

# PUTNAM COUNTY HOUSING CORPORATION

11 Seminary Hill Road • Carmel, NY 10512 • phone: 845/225-8493 • fax: 845/225-8532

Senator Cathy Young  
Legislative Office Building, Room 307  
Albany, NY 12247

Senator John DeFrancisco  
416 Capital  
Albany, NY 12247

Assemblyman Keith Wright  
Legislative Office Building, Room 522  
Albany, NY 12248

Assemblyman Herman D. Farrell, Jr  
Legislative Office Building, Room 923  
Albany, NY 12248

Dear Assemblyman Farrell, Senator DeFrancisco, Senator Young, Assemblyman Wright:

As a Rural Preservation Company for the past 30 years, Putnam County Housing Corporation (PCHC) thanks you for the opportunity to comment on the program changes recently proposed by Governor Cuomo specifically the proposed Article 27 changes to the PHFL. While we embrace change, we urge you to consider the past accomplishments when going forward to ensure New York State's premier housing program continues to meet the need for safe, decent and affordable housing throughout our state.

First related to the statute we request you revise the statute to define Neighborhood and Rural Preservation companies rather than eliminate the distinction between the two. Retaining the distinction ensures surplus funding from mergers or agency closings would be used to fund additional groups or services to the activity/entity producing the surplus and prevent inequitable resources.

Our other concerns arise over language that is vague and open to interpretation:

- What are the causes for defunding a group?
- Where is the due process for HCR punitive actions?
- How does performance funding work?

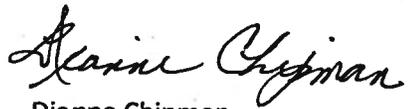
Language must be added to provide clarification of these areas so we have a statute that reflects the need for change while preserving the integrity of Preservation Companies

We must also strongly advocate the inclusion of funding for both state housing coalitions in the MIF sweep in order to assure ongoing training and technical assistance to local groups like ourselves. The Rural Housing Coalition has been instrumental in providing vital technical assistance to the PCHC resulting in bringing over \$83 million\* dollars in state, federal, private, local and in-kind sources (2000-2010) to assist Putnam residents in addressing their housing needs. Over the next five years, their services, as well as, those of viable Preservation companies will be critical with the increased housing resources.

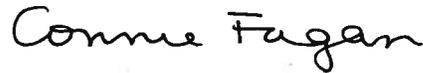
We are deeply concerned with the risk associated with the proposal to fund preservation companies from the MIF Sweep for a two-year period in light of the current economy. What assurances do we have the state's five-year plan will move the funding back to "on budget"? Year after year, Preservation Companies have owed their survival to the Legislature. Changes in administration and the uncertainty of MIF resources could leave the program vulnerable without the Legislature's sustained support.

In closing, we applaud the Governor's commitment to add one billion dollars in funding resources and hope that these funds are in addition to annual allocations to existing programs. We ask for more recognition of the needs of rural communities in the competitive environment and we thank you all for your continued support of Rural Preservation Companies.

Sincerely,



Dianne Chipman  
Co-Executive Director



Connie Fagan  
Co-Executive Director



# ACCORD Corporation

Allegany County Community Opportunities and Rural Development  
*Helping People. Changing Lives. Since 1972.*

Community Action Agency • Rural Preservation Company

**Charles Kalthoff**  
*Executive Director*

**Lesley Gooch-Christman**  
*Deputy Executive Director*

**Board of Directors**  
Kimberley Toot  
William Hall  
Mary McCumiskey  
Voni Walker  
Kathy Morris  
Carrie Whitwood  
Michael Hennessy  
Tracy Tierney

**Corporate Office**  
84 Schuyler Street  
PO Box 573  
Belmont, NY 14813-0573  
Tel: (585) 268-7605  
Fax: (585) 268-7241

**Crisis Hotline**  
(800) 593-5322

**Website**  
[www.accordcorp.org](http://www.accordcorp.org)

**Business & Community  
Development Services**  
*Odeney Carty,*  
*Associate Director*

**Child Care Services**  
*Lynn Langworthy, Director*

**Community Operations**  
*Belinda Knight,*  
*Associate Director*

**Finance Division**  
*Tim Mahoney, Director*

**Housing Services**  
*Lynne Faecke, Director*

**Human Resources**  
*Trina LaFleur, Director*

**Youth Services**  
*Tracy Broshar, Director*

January 31, 2013

**Senator Cathy Young**  
Legislative Office Building, Room 307  
Albany, NY 12247

**Senator John DeFrancisco**  
416 Capital  
Albany, NY 12247

**Assemblyman Keith Wright**  
Legislative Office Building, Room 522  
Albany, NY 12248

**Assemblyman Herman D. Farrell, Jr**  
Legislative Office Building, Room 923  
Albany, NY 12248

Dear Assemblyman Farrell, Senator DeFrancisco, Senator Young, Assemblyman Wright:

Following are my comments on the Housing budget and program changes recently proposed by Governor Cuomo. I greatly appreciate the opportunity to comment and hope that some of these concerns can be addressed to ensure ongoing housing programs within New York State.

This is a unique year for housing in New York State. The Governor has proposed a statutory overhaul to the Housing Preservation Program and shifted funding from budget authority to the MIF sweep, and administration to the Housing Trust Fund Corporation. Finally, beyond allocation to the major state housing programs, the Governor has proposed an additional five year commitment to one billion dollars in new housing funding.

First, the statutory changes through the proposed Article 27 changes to the PHFL. The new statute attempts to eliminate the distinction between Neighborhood Housing and Rural Housing organizations. The statute should define Neighborhood and Rural Preservation companies. This would ensure a clear distinction between these two unique entities. It would also ensure that any funding from mergers savings or agency closings would be utilized to secure additional groups or services in the same category that produced the savings. Under the Article 27, any savings or surplus from either a rural or urban group could go to any activity. Keeping the funding in each category would assure equitable resources going forward. Several other areas remain vague and open to interpretation. There is no clear cause for defunding a group. There is no due process for groups disputing HCR punitive actions. The law references performance funding. This needs to be clarified as to how this will work. Is it performance based, where a group would lose money if a goal wasn't achieved in the correct timeframe, or it is a semi-annual review before releasing the semi-annual payment or some other method of reimbursement. There are vague references to T&TA funding within the statute. The two state housing coalitions have long been the key T&TA providers and representatives of area housing groups. Funding needs to be included in the MIF sweep to fund the two state coalitions and ensure ongoing training and technical assistance for local groups. This is particularly important with the addition of one billion dollars in housing resources over

the next five years, as this will be very active for local housing groups. In short, we have not seen a change to housing preservation statues in many years, and will likely need to live with the new Article 27 statute. We need to make sure that we get it right and that it supports the positive lessons we have learned in the housing community over the past thirty plus years. We can then ensure that New York State's Housing Preservation Program remains the premier housing program in the country, and continues to provide decent, affordable housing in our communities.

Secondly, the Governor has proposed the funding of the preservation companies from the MIF Sweep. The Governor further guarantees that the funds will be available for two years, with the assurance that the state five year plan moves the funding back to "on budget." This is particularly risky if the state economy doesn't turn around and ease budget issues. The Assembly and Senate have, for many years, been the primary supporters of housing in the State. Governors have historically left the concern for housing at the Legislature's door. Severing the ties with the legislature through the movement of housing resources and administration leaves us open to the availability of a continued MIF sweep, and may even eliminate a means to even get back on budget.

I support the Governor's commitment of one billion dollars to additional housing funding over the next five years. Housing has demonstrated its ability to generate jobs and local community and economic development. The addition of these funds, along with the commitment to the annual funding allocations, will be a great stimulus to New York State. We would like to see a clearer commitment to rural resource programs such as RESTORE, RARP, Small project set-asides, etc., which have been historically underfunded that can clearly be used effectively in rural communities, and ensure a fair share of the additional housing program funding is awarded to rural areas of the state. It would make sense to fund established, highly workable rural programs instead of establishing new initiatives.

Within the annual capital funding budgets, funding has been provided at last year's funding levels. The need for decent affordable housing is still in excess of these program resources. With the delivery and impact of the one billion in funds, we would hope that these do not supplant annual allocations to ongoing programs in future years. Also, once the impact on communities and local economies of these new resources are felt, ongoing increases in annual allocations should be warranted. Within the NYS Housing Trust Fund, there is a need for a small project set-aside. Since the state has tied the majority of its HTF funds to tax credit projects, smaller projects more suitable to rural areas are often not competitive. The HTF needs to recognize the need to right size its resources so that it is an effective resource in smaller markets around the state. The Governor has also asked for the movement of HHAP to HCR. As an operator of HHAP projects, there is a need to align these capital projects with the services resources available within homeless services programs at OTADA. Moving the program to HCR may slow the development of housing programs for the homeless, and make them more difficult to coordinate with the homeless services components necessary to reduce homelessness.

I greatly appreciate the opportunity to comment on the many aspects of housing proposed this year and hope that we can continue to ensure community based housing in our local communities.

Sincerely,

  
Charles T. Kalthoff

Executive Director

ACCORD Corporation is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W. Washington, D.C. 20250-9410, or call (800) 795-3272 voice or (202) 720-6382 (TDD).