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THE SENATE
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ALBANY

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RULES

January 20, 2019

Honorable Andrea Stewart-Cousins
Senate Majority Leader
909 Legislative Office Building
Albany, NY 12247

Honorable Carl E. Heastie
Assembly Speaker
932 Legislative Office Building
Albany, NY 12248

Re: Communities First Funding Request

Dear Majority Leader Stewart-Cousins and Speaker Heastie:

I write to urge your support for a \$20 million budget allocation for the "Communities First" initiative. Communities First is a new program designed to work off a well-established network of legal services and housing counselors, providing a holistic approach to homeowner services, community stabilization, and affordable housing.

This program would replace the Homeowner Protection Program (HOPP) that expires March 31, 2019. Currently, there is no single line item in the state budget that funds foreclosure prevention. If this funding is not renewed, it is likely that most homeowners will lose access to housing counseling and legal services.

Today, tens of thousands of working-and-middle-class New York City homeowners remain at risk of displacement due to foreclosure and related financial vulnerabilities. 16,900 New York City families are currently in foreclosure, with 7,000 new cases filed just last year and an estimated 42,000 new defaults in 2018. Additionally, foreclosure auctions are at a post-crisis high, and reverse mortgage foreclosures are on the rise, putting seniors at risk of homelessness.

The Communities First program builds on the experience of the statewide network of 90 housing counseling and legal services agencies first created by the NYS Homes and Community Renewal. Since 2008, these non-profits have been providing direct services to homeowners in every county and assist municipalities, courts, and community stakeholders to redress threats to stable communities. Communities First takes the next step to bring a more comprehensive plan to New York State, while ensuring homeowner services continue after current funding ends for agencies on March 31st.

Without this funding, New York City homeowners will no longer be able to access high-quality services at 27 community-based nonprofits located throughout the five boroughs. Vulnerable homeowners, especially seniors, will be susceptible to unscrupulous servicers and their attorneys and scammers, taking us back a decade and losing the infrastructure that has been built.

As proposed, Communities First will promote strong and healthy communities, prevent homelessness and guarantee the coordination of homeowner services and implementation of innovative, as well as tried-and-true solutions to stabilizing homes, families, and communities. The comprehensive plan for Communities First includes:

- Rejuvenating neighborhoods and preserving affordable housing by:
 - Stopping the flow of zombie properties
 - Mitigating distressed mortgages
 - Collaborating with municipalities to address property tax debt
- Preserving homeownership and preventing homelessness by addressing:
 - Mortgage sustainability and foreclosure prevention
 - Reverse mortgage foreclosure services to seniors
 - Property taxes and water bill arrears
 - Home repair programs
 - Scam prevention
 - Stabilizing incomes and providing support for small businesses

Despite the incredible efforts our state has taken to provide homeowner protections, housing problems persist for homeowners and will plague our communities for the foreseeable future. Here in New York, foreclosures continue to plague communities. Last year, there were 20,000 new foreclosure cases filed, representing more than 20% of the county courts' civil inventory. Seniors are increasingly vulnerable to losing their homes as scams proliferate and reverse mortgage foreclosures increase. Federal programs and protections have gone away even though families continue to default, need assistance getting affordable loan modifications and accessing New York's Mortgage Assistance Program (MAP) loans. Across the state, communities still struggle with revitalizing vacant properties and creating affordable housing opportunities.

I respectfully urge your consideration and support for The Communities First initiative to assist housing and legal services nonprofits statewide.

Sincerely,



Senator Velmanette Montgomery
25th Senate District

cc: Senator Liz Krueger - Chair of the Senate Finance Committee