



## Testimony Before the New York State Senate Finance Committee and New York State Assembly Committee on Ways and Means: Regarding the New York State Executive Budget for Housing, Fiscal Year 2026-2027

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### Introduction

My name is **Christie Peale**. I am the Chief Executive Officer & Executive Director for the Center for NYC Neighborhoods. I would like to thank Chairs Krueger, Pretlow, Kavanagh, Rosenthal and the members and staff of the Senate and Assembly Committees on Finance, Ways and Means, and Housing for holding today's hearing on the FY 2026-2027 Executive Budget regarding housing.

### About the Center for NYC Neighborhoods

The Center promotes and protects affordable homeownership in New York so that middle- and working-class families are able to live in strong, thriving communities. Established by public and private partners, the Center meets the diverse needs of homeowners throughout New York state by offering free, high-quality housing services. Since our founding in 2008, our network has assisted 380,000 low- and moderate-income families keep their homes and gain financial stability, preserving over \$10 billion in neighborhood property value across New York State. We have provided more than \$60 million in funding to community-based partners. Major funding sources for this work include the New York State Division of Homes and Community Renewal, and the Office of the State Attorney General, along with other public and private funders.

### Executive Summary

Today's housing crisis is not just a New York City problem, and it's not just a problem facing renters. Low- and moderate-income homeowners in every corner of our state are facing rising costs, housing instability, and displacement. In 2025, New York faced high levels of foreclosure proceedings with nearly 14,000 foreclosure filings<sup>1</sup>. Making New York more affordable starts by ensuring people can stay in their homes and communities. Governor Hochul's Executive Budget takes strong steps to do just that, with provisions aimed at preserving and expanding access to homeownership for more New Yorkers. The key takeaways from Governor Hochul's budget, particularly in relation to preserving and creating homeownership opportunities, include:

1. **Full Funding for the Homeowner Protection Program:** The executive budget includes full funding at \$40 million for the Homeowner Protection Program (HOPP), the state's only free program that assists homeowners at risk of displacement. This funding is critical as it supports a network of attorneys and housing counselors from over 90 non-profits and has helped over 150,000 New Yorkers avoid foreclosure, overwhelming debt, deed theft, and more.
2. **\$50 million to expand the Rapid Response Home Repair Program & Resilient Retrofits Program:** These funds will provide critical resources to help New Yorkers repair their homes and be better prepared for and able to respond to natural disasters.
3. **\$50 million to expand Down Payment Assistance:** This initiative makes the dream of homeownership more accessible for all New Yorkers. High down payment costs are one of the biggest obstacles for low- and middle-income residents in achieving homeownership. To address

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<sup>1</sup> "U.S. Foreclosure Activity Increases in 2025." 2026. Attom Data. <https://www.attomdata.com/news/market-trends/foreclosures/2025-year-end-foreclosure-market-report/>.

this challenge, the Center for NYC Neighborhoods (CNYCN) has launched a first-of-its-kind [Down Payment Assistance Navigator](#), designed to provide better access to down payment resources and help overcome this barrier.

**4. Allocations and Incentives towards Development & Expanding Access:**

- a. The executive budget invests nearly \$2 Billion in development and homeownership including \$1 Billion for NYC City of Yes for Housing Opportunity plan, as well as development of state owned land, vacant apartment repairs outside NYC, New York Housing for the Future programs, Land Banks, infill housing, starter homes, starter and modular home construction, first time homebuyer assistance, critical repairs to stabilize low- and moderate-income communities, condominium conversions, development of small rental buildings, and a mixed-income revolving loan fund.<sup>2</sup>
- b. The State Low Income Housing Tax Credit Program (SLIHC) has been doubled and the use of Federal and State Historic Tax Credits have been decoupled to incentivize investment in affordable housing projects.<sup>3</sup> The Center encourages a state pilot othe neighborhood homeowners improvement act taking into account increase in housing tax credits available.
- c. Condominium Conversion - Property owners can convert rental housing in New York City to condominium status by committing to maintain affordability.<sup>4</sup>
- d. **\$100 million** for the **MOVE-IN NY** homeownership program, which leverages innovative pre-fabricated technologies and working with nonprofit developers to build new homes twice as fast and at lower cost, helping more families move into high-quality starter homes.<sup>5</sup>
- e. **\$250 million in additional funding to accelerate the Let Them Build Agenda:** The budget increase will ensure communities across New York build affordable homes.
  - i. **Reforms to New York State’s Environmental Quality Review Act (SEQRA):** measures to fast track the development of affordable homes and eliminate red tape measures that deter an increase in supply.

**5. Allocations and Incentives towards Homeownership Preservation:**

- a. Completing the \$25 Billion Housing Plan - The actions outlined above complement and build upon the Governor’s \$25 billion, five-year Housing Plan, which is on track to create and preserve 100,000 affordable homes by the end of FY 2027, including 10,000 homes with support services for vulnerable populations, and electrify an additional 50,000 homes.
- b. Deed Theft Criminalization and Prevention - Homeowners are protected from deed theft under criminal penalty and other preventative measures.
- c. Insurance Discrimination Protections - Insurers are prohibited from denying coverage or increasing premiums based on specific considerations.
- d. Mitchell-Lama Shelter Rent Taxes - Taxes have been reduced by half for New York City Mitchell-Lama households, and localities in the rest of the State are permitted to adopt similar reductions for developments in need of relief from escalating cost increases.

<sup>2</sup> FY2027 Executive Briefing Book pdf. <https://www.governor.ny.gov/sites/default/files/2026-01/FY2027ExecutiveBudgetBook.pdf>

<sup>3</sup> FY2027 Executive Briefing Book pdf. <https://www.governor.ny.gov/sites/default/files/2026-01/FY2027ExecutiveBudgetBook.pdf>

<sup>4</sup> FY2027 Executive Briefing Book pdf. <https://www.governor.ny.gov/sites/default/files/2026-01/FY2027ExecutiveBudgetBook.pdf>

<sup>5</sup> Governor Hochul Unveils Highlights of the Fiscal Year 2027 Executive Budget: A Stronger, Safer, More Affordable New York. NYS Homes & Community Renewal. Jan 20th, 2026.

<https://hcr.ny.gov/news/governor-hochul-unveils-highlights-fiscal-year-2027-executive-budget-stronger-safer-more>



Governor Hochul’s Executive Budget includes important efforts to secure, protect and expand affordable homeownership for New Yorkers. We encourage the state legislature to work alongside the Governor and legislative leaders to develop bold, proactive plans to further strengthen homeownership and neighborhoods across New York.

### **The Homeowner Protection Program**

We strongly commend Governor Kathy Hochul’s inclusion of \$40 million for the Homeowner Protection Program (HOPP) in the executive budget. We call for the legislature to include this funding in their respective one house budget resolutions and in the final enacted budget. We want to acknowledge the critical support from the legislature that has historically empowered the HOPP network, a network of over 90 non profit community based organizations across the state, to meet NY homeowners’ growing demand for free counsel and relief from foreclosures and predators’ ever-evolving schemes to steal homes.

The Homeowner Protection Program provides free housing and legal services for low to moderate income New Yorkers in need of foreclosure prevention, property tax assistance, estate planning services, and more. Currently, there are nearly 500,000 families in the state that could benefit from HOPP services. HOPP saves New York State \$1.2 billion a year and every \$1 million invested in HOPP yields a return of over \$5 million in tax and property cost savings to localities alone. HOPP serves as the state’s primary protection against foreclosure and equity loss particularly in low to moderate income BIPOC communities.

The work of the HOPP network in New York State is paramount to preserving homeownership among struggling New York families. New York is experiencing some of the highest mortgage delinquency rates in the country, especially in communities of color. Specifically in New York City, foreclosures rose 8% in 2025 with 1,588 first time filings recorded and Manhattan, the highest figure since 2010.<sup>6</sup> In 2025, Queens experienced the highest foreclosure filings at 538 with Brooklyn following second at 460, however a 28% increase was noted in Manhattan with 208 foreclosure filings and 35% increase in the Bronx with 194 filings.<sup>7</sup> Last year, the high concentration of foreclosure filings for two family homes was 34%, with single family homes foreclosure filings totaling 32%, co-op foreclosure rising since 2024 at 22%, and condo foreclosures staying low at 12%.<sup>8</sup> The disparate impact of foreclosures cannot be swept under the rug and the need for adequate funding for the HOPP network is a matter of racial justice. On the ground our network reports the following trends:

- Deed theft, property flipping, partition and foreclosure rescue scams remain rampant and without HOPP, services, more desperate homeowners will fall victim to scammers.
- Tax foreclosures and tax sales to debt collectors are on the rise, most often jeopardizing homeownership for seniors and lower-income homeowners who don’t have mortgages.
- Seniors with reverse mortgages need assistance more than ever before.
- Natural disasters drastically increase the numbers of distressed homeowners confronting the threat of foreclosure due to rapid climate change.

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<sup>6</sup> 2025 NYC Foreclosure Report: Manhattan hits 15 Year Record as NYC Foreclosure Activity Rises. Property Shark. Jan 20th, 2026.

<https://www.propertyshark.com/Real-Estate-Reports/nyc-foreclosure-report/>

<sup>7</sup> 2025 NYC Foreclosure Report: Manhattan hits 15 Year Record as NYC Foreclosure Activity Rises. Property Shark. Jan 20th, 2026.

<https://www.propertyshark.com/Real-Estate-Reports/nyc-foreclosure-report/>

<sup>8</sup> 2025 NYC Foreclosure Report: Manhattan hits 15 Year Record as NYC Foreclosure Activity Rises. Property Shark. Jan 20th, 2026.

<https://www.propertyshark.com/Real-Estate-Reports/nyc-foreclosure-report/>



- Accessibility to programs that provide necessary home repairs is a need among homeowners who don't have the financial means to address their repairs.
- "Zombie second liens" make up a new wave of foreclosures on long-abandoned second mortgage loans sold to debt buyers, that were targeted to communities of color for predatory, toxic loans during the subprime mortgage lending crisis.

The HOPP network, consisting of hundreds of high-quality housing counselors and lawyers, serves over 15,000 families a year and, since its founding, has helped over 120,000 New Yorkers avoid displacement, equity loss, homelessness, and crushing debt. Statewide, 43% of clients served by HOPP are homeowners of color; in NYC, the percentage is 75%. HOPP agencies provide homeowner retention counseling, assistance to delinquent borrowers applying for loan modifications and other loss mitigation options, defense of foreclosure actions in court, including representation in mandatory foreclosure settlement conferences, deed theft prevention, and affirmative litigation challenging predatory and discriminatory lending, abusive mortgage servicing, and scams targeting seniors and communities of color. HOPP agencies also provide the only direct assistance to homeowners facing property tax lien foreclosures across the state.

HOPP levels the playing field, as lenders will always have well-funded legal representation. These services are provided to homeowners at no cost and preserve homeownership through securing loan modifications by a conservative estimate, in 25% - 30% of cases. Even in instances where homeownership cannot be preserved, HOPP agencies provide invaluable services, helping families navigate the complicated foreclosure process so they can find a soft landing, retain any equity they have, and avoid homelessness. HOPP saves NYS over \$1.2 billion a year in property value preservation, tax savings and additional cost savings to localities.

If HOPP is not fully funded, the vast majority of NYS's existing foreclosure prevention services will disappear, leaving most counties with no services and the effectiveness of several laws and following programs will be jeopardized which require or depend on HOPP services:

- NYS's statewide toll-free homeowner hotline
- NYS Department of Financial Services' mandate to provide a listing of free counseling services to be included in notices from lenders to homeowners (RPAPL sec. 1304)
- Mandatory settlement conferences; deed theft scam prevention programs and laws
- Zombie property and vacant property programs
- DFS mortgage servicing rules (Part 419 Business Conduct Rules for Mortgage Services)
- Enforcement of protections for tenants in foreclosed properties
- Property tax payment agreement and workouts to avoid foreclosure

Today, we respectfully request that the Governor and Legislature work together to ensure that HOPP is fully funded at \$40 million, so that the program can continue to help New York homeowners save and stay in their homes. Your coordination and support in the past has meant so much to many New Yorkers.



## Rising Insurance Premiums Across New York State & the Critical Need for Data Transparency

Homeowners in New York face rising insurance premiums due to a multitude of factors ranging from climate related events, decreasing number of insurance companies offering coverage, changes in the reinsurance market, inflation, discriminatory practices, and poor regulation in the insurance industry.<sup>9</sup> Based on our analysis and the research put forth by PolicyGenius in 2024, New York homeowners face an average cost of homeowners insurance determined to be around \$1,114 per year or \$93 a month while the average cost of homeowners insurance for the nation is \$1,754 per year.<sup>10</sup> In New York City, the average cost of homeowners insurance is determined to be around \$1,511 per year or \$126 a month. For many New Yorkers living paycheck to paycheck, the increase in these premiums might be enough to cause a default, limit their monthly expenses, and leave them with little to no options left. In addition, the increase in insurance premiums impacts the next generation of homeowners who are left to face unmortgageable homes due to surges and fleeing insurers.<sup>11</sup> Specifically, New York City faces increased vulnerability to coastal storms, high tide flooding, and extreme weather poses a threat to nearly 1.3 million people - mostly low-income individuals and/or families - that live in waterfront communities. These families face disastrous climate related events and as a result rising home insurance premiums.

For this reason, we support the Governor's efforts to combat rising insurance premiums and ensure data transparency efforts are taken into account.<sup>12</sup> We commend current efforts to have DFS determine an appropriate benchmark for the level of policy increase that will trigger insurance companies to have to provide information automatically by sending a change notice at least 20 days before renewal.<sup>13</sup> We also support the requirements that follow: having insurers offer discounts to homeowners who make safety and weatherproofing upgrades like installing storm shutters and smoke alarms, fire resiliency solutions, water damage prevention tools, and roof improvements to their homes. In order to support existing homeowners, it's instrumental for every carrier to be required to offer at least one discount in each category to be determined by DFS, as well as additional discounts for homes that meet specific resiliency standards.<sup>14</sup> We emphasize consumer education regarding these benefits and credits for homeowners is needed and through the collaboration of networks like HOPP, we can ensure New Yorkers are aware and counseled on their options.

Across NYC data has been collected for multi-family buildings, however transparent data is needed to track one to four family homes across the state facing the same rising insurance costs challenges. According to NYHC's report, HCR committed to obtaining information from state funded housing providers detailing their insurance premiums, declinations + non-renewals, and actions that affordable housing owners are taking to mitigate some of the losses giving rise to increasing insurance premiums<sup>15</sup>. We should take that same approach and encourage HCR to support data transparency for single to

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<sup>9</sup> The New York Housing Conference. The Alarming Risk of Rising Insurance Costs for Affordable Housing. March 2024.

<https://thenyh.org/wp-content/uploads/2024/03/Affordable-Housing-Insurance-Policy-Brief-3.16.24-Final.pdf>

<sup>10</sup> Pat Howard and Jennifer Gimbel at Policy Genius. Average Homeowners Insurance Cost. October 1st, 2024.

<https://www.policygenius.com/homeowners-insurance/how-much-does-homeowners-insurance-cost/>

<sup>11</sup> Newsweek. Insurance Crisis Could Spark Housing Market Crash Worse Than 2008: Report. December 20th, 2024.

<https://www.newsweek.com/insurance-crisis-could-spark-housing-market-crash-worse-2008-report-2003540>

<sup>12</sup> Governor Hochul's State of the State 2026 Book. [https://digital.ny.gov/state-of-the-state-book-2026/#\\_Toc219064563](https://digital.ny.gov/state-of-the-state-book-2026/#_Toc219064563)

<sup>13</sup> Governor Hochul's State of the State 2026 Book. [https://digital.ny.gov/state-of-the-state-book-2026/#\\_Toc219064563](https://digital.ny.gov/state-of-the-state-book-2026/#_Toc219064563)

<sup>14</sup> Governor Hochul's State of the State 2026 Book. [https://digital.ny.gov/state-of-the-state-book-2026/#\\_Toc219064563](https://digital.ny.gov/state-of-the-state-book-2026/#_Toc219064563)

<sup>15</sup> The New York Housing Conference. The Alarming Risk of Rising Insurance Costs for Affordable Housing. March 2024.

<https://thenyh.org/wp-content/uploads/2024/03/Affordable-Housing-Insurance-Policy-Brief-3.16.24-Final.pdf>



multi-family homes across New York. The Center encourages the Governor to ensure data transparency laws are set in order to regulate where, why, and when insurance companies coverage ends or increases.

Additionally, several numerous gaps remain in safeguarding low-income families from financial ruin after a climate event given challenges with the home insurance market. To address insurance coverage gaps and affordability issues, the Center piloted the Flood Recovery Fund, an innovative community-based insurance program that deploys unrestricted cash grants to homeowners affected by severe rainfall floods in New York City. With grant money from the National Science Foundation and Raincoat, the Center purchased a novel parametric flood policy that covered specific inland communities with a history of repetitive losses and a high concentration of low to moderate-income homeowners. The Center, acting as an intermediary between insurance and homeowners, purchased the flood policy and developed the recovery program to test the speed and efficiency of a risk transfer product that unlocks unrestricted dollars without the time consuming adjustor process.<sup>16</sup> Due to this policy, we advocate for the support of programs such as the Flood Recovery Fund and look forward to working with the Governor and legislature on the expansion of FRF.

### **Increasing Access to Homeownership & Combatting Private Equity**

Making New York more affordable requires policies that ensure people can stay in their homes and communities. It takes strong steps to do that, with provisions aimed at both keeping New Yorkers in their homes and expanding access to homeownership for more New Yorkers. For this reason, we commend the Governor's efforts to provide \$50M in down payment assistance for new yorkers who want to own a home and build generational wealth. Based on findings from our Black Homeownership Project, barriers to homeownership consist of a lack of education on purchasing and maintaining their home, pre-purchase clients needing more guidance particularly on different kinds of financial products, lack of affordable supply especially within desired communities due to private equity and investors taking most of the inventory, and the need for more and easier-to-use down payment assistance programs. Pre-purchase counselors try to match homebuyers with as many grants as possible, but their attempts are frustrated by limited funding for existing programs and varying eligibility and documentation requirements. Similarly, The HOPP network provides pre-purchase housing counseling for future homeowners though programs designed for down payment assistance are often flagged by pre-purchase counselors as hard to deploy or coordinate amongst regions all over the state. For this reason, the commitment to expanding down payment assistance programs and an easy to use navigator is essential to increase access to homeownership. We also emphasize a need to secure equal access for NYC homeowners to receive this allocated funding, call for further transparency on down payment assistance programs, and encourage coordination with housing counseling agencies.

In order to expand access to homeownership, we must combat private equity. In particular New York State must institute a statewide version of the Stop Wall Street, Stop Predatory Investing Act, and The End Hedge Fund Control of American Homes Acts. Data from the National Association of Realtors<sup>17</sup> show that institutional buyers purchase rates of single-family homes as high as 11% of homes in New York. Investors, corporate landlords, hedge funds, and private equity firms outcompete individual buyers,

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<sup>16</sup> The second FRF policy terminated as of March 2025.

<sup>17</sup> National Association of Realtors. (2022). Impact of Institutional Buyers on Home Sales and Single-Family Rentals. National Association of Realtors Research Group.



pushing lower-income families out of the housing market by taking over single and multi-family homes across the state. For FY26, Governor Hochul submitted legislation that would disincentivize bulk purchases of single-family and two-family homes by removing the tax benefits of institutional investors and establishing a 75-day period in which corporate landlords cannot bid on single-family homes<sup>18</sup>. This proposal has since been codified into New York law, making it unlawful for investors, corporations, and hedge funds to present an offer on one to two family homes unless it's listed for sale publicly for at least 90 days.<sup>19</sup> This provision also amended New York tax laws to prevent institutional investors from claiming depreciation and interest deductions on single-family and two-family homes when filing their New York tax returns.<sup>20</sup> Governor Hochul and the legislature took bold steps in the FY26 budget to prevent corporate investors from buying up single family homes across New York while ensuring owner occupied homeowners and nonprofits receive interest deductions. We supported these efforts then and will continue to support them now.

For FY27, we urge the Governor to expand these protections to three and four family homes to address New York's unique homeowner landscape. These proposals mirror efforts stymied in Washington including *Stop Predatory Investing Act*, sponsored by Senator Sherrod Brown, and *The End Hedge Fund Control American Homes Act* sponsored by Senator Jeff Merkley and Representative Adam Smith. With Washington paralyzed, New York needs to act now more than ever by supporting the expansion of legislation put forth by Governor Hochul and Senator Krueger that speaks to the housing market problems felt directly in our communities across New York. Through efforts to combat private equity and provide down payment assistance programs across different regions of New York, the state can focus on the necessary goal of developing homeownership opportunities for all. We look forward to partnering with the Governor and state legislature to achieve this goal, expanding on all the different avenues to provide affordable homeownership in New York.

### **Expansive Support for Necessary Home Repairs**

Each year, about 30 percent of homeowners start one or more home renovations, spending an average of about \$9,500, according to the American Housing Survey (AHS).<sup>21</sup> While homeowners with good credit or substantial equity are able to fund repairs by refinancing their mortgage or taking out a Home Equity Line of Credit, few options exist for less financially-secure homeowners. In 2024, more than 33% of applicants for home improvement loans had household incomes of \$50,000 or lower but only 27% of applications were approved demonstrating households with less financial stability and lower incomes face greater challenges in accessing renovation financing.<sup>22</sup> This issue is persistent for aging homeowners on fixed incomes, families who don't have the necessary financial savings for repairs, and homes in specific geographic areas that are more prone to repairs as a result of climate change.

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<sup>18</sup> Governor Kathy Hochul FY26 New York State Budget Briefing Book. <https://www.budget.ny.gov/pubs/archive/fy26/ex/book/briefingbook.pdf>

<sup>19</sup> New York Budget Law May Discourage Institutional Ownership of Single and Two Family Homes. Greenberg Traurig. [https://www.gtlaw.com/en/insights/2025/5/new-york-budget-law-may-discourage-institutional-ownership-of-single-and-two-family-homes?utm\\_source=chatgpt.com](https://www.gtlaw.com/en/insights/2025/5/new-york-budget-law-may-discourage-institutional-ownership-of-single-and-two-family-homes?utm_source=chatgpt.com)

<sup>20</sup> New York Budget Law May Discourage Institutional Ownership of Single and Two Family Homes. Greenberg Traurig. [https://www.gtlaw.com/en/insights/2025/5/new-york-budget-law-may-discourage-institutional-ownership-of-single-and-two-family-homes?utm\\_source=chatgpt.com](https://www.gtlaw.com/en/insights/2025/5/new-york-budget-law-may-discourage-institutional-ownership-of-single-and-two-family-homes?utm_source=chatgpt.com)

<sup>21</sup> Homeowners have limited options to finance renovations. Here's How Federal Policymakers Can Help. Urban Institute. <https://www.urban.org/urban-wire/homeowners-have-limited-options-finance-renovations-heres-how-federal-policymakers-could>

<sup>22</sup> Homeowners have limited options to finance renovations. Here's How Federal Policymakers Can Help. Urban Institute. <https://www.urban.org/urban-wire/homeowners-have-limited-options-finance-renovations-heres-how-federal-policymakers-could>



For this reason, we commend the Governor and the legislature for appropriating \$50 million to support an overall expansion of home repair resources both in terms of the size of individual loans and grants, as well as the total number of loans and grants available. This allocation includes support to expand the rapid response repair program and resilient retrofits program. The resilient retrofits program provides homeowners with support for climate resilience upgrades through a combination of revolving loan funds and deferred forgivable loans. The program finances retrofits to mitigate climate risks in eligible single family homes and provides funding for energy efficiency upgrades. Programs such as Resilient Retrofits provide a solution for homeowners facing climate-related disasters. As these events grow more frequent and intense, their impact continues to fall hardest on low- and moderate-income (LMI) and BIPOC homeowners — especially those living in flood zones, areas with aging infrastructure, or neighborhoods shaped by historic disinvestment. While some regions shaped by historic disinvestment and aging infrastructure have access to the Vacant Apartment Repairs Program, New York City is left out.<sup>23</sup> We encourage the expansion of the program so that the NYC region can have access to necessary repairs in aging units.

There is a need to preserve existing affordable homes across the state by providing homeowners with the necessary support and grants to repair their aging homes, homes facing environmental challenges, and units that are left to despair. We look forward to working with the Governor and the legislature to make sure that New York City receives an equitable share of funding support.

### **Supporting BIPOC Homeowners & Ending Predatory and Speculative Systems**

Black and brown New Yorkers deserve to be free of exploitation from speculative markets, predatory investors, and unaccountable corporations that target Black and brown communities. We thank Governor Hochul for taking the necessary steps to combat deed theft, predatory speculation through cease and desist zones, and preventing corporate investors from acquiring single family homes in New York<sup>24</sup>. These predatory systems often increase displacement, undermine the growth of homeownership in these communities, and prevent the accumulation of wealth for BIPOC families. In order to achieve structural change in New York's housing market and provide new revenue sources to support permanently affordable homeownership opportunities, we respectfully request the following bills to be included in the enacted budget:

- HOPP Codification ([S2627A](#), [A1625A](#))
- Private Right of Action Against Deed Theft ([S7721](#), [A8863](#))
- Property Insurance Premiums Data & Homeowner Mitigation Efforts ([S8583A](#))
- End Toxic Home Flipping Act - ([S574](#), [A342](#))
- Tenant Opportunity to Purchase TOPA ([S401](#))
- Tax Lien Foreclosure - Homeowner Real Property Tax Assistance Program ([S5480](#), [A4445](#))
- Public Bank NY - ([S1992](#), [A6268](#))
- Affordable Title Insurance - ([S1082](#))

Without intervention, we will see increased incidences of deed theft and scams, continuous discriminatory mortgage lending practices, speculation, and gentrification. This leads to increased

<sup>23</sup> FY2027 Executive Briefing Book pdf. <https://www.governor.ny.gov/sites/default/files/2026-01/FY2027ExecutiveBudgetBook.pdf>

<sup>24</sup> FY2027 Executive Briefing Book pdf. <https://www.governor.ny.gov/sites/default/files/2026-01/FY2027ExecutiveBudgetBook.pdf>



housing costs, deferred maintenance and repairs, and increased risk of displacement. To support BIPOC communities across New York, we ask the Governor and legislature to include the legislation above and look forward to working together to ensure innovative policy solutions are taken into account.

### **Innovative & Scalable Affordable Homeownership Models**

In addition to our efforts to preserve existing homeownership, the Center for NYC Neighborhoods supports the development of new affordable homeownership across the state. We support Governor Hochul's bold efforts to address New York's housing supply crisis by enhancing the expansion of tax credits in relation to ADUs and LIHTC (outside of NYC), focusing on affordability, protecting tenants and homeowners, and retaining home equity through foreclosure and deed theft prevention efforts. The Governor's proposals provide viable steps and solutions towards ensuring New Yorkers have access to new housing and homeownership opportunities. Of particular interest to the Center is the FY27 proposal program to legalize existing basement and cellar apartments in New York City.<sup>25</sup> We support the continuation of this initiative as a means to expand supply and preserve existing homeownership in the city.

The initiative presents a valuable opportunity to support low- to moderate-income homeowners at risk of foreclosure by enabling the conversion and creation of ADUs. With the potential to add backyard cottages, garage conversions, and basement apartments to the city's 1.4 million one- to four-family homes, ADUs can provide crucial financial relief to homeowners burdened by repair and maintenance costs. This is especially important for seniors on fixed incomes who are aging in place and homeowners in need of additional financial assistance to prevent foreclosure. Research from the Center's own 2025 report, *Room to Grow: Mapping ADU Potential in New York City*, found that homes with ADUs can see a property value increase of up to 25 percent in some markets, and that rental income from ADUs can serve as a critical financial cushion during retirement or periods of unemployment — making them a powerful tool for long-term homeowner stability. This initiative not only expands housing opportunities, it supports existing homeowners by enabling the creation of ADUs to generate rental income, house aging family members, or accommodate their children, thus helping them build and preserve generational wealth.

The FY26 Plus One ADU pilot program provided up to \$395,000 in funding to qualified homeowners through HPD and grant funding from New York State Homes and Community Renewal to build or convert an ADU on their property.<sup>26</sup> This program equips interested homeowners with financial and technical support through the One Stop Shop portal, pre-development, and construction resources. The ADU pilot program within the previous city housing proposal was set to receive \$4 million in funding ensuring Black and Brown homeowners are able to remain in their homes, avoid foreclosure, and build generational wealth. While we support initiatives that will aid in the expansion of new affordable housing units in NYC such as the ADU pilot program, we need to ensure there is adequate funding and oversight for these programs to reach the desired effect. An increase in financial support will ensure that low-income homeowners can successfully create ADUs to build generational wealth particularly in BIPOC neighborhoods historically affected by redlining and discrimination.

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<sup>25</sup> FY2027 Executive Briefing Book pdf. <https://www.governor.ny.gov/sites/default/files/2026-01/FY2027ExecutiveBudgetBook.pdf>

<sup>26</sup><https://www.nyc.gov/office-of-the-mayor/news/614-24/mayor-adams-new-tools-help-new-yorkers-add-accessory-homes-build-generational-wealth->



Black and brown communities across New York State deserve housing justice in the form of equitable alternative pathways toward permanent, affordable, and stable housing free from displacement, discrimination, and harassment from predatory real estate speculators. The creation of versatile housing options such as ADUs can increase housing security and stabilization, reduce foreclosures, maintain equity, and protect intentionally marginalized communities from displacement amid economic downturns.

### **Promote Healthy and Resilient Housing in Alignment with Climate Goals**

We support the New York Resilient Revolving Loan Program ([S2837, A3782](#)) in order to provide necessary relief to homeowners dealing with the brunt of climate change and the negative impacts of extreme weather events such as flooding and heat. Homeowners need to be prioritized for rehabilitation, remediation, disaster preparedness, and energy efficiency to ensure all homes are safe, healthy, and free of dangerous conditions. For this reason, we're appreciative of Governor Hochul's efforts to support low to moderate income homeowners through \$50 million in funding for the Resilient and Ready program which assists families with repairs in the face of extreme weather events.<sup>27</sup>

In addition, the Center supports the Insuring our Future Act ([A3842A, S186A](#)) which amends New York's Community Reinvestment law to include property insurance companies. This law establishes that insurance companies are obligated to meet the insurance needs of the entire community during a time of escalating climate risks and mounting premium costs. Given the increase of climate related risks and catastrophes, we seek to promote healthy and resilient housing and support the Governor's efforts in doing the same.

### **Community Land Trusts**

The Center for NYC Neighborhoods has supported the development of community land trusts (CLTs) on the ground in New York City, in partnership with the Interboro Community Land Trust. The dramatic rise in home prices across the state demonstrates the immediate need to provide low- and middle-income homeowners with access to continuously affordable, safe, and community-controlled housing. In order to succeed, CLTs need resources and a regulatory framework from the state that recognizes the split ownership model.

We urge the Governor and legislature to continue supporting CLTs across the state. We also want to acknowledge the commitment from the Governor to ensure the executive budget includes an affordable homebuyer property tax incentive at the local opt-in for homes built with assistance from land banks or CLTs and sold to low- and moderate-income homebuyers. This cohesive effort between CLTs and the housing market will ultimately help make homeownership more attainable for BIPOC communities, bring housing costs down, and increase the supply of affordable homes.

### **Conclusion**

Thank you for the opportunity to testify before you today. The Center for NYC Neighborhoods urges the Governor and Legislature to prioritize the continued support and expansion of vital housing programs like the Homeowner Protection Program (HOPP) to address the growing foreclosure crisis in New York. The Center advocates for policies that protect and empower low- and moderate-income homeowners,

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<sup>27</sup> Governor Kathy Hochul FY2026 New York State Executive Budget Briefing Book. <https://www.budget.ny.gov/pubs/archive/fy26/ex/book/briefingbook.pdf>



particularly in communities of color, through various programs and with participation from Community Land Trusts (CLTs). By strengthening these programs and enacting new, transformative legislation to combat predatory practices, support sustainable homeownership, enhance the supply of affordable homes, and promote housing justice, New York State can ensure equitable access to safe, affordable, and stable housing for all its residents. We look forward to working with the legislature to rise to the challenge of preserving, protecting and expanding affordable homeownership in New York.



### Notes:

Adam Zaranko, Secretary to the Governor for Housing:

As part of her 2026 State of the State, Governor Kathy Hochul proposed bold plans to make New York more affordable by building more housing, protecting renters and rent stabilized housing and tackling home insurance costs.

These proposals include:

#### Building More Housing

- Enact common sense reforms to the State Environmental Quality Review Act (SEQRA) to cut red tape and build more housing and infrastructure
- \$250 million to accelerate affordable housing development, speeding up the construction of thousands more affordable homes and transformative projects
- Embracing innovative approaches to build homes more quickly and at lower costs by providing additional funding for the MOVE-IN NY program to support innovation in emerging factory-built and modular construction strategies
- Expanding the number of land banks that can be established in New York State from 35 to 45
- Creating the manufactured home park improvement revolving loan fund to finance improvements to critical infrastructure for residents

#### Protecting Renters and Rent Stabilized Housing

- Proposing stiffer criminal penalties for landlords who engage in systematic harassment of rent regulated tenants across multiple buildings, as well as repeat serious offenders of existing anti-harassment laws
- Overhauling the J-51 incentive so that it can better support capital repairs for New York City's rent-stabilized housing stock, including streamlining the process
- Increasing the income eligibility limits for New York's Rent Freeze Program for both the Senior Citizen Rent Increase Exemption (SCRIE) and Disability Rent Increase Exemption (DRIE) in New York City, with the same options being available with local opt in outside the City
- Protecting tenants living in multi-family homes who risk losing their heat, water, or electricity when landlords fail to pay utility bills for those buildings by allowing property liens to be utilized to hold landlords accountable



#### Lowering Insurance Costs

- Creating a first-in-the-nation check on home insurer profitability, increasing transparency of potentially excessive profits
- Requiring commercial property insurers to report core data metrics annually regarding their multi-family housing businesses, including claims, premiums, and rates to increase transparency
- Expanding automatic discounts for homeowners who make safety and weatherproofing upgrades
- Expanding automatic discounts for risk reduction measures to commercial policyholders operating multifamily homes, such as affordable housing providers
- Convening stakeholders and experts from the affordable housing, real estate and insurance industries to evaluate and propose short- and long-term solutions to reduce costs and increase affordability