

**TESTIMONY PRESENTED TO THE JOINT BUDGET HEARING OF THE SENATE
FINANCE COMMITTEE AND ASSEMBLY WAYS AND MEANS COMMITTEE**

January 24, 2018

NPCNYS and its membership of over 145 NPCs, LDCs, and CHDOs would like to thank Chairwoman Weinstein, Chairwoman Young, Chairwoman Little, and Chairman Cymbrowitz, as well as the members of the Senate Finance and Assembly Ways and Means Committees and Senate and Assembly Housing Committees, and the distinguished members of the Legislature for this opportunity to present testimony and provide feedback on the Governor's Executive Budget Proposal.

Providing funding for housing programs, such as the Neighborhood Preservation Program (NPP) and Rural Preservation Program (RPP), Main Street, the state Low Income Housing Trust Fund, AHC, HOPE RESTORE, Access to Home, the Mobile and Manufactured Homes program, and others represents a necessary investment in New York State as appropriated dollars help to raise money and spur economic growth at the local level.

State of Affordable Housing in New York

New York State is now ranked 51 out of 51 (50 states and the District of Columbia) for Housing & Homeownership by Prosperity Now, formerly the Corporation for Enterprise Development (CFED). This ranking is based on data about homeownership, including the rate of foreclosure, the number of cost-burdened renters and owners, and policies the state has adopted – or not adopted – that would help provide financial security to New York State residents.

As the members of the Legislature well know, New York State residents were among the hardest in the nation hit by the 2008 financial crisis, with the housing market severely affected. The 143 Neighborhood Preservation Companies that comprise the membership of the Neighborhood Preservation Coalition of New York State (NPCNYS) exist to revitalize New York State's low-and moderate-income urban and suburban areas by increasing access to affordable housing through a variety of programs and services. However, a portion of the funding that the preservation companies rely on to provide services (via the JP Mortgage Chase Settlement funding) is set to expire.

In 2017, New York State took historic and decisive action to address the affordable housing crisis by committing \$2.55B to create 100,000 new units of affordable housing and 6,000 units of permanent supportive housing. But without access to homebuyer and tenant

counseling, foreclosure mitigation, financial literacy skill-building and other related housing and community services, many New Yorkers will be left unable to take advantage of these opportunities, and New York runs the risk of not fully addressing the crisis.

N/RPP is a Sound Investment

The two preservation programs articulate solutions to affordable housing and community development problems by providing the following services and activities:

- Safe and affordable housing for families and individuals
- Housing options which allow the elderly to age in place
- Transitional and permanent housing and services for homeless individuals and families, including veterans
- Construction and/or rehabilitation of older housing stock
- Foreclosure counseling
- Eviction prevention
- Mediation for landlord/tenant disputes
- Emergency home repairs and modifications
- Housing counseling and first time home buyer education
- Quality, affordable afterschool and educational programming for youth
- Main Street development

We ask that the Legislature once again taking a leading role to fully fund this network of community-based groups. Investing in this network creates jobs, business growth, and increased tax revenues. It reduces stays in rehabilitative facilities and nursing homes, and decreases public spending on emergency shelters. Access to affordable housing acts as a vaccine in our communities, helping to prevent larger problems that threaten livelihood and well-being. In business, conventional wisdom says you should invest resources in current clients and customers because keeping them is invaluable to your success. We believe this wisdom translates and that New York State should continue to make strategic investments in housing for its residents because it is crucial to their – and our – success.



The Impact of NYS Neighborhood Preservation Companies

In 2016, New York's 143 Neighborhood Preservation Companies (NPCs) served our state's urban and suburban communities by providing targeted programs and services in affordable housing, community development, financial empowerment, and community engagement.



8,917 units of housing
rehabilitated

5,581 first-time
homebuyers assisted

1,814 new units of
housing built

5,529 individuals and
families received
relocation assistance

10,403 evictions
prevented

4,352 homeless and
shelter diversions



29,562 community
workshops hosted

3,833 people benefited
from financial
management training

3,712 people received
job training assistance

\$473,000,000 raised
for our communities

349 businesses
attracted or retained

584 local, state, &
national-level
partnerships created



The road to economic opportunity begins in our neighborhoods
Empower NPCs to ensure that all of our neighborhoods can thrive

This report was produced using data from NYSHCR's Annual Report on the Neighborhood and Rural Preservation Programs

Recommendations:

For 40 years, the State has recognized that the N/RPP is a leader in community revitalization and the key to safe, decent housing for thousands of working families, veterans, seniors, and people with disabilities. Both programs contribute to the state's economy and have a direct economic impact in communities throughout the State.

NPCNYS both lauds and appreciates the \$2.55B commitment New York State made – and continues to make - to affordable housing, and we are respectfully asking the state to maximize this commitment by enacting a complementary four-year Community Plan beginning in the 2018-19 year, which would provide adequate funding for the N/RPP (\$21M annually); expand Graduate to Homeownership by including funding to boost homeownership among people of color (\$12M annually); increase access to affordable homeownership and help protect against a future foreclosure crisis by contributing state funds to a pre-purchase counseling program (\$3M annually), and; help nonprofits preserve and rehabilitate their existing affordable rental housing through funding for the Small Rental Development Initiative (\$25M annually).

Funds allocated to the preservation companies provide critical services to residents of New York State. Over the past several years, our entire state has suffered floods, hurricanes, storms, and superstorms that have negatively impacted millions of New Yorkers. The Preservation Companies have been in the field, taking the lead in addressing the housing needs of those affected, while also providing a range of other services to address housing affordability and housing shortages. At every turn N/RPCs provide services to connect people to safe, decent, and affordable housing, as well as economic opportunity. The N/RPCs are the appropriate vehicles to help our communities not just weather difficult times, but find ways to succeed in spite of them. N/RPP funding provides nonprofit housing agencies with the capacity they need to achieve their missions and maximize and drive investment in their communities.

The Neighborhood Preservation Coalition of New York State believes that the established network of preservation companies is best equipped to deliver the affordable housing activities and services desperately needed in this state. We hope that the Governor, New York State Homes and Community Renewal, the New York State Assembly, and the New York State Senate agree that the Community Plan is essential to the health, safety, and well-being of our LMI communities, and to the entirety of our state.

Outline of 4-Year (2018-2021) Community Plan

Build NY: creating new affordable housing

- Small Rental Development Initiative (\$25,000,000)

Welcome Home NY: increasing access to affordable homeownership for all New Yorkers

- Pre-purchase counseling (\$3,000,000)

Opportunity NY: promoting and protecting tenant rights and expanding housing opportunities to ensure state investments benefit all New Yorkers

- Unlocking homeownership for millennials and people of color (targeted financial literacy, downpayment assistance + rehab) (\$12,000,000)

Revitalize NY: investing in downtowns and communities across the State

- Preservation company funding to address unmet housing and community needs via N/RPP (\$21,000,000)

One-Year Total = \$61,000,000; Four-Year Total = \$244,000,000

NPCNYS proposes that the funding for the Community Plan be from the excess reserves of the MIF.

**verbiage is from the State Housing Plan.



Six-Year NPP Contract Funding Per NPC

- 2017-18: 93,669
- 2016-17: 91,526
- 2015-16: 88,054
- 2014-15: 68,434
- 2013-14: 67,966
- 2012-13: 68,018

2019 Proposed Spending from the Excess Reserves of the MIF

- \$23,649,000 RRAP
- \$8,479,000 NPP
- \$3,359,000 RPP
- \$8,333,000 HHAP (Housing & Homeless Assistance Program)

Total proposed: \$43,840,000

2018 Enacted MIF

- \$22,969,000 RRAP
- \$39,500,000 Mitchell Lama
- \$8,479,000 NPP
- \$3,539,000 RPP
- \$34,500,000 CIF
- \$21,000,000 LIHTF
- \$2,000,000 HWFP
- \$6,522,000 AIDS Housing program
- \$12,500,000 City of Albany
- \$1,000,000 Mobile Homes
- \$1,000,000 CLT (Comm. Land Trust)
- \$2,000,000 NORCs

Total Enacted: \$155,009,000

2017 Enacted MIF

- \$22,292,000 RRAP
- \$42,000,000 Mitchell Lama
- \$8,979,000 NPP (N/RPP received a \$700,000 increase over what was proposed in the enacted budget, through the excess reserves of the MIF)
- \$3,739,000 RPP
- \$31,250,000 CIF
- \$10,000,000 LIHTF
- \$12,750,000 HWFP
- \$16,290,000 HHAC
- \$2,000,000 Mobile Homes
- \$700,000 NORCs

Total enacted: \$150,000,000

2016 Enacted MIF

- \$21,642,000 RRAP
- \$42,000,000 Mitchell Lama
- \$8,479,000 NPP
- \$3,539,000 RPP
- \$7,500,000 LIFTF
- \$17,000,000 CIF
- \$8,500,000 HWFP
- \$16,340,000 HHAC

Total enacted: \$125,000,000

RESPECTFULLY SUBMITTED BY:

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