program Fund	0	0	0	2,375,000
Homes for Working Families Program				
Housing Program Fund	7,000,000	7,000,000	0	25,800,000
Total	<u>74,200,000</u>	<u>74,200,000</u>	<u>0</u>	<u>380,206,000</u>