



New York needs a holistic approach to community stabilization and housing preservation, which are key social determinants of health. The Communities First Program will promote strong and healthy communities by preventing homelessness and displacement for homeowners and their tenants, revitalizing distressed properties to promote housing affordability, and protecting communities from blight, tax base loss, and other incidents of vacant and abandoned properties. Communities First builds on a wealth of experience among housing counselors and legal service providers already assisting homeowners, municipalities, courts, and other stakeholders statewide to craft solutions to the persistent and emerging threats to stable communities. The Program will bolster the Governor's leadership in all these areas by improving coordination of existing services, and implementing both innovative and tried-and-true approaches to stabilize homes, families, and communities.

New York has consistently set the national standard for community stabilization and foreclosure prevention. Innovative and well-funded programs helped bring New York through the worst of the foreclosure crisis by providing homeowners with legal protections and access to a network of high-quality housing counselors and legal service providers, and by giving municipalities tools to address distressed mortgages and zombie properties. As a result, tens of thousands of New York families averted displacement and preserved affordable housing for themselves and their tenants. By doing so, New York strengthened neighborhoods and municipalities by bolstering property values and tax revenue, and reducing blight.

Yet challenges persist. Income instability, gentrification, unscrupulous real estate investors and mortgage servicers, and the federal suppression of immigrant communities continue to cause a toxic blend of displacement, homelessness, and vacancy. Vital federal programs such as HAMP (Home Affordable Modification Program) have come to an end and important lending and mortgage servicing regulations that protect those seeking loans are being threatened. At the same time, mortgage defaults remain alarmingly high. Last year, there was a 35% increase in 90-Day Pre-Foreclosure Notices and nearly 20,000 new foreclosure cases filed across New York State. Seniors remain particularly vulnerable as foreclosure rescue scams proliferate and reverse mortgage foreclosures are on the rise.

Families continue to need assistance with mortgage arrears, property tax arrears, and low-cost loan applications. And communities are still struggling with the aftermath of the foreclosure crisis, as they seek to revitalize distressed and vacant properties and create new affordable housing opportunities. To address these needs, Communities First will leverage NYS' existing service providers to 1) target distressed housing and communities for strategies that promote revitalization and affordable housing, and 2) protect homes and prevent homelessness for thousands of low- and middle-income homeowners throughout the state.

MENU OF PROGRAMS AND SERVICES

Rejuvenating Neighborhoods & Affordable Housing

- ✓ **Zombie Properties.** Zombie properties continue to plague communities across New York State. The program will deploy housing counselors and legal service providers to a) stop the flow of new vacant and abandoned properties, b) work with DFS and local governments to inventory existing zombie properties, and c) implement viable strategies to enforce lender obligations for zombie properties.
- ✓ **Distressed Mortgage Debt.** Providers are working with municipalities and other stake holders across the state to acquire distressed mortgage debt and homes, and implement community-based solutions for affordable housing. In collaboration with land trusts and the Community Restoration Fund, providers will work with municipalities to identify opportunities for revitalization. Providers will also assist homeowners seeking home retention solutions and prospective homebuyers seeking affordable housing.
- ✓ **Municipal Debt.** Municipalities are positioned to preserve affordable housing using creative strategies for properties with tax and utility arrears. Program providers will collaborate with municipalities to protect the loss of affordable units due to municipal debt, including for low-income coops.

Homeownership Preservation & Homelessness Prevention

- ✓ **Mortgage Sustainability & Foreclosure Prevention.** NYS' network of housing counselors and legal service providers is highly experienced in obtaining affordable mortgage workout options and preventing home loss in foreclosure proceedings. The network will provide services to new homeowners and homeowners at risk of foreclosure to help sustain affordable homeownership, with a focus on women, communities of color, immigrant, seniors, and low-income communities.
- ✓ **Reverse Mortgage Foreclosures.** Reverse mortgage foreclosures are on the rise throughout New York State, putting extremely vulnerable senior homeowners at risk of homelessness. The network will provide representation in settlement conferences and other advocacy to avert foreclosure. It will also screen for abuses in the origination and servicing of reverse mortgages and provide information to seniors considering obtaining a reverse mortgage on their home.
- ✓ **Property Taxes & Water Bills.** Families, especially seniors, are displaced through county tax lien sales when they cannot afford property taxes and water bills. The network will assist families to gain access to low-cost loans to cover these bills, or affordable payment plans. The network will also screen homeowners for tax abatement and exemption eligibility for seniors, veterans, and the disabled.
- ✓ **Repair programs.** Low-cost repair programs are available through housing counseling programs throughout the state. These programs keep families safe and healthy, and are excellent alternatives to a refinance.

- ✓ **Scam prevention.** Housing counselors are trained to identify real estate fraud, mortgage fraud, and other scams, and make referrals to legal service providers who save homes using litigation and other strategies. The network will also provide outreach and education to ensure communities know their rights and avoid fraudulent practices, and will partner with law enforcement to redress schemes that target and displace vulnerable populations and erode affordable housing.
- ✓ **Income Stabilization & Support for Small Businesses.** Banks, loan servicers, and mortgage debt buyers have all significantly limited modification options since the end of HAMP; modifications are now both less available and less affordable. In this environment, preserving property ownership entails stabilizing and maximizing household income whenever possible. Network providers will assist families to stabilize income including by providing consumer debt relief and providing assistance to small businesses, such as corporate governance, tax, and real estate issues. This greatly impacts women, minority and immigrant small business owners, who often cannot afford traditional legal assistance.

Communities First will ensure communities across the State have the expertise and resources needed to create and maintain vibrant communities.

TOTAL ESTIMATED COST TO IMPLEMENT PROGRAM: \$20M

For more information, please contact:

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