

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 \$309 million. The 2003-04 Budget will:

- Provide over \$74 million in housing capital funds, including \$7 million for the nationally recognized Homes for Working Families Program;
- Provide \$7.9 million to administer the development of low-income housing and over \$16 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. This is a reduction of \$10 million from 2002-03 enacted funding levels and will require a major restructuring of the programs; and
- 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.

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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. 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 1,100 low-income apartment projects partially financed by State or Federal capital funds.

In addition to its regulatory functions, the Housing Program directly administers approximately 4,400 Federal Section 8 program vouchers, that provide rental assistance to low-income tenants 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. In 1999, the Division's Office of Rent Administration was selected as a Work Force Champion Team for its efforts in making the Rent Administration Program more responsive to its customers.

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 \$121

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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 \$90.4 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 1,966 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 \$78.9 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 2002-03	Appropriations Recommended 2003-04	Change	Reappropriations Recommended 2003-04
State Operations	86,202,000	85,478,000	(724,000)	38,562,000
Aid To Localities	166,491,735	149,754,000	(16,737,735)	238,206,000
Capital Projects	74,200,000	74,200,000	0	384,971,000
Total	<u>326,893,735</u>	<u>309,432,000</u>	<u>(17,461,735)</u>	<u>661,739,000</u>

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

Full-Time Equivalent Positions (FTE)

Program	2002-03 Estimated FTEs 03/31/03	2003-04 Estimated FTEs 03/31/04	FTE Change
Administration			
General Fund	77	74	(3)
Community Development			
General Fund	59	57	(2)
Special Revenue Funds - Federal	43	43	0
Special Revenue Funds - Other	5	5	0
Housing			
General Fund	55	52	(3)
Special Revenue Funds - Federal	36	36	0
Special Revenue Funds - Other	79	79	0
Housing Information Systems			
General Fund	71	71	0
New Facilities			
Capital Projects Funds - Federal	42	42	0
Rent Administration			
General Fund	83	81	(2)
Special Revenue Funds - Other	400	395	(5)
Total	<u>950</u>	<u>935</u>	<u>(15)</u>

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

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	29,868,000	27,777,000	(2,091,000)
Special Revenue Funds - Federal	8,700,000	8,700,000	0
Special Revenue Funds - Other	47,634,000	49,001,000	1,367,000
Total	<u>86,202,000</u>	<u>85,478,000</u>	<u>(724,000)</u>

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

Program	Available 2002-03	Recommended 2003-04	Change
Administration			
General Fund	11,367,000	11,876,000	509,000
Special Revenue Funds - Other	0	2,911,000	2,911,000
Community Development			
General Fund	4,145,000	3,267,000	(878,000)
Special Revenue Funds - Federal	3,155,000	3,155,000	0
Special Revenue Funds - Other	1,488,000	1,488,000	0
Housing			
General Fund	3,323,000	2,673,000	(650,000)
Special Revenue Funds - Federal	5,545,000	5,545,000	0
Special Revenue Funds - Other	7,457,000	8,028,000	571,000
Housing Information Systems			
General Fund	6,565,000	6,805,000	240,000
Rent Administration			
General Fund	4,468,000	3,156,000	(1,312,000)
Special Revenue Funds - Other	36,589,000	36,574,000	(15,000)
Small Cities Community Development			
Block Grant			
Special Revenue Funds - Other	2,100,000	0	(2,100,000)
Total	<u>86,202,000</u>	<u>85,478,000</u>	<u>(724,000)</u>

STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	4,458,000	(130,000)	4,458,000	(130,000)
Community Development	3,098,000	(848,000)	3,098,000	(848,000)
Housing	2,556,000	(620,000)	2,556,000	(620,000)
Housing Information Systems	3,969,000	0	3,969,000	0
Rent Administration	27,054,000	(1,812,000)	27,054,000	(1,812,000)
Total	<u>41,135,000</u>	<u>(3,410,000)</u>	<u>41,135,000</u>	<u>(3,410,000)</u>

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STATE OPERATIONS - GENERAL AND OFFSET FUNDS SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	7,418,000	639,000	206,000	0
Community Development	169,000	(30,000)	30,000	0
Housing	117,000	(30,000)	8,300	0
Housing Information Systems	2,836,000	240,000	219,900	0
Rent Administration	12,676,000	485,000	0	0
Total	23,216,000	1,304,000	464,200	0

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	110,000	0	7,092,000	639,000
Community Development	105,000	(30,000)	34,000	0
Housing	41,000	0	67,700	(30,000)
Housing Information Systems	26,000	0	2,366,100	240,000
Rent Administration	0	0	0	0
Total	282,000	(30,000)	9,559,800	849,000

Program	Equipment		General State Charges	
	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	9,220,000	485,000
Total	234,000	0	9,220,000	485,000

Program	Maintenance Undistributed	
	Amount	Change
Administration	0	0
Community Development	0	0
Housing	0	0
Housing Information Systems	0	0
Rent Administration	3,456,000	0
Total	3,456,000	0

STATE OPERATIONS - OTHER THAN GENERAL FUND AND OFFSET FUNDS SUMMARY OF APPROPRIATIONS AND CHANGES 2003-04 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	2,911,000	2,911,000	0	0
Community Development	4,643,000	0	2,448,000	0
Housing	13,573,000	571,000	7,752,000	0
Rent Administration	35,924,000	(15,000)	23,798,000	(500,000)
Small Cities Community Development Block Grant	0	(2,100,000)	0	(2,100,000)
Total	57,051,000	1,367,000	33,998,000	(2,600,000)

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	0	0	2,911,000	2,911,000
Community Development	1,195,000	0	1,000,000	0
Housing	4,321,000	571,000	1,500,000	0
Rent Administration	12,126,000	485,000	0	0
Small Cities Community Development Block Grant	0	0	0	0
Total	17,642,000	1,056,000	5,411,000	2,911,000

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

Fund Type	Available 2002-03	Recommended 2003-04	Change
General Fund	64,041,735	47,304,000	(16,737,735)
Special Revenue Funds - Federal	92,450,000	92,450,000	0
Fiduciary Funds	10,000,000	10,000,000	0
Total	166,491,735	149,754,000	(16,737,735)

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

Program	Available 2002-03	Recommended 2003-04	Change
Community Development			
General Fund	500,000	0	(500,000)
Housing Development Fund Program			
Fiduciary Funds	10,000,000	10,000,000	0
HUD Section 8 New Construction			
Special Revenue Funds - Federal	13,100,000	13,100,000	0
Lead-Based Paint Abatement Program			
General Fund	150,000	0	(150,000)
Low Income Weatherization			
Special Revenue Funds - Federal	21,350,000	21,350,000	0
Neighborhood Preservation			
General Fund	12,560,000	5,465,000	(7,095,000)
Periodic Subsidies - Local Areas			
General Fund	21,080,000	19,380,000	(1,700,000)
Rural Preservation			
General Fund	5,260,000	2,355,000	(2,905,000)
Rural Rental Assistance			
General Fund	20,104,000	20,104,000	0
Small Cities Community Development			
Block Grant			
Special Revenue Funds - Federal	58,000,000	58,000,000	0
Urban Homeownership Assistance Program			
General Fund	440,000	0	(440,000)
Urban Renewal Periodic Subsidies			
General Fund	300,000	0	(300,000)
Community Projects			
General Fund	3,647,735	0	(3,647,735)
Total	166,491,735	149,754,000	(16,737,735)

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

Comprehensive Construction Program	Available 2002-03	Recommended 2003-04	Change	Reappropriations 2003-04
Affordable Housing Corporation				
Housing Program Fund	25,000,000	25,000,000	0	90,400,000
Housing Assistance Fund				
Housing Assistance Fund	0	0	0	11,333,000
Low Income Housing Trust Fund				
Housing Program Fund	29,000,000	29,000,000	0	121,175,000
Maintenance and Improvements of Existing Facilities				
Housing Program Fund	0	0	0	8,604,000
Housing Opportunity Program For Elderly				
Housing Program Fund	400,000	400,000	0	800,000
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				
Housing Program Fund	0	0	0	36,645,000
Public Housing Modernization Program				
Housing Program Fund	12,800,000	12,800,000	0	78,950,000
Homes for Working Families Program				
Housing Program Fund	7,000,000	7,000,000	0	10,000,000
Total	<u>74,200,000</u>	<u>74,200,000</u>	<u>0</u>	<u>384,971,000</u>