

2018 New York State Budget and Legislative Priorities

New York State's ongoing housing crisis: Millions of low, moderate, and middle-income New Yorkers lack habitable and safe housing, with approximately half of all renters — or more than three million households — being rent-burdened and forced to pay more than 30% of their income on housing.

Governor Andrew Cuomo and the New York State Legislature have provided strong leadership to help address this statewide crisis through a five-year, \$2.5 billion appropriation for an affordable and supportive housing program in the Enacted 2017-18 State Budget. This commitment is vital to ensure the steady growth in the number of affordable housing units, but must be protected in subsequent years even when state fiscal challenges arise.

The New York State Association for Affordable Housing (NYSFAH) will urge the Governor and the State Legislature to honor its funding commitment in the 2018-19 State Budget as well as to provide appropriations consistent with last year's budget in order to continue to strengthen affordable housing development and preservation across New York State.

2018-19 Budget Funding Priorities:

- ***Protect Last Year's \$2.5 Billion Appropriation for Affordable Housing***
 - New York State is projected to have a \$4.6 billion deficit entering the 2018-19 fiscal year (begins on April 1, 2018) and potential fiscal challenges in subsequent years based on lower-than-expected income tax revenue.
 - NYSFAH will advocate for the five-year \$2.5 billion appropriation to be maintained (and not reduced) in light of these fiscal challenges for key affordable housing programs, including:
 - \$150 million for the Middle Income Housing Program
 - \$125 million for the Low Income Senior Housing Program
 - \$45 million for the Rural and Urban Communities Investment Fund Program
 - \$42.2 million for the Low Income Housing Trust Fund Program
 - \$14 million for Homes for Working Families Program
- ***Provide Stable Single Year Funding for Key Affordable Housing Programs***
 - New York State has funded several key programs in the past few years with available monies from the Mortgage Insurance Fund (MIF). This funding provides critical on-going funding for incentives and subsidies that are no longer funded from State General Fund monies. These are an important supplemental funding source to the multi-year \$2.5 billion housing fund. NYSFAH will support new MIF funding consistent with amounts provided in the Enacted 2017-18 State Budget, as follows:
 - \$34.5 million for the Urban and Rural Communities Investment Fund
 - \$21 million for the Low Income Housing Trust Fund Program
 - \$2 million for the Homes for Working Families Program
- ***Protect State Housing Agency Administration Funding***
 - NYSFAH will advocate for level or increased housing agency budgets, such as the Division of Homes and Community Renewal, to ensure timely disbursement of housing funding and administration of key programs.

Additional Budget Priorities:

- ***Bifurcation of State Low-Income Housing Tax Credit.***: Allow SLIHC to be bifurcated from federal LIHTC for investor purposes, which will increase the value of SLIHC credits and generate an additional \$20 million to \$25 million in private investment for affordable housing.

Legislative Priorities:

- ***Minority and Women-Owned Business (MWBE) Utilization Enhancements.*** Support legislation which would enhance MWBE utilization and administration, including legislation to increase the personal net worth threshold for MWBE certification to an amount above the current \$3.5 million cap.
- ***New York City Real Property Transfer Tax (“RPTT”) Exemption.*** NYSAFAH supports additional clarification to Chapter 264 of the Laws of 2016 related to exemptions from the New York City Real Property Transfer Tax (“RPTT”) for affordable housing projects.
- ***Reform the Scaffold Law.*** The Scaffold Law (Labor Law §§ 240 and 241), which holds owners absolutely liable when a worker is injured in a gravity-related accident, even if the employee or third-party contractor is negligent. This has contributed to skyrocketing insurance rates, which have driven most insurance companies out of the New York market, adding substantial costs to general liability coverage for affordable housing and other developments. NYSAFAH supports long-overdue legislation that would apply a standard that considers the respective negligence of the builder and the employee or contractor in determining compensation and damages. Under this approach, the injured worker would still have the right to sue his or her employer, but the liability would be apportioned to the actual negligent parties, whether it is the employer or employee.

NYSAFAH is the trade association for New York’s affordable housing industry, with 375 organizational members statewide, employing thousands of New Yorkers, active in the development, preservation and management of affordable housing. NYSAFAH advocates for resources and policies at the local, state and federal level that promote affordable housing and help address a growing need for low, moderate, and middle income housing.

Contact: Jolie Milstein, NYSAFAH President & CEO, at (646) 473-1208 or jmilstein@nysafah.org or Jim Walsh, Manatt, Phelps & Phillips, LLP, jwalsh@manatt.com (518) 431-6717.

January 1, 2018