

More funding is needed for the State's housing programs. While the State has provided funding on a regular basis, there has been little attention paid to the increasing costs, which when added to normal inflation, consistently buys less and less product.

Increased vigilance regarding lead and asbestos, while certainly advantageous to the public, has dramatically increased the cost of doing rehab around the state. This obviously results in fewer and fewer units being done. Those trying to meet the needs of the neediest New Yorkers, feel the pinch the most since many of those homes are most in need of substantial repairs.

New Construction is also substantially impacted by rising costs not only dictated by the marketplace, rising energy cost, etc., but also by the more costly requirements imposed by the funding agencies-again certainly for the public's good. Some examples are the Green Building Initiatives and Energy Conservation measures, issues of Visitability, more amenities, etc. These are happily provided, and many of them will produce lower operational cost throughout the life of the project, which certainly is a good thing, but we are obviously buying fewer units than we were even three years ago with the same amount of funding.

This also applies to the State Tax Credit Program, where projects may require more credits than previously because of the higher costs involved in the development and construction of the projects.

One of the things we have seen is continually escalating soft costs in these projects. Obviously rising interest rates have an impact, but many other things as well, more complex market analysis requirements, Phase I environmental reports, now with more rigorous standards, which cost more and must be updated if they are a year old. More onerous Archaeological standards, which have resulted in more Phase II and Phase III studies at very substantial costs. Updating the Davis Bacon Wage rates has certainly impacted many geographical areas. There are many areas where we have to avoid using HOME funds because the Davis Bacon wage rates make a project unworkable.

Sites in general have become more expensive. there is a saying among developers that all of the good sites have been taken. I'm sure there are some out there, but they are generally much more expensive. Those remaining may have topographical issues or other environmental issues, which need to be mitigated, or are more costly to develop or access infrastructure.

A program, which was funded as a demonstration a number of years ago was the Infrastructure Development Demonstration Program, which I believe had an allocation of \$5 million. It helped address the offsite costs, which many programs do not want to cover. This program was so helpful providing assistance with getting utilities to sites or making necessary improvements to make them usable at the site. This was especially helpful in rural communities and small villages. It has never received additional funding. I think it is obvious that having infrastructure is essential to development and redevelopment. I would strongly encourage funding this program again.

I believe New York is in an affordable housing crisis, not just for the poor, who are faced with cutbacks on available subsidies, long waiting lists nearly everywhere and units that are not fit to live in, but for working people, who are paying substantially over 30% of their income for housing if they are fortunate enough to even be able to find housing-such as in the Hudson Valley.

New York needs to step up to the plate and recognize that housing is an essential part of the state's infrastructure. We need to be preserving what we have and adding to it. This impacts not only the residents, but it impacts the decisions of businesses to locate, to expand or to leave our state.

I think the predatory lending crisis has certainly made obvious that the greed of a few has had disastrous results to individuals, families and communities. Every effort must be made to deal with the criminals and to help those injured reclaim their lives.

Thank you for this opportunity to send comments about the budget.

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