



Rural Housing Coalition

of New York

Working Together to Revitalize Rural New York

Joint Budget Hearing on Housing Testimony

By Michael J. Borges, Rural Housing Coalition Executive Director

I first want to thank the Legislature for their support last year in providing long overdue increases to many housing programs that serve rural communities, such as the Rural Preservation Program (RPP), RESTORE, Access to Home and the Small Rental Development Initiative (SRDI). Your recognition that all areas of the state are dealing with a housing crisis was greatly appreciated.

Unfortunately, the housing crisis has not abated, and the Executive Budget does little to address it and even cuts funding for many housing programs. These cuts fly in the face of logic and discount the concern of all New Yorkers with the availability and affordability of housing as demonstrated in a Marist Poll commissioned by the Rural Housing Coalition in November 2023 that showed 73% of New Yorkers believe housing affordability is a major issue in their community. The poll also reported that 71% believe the state needs to do more to address the housing crisis.

The Rural Preservation Program (RPP) funds the rural preservation companies, which are the non-profit housing organizations that are the main providers of housing rehab, repair and construction of affordable housing in rural communities. Continued investments in the capacity of these non-profit organizations are critical to carrying out their work in improving their communities. The RPP funds are used to retain and attract staff with the expertise necessary to undertake the critical work they do in their communities. The Rural Housing Coalition seeks the restoration of \$7.5 million in funding for the Rural Preservation Program as well as the continued carve out of \$250,000 for the Rural Housing Coalition so we may continue to provide the technical assistance and training to these remote and understaffed non-profit housing organizations.

As you may know, owner-occupied housing comprises approximately 78% of the housing stock in rural communities and this housing stock is old (28% built before 1940), in need of repair and accessibility modifications, which are necessary for an aging population to remain in place in their communities. The vacancy rate of housing in rural communities is 18% which is double the rate of urban areas. The RESTORE and Access to Home programs, which fund emergency repairs for seniors and accessibility modifications for the disabled are critical services that enable the most vulnerable populations to remain in their homes. We ask the Legislature to reject the Executive Budget cuts to these programs.

The Affordable Housing Corporation (AHC) and Affordable Housing Opportunity Program (AHOP) are two state funding sources that assist with owner-occupied housing repair and construction. AHC was funded at \$36 million in 2022 and we would like to see that funding level restored from the current level of \$26 million with a renewed focus on rural housing.

The Small Rental Development Initiative (SRDI) serves a niche in the development of affordable rental housing in rural communities through the construction of housing of 4-20 units which are appropriate in size for small hamlets, villages and towns that particularly lack water and sewer services and cannot compete for LIHTC investments. We ask the Legislature to reject the Executive Budget's elimination of funding for this program and instead increase funding to \$20 million to insure funding reaches more rural areas of the state.

Another important segment of the housing stock in rural communities are mobile home parks and manufactured housing. There are approximately 1,800 mobile home parks and 192,000 manufactured homes around the state, which make up



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2.4% of the total housing stock in New York and 10.3% in rural areas. The state currently spends only \$4 million on mobile home replacements and \$5 million in mobile home park infrastructure improvements. Changes need to be made to make these programs more effective in preserving this affordable housing option in rural communities. Raising the MMHR per project cap from \$100,000 to \$200,000, allowing these funds to be used in mobile home parks and increasing the admin fee from 7% to 10% would go a long way to addressing the current shortcomings in the program.

The other major segment of affordable housing in rural areas are the 400 USDA 515 rental properties encompassing 22,000 apartments for low-income households that were built with US Department of Agriculture funds in the late 1990s and early 2000s. The 30 -year mortgages on these properties are expiring over the next few years and that means the affordability protections will expire as well along with rent subsidies from the state and federal governments. The state needs to do more to preserve the affordable housing stock we currently have and should create a rural version of the Mitchell-Lama program to provide funding to rehab and preserve the affordability of these USDA 515 properties.

The state can make these small investments in rural communities, while simultaneously creating a housing taskforce composed of stakeholders from statewide organizations representing municipalities, planners, non-profit and for-profit housing developers as well as rural and urban communities, that can develop a long range plan to address the housing affordability and availability crisis that is confronting our state.