

“Creating and Implementing a True New York State Housing Trust Fund” Forum

Comments from:

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Development
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Senator Krueger and Honorable Members:

Thank you for the opportunity to address you here today. My name is Norma Drummond, and I am the Deputy Commissioner for Housing and Community Development for Westchester County. As such, I have the responsibility for administering most of the County’s federal housing grants, and our affordable housing programs.

Westchester County has long recognized that the quality of life that our residents enjoy is so interdependent on the ability of our workforce and our seniors, who contribute so much to our communities, to live in the County. And New York State has been a great partner in many of our successes, from the Mitchell Lamas that were created thirty and forty years ago, and our successful partnership as a Section 8 Local Administrator for the Division of Housing and Community Renewal for over 30 years now, to newer relationships administering the RESTORE program and with the Affordable Housing Corporation, administering their first time homeowner grants.

But each of these programs is only a part of the solution of the very real problem this state faces of providing affordable housing opportunities. I don’t need to tell you that our young people can’t afford to come home after they’ve graduated from high school and college, and are starting out in their first jobs. Our young families are moving north and west. And our retiring seniors are moving south, where housing is more affordable. In 2004, a report by the Center for Urban Policy Research of Rutgers University cited the need for 10,768 units of affordable housing to meet the County’s existing and projected need through the year 2015. We’re half way through this time period. I wish I could stand here and say that we’ve created half of these units already. New York State needs a more comprehensive vision and funding opportunities to deal with the range of affordable housing that’s needed.

A little over a year ago, our County Executive, Andrew Spano said to us that he felt like Westchester was treading water with affordable housing. We go to such trouble to get new units created, but sneaking up behind us is the expiration dates of the Mitchell Lamas, Section 8 and other subsidized buildings built in the sixties and seventies. Westchester County has been a leader in the field of creating affordable housing opportunities for over twenty years. We're constantly looking at problems that we encounter in the housing field to come up with creative solutions to them. We're very excited about the County Executive's latest initiative, the Westchester Housing Land Trust, Inc., a scattered site affordable housing land trust that was officially incorporated in early April 2007. This new county land trust is the first of its kind in New York State, and builds on the efforts of other land trusts by looking to preserve new affordable housing units built, in perpetuity. But initiatives like this need sources of revenue to support them in their infancy, until they have enough units in their portfolio to be self-sustaining. This is why Westchester County supports a true New York State Housing Trust Fund initiative.

There are many reasons why affordable housing is not built in our communities. There are just as many opportunities for a New York State Housing Trust Fund to flourish. Many of the housing programs within the New York housing agencies work well and should be built on through a Housing Trust Fund initiative. But what should it fund? Let me give you the benefit of our experience.

First, we are supportive of the concept of a dedicated source of funds that is not subject to the State's annual budget process. Housing needs exceed current resources, and providing ongoing level funding can only help address this problem.

Second, making funds available to the developer during the construction phase of a project, saves the developer money on interest on his construction loan. While we can relate to not wanting funds out there if a project were to default, a project with good underwriting will have a limited risk of defaulting once the construction actually starts, so we strongly support any source of funds available for construction.

Third, making affordable housing successful is not just about the units themselves, but about the community buying in to the whole concept of providing housing for those that truly are the engine of our economy. To the extent possible, having a source of funds available to provide infrastructure that will support not just the housing, but the neighborhood, should be considered. For example, providing funds to make the intersection allow for better traffic flow, benefits everyone. Funds for landscaping and sidewalks, benefits everyone.

Fourth, we all know that building affordable housing doesn't cost any less than building the units for market rate. Affordability is reached by subsidizing those costs. The more subsidy, the more affordable the units can be priced for sale, or the lower the monthly rents can be. To the extent that funds can be available for construction, specifically to create a wider window of affordability, we support that.

Fifth, the future of New York is grounded in our economical use of all our natural resources. Any New York State housing project funded should have a minimum level of green technology required to be achieved. For the long term operation of the building, this will only benefit the tenants or owners on limited incomes. But also along the line of limited resources, the Housing Trust Fund should encourage the adaptive re-use of vacant buildings for affordable housing. In Westchester County, we have converted an abandoned warehouse into 24 units of rental housing with a library on the ground floor; a vacant school into 120 units of senior housing, and a vacant church into 6 condominium units. Re-using existing buildings, allows for the preservation of significant structures, and provides much needed housing at the lower cost of rehab. It also eliminates unnecessary waste to in landfills, and preserves natural resources.

Sixth, the same should go for smart technology. These units are being built for families within limited incomes, but would we want these children to have any less access to the wonderful learning opportunities available through the internet then their peers in more expensive homes? Including the technology within the infrastructure of the building will reduce the on-going costs to the families living and enhance their ability to access technology.

Seventh, a State Housing Trust Fund should provide flexible funding that is responsive to local needs. Housing is not a one size fits all kind of program. You wouldn't put a five person household into a one bedroom unit. Please don't encourage this to be a cookie cutter kind of a program, Westchester County has the components of both the urban and rural communities within it, so we can understand the needs of communities that want less dense projects, compared with those that are okay with high rise towers. The State Housing Trust Fund needs to have this same understanding and flexibility.

Finally, affordability in perpetuity should become the mainstay of the State's housing programs. New York State should be encouraging the development of Housing Land Trusts, like the Westchester Housing Land Trust, with on-going support for a couple years until the Trust has enough units to be self-sustaining. Who would have thought that forty years would come and go so quickly? That's what many are saying about the Mitchell Lama programs. Let's not have this said about the new Housing Trust Fund programs by the next generation of housing advocates.