



Homes and Community Renewal

Housing
Trust Fund
Corporation

KATHY HOCHUL
Governor

RUTHANNE VISNAUSKAS
Commissioner/CEO

April 28, 2025

The Honorable Kathy Hochul
Governor of the State of New York
The Capitol, Executive Chamber
Albany, New York 12224

Dear Governor Hochul:

Pursuant to Section 170 of the Executive Law, I am submitting this response to the recommendations for corrective action in the Office of the State Comptroller's Report 2022-S-37, Homes and Community Renewal: Internal Controls Over the Governor's Office of Storm Recovery's Federally Funded Programs.

Sincerely,

RuthAnne Visnauskas
Commissioner/CEO

cc: Honorable Thomas P. DiNapoli, Comptroller, State of New York
Honorable Antonio Delgado, NYS Senate President
Honorable Andrea Stewart-Cousins, NYS Senate President Pro Tempore and Majority Leader
Honorable Robert G. Ort, NYS Senate Minority Leader
Honorable Liz Krueger, NYS Senate Chair, Finance Committee
Honorable Thomas O'Mara, NYS Senate Ranking Minority Member, Finance Committee
Honorable Carl E. Heastie, NYS Assembly Speaker
Honorable Crystal D. Peoples-Stokes, NYS Assembly Majority Leader
Honorable William A. Barclay, NYS Assembly Minority Leader
Honorable J. Gary Pretlow, NYS Assembly Chair, Ways and Means Committee
Honorable Edward P. Ra, NYS Assembly Ranking Minority Member, Ways and Means Committee

Recommendation 1: “Revise practices, which could include amending policies and procedures, to provide greater assurance that GOSR Disaster Recovery program funds are:

- Awarded only to eligible applicants and for eligible properties; and
- Accurately calculated, including making appropriate adjustments for duplication of benefits.”

Agency Response:

HCR affirms that its existing policies and procedures provide the necessary safeguards to ensure compliance with all federal eligibility and award calculation requirements.

The eligibility determinations cited in the report were made in accordance with HUD-approved policies and any potential duplication of benefits was subject to thorough review and reconciliation prior to disbursements of funds.

Recommendation 2: “Take steps to prevent potential losses of federal funds, including proactively addressing project delays that may lead to undeveloped properties and subsequent recapture efforts and uncollectibility determinations.”

Agency Response:

Disaster recovery efforts require a balance between urgency and oversight and the Program has effectively navigated these challenges while maintaining compliance with federal regulations.

HCR maintains there are sufficient policies and strategies in place to manage project timelines, including active monitoring, enforcement actions, and structured case management to support redevelopment compliance.

Recommendation 3: “Improve documentation of decisions – such as those involving Change of Use – that differ from and/or are an exception to established policies and/or practices.”

Agency Response:

To ensure transparency and compliance, HCR maintains robust documentation and regularly memorializes revisions to Program decisions, policy and procedural updates, and Program- and applicant-level documentation requirements.

Regarding the property with the Change of Use determination referenced in the audit, the decision was fully aligned with Program policies and was not prohibited by HUD regulations as the conversion of the property in question to open space was an eligible and appropriate use of funds.