



**Testimony
Presented to a Joint Hearing of
New York State Senate Finance Committee
And
New York State Assembly Ways and Means Committee,
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Presented by
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Good afternoon, Senators and Assemblymembers.

On behalf of the New York State Rural Advocates, thank you for this opportunity to share our thoughts and observations about the impact of the proposed 2027 Executive housing budget on small towns and rural places around our State.

PROGRAM DELIVERY

Rural Preservation Companies (RPCs), rural cousins to the ***Neighborhood Preservation Companies (NPCs)***, provide an important conduit for the delivery of State, Federal, and local resources to our communities. In fact, RPCs are the conduit of the majority of the State’s housing programs in rural areas.

In 2024/2025, RPCs provided Homeless Assistance to 7,536 individuals; provided financial counseling for 2,455 individuals; managed 4,903 affordable housing units’; administered home improvements and rehabilitation to older homes benefiting 3,436 housing units; supported local community development efforts by undertaking infrastructure/community projects for which they wrote and

administered 568 grants; and, RPCs served 25,885 individuals with food programs to battle food insecurity. Rural Preservation Companies have proven time and time again to be the go-to delivery system for many one-time programs including disaster relief. (1)

RPCs are economic engines in economically challenged rural communities. RPCs generate hundreds, if not thousands, of jobs with RPC funds and with the work that RPCs generate, be it lead abatement, rehabilitation, new construction, or community/economic development projects. Historically RPCs have leveraged \$15 per every \$1 RPC dollar!

We are sorely disappointed to find that in spite of our hard work and the successful efforts of *RPCs* to deliver state and federal housing resources to rural communities, Governor Hochul's 2027 executive budget proposes to reduce funding for the program by 33%. The proposed cut is all the more distressing because in 2023 the legislature restored the program to full funding by recognizing 20 years of unfunded inflation adjustments. Now, after three seasons without cost-of-living adjustments, the Rural Preservation Program is facing a 33% cut to the Program's funding. The cost of the work of the RPCs have risen with increases in salaries, health insurance, utilities, property insurance, professional fees for required audits, and mileage rate increases.

New York State, which comprises 54,556 square miles, is dominated by farms,

(1) All data from NYS HCR annual RPP/NPP report to Legislature.

forests, rivers, mountains, and lakes. (2) Within this land mass, is the Adirondack Park which is larger than any U.S. National Park in the contiguous United States. The Adirondack Park is comprised of 9,375 square miles, or 17% of the State's total land mass. (3) Within the ten (10) counties that comprise the Adirondack Park, there are fifteen (15) RPCs that on average cover 625 square miles of small towns, villages, and unincorporated hamlets. While the average service area of the Adirondack Park RPCs is 625 square miles, that is not the largest service area of an RPC. Oswego Housing Development Council, Inc., has one RPC in the County and the Oswego County's land mass is 1,312 square miles. It is not just the mileage cost to travel hundreds of miles within a service area; it is the Staff time to travel long distances to provide services. And it is the *existing* infrastructure of the Staff capacity that must not be lost if RPCs are to continue to be the boots on the ground, to respond to natural disasters when there are limited resources to be had and to continue to be a resource for small municipalities as well as a conduit for State and Federal funding to local municipalities.

A ten percent (10%) increase to the RPC funding, to mirror the requested ten percent (10%) increase of our urban cousins, the NPCs, is required to maintain the level and quality of service that has been achieved and that the RPC communities have come to expect.

During these days of extraordinary turmoil with Federal programs and resources, it

(2) Geography of New York, Wikipedia

(3) www.Adirondack.net

It is critical that New York State maintain housing stability and reinforce the already existing and proven network of RPCs.

New York State Rural Advocates recommends 2027 Rural Preservation funding of \$8,830,000, which will raise the existing RPC funding per the 60 groups to \$143,000 from \$130,000, and provide \$250,000 for the NYS Rural Housing Coalition.

HOMEOWNERSHIP

More than 70% of rural New York households own the homes they live in and much of that housing stock is aging after decades of underinvestment. Critical health and safety needs (including wells, septic systems and heating and electric repairs) often go unmet. The Affordable Housing Corporation (AHC) is the State's primary investment in preserving this essential homeowner stock. In addition, AHC supports the development of new owner occupied one-to-four-unit buildings; it supports the acquisition and rehab of existing homes by first time home buyers; and, it provides important funding for the rehabilitation of hundreds existing homes each year. AHC is currently oversubscribed, with demand far outpacing available resources.

New York State Rural Advocates recommends funding of the primary AHC program at \$30 million an increase of \$4 million over recent AHC appropriations and an increase over the amount proposed in the 2027 Executive housing budget.

We support full funding of the important HOPE/RESTORE and ACCESS to Home programs. RESTORE provides emergency repairs for low income, elderly

households. ACCESS facilitates accessibility modifications that allow will more New Yorkers to stay in their own homes. **New York State Rural Advocates recommended 2027 funding at \$10 million for RESTORE and \$6 million for Access to HOME.**

New York State Rural Advocates supports the 2027 Executive budget of \$40 Million for HOPP.

Manufactured Housing is a vital part of rural New York's housing supply. Rural Advocates calls for additional funding for the **Manufactured Home Replacement Program (MMHRP)** and for the Manufactured Home Advantage Program. The Executive budget proposes \$5 million for the Advantage Program; however, the MHPP lacks funding as well as an underlying statute. Rural Advocates calls for the establishment of a permanent Mobile Home Replacement program in statue providing up to \$150,000 for the replacement of a deteriorated mobile home with a new mobile home and up to \$200,000 for replacement with a modular or site-built unit. **Advocates support the Manufactured Home Advantage Program at \$5 million for 2027.**

RENTAL HOUSING

While homeownership remains the dominate form of tenure in rural places, there is little doubt that quality rental housing remains an essential part of any community's well balanced housing stock. The development and operation of rental housing in small markets pose serious challenges. The lack of scale and density limit the utility of important development tools such as tax credits and bond financing and drive up the cost of operation for existing properties. The poor

condition of much of the existing stock threatens health and safety and relatively low values in rural markets make revitalization of that stock almost impossible.

Therefore, protecting the existing assisted, affordable rental housing is paramount. The federally funded Rural Rental Housing Stock (Section 515) provides over twelve thousand units of largely rent assisted rental housing for some of Rural New York's lowest income households. This important rental housing is now under threat from several sources. Certainly, the age of the portfolio suggest that rehab needs are extensive. In addition, many of New York's federally funded Rural Rental Housing properties are reaching the end of their regulatory periods and are at risk of pre-payment and removal from the inventory of affordable rental housing.

New York State has long supported the Rural Rental Housing portfolio by providing a rental assistance program that mirrors federal rental assistance and supports some five thousand very low-income households while ensuring the viability of scores of Section 515 properties. **New York State Rural Advocates supports Governor Hochul's proposal to fund the Rural Rental Assistance Program at \$25,382,000 in the 2027 Executive housing budget.**

There are efforts underway to preserve as much of the Rural Rental Housing Portfolio as possible. Community based not for profits in the Rural Preservation Program are front and center in this effort, but the acquisition and rehabilitation of these properties require substantial financial resources, and these are limited. In the 2025 State Budget, leaders agreed to include \$10 million to support the preservation of Section 515 Rural Rental Housing. **New York State Rural**

Advocates recommends an additional \$10 million in 2027 to continue the Section 515 Preservation Program.

As mentioned above, the scale of rural communities and small towns prohibit the use of many of the successful rental development tools such as tax credits and bond financing. It has long been Rural Advocates contention that a permanent funding program to support the development of small rental projects (1 – 20 units) is a glaring omission in New York State’s arsenal of housing development programs. Since 2017, NYS Housing and Community Renewal has operated a modest demonstration project known as SRDI. This effort has demonstrated that community based not for profit organizations can develop and operate high quality rental housing that is appropriately scaled for smaller communities. Unfortunately, the 2027 Executive budget calls for the zeroing out of the SRDA program.

New York State Rural Advocates call for the creation of a permanent statewide Small Rental Development Program to be codified in statute and for funding of \$10 million for the program in 2027.

The New York State Rural Advocates offers its most sincere appreciation for the continued support of the Rural Preservation Program and the program and capital housing programs that allow us to serve our communities in rural New York.