

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

The Division is run by a Commissioner, who is appointed by the Governor. The 2010-11 Budget included the administrative consolidation of DHCR and the "nyhomes" public authorities to coordinate housing policy and administration. The new structure streamlined program areas and consolidated administrative functions to allow for more efficient delivery of services. The new organization brings complementary programs together under three main offices:

- The Office of Finance and Development includes all programs that fund the development of affordable housing, including Low Income Housing Tax Credit programs, tax exempt and taxable bond finance programs, and single-family loan and capital awards programs.
- The Office of Community Renewal includes all programs that target community and economic development, job creation and downtown revitalization, including the Community Development Block Grant Program, the NY Main Street program, the Affordable Homeownership Development Program, the Neighborhood Stabilization Program and the Neighborhood and Rural Preservation programs.
- The Office of Housing Preservation includes all the programs that maintain and enhance the State's portfolio of existing affordable housing, including rent administration, the Section 8 program, asset management and the Weatherization Assistance Program.

Additionally, all administrative and support services, including communications, legal affairs, administration, fair housing, policy development, and accounting/treasury fall within the Office of Professional Services.

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's policies. The Division's Rent Administration program is administered through the main office in Queens.

BUDGET HIGHLIGHTS

The Executive Budget recommends **\$307.82 million** All Funds (\$52.57 million General Fund; \$255.25 million Other Funds) for the Division of Housing and Community Renewal. This is a decrease of **\$156.92 million** (\$9.77 million decrease General Fund;

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\$147.15 million decrease Other Funds) (-34 percent) from the 2010-11 budget. This net change primarily reflects the elimination of one-time American Recovery and Reinvestment Act (ARRA) appropriations and various program reductions. The Executive Budget reduces each agency's General Fund State Operations budget by 10 percent. These savings are intended to be achieved through administrative efficiencies in non-personal service and negotiated workforce savings that minimize layoffs to the extent possible.

Major budget actions include:

- **Consolidation and Reduction in Funding for the Neighborhood and Rural Preservation Programs:** The 2011-12 Executive Budget recommends consolidating the Neighborhood Preservation Program (NPP) and Rural Preservation Program (RPP) into a single competitive, performance-based program. Funding will be reduced by 50 percent, from \$12 million in 2010-11 to \$6 million in 2011-12. NPP and RPP provide such services as housing rehabilitation, home buyer counseling, landlord/tenant mediation, community renewal, and crime watch programs.
- **State Low Income Housing Tax Credit:** The 2011-12 budget recommends \$4 million, the same level as prior years, 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

OFFICE OF FINANCE AND DEVELOPMENT

Finance and 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.

Finance and 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.

OFFICE OF COMMUNITY RENEWAL

Community Renewal staff oversee programs that provide community and economic development, job creation and downtown revitalization, including the NY Main Street program; the Affordable Homeownership Development Program; the Neighborhood Stabilization Program; and the Neighborhood and Rural Preservation programs.

Community Renewal staff also administer approximately \$58 million in annual funding for the Community Development Block Grant Program (CDBG) from the U.S. Department of Housing and Urban Development (HUD). The CDBG program supports

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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.

OFFICE OF HOUSING PRESERVATION

Housing Preservation staff oversee the management of State-assisted housing projects. On a project-by-project basis, staff periodically review the financial and physical condition of the following:

- 167 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 71,295 dwelling units to low- and moderate-income families;
- 21 public housing projects constructed between 1941 and 1973 and financed with State General Obligation bonds that provide more than 1,600 apartments for low-income families; and
- Approximately 1,175 low-income apartment projects partially financed by State or Federal capital funds.

In addition to these regulatory functions, staff are responsible for the administration of nearly 42,000 HUD Housing Choice vouchers, which provide rental assistance to low-income families in 50 local program areas in New York State. Staff also oversee the rent administration program. 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.

HOUSING CAPITAL PROGRAMS

The 2011-12 Executive Budget reflects the continuation of recurring capital funding levels. There are two primary low- and moderate-income housing construction programs supported by State appropriations: the Housing Trust Fund Program and the Affordable Homeownership Development Program. The Housing Trust Fund Program provides grants to finance construction or rehabilitation of low-income apartment buildings. The Affordable Homeownership Development Program stimulates local economic growth and stabilizes 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.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2010-11	Appropriations Recommended 2011-12	Change	Reappropriations Recommended 2011-12
State Operations	99,303,000	91,987,000	(7,316,000)	83,088,000
Aid To Localities	291,238,000	141,630,000	(149,608,000)	487,295,000
Capital Projects	74,200,000	74,200,000	0	646,109,000
Total	<u>464,741,000</u>	<u>307,817,000</u>	<u>(156,924,000)</u>	<u>1,216,492,000</u>

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

Full-Time Equivalent Positions (FTE)			
Program	2010-11 Estimated FTEs 03/31/11	2011-12 Estimated FTEs 03/31/12	FTE Change
Administration			
General Fund	27	27	0
Special Revenue Funds - Other	39	39	0
Community Development			
General Fund	21	21	0
Special Revenue Funds - Other	15	15	0
Capital Projects Funds - Federal	41	41	0
Housing			
General Fund	12	12	0
Special Revenue Funds - Federal	72	72	0
Special Revenue Funds - Other	69	69	0
Housing Information Systems			
General Fund	53	53	0
Low Income Weatherization			
Special Revenue Funds - Federal	54	54	0
Rent Administration			
General Fund	25	25	0
Special Revenue Funds - Other	329	329	0
Total	757	757	0

The above table does not reflect layoffs that may be necessary in the absence of negotiated workforce savings.

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

Fund Type	Available 2010-11	Recommended 2011-12	Change
General Fund	23,930,000	21,537,000	(2,393,000)
Special Revenue Funds - Federal	16,437,000	14,269,000	(2,168,000)
Special Revenue Funds - Other	58,936,000	56,181,000	(2,755,000)
Total	99,303,000	91,987,000	(7,316,000)

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

Program	Available 2010-11	Recommended 2011-12	Change
Administration			
General Fund	11,116,000	10,004,000	(1,112,000)
Special Revenue Funds - Other	4,065,000	5,421,000	1,356,000
Community Development			
General Fund	1,613,000	1,452,000	(161,000)
Special Revenue Funds - Federal	5,358,000	0	(5,358,000)
Special Revenue Funds - Other	2,238,000	3,102,000	864,000
Housing			
General Fund	1,254,000	1,128,000	(126,000)
Special Revenue Funds - Federal	11,079,000	10,197,000	(882,000)
Special Revenue Funds - Other	8,565,000	9,884,000	1,319,000
Housing Development Fund Program			
Special Revenue Funds - Other	1,279,000	0	(1,279,000)
Housing Information Systems			
General Fund	7,580,000	6,823,000	(757,000)
Low Income Weatherization			
Special Revenue Funds - Federal	0	4,072,000	4,072,000
Rent Administration			
General Fund	2,367,000	2,130,000	(237,000)
Special Revenue Funds - Other	42,789,000	37,774,000	(5,015,000)
Total	<u>99,303,000</u>	<u>91,987,000</u>	<u>(7,316,000)</u>

STATE OPERATIONS - GENERAL FUND SUMMARY OF PERSONAL SERVICE APPROPRIATIONS AND CHANGES 2011-12 RECOMMENDED (dollars)

Program	Total		Personal Service Regular (Annual Salaried)	
	Amount	Change	Amount	Change
Administration	3,389,000	(376,000)	3,366,000	(374,000)
Community Development	1,405,000	(156,000)	1,382,000	(154,000)
Housing	1,083,000	(121,000)	1,079,000	(120,000)
Housing Information Systems	3,542,000	(393,000)	3,524,000	(391,000)
Rent Administration	1,836,000	(204,000)	1,832,000	(204,000)
Total	<u>11,255,000</u>	<u>(1,250,000)</u>	<u>11,183,000</u>	<u>(1,243,000)</u>
			Holiday/Overtime Pay	
Program	Temporary Service (Nonannual Salaried)		Amount	Change
	Amount	Change		
Administration	0	(25,000)	23,000	23,000
Community Development	13,000	(12,000)	10,000	10,000
Housing	0	0	4,000	(1,000)
Housing Information Systems	0	0	18,000	(2,000)
Rent Administration	0	0	4,000	0
Total	<u>13,000</u>	<u>(37,000)</u>	<u>59,000</u>	<u>30,000</u>

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STATE OPERATIONS - GENERAL FUND SUMMARY OF NONPERSONAL SERVICE AND MAINTENANCE UNDISTRIBUTED APPROPRIATIONS AND CHANGES 2011-12 RECOMMENDED (dollars)

Program	Total		Supplies and Materials	
	Amount	Change	Amount	Change
Administration	6,615,000	(736,000)	195,000	(22,000)
Community Development	47,000	(5,000)	5,000	0
Housing	45,000	(5,000)	1,000	0
Housing Information Systems	3,281,000	(364,000)	18,000	(2,000)
Rent Administration	294,000	(33,000)	28,000	(3,000)
Total	10,282,000	(1,143,000)	247,000	(27,000)

Program	Travel		Contractual Services	
	Amount	Change	Amount	Change
Administration	167,000	(19,000)	5,875,000	(653,000)
Community Development	23,000	(3,000)	12,000	(1,000)
Housing	30,000	(4,000)	10,000	(1,000)
Housing Information Systems	30,000	(3,000)	2,503,000	(278,000)
Rent Administration	4,000	0	201,000	(23,000)
Total	254,000	(29,000)	8,601,000	(956,000)

Program	Equipment	
	Amount	Change
Administration	378,000	(42,000)
Community Development	7,000	(1,000)
Housing	4,000	0
Housing Information Systems	730,000	(81,000)
Rent Administration	61,000	(7,000)
Total	1,180,000	(131,000)

STATE OPERATIONS - OTHER THAN GENERAL FUND SUMMARY OF APPROPRIATIONS AND CHANGES 2011-12 RECOMMENDED (dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	5,421,000	1,356,000	2,600,000	664,000
Community Development	3,102,000	(4,494,000)	1,800,000	(2,038,000)
Housing	20,081,000	437,000	11,450,000	(348,000)
Housing Development Fund Program	0	(1,279,000)	0	(833,000)
Low Income Weatherization	4,072,000	4,072,000	2,500,000	2,500,000
Rent Administration	37,774,000	(5,015,000)	22,703,000	(3,532,000)
Total	70,450,000	(4,923,000)	41,053,000	(3,587,000)

Program	Nonpersonal Service	
	Amount	Change
Administration	2,821,000	692,000
Community Development	1,302,000	(2,456,000)
Housing	8,631,000	785,000
Housing Development Fund Program	0	(446,000)
Low Income Weatherization	1,572,000	1,572,000
Rent Administration	15,071,000	(1,483,000)
Total	29,397,000	(1,336,000)

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

Fund Type	Available 2010-11	Recommended 2011-12	Change
General Fund	38,411,000	31,031,000	(7,380,000)
Special Revenue Funds - Federal	244,600,000	102,372,000	(142,228,000)
Special Revenue Funds - Other	8,227,000	8,227,000	0
Total	291,238,000	141,630,000	(149,608,000)

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

Program	Available 2010-11	Recommended 2011-12	Change
Housing Development Fund Program			
Special Revenue Funds - Other	8,227,000	8,227,000	0
HUD Section 8 New Construction			
Special Revenue Funds - Federal	13,100,000	0	(13,100,000)
Low Income Weatherization			
Special Revenue Funds - Federal	173,500,000	44,372,000	(129,128,000)
Neighborhood Preservation			
General Fund	8,479,000	6,010,000	(2,469,000)
Periodic Subsidies - Local Areas			
General Fund	11,591,000	10,219,000	(1,372,000)
Rural Preservation			
General Fund	3,539,000	0	(3,539,000)
Rural Rental Assistance			
General Fund	14,802,000	14,802,000	0
Small Cities Community Development			
Block Grant			
Special Revenue Funds - Federal	58,000,000	58,000,000	0
Total	<u>291,238,000</u>	<u>141,630,000</u>	<u>(149,608,000)</u>

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

Comprehensive Construction Program	Available 2010-11	Recommended 2011-12	Change	Reappropriations 2011-12
Affordable Housing Corporation				
Housing Program Fund	25,000,000	25,000,000	0	81,787,000
Housing Assistance Fund				
Housing Assistance Fund	0	0	0	8,900,000
Low Income Housing Trust Fund				
Housing Program Fund	29,000,000	29,000,000	0	141,398,000
Maintenance and Improvements of Existing Facilities				
Federal Stimulus	0	0	0	253,000,000
Housing Program Fund	0	0	0	3,133,000
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
Main Street Program				
Housing Program Fund	0	0	0	250,000
New Facilities				
Federal Capital Projects Fund	0	0	0	21,446,000
Housing Program Fund	0	0	0	2,000,000
Public Housing Modernization Program				
Housing Program Fund	12,800,000	12,800,000	0	65,905,000
Rural Revitalization Program				
Housing Program Fund	0	0	0	5,450,000
Urban Initiatives Program				
Housing Program Fund	0	0	0	3,351,000
Homes for Working Families Program				
Housing Program Fund	7,000,000	7,000,000	0	32,425,000
Total	<u>74,200,000</u>	<u>74,200,000</u>	<u>0</u>	<u>646,109,000</u>