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New York State Senate

Standing Committee on Housing, Construction & Community Development

Creating and Implementing a True New York State
Housing Trust Fund

Michael G. Breslin, Albany County Executive
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Chairwoman Krueger, fellow members of the Committee, thank you for this opportunity to speak before you today regarding the increasing pressures on our ability to provide and maintain affordable housing.

Each municipality in Albany County has its own unique and varied housing needs from workforce housing to the rehabilitation of vacant abandoned buildings to affordable housing for seniors and families. The lack of affordable housing is not something that has occurred overnight. For many years, communities within Albany County have struggled to meet the needs of our residents.

- Forty percent of all renter households in Albany County have housing costs that exceed the standard definition of affordable housing.
- Increasing residential property values have led to a decline in homeownership rates.
- From 2000 to 2005, the average selling price for new homes in Albany County increased by 38 percent.
- Young people who were raised in Albany County and others cannot afford to purchase a home here.
- Seniors, particularly retirees and others living on fixed incomes, find it increasingly difficult to secure decent affordable housing that meets their needs and those in a home, struggle to keep up with rising property taxes.
- The lack of affordable housing is a major factor contributing to homelessness in Albany County.
- People remain living in transitional quarters and in homeless shelters because they cannot find permanent, affordable housing units.
- Housing options are even more difficult to secure for people with special needs, particularly those with mental health issues.
- There are more than 800 vacant buildings in the City of Albany alone.
- Many vacant buildings throughout the County could be renovated to meet safe and affordable housing needs and improve neighborhoods.
- Town and village housing costs are rising faster and more dramatically than incomes, making it difficult for many people to live in the community where they work.
- Service workers and, in some cases, municipal employees cannot find affordable housing within the community where they work.

Housing is not an issue traditionally addressed at the county level, but it is such a significant issue for so many members of our community that it is time to change our approach to this serious problem. The County provides many services to support residents in need: monetary public assistance, food stamps, HEAP and health care. But the overarching issue for so many of those we serve is the lack of safe, decent, affordable permanent housing. Without access to housing, other forms of assistance provide temporary and incomplete solutions as residents struggle to achieve self-sufficiency and create strong, healthy families.

In order to provide more complete assistance to our residents I have established the Albany County Housing Trust Fund, the first of its kind in New York State. The housing trust fund supports the creation and preservation of affordable housing. It also provides a tool for municipal leaders, planners, developers, lenders, non-profits and other stakeholders to work together to permanently solve affordable housing issues. More than 350 housing trust funds have been established across the country by city, county and state governments.

This year I have committed \$300,000 in County funds to seed the Albany County Housing Trust Fund. The Trust Fund will be administered in conjunction with the Albany County Housing Trust Fund Task Force, a public-private partnership among non-profit organizations, financial institutions and public officials. You will be hearing from some of the members of the group later today.

The Fund will support a variety of affordable housing programs and projects that will assist homeowners, tenants and the homeless and will prioritize projects that preserve housing affordability. This Trust Fund will help create and preserve affordable housing throughout Albany County.

Albany County is using some of the proceeds from the sale of tax foreclosed parcels to begin the funding of this new affordable housing initiative. The initial funding for the County Housing Trust Fund is small, but it is just a first step in our commitment to develop affordable and permanent housing resources. I plan to propose additional resources in the coming years to ensure ongoing relief and to create lasting solutions.

The Albany County Housing Trust Fund issued a notice of funding availability (NOFA) last week seeking to fund multiple projects or programs that address a balanced variety of affordable housing needs in Albany County. Funding will be directed toward the creation of new or the preservation of existing housing units. However, the funding is flexible enough to accommodate a range of activities, foster innovation, and encourage both large and

small projects. Our focus will be on projects with lasting impacts, cost effective investments and preservation of affordability.

The Albany County Housing Trust Fund can provide a model of how the State and local governments, local community groups and non-profits can work together to best meet the broad needs for affordable housing.

For our efforts to be successful, we need the input and support from all municipalities in Albany County. Last week I organized a meeting of local municipal leaders to gain their input regarding our differing community needs. The forum was an opportunity to discuss affordable housing needs in various communities and to educate each other on housing needs and possible solutions. Working together, we plan to launch significant new initiatives to meet the broad range of housing needs across the County and stabilize and revitalize our neighborhoods. To foster inter-municipal cooperation, we have requested that municipalities pass resolutions supporting efforts to address housing affordability.

Municipalities and public and private organizations must work together to develop real solutions for affordable housing needs in our community. We must continue the dialogue on this critical issue and reach out to other community stakeholders including planning organizations, lenders and financial institutions, developers and labor unions.

The majority of housing trust funds created throughout the country have dedicated sources of revenue. Unfortunately, that is not the case here in Albany County. I have made a commitment of funding through the limited resources available as a local government. In order to be truly successful, we need assistance at a level that can only be provided by higher levels of government. I am asking you, as members of the State Legislature, to seriously consider funding the Albany County Housing Trust Fund and similar projects across the state to sustain these imperative efforts to combat the lack of affordable housing for our residents. We have already begun the process with the \$300,000 in County funds. I urge you to create a State Housing Trust Fund which could invest in local trust funds like ours. Some initial funding could come from the approximately \$100 million available from SONYMA.

Albany County has taken important steps to address the issue of permanent, affordable housing; however, we cannot do this alone. We have reached out to local leaders to include them in this process. We have reached out to State representatives as well. We must all come together to make a meaningful difference on an ongoing basis.