



NEW YORK STATE SENATOR

Liz Krueger

Krueger Praises Investment in Affordable Housing in New York State Budget

LIZ KRUEGER April 9, 2008

Albany— State Senator Liz Krueger (D-Manhattan) today praised Governor Paterson and the legislature for committing significant new resources to affordable housing construction and preservation and the restoration of cuts to key housing programs. Senator Krueger is the ranking Democratic member of the Committee on Housing, Construction and Community Development in the New York State Senate.

"This years' budget marks a turning point for housing policy in New York State," said Senator Krueger. "Our State has finally recognized that housing policy and investments should be part of our broader economic development policy, by stimulating the state economy and creating jobs while at the same time addressing the affordable housing crisis in our urban and rural communities."

The final budget bills, passed today, included \$274.2 million in new capital funding for housing programs. This represents the first significant increase in State capital investment in housing construction and preservation since the creation of the Housing Trust Fund and the Affordable Housing Corporation in 1985.

Krueger also noted that the budget sets a critical precedent by dedicating \$100 million in reserve funds from the State of New York Mortgage Agency (SONYMA) to be reinvested in housing programs.

"It is particularly appropriate that these resources, which are generated by the housing market through the mortgage recoding tax, should be reinvested in improving the quality and availability of affordable housing throughout New York State."

A 2001 study by the National Home Builders Association found that for every 100 homes constructed, 250 jobs are generated, and multi-unit construction generates 112 jobs for every 100 units. "This new investment in housing is particularly appropriate to this period of economic downturn, said Senator Krueger. "New York State has a real opportunity to generate personal income and tax revenue while meeting the desperate need for affordable housing that so many New Yorkers face."

Among the programs receiving funding in the final budget are:

Low Income Housing Trust Fund & Homes for Working Families	\$77 million
Mitchell Lama Rehabilitation and Preservation Program	\$54 million
Affordable Housing Corporation	\$ 45 million
Sub-prime Foreclosure Counseling and Legal Assistance	\$25 million
Public Housing Modernization	\$17.8 million
Urban, Rural, Infrastructure and Main Street Programs	\$19.5 million
Housing for the Elderly and Access to Homes Programs	\$ 8.4 million

Homeless Housing Assistance Program	\$ 6.5 million
Flood Program	\$15 million
Long Island HELP	\$ 6 million

In addition to these programs, the legislature restored funding cuts to the Rural and Neighborhood Preservation Programs, which fund dozens of nonprofit housing support organizations across the State.

"While this has been a difficult budget year, and I have been disappointed with many aspects of the budget process, I am proud of what we were able to accomplish in addressing our State's housing needs," said Senator Krueger. "We should not have to wait for bad economic times to make the necessary investment in housing that is affordable for low and moderate income New Yorkers. I look at this year's achievements as a critical juncture in changing the way we in state government think about our role in developing and implementing proactive housing policy."