

December 15, 2007

Honorable Sheldon Silver
Speaker of the Assembly
Legislative Office Building
Albany, New York 12248

Dear Mr. Speaker:

I am pleased to present the 2007 Annual Report for the Assembly Committee on Housing highlighting the accomplishments of the past Legislative Session. We were able to increase funding for the Neighborhood and Rural Preservation companies, which are a key component in our ongoing effort to address the housing crisis in New York State.

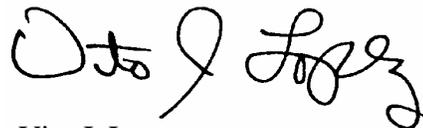
Many bills important to the preservation and creation of affordable housing were passed by the Assembly and several were signed into law. In response to the continuing threat of buildings pre-paying or "buying out" of the Mitchell-Lama program, the Assembly again passed a package of bills to protect tenants. Bills passed include one that would eliminate the six percent cap on owner dividends while providing rent stabilization to tenants in buildings that buy out (A. 795), ones that would require early notification for buy-outs (A.797), and extend from twenty to fifty years the period of time before limited-profit housing companies may dissolve (A.793), and bills that would extend rent stabilization to buildings occupied after 1974 (A.1386 and A.4196). Unfortunately, the Senate failed to pass these bills. The Committee will continue to advance this legislation in the next session and explore additional ways to keep owners in the program. In addition, working with the Committee on Real Property Taxation, we reformed the system that awards 421-a tax benefits to developers so that there will be greater incentive to build housing units affordable to families with low or moderate incomes.

The Committee held several public hearings in 2007. In March, the Housing Committee held a public hearing to discuss strategies that would enhance access to affordable housing for working New York families. The Housing Committee, in conjunction with the Subcommittee on

Mitchell-Lama Housing, held public hearings in May and June to explore possible solutions to keep units in the Mitchell-Lama program and discuss any changes that could be made to improve the program. On May 29, 2007, the Housing Committee joined the Committee on Consumer Affairs and Protection, the Committee on Banks, the Committee on Judiciary, and the Committee on Oversight, Analysis and Investigation to discuss subprime lending practices. The Housing Committee, in conjunction with the Social Services Committee and Corrections Committee, held a public hearing in July on formerly incarcerated individuals' barriers to employment opportunities and affordable housing. And in October, the Committee held a hearing to discuss the difficulties that face a vast majority of manufactured homeowners who have invested tens of thousand of dollars in the purchase of their homes.

I am pleased with the many successes of the Committee and look forward to continuing our efforts in what is sure to be an exciting session ahead. I wish to extend my sincerest thanks to the members of the Committee, my staff, the staff of the Housing Committee, and to you, Mr. Speaker, for your commitment and support.

Sincerely,

A handwritten signature in black ink, appearing to read "Vito J. Lopez". The signature is fluid and cursive, with a large initial "V" and a long, sweeping underline.

Vito J. Lopez
Chairman

2007 ANNUAL REPORT
OF THE
ASSEMBLY STANDING COMMITTEE ON HOUSING

VITO J. LOPEZ, CHAIRMAN

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Steven Cymbrowitz
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Linda Camoin, Legislative Analyst
Lindsay Florek, Committee Clerk
Steven R. McCutcheon, Committee Assistant
Kathleen Quackenbush, Program and Counsel Secretary

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I. COMMITTEE JURISDICTION AND PURVIEW

The New York State Assembly Committee on Housing is composed of twenty-seven members. The Committee is responsible for legislation concerning housing development and preservation. Its purview includes rent regulation, as well as legislation that amends the following volumes of the New York State Consolidated Laws:

- Multiple Dwelling Law, which encompasses health and safety standards for buildings with three or more families living independently of each other in New York City and Buffalo;
- Multiple Residence Law, which covers health and safety standards for buildings with three or more families living independently of each other in all localities other than New York City and Buffalo;
- Private Housing Finance Law, which governs the following State programs: Mitchell-Lama; Limited Dividend Companies; Redevelopment Companies; Housing Trust Fund; Affordable Home Ownership Development; Turnkey; Permanent Housing for Homeless Families; Infrastructure Development Demonstration; Mobile Home Cooperative Fund; Housing Development Fund; Neighborhood Preservation; Rural Preservation; Rural Area Revitalization; Rural Rental Assistance; Special Needs Housing; Urban Initiatives; Permanent Housing for Homeless Families; several New York City programs; and the administration of the State Housing Finance Agency and New York City Housing Development Corporation; and
- Public Housing Law, which covers the safety, management, and financing of local public housing authorities throughout the State.

In addition to bills regarding these laws, the Committee has jurisdiction over legislation amending the following sections of the Unconsolidated Laws: the Emergency Housing Rent Control Law; the Local Emergency Housing Rent Control Law; the New York City Rent Stabilization Law; the Emergency Tenant Protection Act of 1974; sections of the New York City Administrative Code and the City of Buffalo Administrative Code; sections of the General Business Law that relate to the conversion of real property from rental to cooperative (co-op) or condominium (condo) status; and housing-related sections of the Executive Law, Real Property Law, Real Property Actions and Proceedings Law, and the Public Authorities Law.

II. LEGISLATIVE HEARINGS

A. SECTION 421-a OF THE REAL PROPERTY TAX LAW AND ITS CORRELATION TO AFFORDABLE HOUSING

The Housing Committee held a public hearing on March 16, 2007, on Section 421-a of the Real Property Tax Law and its impact on the production of affordable housing. The Committee heard from the Deputy Mayor of the City of New York, numerous community board representatives, users of the 421-a tax exemption program, and affordable housing advocates. The hearing sought testimony from the various parties regarding whether the 421-a program continued to be useful.

The hearing reviewed the merits as well as the need for the 421-a program. The hearing also sought input on viable proposals to enhance the 421-a program in such a way as to address the affordable housing crisis and/or to find alternative solutions for this serious problem.

B. THE FUTURE OF MITCHELL-LAMA HOUSING

In conjunction with the Subcommittee on Mitchell-Lama, the Housing Committee held hearings on May 11, 2007, and June 1, 2007, to explore solutions for keeping units in the Mitchell-Lama program as well as possible improvements to the program. The Committee heard from elected officials, Mitchell-Lama tenants' associations, tenants' organizations, and individual Mitchell-Lama tenants regarding their concern for the future of the Mitchell-Lama program. All agreed that the program has been extremely successful in providing moderate income families with rental and cooperative housing. There is widespread concern that as building owners leave the program affordable units in the City will be lost forever.

C. SUBPRIME LENDING PRACTICES

On May 29, 2007, the Committee on Consumer Affairs and Protection, the Committee on Banks, the Committee on Housing, the Committee on Judiciary, and the Committee on Oversight, Analysis, and Investigation held a joint public hearing on subprime lending practices. According to the Center for Responsible Lending, New York is one of eight states that are predicted to suffer the greatest impact as a result of the recent spike in foreclosures in the subprime mortgage market. Many homeowners were duped into contracting mortgages with deceptive or unjust terms, including those with low "teaser" interest rates that increase significantly after several years and interest-only mortgages. As interest rates have risen and property values decreased, foreclosures have occurred at alarming rates and delinquencies continue to climb. It has been estimated that over 50,000 families in New York are at risk of losing their homes by the end of 2008.

The purpose of this hearing was to evaluate the lending practices in the subprime market and to determine steps that can be taken to help those facing foreclosure and what can be done to prevent this situation from recurring. Issues of federal preemption, loan securitization, and the impact of subprime lending practices on low-income communities were discussed. The Committees received valuable testimony from the New York State Banking Department, the Center for Responsible Lending, housing and consumer advocates, legal services organizations, and industry representatives.

D. FORMERLY INCARCERATED INDIVIDUALS' BARRIERS TO EMPLOYMENT OPPORTUNITIES AND AFFORDABLE HOUSING

In conjunction with the Social Services Committee and Corrections Committee, the Housing Committee held a public hearing on July 19, 2007, on formerly incarcerated individuals' barriers to employment opportunities and affordable housing. The Committee heard from the President of New York County Lawyers Association, the Commissioners of Human Resources Administration and Department of Social Services, elected officials, and professionals who are committed to reducing the legal and social barriers that impair the successful reentry of formerly incarcerated individuals. A number of witnesses testified to the housing discrimination that prevents formerly incarcerated individuals from obtaining stable and suitable housing.

E. HOMEOWNER PROTECTIONS IN MANUFACTURED HOME PARKS

On October 26, 2007, the Committee held a public hearing to discuss the difficulties that face a vast majority of manufactured homeowners who have invested tens of thousands of dollars in the purchase of their homes.

It generally costs a manufactured homeowner thousands of dollars to move a home, assuming the home is capable of being moved without suffering severe damage. Moreover, because of restrictive zoning laws, only a limited number of vacant lots are available, and it is often impossible to relocate in the neighborhood where the residents have established themselves and their families. As a result, manufactured homeowners find themselves in an unequal bargaining position with the park owner, which renders them captive to whatever terms a manufactured home park owner may choose to impose. Even more dire is the situation where a park owner seeks to evict all homeowners as a result of the decision to sell or change the use of the property. One proposal to deal with this situation is to grant the homeowners a right of first refusal to purchase the park on the same terms offered by a proposed purchaser.

III. 2007 LEGISLATIVE HIGHLIGHTS

A. STATE OF NEW YORK MORTGAGE AGENCY (SONYMA) AND HOUSING FINANCE AGENCY (HFA)

1. Increasing HFA's Authority to Finance Affordable Housing A.8798 (Kavanagh); Chapter 85 of the Laws of 2007

This chapter increases the maximum bonding authority of the New York State Housing Finance Agency (HFA) by \$1.5 billion from \$11.28 billion to \$12.78 billion. In addition, this chapter extends HFA's and the Housing Development Corporation's (HDC) authority to finance certain multifamily housing projects until June 30, 2009.

2. Reauthorizing the State of New York Mortgage Agency A.8799 (Lopez); Chapter 229 of the Laws of 2007

This chapter amends Section 2404 and Section 2407 of the Public Authorities Law to increase tax-exempt bonding authority of the State of New York Mortgage Agency (SONYMA) to a total of \$7.92 billion, an increase of \$250 million. This chapter increases taxable bonding authority of the State of New York Mortgage Agency (SONYMA) to a total of \$800 million, an increase of \$500 million. This chapter increases the amount of tax-exempt and taxable bonds that SONYMA can blend to a total of \$500 million, an increase of \$350 million. These increases are expected to provide SONYMA with sufficient bonding authority to cover its activities for the next year. This chapter extends SONYMA's authority to purchase mortgages and issue taxable and tax-exempt bonds. In addition, this chapter authorizes SONYMA to reimburse its mortgagors for any Federal recapture liability they may incur in connection with SONYMA financed mortgage loans until July 16, 2008.

3. Extending the Authority of SONYMA's Mortgage Insurance Fund A.8800 (Young); Chapter 230 of the Laws of 2007

This chapter would extend the ability of SONYMA's Mortgage Insurance Fund (MIF) to provide mortgage pool insurance until July 16, 2009.

4. Authorizing SONYMA to Issue and Insure Certain Second Mortgages A.7647 (Lopez, V.); Passed Assembly

This bill would allow SONYMA to issue and insure second mortgages to provide down payment and closing cost assistance to potential home owners if the mortgage is made at the same time as a first SONYMA mortgage.

B. MITCHELL-LAMA HOUSING

Since the 1950s, the Mitchell-Lama program has provided affordable housing to moderate-income New Yorkers. More than 400 Mitchell-Lama developments, housing approximately 150,000 families, are scattered throughout the State. The continued viability of this housing remains a critical part of New York State's effort to ensure the availability of affordable housing for each of its citizens.

Despite this, to date owners of thousands of apartments have ended rental or sales restrictions that cover their buildings by repaying loans issued under the Mitchell-Lama guidelines. In fact, in New York City alone over 36,629 units have left the program and an additional 12,952 have begun the process to withdraw from the program. These "buy-outs" can have a devastating impact on the families living in these buildings as rents may double or triple when existing leases expire.

Since 1999, the Assembly has responded by passing packages of bills to protect Mitchell-Lama tenants. The Committee continued to advance a package of legislation in 2007. Unfortunately the Senate has not addressed this issue by passing the comprehensive package.

1. Encouraging Shareholder Votes in Mutual Companies

A.7892 (Brook-Krasny); Chapter 597 of the Laws of 2007

This chapter authorizes mutual companies, with the approval of the commissioner or the supervising agency, to require a standard form and procedure for the casting of proxies or absentee ballots in any matter requiring a shareholder vote.

2. Encouraging Continuation in Mitchell-Lama Via Incentives

A.795 (Lopez, V.); Passed Assembly

This bill authorizes municipally aided Mitchell-Lama rental developments in New York City to pay dividends or interest in excess of six percent per year. It would also provide rent stabilization protection for tenants in Mitchell-Lama developments that still choose to buy out of the program. The legislation would also exempt developments where the tenants and owner have executed a settlement agreement regarding their respective rights and obligations.

3. Extending Rent and Eviction Protections of the Rent Stabilization Law

A.1386 (Lopez, V.); Third Reading

This bill would extend the rent and eviction protections of the New York City Rent Stabilization Law to Mitchell-Lama developments occupied on or after January 1, 1974.

4. Ensuring Early Notification of Mitchell-Lama Buy-Outs

A.797 (Lopez, V.); Passed Assembly

This bill would require Mitchell-Lama housing companies that intend to dissolve to provide notice of such intention to all their lease holders at least twelve months prior to the anticipated date of dissolution. The bill specifies certain information that must be included in the required notice.

5. Safeguarding New York State's Mitchell-Lama Housing

A.793 (Lopez, V.); Passed Assembly

This bill would extend from twenty years to fifty years the period of time a company must continue in operation before limited-profit housing companies may dissolve and leave the Mitchell-Lama Program. This legislation would preserve Mitchell-Lama housing as an affordable housing resource for the future.

6. Requiring Proof of Maintenance of Essential Services

A.531 (Dinowitz); Passed Assembly

This bill would ensure the delivery of essential services in Mitchell-Lama housing by conditioning the Division of Housing and Community Renewal (DHCR) approval of rent increase applications on the delivery of those services and the correction of any hazardous conditions that might exist.

7. Protecting Former Mitchell-Lama Tenants

A.4196 (Pretlow); Passed Assembly

This bill would provide rent and eviction protection to the tenants in former Mitchell-Lama buildings. The bill would authorize municipalities in Nassau, Westchester, and Rockland counties to declare a housing emergency for former Mitchell-Lama buildings that have voluntarily dissolved.

8. Protecting Tenants from Rent Increases Unreasonably Based on Unique and Peculiar Circumstances

A.352 (Bing); Passed Assembly

This bill would protect tenants in Mitchell-Lama developments in New York City that become subject to Rent Stabilization or the Emergency Tenant Protection Act, by ensuring that the rent is stabilized at the level of the prior rental amount and prohibiting a rent increase based on the characterization of past participation in the Mitchell-Lama program as a unique and peculiar circumstance when a project withdraws from the program.

C. PUBLIC HOUSING

The State of New York continues to play an important role in regulating and supporting the operation of public housing. Currently, over 18,000 units of state-regulated public housing are operated by thirty public housing authorities. In New York City alone, state-supervised public housing developments provide housing to over 30,000 people.

These developments, which play an important role in the State's efforts to provide affordable housing, desperately need additional assistance in order to make long overdue capital improvements. However, due to the inadequate levels of federal funding and funding provided through the State's Public Housing Modernization program over the last decade, many essential improvements and repairs continue to languish. Increased funding for modernization remains one of the Committee's top priorities.

Expanding the Rights of Public Housing Tenants

A.5557 (Wright); Passed Assembly

This bill would allow public housing tenants to conduct meetings free of charge in common areas owned by their housing authority.

D. NEIGHBORHOOD AND RURAL PRESERVATION PROGRAMS

The Neighborhood and Rural Preservation programs (NPP and RPP) provide grants to cover the administrative costs of not-for-profit community groups engaged in a variety of housing activities ranging from housing development and rehabilitation to homebuyer counseling and tenant assistance. These not-for-profits are known as neighborhood and rural preservation companies (NPCs and RPCs). Since 1990 alone, NPCs and RPCs have played an instrumental role in the creation of over 32,000 units of affordable housing. According to the New York State Division of Housing and Community Renewal (DHCR), for every dollar invested in NPCs and RPCs, between \$13 and \$18 is leveraged from private and other public sources for affordable housing.

Facilitating Rural Area Revitalization

A.1058 (Christensen); Passed Assembly

This bill would permit qualifying not-for-profit housing organizations involved in certain rural area revitalization projects to use up to ten percent of the program or project cost they are awarded for the organization's operating expenses, including expenses related to their operating support and the administration of the contract.

E. COOPERATIVES AND CONDOMINIUMS

The purchase of a cooperative or condominium is for many urban dwellers the preferred and often the only affordable form of home ownership. Buying a co-op or condo is often a complex process requiring a substantial investment of time and money on the part of the purchaser.

Upon purchase, a co-op shareholder or condo unit-owner acquires an interest in his or her individual dwelling unit and by virtue of the collective form of ownership, a substantial stake in the management of the property. But unlike owning a home, where an individual owner has the final say as to property management decisions, an elected board has these responsibilities in a co-op or condo. Condo unit-owners elect a board of managers, while co-op shareholders elect a board of directors.

1. Requiring Notification of Rights

A.8037 (Kavanagh); Passed Assembly

This bill would require sponsors of cooperative or condominium conversions to notify cooperative shareholders or condominium owners of their right, as provided by federal law, to terminate a sponsor's self-dealing contract.

2. Condominium Owners' Bill of Rights

A07413 (Lopez V.); Third Reading

Enacts a bill of rights for owners of residential condominium units to provide fair and equitable treatment of all unit owners and directs the attorney general to promulgate a handbook summary of the rights of unit owners and condominium associations and the procedures and processes available to unit owners to enforce such rights.

F. DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT (HPD)

New York City's housing needs are among the largest in the nation. As a result, the Housing Committee works with New York City's Department of Housing, Preservation, and Development (HPD) to ensure that those needs are met. The following are summaries of bills relating to HPD functions that were acted upon by the Assembly.

1. Increasing the Housing Development Corporation's Bonding Authority

A.8796 (Lopez, V.); Chapter 671 of the Laws of 2007

This chapter allows the City of New York Housing Development Corporation ("HDC") to increase the maximum aggregate principal amounts of its outstanding notes and bonds by \$1.5 billion from \$6.25 billion to \$7.75 billion. HDC uses this bonding authority to refinance existing Mitchell-Lama

mortgages in exchange for a commitment to remain in the program for an additional fifteen years, to restructure HUD loans used to finance the construction of low-income housing for the elderly, and to continue to run programs that develop and maintain affordable housing in New York City.

2. Extending Authority to Lien Evaporation

A.8955 (Lancman); Chapter 157 of the Laws of 2007

This chapter extends until the June 30, 2009, the City of New York's authority to "evaporate" (reduce to zero) liens placed on properties for municipally financed repairs. Additionally, it extends until June 30, 2009, the date by which the City of New York must submit a report detailing the program activities carried out during the two prior calendar years.

3. Enabling Mortgage Modification for Redevelopment Companies

A.8957-A (Lopez, V.); Chapter 493 of the Laws of 2007

This chapter authorizes redevelopment companies with federally-aided mortgages to borrow funds and secure their repayment in a manner approved by New York City's Department of Housing Preservation and Development, provided that such approval be conditioned on a restrictive agreement with HPD that prohibits the company from dissolving for at least five years and provided that the company may not increase the rents to pay for any increases in indebtedness not attributable to project cost.

G. LOFT LAW

Originally passed in 1982, the Loft Law provides a mechanism for legalizing commercial lofts in New York City that had been converted in the early 1980's to residential or combined commercial and residential use. The law also provides these residential tenants with protections against arbitrary evictions and rent hikes. The law was scheduled to expire on May 31, 2007, and these tenants, long-term residents of the City, many of whom provide strong support for its prominence in artistic fields, were threatened by changing demographics and need greater protections.

Currently it is estimated that in Brooklyn alone, 10,000 people who live in buildings zoned for commercial or manufacturing use are not protected by the existing Loft Law. When the Assembly became aware of the large number of tenants threatened with eviction, it developed a package of bills to address the situation. By expanding the Loft Law, the Assembly seeks to increase the number of residents who would be covered under the existing statute and to provide important tenant protections for residents whose loft apartments are not currently covered.

1. Extending Protections for Loft Tenants

A.8694 (Glick); Chapter 62 of the Laws of 2007

This chapter would extend until May 31, 2008, the provisions of law constituting the Loft Law and Quick Draw.

2. Insuring Continuation of Services

A.2875 (Lopez, V.); Passed Assembly

This bill would prohibit interruption of services in "would-be" interim multiple dwellings if the unit is used for residential purposes with the knowledge and consent of the owner. Essential services that have customarily been provided could only be interrupted for repairs, which would be required to be performed in a reasonably expedient manner in the case of an emergency or by order of a court or other governmental organization. The bill would further provide that if the services have been interrupted or discontinued, the owner must restore such services for as long as residential occupancy continues.

3. Providing Additional Oversight and Remedies for Loft Dwellings and Residents

A.2816 (Glick); Passed Assembly

This bill would extend the Loft Law until May 31, 2010. It would also provide additional oversight for interim multiple dwellings, and would provide for additional remedies for residents of such dwellings. It would protect tenants who have occupied their lofts for twenty years or more from eviction due to an owner's claim that he or she wants to use the unit or let a family member use the unit. This bill would further make additional provisions relating to the financing of such dwellings and the applicability of various provisions of the law to such dwellings.

4. Expanding Loft Law Coverage

A.4726 (Lopez, V.); Passed Assembly

This bill would expand the existing Loft Law to people who lived in illegal lofts for a period of at least one year, from January 1, 2005, to December 31, 2006. The bill would also extend the Loft Law to May 31, 2010.

H. RENT REGULATION

New York's rent regulation laws provide protection to over 2.5 million tenants throughout the State. The basis for both rent control and rent stabilization is a housing emergency, defined as a vacancy rate below five percent, which still exists in many areas of the State. Due to the existence of this emergency, government intervention is critical to protect tenants from unreasonable rent increases and evictions.

1. Urstadt Law Repeal

A.4069 (Lopez, V.); Passed Assembly

This bill would amend the Local Emergency Housing Rent Control Act by removing the provision that prohibits cities of one million or more from strengthening rent regulation laws to provide more comprehensive coverage than provided by state laws.

2. Reducing Percentages Allowed for Rent Increases

A.2894 (Lopez, V.); Passed Assembly

This bill would decrease from twenty percent to ten percent the amount a landlord could increase rent upon vacancy, and would prohibit a landlord from taking more than one increase in any one calendar year.

3. Improving the Operations of Rent Guideline Boards

A.4501 (Brotsky); Passed Assembly

This bill would provide that in addition to the nine regular members of a rent guidelines board, there would be an additional three members who would be alternates. They would represent, respectively, the public, landlords, and tenants. The alternates would be permitted to participate in all proceedings of the board as non-voting members. They would only be allowed to participate as voting members and receive a per diem when a regular member is unable to attend the proceeding.

4. Reforming Major Capital Improvement Rent Increases

A.6510 (O'Donnell); Passed Assembly

This bill would reform the method by which owners of rent regulated buildings are compensated for major capital improvements (MCIs). In addition to improving the methodology for determining MCI rent increases, this bill would require that rent increases associated with MCIs be treated as a surcharge that would not become part of the legal regulated rent by which annual rent increases are calculated. This bill would also require that rent surcharges authorized for major capital improvements cease once the cost of the improvement has been recovered.

I. BUILDING AND MAINTENANCE CODES

Increasing the Minimum Heating Requirement

A.5596 (Lopez, V.); Passed Assembly

This bill would provide that certain multiple dwellings must be heated to a minimum temperature of sixty-two degrees Fahrenheit from October 1st to May 31st between 10 pm and 6 am. The current minimum temperature requirement is fifty-five degrees Fahrenheit.

J. OTHER

1. Facilitating Protection for Victims of Domestic Violence

A.3386 (Heastie); Chapter 73 of the Laws of 2007

This chapter creates a mechanism to permit a victim of domestic violence for whose benefit an order of protection has been issued to terminate his or her lease or rental agreement.

2. Termination of a Lease in Circumstances of Domestic Violence

A.9244 (Heastie); Chapter 616 of the Laws of 2007

This chapter provides further clarification to chapter 73 of the laws of 2007, which established procedures for the termination of a lease in circumstances of domestic violence disputes resulting in an order of protection and potentially dangerous living arrangements.

3. Grant Preference for Disabled Veterans in Mitchell-Lama Projects

A.5812-A (Townes); Chapter 420 of the Laws of 2007

This chapter provides a preference to disabled veterans for the purposes of occupancy in Mitchell-Lama projects. Additionally, it provides persons residing in a project be given first priority for an internal transfer in the project in which they are residing.

4. Authorizing Housing Preferences for Police Officers

A. 3227 (Diaz, R.); Passed Assembly

This bill would provide police officers in cities with a population of 100,000 or more an incentive to take up residency in such cities by offering preferential access to Mitchell-Lama and public housing, provided the city adopts a local law authorizing the preference and the police officers otherwise qualify for admission. The bill would also require applicants who receive awards from the Affordable Housing Corporation to provide a preference to homebuyers who are members of a police force in these same cities.

5. Ensuring Housing Protections to People with Disabilities

A.7138 (Titus); Passed Assembly

This bill would ensure that housing protections provided to people with disabilities under Section 504 of the Federal Rehabilitation Act are also guaranteed by state law and therefore enforceable by state agencies.

6. Creating an Accessible Housing Registry
A.7107 (Titus); Passed Assembly

This bill would create a New York State housing registry containing up-to-date information regarding accessible housing statewide for people with disabilities.

IV. 2007 BUDGET HIGHLIGHTS

In 2007, the Assembly negotiated a budget that will help alleviate the housing crisis in New York State. The Governor maintained SFY 2006-07 funding levels, and the legislature provided a budget increase of nearly 100 percent over the prior year's Governor's recommendation for both the Neighborhood and Rural Preservation companies.

A. HOUSING CAPITAL FUNDING

Legislative Appropriation

Homes for Working Families

\$7 million

The Homes for Working Families program uses a combination of tax-exempt bonds, low-interest loans from the State, and federal Low Income Housing Tax Credits to finance the development of housing for households earning between fifty percent and sixty percent of median income. By providing developers a vehicle to access otherwise unused federal four percent Housing Tax Credits, Homes for Working Families offers an opportunity to produce high quality, affordable housing at a lower cost for New York State's taxpayers. The \$7 million enacted represents a continuation of last year's budget appropriation.

Affordable Housing Corporation (AHC)

\$25 million

This program provides grants and loans of up to \$35,000 per unit (plus an additional \$5,000 in high-cost areas) for rehabilitation and new construction of one-to-four-family dwellings for middle-income New Yorkers.

Public Housing Modernization

\$12.8 million

This program provides funding to modernize state-aided public housing projects and to address structural problems that threaten the safety of tenants. The Executive did not propose any increased funding for this vital program.

HOPE/RESTORE

\$400,000

This program provides grants of up to \$5,000 to low-income elderly homeowners in one-to-four family homes to correct conditions that threaten their lives, health, or safety and that would otherwise force them from their homes. As such, HOPE grants enable older New Yorkers to maintain their independence and avoid more costly housing alternatives. Funding for HOPE/RESTORE remained level at \$400,000 in the Governor's proposed budget.

Legislative Appropriation

Low Income Housing Trust Fund **\$29 million**

The Trust Fund provides funding to not-for-profits, localities, and private developers for the construction or rehabilitation of rental housing that is affordable to low-income households. Funding for this program in the Executive’s proposal was maintained at the level enacted for the previous four fiscal years.

B. HOUSING AID TO LOCALITIES FUNDING

Neighborhood and Rural Preservation Programs (NPP and RPP) **\$20,131,500**

NPP and RPP provide grants to cover the administrative costs of not-for-profits engaged in a variety of affordable housing activities. According to the Division of Housing and Community Renewal, for every dollar the State invests in NPP and RPP, between \$13 and \$18 is leveraged for affordable housing from other public and private sources.

The Governor maintained SFY 2006-07 funding levels of \$10,506,500 million for NPP and \$4.725 million for RPP. The Assembly was successful in adding \$3.4 million to the Neighborhood Preservation Program for a total appropriation of \$13,906,500, and supported the addition of \$1.5 million to the Rural Preservation Program for a total appropriation of \$6.255 million.

Home Ownership Economic Stabilization Loan Program for Long Island **\$390,000**

This program provides funding for the Division of Housing and Community Renewal to enter into contracts with the Long Island Housing Partnership.

NYS Housing Authority Tenant Pilot Program **\$1.2 million**

This program provides funding for tenants who volunteer to do security patrols at various projects.

Periodic Subsidies **\$20.2 million**

This program provides debt service and operating subsidies to State-aided public housing developments at levels determined by “loan and subsidy” contracts between the individual housing authorities and the State.

Legislative Appropriation

Lead Poisoning Prevention Demonstration Program

\$400,000

This demonstration program provides funding to eligible not-for-profits to help them identify lead paint risks, educate and relocate families/individuals impacted by lead poisoning, and assist in abatement activities.

Urban Homeownership Assistance Program (UHAP)

\$388,000

UHAP has provided eligible neighborhood preservation companies with grants to establish Urban Homeownership Counseling Centers. These centers promote the purchase and rehabilitation of one-to-five family, owner-occupied buildings by providing credit counseling and other technical assistance.

V. OUTLOOK FOR 2008

The challenge of providing safe and affordable housing in New York State continues despite some progress. The Committee seeks to achieve this goal by developing policies that leverage private resources, encourage individual home ownership, lead to the creation of new housing opportunities, and lower the cost of affordable housing development. The Assembly's commitment to housing remains strong and the Committee is eager to work with the Executive and Senate to foster this commitment and develop new policies to ease the statewide housing crisis.

One of the top priorities for the Housing Committee in the upcoming session will be the extension of the Loft Law beyond its sunset date of May 31, 2008. Protecting tenants who currently reside in lofts designated as interim multiple dwellings units is an important piece in the affordable housing puzzle. The Committee will seek not only to extend the existing law but also to protect long-term tenants in lofts and to expand the law to cover unprotected loft tenants in Brooklyn, Manhattan, and other areas of New York City who are not covered because they were not in residence by the date required under the Multiple Dwelling Law.

The Committee will also focus on continuing the Service Contract Obligation Revenue (SCOR) Bond program to ensure an uninterrupted flow of state resources to affordable housing development. Since 1991, the SCOR Bond program has financed the rehabilitation and/or construction of over \$1 billion of affordable housing throughout New York State.

Another priority for the Committee is to obtain housing capital funding dedicated to the construction of affordable housing and to ensure that both the Housing Finance Agency (HFA) and the State of New York Mortgage Agency (SONYMA) have sufficient funds available to them so that they may continue to finance affordable housing throughout New York State.

The subprime lending crisis is having a severe, deleterious impact on the housing market. Many people are being forced out of their homes due to burdensome mortgages, which they entered without accurate disclosure by the lenders. The Housing Committee will work with other Assembly committees and housing advocates to ameliorate the effects of this crisis.

Finally, the Committee will continue to fight to ensure that the State budget provides adequate funding to assist in the development of affordable housing, the rehabilitation of existing units, and the expansion of housing opportunities for the homeless, the elderly, and those with special needs.

I look forward to my fifteenth year as chairman with enthusiasm and will make every effort to uphold the Assembly's commitment to quality, affordable housing for all of New York State's citizens.

APPENDIX A

2007 SUMMARY SHEET

SUMMARY OF ACTION ON ALL BILLS REFERRED TO THE COMMITTEE ON HOUSING

<u>FINAL ACTION</u>	<u>ASSEMBLY BILLS</u>	<u>SENATE BILLS</u>	<u>TOTAL</u>
Bills Reported With or Without Amendments			
To Floor; Not Returning to Committee	13		13
To Floor; Recommitted and Died			
To Ways & Means	14		14
To Codes	9		9
To Rules	9		9
Total	45		45
Bills Having Committee Reference Changed to Judiciary	1		1
Senate Bills Substituted or Recalled			
Substituted		2	2
Recalled			
Total		2	2
Bills Defeated in Committee			
Bills Never Reported			
Held in Committee			
Died in Committee	189	6	195
Total	189	6	195
Bills Having Enacting Clause Stricken	6		6
TOTAL BILLS IN COMMITTEE	241	8	249

TOTAL NUMBER COMMITTEE MEETINGS HELD: 9

APPENDIX B

BILLS THAT PASSED THE ASSEMBLY

BILL #	SPONSOR	SUBJECT
A.352	Bing	Would protect tenants in Mitchell-Lama developments that become subject to Rent Stabilization or the Emergency Tenant Protection Act, by prohibiting an owner from applying for a rent increase based on a claim that the transition is a “unique and peculiar circumstance” when a project withdraws from the program.
A.531	Dinowitz	Would ensure the delivery of essential services (as defined) in Mitchell-Lama housing by conditioning the Division of Housing and Community Renewal (DHCR) approval of rent increase applications on the delivery of those services and the correction of any hazardous conditions that might exist.
A.793	Lopez, V.	Would extend from twenty years to fifty years the period of time before limited-profit housing companies may dissolve and leave the Mitchell-Lama program.
A.795	Lopez, V.	Would authorize municipally aided Mitchell-Lama rental developments in New York City to pay dividends or interest in excess of six percent per year. Would also provide rent stabilization protection for tenants in Mitchell-Lama developments that still choose to buy out of the program. The bill would also exempt developments where the tenants and owner have executed a settlement agreement regarding their respective rights and obligations.
A.797	Lopez, V.	Would require Mitchell-Lama housing companies that intend to dissolve to provide notice of such intention to all their lease holders at least six months prior to the anticipated date of dissolution. The bill specifies certain information that would be required in the notice.
A.1025	Rules (Christensen)	Would permit qualifying not-for-profit housing organizations involved in affordable home ownership development programs to apply up to ten percent of the program or project cost they are awarded to be used for the organization’s operating expenses, including expenses related to and the administration of the contract.

BILL #	SPONSOR	SUBJECT
A.1058	Christensen	Would permit qualifying not-for-profit housing organizations involved in certain rural area revitalization projects to use up to ten percent of the program or project cost they are awarded for the organization's operating expenses, including expenses related to their operating support and the administration of the contract.
A.1386	Lopez, V.	Would extend the rent and eviction protections of the New York City Rent Stabilization Law to Mitchell-Lama developments occupied on or after January 1, 1974.
A. 2816	Glick	Would extend the Loft Law until May 31, 2010. It would also provide additional oversight for interim multiple dwellings, and would provide for additional remedies for residents of such dwellings. This bill would make additional provisions relating to the financing of such dwellings and the applicability of various provisions of the law to such dwellings.
A.2875	Lopez, V.	Would prohibit interruption of services in "would-be" interim multiple dwellings if the unit is used for residential purposes with the knowledge and consent of the owner. Essential services that have customarily been provided could only be interrupted for repairs, which would be required to be performed in a reasonably expedient manner, in the case of an emergency, or by order of a court or other governmental organization. Would further provide that if the services have been interrupted or discontinued, the owner must restore such services for so long as residential occupancy continues.
A.2894	Lopez, V.	Would decrease from twenty percent to ten percent the amount a landlord could increase rent upon vacancy, and would prohibit a landlord from taking more than one increase in any one calendar year.

BILL #	SPONSOR	SUBJECT
A.3227	R. Diaz	Would provide police officers in cities with a population of 100,000 or more an incentive to take up residency in such cities by offering preferential access to Mitchell-Lama and public housing, provided the city adopts a local law authorizing the preference and the police officers otherwise qualify for admission. The bill would also require applicants who receive awards from the Affordable Housing Corporation to provide a preference for homebuyers who are members of a police force in these same cities.
A.4069	Lopez, V.	Would amend the Local Emergency Housing Rent Control Act by removing the provision that prohibits cities of one million or more from strengthening rent regulation laws to provide more comprehensive coverage than provided by state laws.
A. 4196	Pretlow	Would provide rent and eviction protection to the tenants in former Mitchell-Lama buildings. The bill would authorize municipalities in Nassau, Westchester, and Rockland counties to declare a housing emergency for former Mitchell-Lama buildings that have voluntarily dissolved.
A.4501	Brotsky	Would provide that in addition to the nine regular members of a rent guidelines board, there would be an additional three members who would be alternates. They would represent, respectively, the public, landlords, and tenants. The alternates would be permitted to participate in all proceedings of the boards as non-voting members. They would only be allowed to participate as voting members and receive a per diem when a regular member is unable to attend the proceeding.
A.4726	Lopez, V.	Would expand the existing Loft Law to people who lived in illegal lofts for a period of at least one year, from January 2000 to December 31, 2006. Would also extend the Loft Law to March 31, 2010.
A.5557	Wright	Would allow public housing tenants to conduct meetings free of charge in common areas owned by their housing authority.

BILL #	SPONSOR	SUBJECT
A.5596	Lopez, V.	Would provide that certain multiple dwellings must be heated to a minimum temperature of sixty-two degrees Fahrenheit from October 1st to May 31st between 10 pm and 6 am. The current minimum temperature requirement is fifty-five degrees Fahrenheit.
A.6510	O'Donnell	Would reform the method by which owners of rent regulated buildings are compensated for major capital improvements (MCIs). In addition to improving the methodology for determining MCI rent increases, this bill would require that rent increases associated with MCIs be treated as a surcharge that would not become part of the legal regulated rent by which annual rent increases are calculated. This bill would also require that rent surcharges authorized for major capital improvements cease once the cost of the improvement has been recovered.
A.7107	Titus	Would create a New York State housing registry containing up-to-date information regarding accessible housing statewide for people with disabilities.
A.7138	Titus	Would ensure that housing protections provided to people with disabilities under Section 504 of the Federal Rehabilitation Act are also guaranteed by state law and therefore enforceable by state agencies.
A.7647	Lopez, V.	Would allow the State of New York Mortgage Agency ("SONYMA") to issue and insure second mortgages for down payment and closing cost assistance to potential home owners. Would define the term "mortgage" to include a loan owed to a bank secured by a second lien (under certain limited circumstances), if the second lien secures a loan purchased by the agency and is made at the same time as a first lien securing a loan purchased by the agency.
A.8037	Kavanagh	Would require sponsors of cooperative or condominium conversions to notify cooperative shareholders or condominium owners of their right, as provided by federal law, to terminate a sponsor's self-dealing contract.

APPENDIX C

BILLS SIGNED BY THE GOVERNOR

CHAPTER	BILL #/SPONSOR	SUBJECT
62	A.8694/Glick	Extends until May 31, 2008, the provisions of law constituting the Loft Law and Quick Draw.
73	A.3386/Heastie	Creates a mechanism to permit a victim of domestic violence for whose benefit an order of protection has been issued to terminate his or her lease or rental agreement.
85	A.8798/Kavanagh	Increases the maximum bonding authority of the New York State Housing Finance Agency (HFA) by \$1.5 billion from \$11.28 billion to \$12.78 billion. In addition, this chapter extends HFA's and the Housing Development Corporation's (HDC) authority to finance certain multifamily housing projects until June 30, 2009.
157	A.8955/Lancman	Extends until the June 30, 2009, the City of New York's authority to "evaporate" (reduce to zero) liens placed on properties for municipally financed repairs. Additionally, it extends until June 30, 2009, the date by which the City of New York must submit a report detailing the program activities carried out during the two prior calendar years.
229	A.8799/Lopez, V.	Amends Section 2404 and Section 2407 of the Public Authorities Law to increase tax-exempt bonding authority of the State of New York Mortgage Agency (SONYMA) to a total of \$7.92 billion, an increase of \$250 million. This chapter increases taxable bonding authority of the State of New York Mortgage Agency (SONYMA) to a total of \$800 million, an increase of \$500 million. This chapter increases the amount of tax-exempt and taxable bonds that SONYMA can blend to a total of \$500 million, an increase of \$350 million. This increase is expected to provide SONYMA with sufficient bonding authority to cover its activities for the next year. In addition, this chapter extends SONYMA's authority to purchase mortgages and issue taxable and tax-exempt bonds is extended and SONYMA is authorized to reimburse its mortgagors for any Federal recapture liability they may incur in connection with SONYMA financed mortgage loans until July 16, 2008.

CHAPTER	BILL #/SPONSOR	SUBJECT
230	A.8800/Young	Extends the ability of SONYMA's Mortgage Insurance Fund (MIF) to provide mortgage pool insurance until July 16, 2009.
420	A.5812-A/Towns	Provides a preference to disabled veterans for the purposes of occupancy in Mitchell-Lama projects. Additionally, it provides persons residing in a project be given first priority for an internal transfer in the project which they are residing.
493	A.8957-A/Lopez, V.	Authorizes redevelopment companies with federally-aided mortgages to borrow funds and secure the repayment thereof in a manor approved by New York City's Housing Preservation and Development (HPD), provided that such approval be conditioned as a restrictive agreement with HPD that prohibits the company from dissolving for at least five years and provided that the company may not increase the rents to pay for any such increases in indebtedness that is not attributable to project cost.
597	A.7892/Brook-Krasny	Authorizes mutual companies, with the approval of the commissioner or the supervising agency to require a standard form and procedure for the casting of proxies or absentee ballots in any matter requiring a shareholder vote.
616	A.9244/Heastie	Provides further clarification to chapter 73 of the laws of 2007, which established procedures for the termination of a lease in circumstances of domestic violence disputes resulting in an order of protection and potentially dangerous living arrangements.
671	A.8796/Lopez, V.	Allows the City of New York Housing Development Corporation ("HDC") to increase the maximum aggregate principal amounts of its outstanding notes and bonds by \$1.5 billion from \$6.25 billion to \$7.75 billion. HDC uses this bonding authority to refinance existing Mitchell-Lama mortgages in exchange for a commitment to remain in the program for an additional fifteen years, to restructure HUD loans used to finance the construction of low-income housing for the elderly, and to continue to run programs that develop and maintain affordable housing in New York City.