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**Submitted Testimony to the Joint Committee on Housing
Submitted by the New York State Rural Housing Coalition
February 5, 2020**

On behalf of the New York State Rural Housing Coalition, I would like to thank members of the Assembly Housing Committee, the Assembly Ways & Means Committee, the Senate Housing, Construction and Community Development Committee, and the Senate Finance Committee for allowing the Coalition to present before you today on the vital housing issues facing New York's rural communities.

The New York State Rural Housing Coalition (the Coalition), is a network of rural housing professionals and 501c(3)s who work toward the common goal of designing, developing, financing, building, and maintaining affordable housing in order to meet the diverse needs of rural New Yorkers. Our members, made up of Rural Preservation Corporations (RPCs) and those serving the needs of the affordable housing market, serve almost every rural population across this great state and help build and manage affordable housing, which includes: rental units, rehabilitation of single and multifamily residences, mobile home replacements, and helping constituents find affordable housing – predominately serving low – to – moderate income populations. The Coalition serves as a source of education, best practices, and technical assistance to allow our members to serve these underserved populations.

Before diving deeper into the specifics of funding and programs, I would like to acknowledge and thank the members of these committees and the members of the legislature for their continual and constant support of the Coalition, our members, and the goal of affordable housing. For so many years we have had to appear before you and argue the case for supporting the needs of low income



New Yorkers seeking affordable housing. Nonetheless, every year the legislature has come through and shown your support for your underserved constituents and made sure that funding for affordable housing is not decreased. Because of your consistent and steadfast support, funding for the RPP/NPP programs and other affordable housing programs were not reduced in this year's executive budget.

That being said, there are still a few areas where we need the legislature's assistance. We do have some programmatic funding increases we would like to see and will review those requests as well as the reasons why an increase in funding is still needed.

The first programmatic area where we would like to see a slight increase in funding is in the Rural Preservation Program/Neighborhood Preservation Program (RPP/NPP) funding. The current executive budget includes \$5.36 million for the RPP/NPP funding, which is on par with our previous funding. The Coalition is asking for an increase to the RPP/NPP funding to \$6.1 million in order to allocate \$100,000 for each RPC, the creation of two new RPCs, and an increase in Coalition funding to \$200,000. We also ask that this increase be in parity with our NPC partners whereas they also see an increase to \$100,000 for each NPC, the creation of four new NPCs, and \$200,000 for the Neighborhood Preservation Coalition. Additionally, within the RPP/NPP funding allocations, we ask again that the legislature include language to make sure that the Coalitions receive their funding as part of the programmatic budget. The Coalition has taken the responsibility of building the capacity of RPCs across the state for these past four decades and continues this charge today, especially with the increasing needs of our members. This has come with an increase in technical assistance in dealing with state programs, funding and matching funds, and also now more attention on the challenging work of succession planning as many of the original founders of the RPCs are



preparing for retirement. The increase to \$200,000, a small investment, will allow us to continue providing the essential technical assistance the RPC network needs to maintain the RPP program, maintain RPP compliance, identify new resources for RPCs, and expand the RPC network to assist more rural communities across New York. This small investment will go a long way in helping rural communities across New York find even more inventive and strategic ways to help serve these underserved populations and address the affordable housing needs rural New Yorkers are facing.

As previously stated, we would like the programmatic budget to include monies for the creation of two new RPCs. We ask that the legislature direct Homes and Community Renewal (HCR) to put out for RFP the creation of two new Rural Preservation Corporations (RPCs). Over the past decade we have seen the number of RPCs decline, and even this year another RPC was unable to continue in the RPP program and another may soon fall out of the program. When these organizations stop participating in the RPP, there often is not another group ready to step in and fill many of these services provided or the needs of the community without having access to the RPP/NPP funds. Additionally, there are still some rural communities that have not had an RPC in their area for an extended period of time and continue to be underserved. Therefore, we ask that the legislature direct HCR to put out an RFP for the creation of two new RPCs in communities that currently do not have a RPC providing services, which would include Chenango county, Seneca county, rural Schenectady county, Northern Dutchess county, and Rockland County.

Two other areas that the Coalition feels are drastically in need of increased funding from the executive budget are funding for the Affordable Housing Corporation (AHC) and the Homeowner Protection Program (HOPP). The AHC programs are critical in upstate New York and support the acquisition and rehabilitation of owner occupied properties for low income families. The demand



for these programs is consistently increasing and goes far behind the annual appropriations of \$26 million. Recent applications rounds have exceeded \$67 million in requests, meaning that at least 60% of applicants are unable to utilize the AHC program due to the lack of funding. Year over year, this lack of funding leads to an ever increasing backlog of work and the needs of New Yorkers not being met. The funding for AHC has not been increased in over two decades, even though demand for the program increases annually. Additionally, there are programmatic limitations that affect the impact of AHC funds downstate. While those concerns are being addressed through legislative changes to the AHC program, this will mean that the cap per unit will increase, and without an increase in funding, even less applicants will be able to receive this assistance. Previously, AHC funding was in parity with Housing Trust Fund appropriations, but while the Housing Trust Fund has seen an increase over the years, AHC has not, breaking that parity. The Coalition asks that parity to these programs return and strongly urges the legislature to increase AHC funding from \$26 million to \$44.2 million.

Additionally, this year the HOPP funds are not appropriated in the executive budget. HOPP funding provides for the still much needed homeowner education and foreclosure prevention programs. The Coalition knows that these programs are extremely effective ways to help make sure that first time homebuyers are able to make the proper choices and maintain their mortgage payments as well as provide education and resources to those facing foreclosure. The Coalition asks that the legislature restore funding for HOPP to a funding level deemed appropriate to carry out the program and the needed homeowner education and foreclosure prevention programs.

There are also some programs that are funded at the previous year's level where the Coalition would like the legislature to increase funding in order to allow more rural residents to participate in these



programs. Mobile and manufactured housing continues to represent one of the largest forms of affordable housing in rural communities and our members continue to see increasing demand on issues concerning mobile and manufactured homes. We ask that the legislature increase the \$5 million allocated in the executive budget by at least \$1 million considering the need for more funding to replace dilapidated and aging mobile homes, an issue that continues to grow in rural communities across the state.

Similarly, we are pleased to see that the NY Main Street program is funded again at \$4.2 million. The NY Main Street program has been a highly successful program that has rural communities and leaders finding new approaches to enhancing their Main Street corridors and are enhancing the vitality of these communities while bringing new and exciting businesses. With that success, we have seen that the application demand for the Main Street program is outpacing the funding historically and therefore ask the legislature to consider increasing the funding for the NY Main Street program by at least \$1 million so more rural communities can have the opportunity to rebuild their main street corridors.

The same holds true for the Access to Home programs and the HOPE/RESTORE programs. These programs provide vital assistance to ensure that disabled and elderly New Yorkers can continue to live independently instead of having to move to expensive nursing homes – saving the state substantial sums while also having extensive benefits to the elderly and their families. While the executive budget funds these programs at the same level as previous years, these programs can use additional funding to bring these benefits to more families. The Coalition asks that the legislature increase Access to Home from \$1 million to \$2 million and increase the HOPE/RESTORE funding from \$1.4 million to \$2.4 million.



One programmatic budget line where we are happy to see an increase already included in the executive budget is the increase of HHAP funding to \$128 million. This is a substantial increase from the previous year's budget and will help start to combat the issue of homelessness, including in rural communities, where our members are utilizing HHAP funding to develop new permanent housing for the homeless, of which estimates state there are over 3000 homeless in rural New York that do not have shelter. The executive budget also includes a \$5 million carve out of HHAP funding for veteran based programs. While the Coalition fully supports this, we ask that the legislature look at the funding for ESSHI, which currently is not included past this year. This becomes an issue, especially for veteran based housing, as HHAP funds can only be used to develop new housing and rely on ESSHI funding for operations once the developments are completed. Additionally, applications for new development of affordable housing using HHAP funds requires budgets that project out; and without knowing that ESSHI programs will be funded, it will greatly inhibit, if not completely stop, the use of HHAP funds to develop new affordable housing units if they cannot cite the availability of ESSHI funds in their application budget.

Furthermore, when it comes to development of new affordable housing projects, the Coalition would like to see initiatives that focus on small project development (less than 20 units) that will allow for funds to be used in the proper scale for rural towns, villages, and hamlets as a set-aside. The Coalition asks that the legislature use existing Community Investments Fund (CIF) allocations to create a sub-allocation that would be administered by the Office of Community Renewal (OCR) in the same manner that previous Small Rental Development Initiative (SRDI) programs were run. This would allow for the additional development of affordable rental housing that is properly scaled for rural villages and hamlets and for the NPCs to develop smaller scale projects in suburban/urban



communities that cannot build or maintain the larger affordable housing complexes. These small project developments do not receive the same attention due to their size, but their importance and impact in rural communities is enormous.

Finally, we are pleased that the executive budget includes funding the Rural Rental Assistance Program at \$21 million. These funds will help protect the homes of 5000 rural very low income tenants living in projects financed by USDA which are a vital part of the affordable rental housing portfolio for rural communities across New York.

As you can see, the RPCs and the Rural Housing Coalition are strongly active in supporting and rebuilding New York's rural communities. The Coalition and RPCs are reliable and diligent stewards of the RPP funding and are consistently working to secure other sources of funding to enhance these projects and make sure that state funds go even further and create even stronger, long-lasting affordable housing units across rural New York. When you review the 2018-19 Report to the Legislature on the Rural Preservation Program, you will see just a small snippet of the innovative work that our members perform to rebuild rural New York and provide safe and affordable housing options. The RPCs are consistently finding new and exciting ways to enhance rural communities across New York and we are extremely proud of the case studies we chose to highlight. These projects include:

1. ROUSE RPC's initiative in registering low income tenants for NYSEERDA community solar benefits. ROUSE is actively involved in signing up their tenants for this benefit and reached out to NYSEERDA to pre-qualify their projects for participation in the NYSEERDA program and provided regulatory agreements and other documents to assure NYSEERDA that all



residents have incomes below 60% of median income. ROUSE staff helps the tenants complete the paperwork for the program and submits the application electronically through a Sharepoint site. Three of ROUSE's locations are currently active in the Solar For All program with 45 tenants.

2. RUPCo's Prattsville Mew project, which was developed following the flooding from Tropical Storm Irene. The Prattsville Mews is a new construction affordable apartment complex located uphill from the Prattsville hamlet. The project contains 32 one bedroom apartments for senior citizens in a single building, plus 12 townhouse-style units for families and an apartment for an onsite superintendent. All of the units are currently occupied. The Mews was intentionally constructed on a site 1840 feet away from the Schoharie Creek. This location ensures that the residents will be well away from flood hazards, allowing the most fragile residents of the community to rest easy knowing they won't have to evacuate.
3. Community Progress, Inc. completed a New York Main Street project in Hanover Square, located in Horseheads, NY. The project included the addition of four new, market-rate apartments at 101-109 S. Main Street, otherwise known as the old Brown's Pharmacy building, and an updated facade. The improvements were made possible by a New York Main Street grant. This project assists small businesses in attracting more visitors, which in turn boosts the local economy and continues the trend of millennials preferring housing in the downtown living arena, and further increases that appeal with all of the eateries that are available in Historic Hanover Square.

As I stated, these projects just show a small picture of the innovative and vital work that the RPC community produces with this funding. A more general snapshot of what our RPC community is



able to provide to your constituents shows:

- Over 75% of our RPCs own or manage affordable housing units;
- While some may only manage a few units, some larger RPCs manage hundreds of affordable housing units. Over the entire RPC network, an RPC with affordable housing units manages an average of almost 60 affordable housing units;
- Those RPCs not managing affordable housing units are still active in housing placement and rehabilitation and/or replacement of housing for low-to-moderate income households. An RPC active in rehabilitation/replacement programs works on an average of almost 40 houses annually;
- Our RPCs predominately serve low-to-moderate income constituents, and within that constituency, the RPC community serves the most underserved special populations including: rural seniors, veterans, victims of domestic violence, homeless and homeless youth, those with physical disabilities, and those recovering from substance abuse.

Thank you very much for the opportunity to present this testimony today. If at any time any members of the committees or legislature would like more information on the work done by the Coalition or the RPC network, please do not hesitate to reach out to us.

Respectfully submitted,

Jeff Keller
Executive Director
New York State Rural Housing Coalition
79 N. Pearl Street, 3rd Floor
Albany, NY 12207
518-458-8696
jeff@ruralhousing.org



