

**TESTIMONY PRESENTED TO THE JOINT BUDGET HEARING OF THE SENATE FINANCE COMMITTEE AND ASSEMBLY WAYS AND MEANS COMMITTEE**

February 4, 2019

NPCNYS and its membership of over 145 NPCs, LDCs, and CHDOs would like to thank Chairwoman Krueger, Chairwoman Weinstein, Chairman Kavanagh, and Chairman Cymbrowitz, as well as the members of the Senate Finance and Assembly Ways and Means Committees and Senate and Assembly Housing Committees, and the distinguished members of the Legislature for this opportunity to present testimony and provide feedback on the Governor’s Executive Budget Proposal.

Providing funding for housing programs, such as the Neighborhood Preservation Program (NPP) and Rural Preservation Program (RPP), Main Street, the state Low Income Housing Trust Fund, AHC, RESTORE, Access to Home, the Mobile and Manufactured Homes program, and others represents a necessary investment in New York State as appropriated dollars help to raise money and spur economic growth at the local level.

For FY2019-20, the Governor has again proposed to fund NPP at 8.479M and RPP at \$3.539M from the excess reserves of the Mortgage Insurance Fund. This was the same amount proposed in FY2018-19. However, the Legislature successfully negotiated an increase in funding for both programs. The enacted funding amount for FY2018-19 was \$12.830M for NPP and \$5.36M for RPP, representing a total award of \$18.19M for N/RPP, nearly \$6.2M over what the Governor had proposed.

**State of Affordable Housing in New York**

In 2018, New York State was ranked 51 out of 51 (50 states and the District of Columbia) for Housing & Homeownership by Prosperity Now, a national not-for-profit dedicated to increasing financial stability and mobility. This ranking is based on data about housing affordability, homeownership rate by race and gender, the foreclosure rate of foreclosure, the number of cost-burdened renters and owners, and policies the state has adopted – or not adopted – that would help provide financial security to New York State residents.

As the members of the Legislature well know, our state’s residents were among the hardest hit in the nation by the 2008 financial crisis, with the housing market severely affected, and LMI residents and communities, particularly residents and communities of color bearing the

brunt of the impact. The 143 Neighborhood Preservation Companies currently designated by New York State exist to revitalize New York State's low-and moderate-income urban and suburban areas by increasing both the supply of and access to affordable housing through their services and activities.

During the Governor's State of the State address on January 15, 2019, he spoke directly to the affordable housing crisis, indicating that our state will see the crisis deepen and grow this year and likely in future years. However, no new policy solutions outside of the continuation of the Housing Plan and some rent regulation reform were discussed or proposed. NPCNYS thinks it is imperative that we recognize that our residents and neighborhoods still have not fully recovered from 2008, and that we act strategically and pre-emptively to shore up LMI residents and neighborhoods by expanding our existing housing and community development services.

Housing sits at the intersection between improved health, education, and economic outcomes. If, as a state, we want to ensure more equitable funding for low-and moderate-income residents through our schools and health care system, then we must talk about housing and how housing acts as a bridge to improved outcomes. Within this, services guarantee that people have the access they need in order to achieve those improved outcomes. If we don't fund services, we simply cannot put all the pieces together in a meaningful and impactful way.

### **N/RPP is a Sound Investment**

Both the Neighborhood and Rural Preservation Programs (N/RPP) articulate solutions to affordable housing and community development problems through the provision of administrative support to N/RPCs so that they can run a broad program of housing and community renewal. The program they run and services and activities they provide are based on the needs of the residents in the neighborhoods and communities they serve. N/RPCs are statutorily required to have residents of the neighborhoods and communities they serve on their Board of Directors.

Funding for N/RPP directly supports the following services and activities:

- Safe and affordable housing for families and individuals
- Housing options which allow the elderly to age in place
- Transitional and permanent housing and services for homeless individuals and families, including veterans

- Construction and/or rehabilitation of older housing stock
- Foreclosure counseling
- Eviction prevention
- Mediation for landlord/tenant disputes
- Emergency home repairs and modifications
- Subsidy Assistance
- Housing counseling and first time home buyer education
- Quality, affordable afterschool and educational programming for youth
- Financial management and literacy
- Small business assistance
- Main Street development

The state's network of preservation companies creates jobs, business growth, and increased tax revenues. It reduces stays by residents in rehabilitative facilities and nursing homes, and decreases public spending on emergency shelters. Access to affordable housing acts as a vaccine in our communities, helping to prevent larger problems that resident and community threaten livelihood and well-being.

In the last five years alone, N/RPCs have helped to rehabilitate tens of thousands of homes, including homes occupied by seniors, veterans, and people living with disabilities; further, they have helped attract and retain thousands of small businesses and have helped prevent thousands of foreclosures and evictions. And each year, the state's preservation companies raise hundreds of millions of dollars for their communities.

Over the past several years, our entire state has suffered floods, hurricanes, storms, and superstorms that have negatively impacted millions of New Yorkers. The Preservation Companies have been in the field, taking the lead in addressing the housing needs of those affected, while also providing a range of other services to address housing affordability and housing shortages. N/RPCs have functioned and continue to function as housing first, second, and third responders.

N/RPCs are the appropriate vehicles to help our communities not just weather difficult times, but find ways to succeed in spite of them. N/RPP funding provides nonprofit housing agencies with the capacity they need to achieve their missions and maximize and drive investment in their communities.

As a network, during program year 2016-17 (2017-18 data is not yet available), NPCs accomplished the following:

- Constructed 2,920 units of safe, decent, healthy and affordable housing
- Rehabilitated over 13,000 units of housing for both homeowners and tenants
- Prevented 24,836 evictions
- Provided 1,756 first-time homebuyers with assistance
- Diverted over 2,000 people from homelessness
- Served nearly 18,000 youth through programs
- Raised \$365M for their communities

In short, N/RPCs ensure that all New Yorkers have access to the types of services that promote healthy and sustainable neighborhoods and communities.

Last year, the Legislature recognized the value N/RPCs bring to residents and communities, and added \$4.351M to NPP and \$1.821M to RPP from the General Fund, the first time either program had been funded on budget in nearly 10 years.

#### **Recommendations:**

For over 40 years, the members of the New York State Legislature have recognized that the N/RPP is a leader in community revitalization and the key to safe, decent, healthy and affordable housing for thousands of working individuals, families, veterans, seniors, and people with disabilities. Both programs contribute to the state's economy and have a direct and positive economic impact in communities throughout the State.

We ask that the Legislature once again taking a leading role to fully fund this network of community-based housing agencies at \$21M for FY 2019-20: \$14.55M for NPP and \$6M for RPP and funding for each Coalition, Neighborhood and Rural. Investing in this network ensures that LMI neighborhoods have an avenue by which they can address critical community housing needs.

And while NPCNYS applauds the \$2.55B multi-year commitment New York State made – and continues to make – to affordable housing preservation and creation via the State Housing Plan, we also respectfully ask the state to maximize this commitment by fully funding N/RPP to ensure the following:

- N/RPCs can more equitably access HCR capital funding programs for the purposes of preserving and creating affordable housing in the neighborhoods and communities they serve, and;
- LMI residents have guaranteed access to the services which allow them to maintain safe, stable, healthy and affordable housing and financial well-being.

It is also important to note that NPC service areas overlap with 350 of the state's 514 certified Opportunity Zone census tracts, which adds a layer of urgency to ensuring that the state's N/RPCs are both adequately funded and are able to access HCRs capital programs (e.g., make OZs a priority for affordable housing preservation and development on term sheets; consider match waivers or reductions for projects in OZs; ensure access to pre-development funding through the Housing development Fund or other sources, etc...). The authorization of the OZ program could result in significant real estate investment in OZ tracts. As N/RPCs exist to think about people first, we must do all that we can to ensure they have the capacity and tools they need to combat gentrification and displacement which could result from the OZ investments.

NPCNYS believes that the established network of New York State preservation companies is a critical and vital resource in helping our state and its residents mitigate the negative effects of the affordable housing crisis by addressing issues related to affordable housing supply and resident access to affordable housing and community renewal services. We hope that the Governor, New York State Homes and Community Renewal, the New York State Assembly, and the New York State Senate agree that fully-funded preservation companies are vital to the health, safety, and well-being of our LMI communities, and to the entirety of our state.

## FY2019-20 Homes and Community Renewal Budget Recommendations

<i>Program</i>	<i>Executive</i>	<i>NPCNYS Recommendations</i>
Neighborhood Preservation Program	\$8.479M in current appropriation from the excess reserves of the Mortgage Insurance Fund.	The Executive Budget Proposal reduces NPC funding by \$4.351M from FY 2018-19, a 35% cut.  NPCNYS recommends funding NPP at \$14.55M
Rural Preservation Program	\$3.539M in current appropriation from the excess reserves of the Mortgage Insurance Fund.	NPCNYS recommends funding RPP at \$6M
Foreclosure Prevention Services	The executive did not include funding for Foreclosure Prevention Services	NPCNYS supports pre-and post-purchase counseling program funding of \$20M
Affordable Housing Corporation	\$26 million in capital funds	NPCNYS recommends an additional \$15 million appropriation better support first-time homebuyers.
Access to Home	\$1 million	NPCNYS recommends an additional \$4 million
RESTORE	\$1.4 million	NPCNYS recommends an additional \$ 1 million
Small Rental Development Initiative (SRDI), an acquisition, preservation, and/or new construction program for nonprofits for small rental projects of 2-25 units.	The executive did not include funding for SRDI.	NPCNYS recommends the state contribute \$10 million in funding.  **2017-18 funding was recaptured federal HOME dollars.

**Affordable Housing Corporation (AHC), more detailed explanation of request:**

- To increase funding for down payment assistance by \$15M to address our state's rate low rate of homeownership, a contributing factor for which is racial and ethnic disparities in homeownership. In New York State, white residents are 2.3 times more likely to own home than are residents of color. The sharpest disparities exist for Black/African-Americans and Latinx residents, though Asian residents also have a lower rate of homeownership than White residents, which is particularly pronounced in Upstate cities.

## A Snapshot of Who NPCs Serve Across NYS, Upstate Cities

### 1. Buffalo

9 NPCs in Buffalo serve 149,836 people in neighborhoods where:

- 41.35% of the residents earn less than \$25,000 annually
- 33.35% of the residents live in poverty
- 10.48% of the residents are immigrants
- 30.13% of residents are single-parent households
- 12.31% are over the age of 65; 23.8 are under the age of 18
- Race/Ethnicity:
  - White: 50.65%
  - Black: 31.02%
  - Asian: 5.85%
  - Latinx: 14.09%

### 2. Rochester

9 NPCs in Rochester serve 132,969 people in neighborhoods where:

- 45% of the residents earn less than \$25,000 annually
- 39.69% of the residents live in poverty
- 9.25% of the residents are immigrants
- 39.55% of residents are single-parent households
- 9.36% are over the age of 65; 25.99 are under the age of 18
- Race/Ethnicity:
  - White: 41.69%
  - Black: 43.38%
  - Asian: 3.84%
  - Latinx: 21.81%



### 3. Binghamton

2 NPCs in Binghamton serve 16,047 people in neighborhoods where:

- 58.42% of the residents earn less than \$25,000 annually
- 48.26% of the residents live in poverty
- 7.51% of the residents are immigrants
- 30.13% of residents are single-parent households
- 15.6% are over the age of 65; 20.8% are under the age of 18
- Race/Ethnicity:
  - White: 71.71%
  - Black: 17.29%
  - Asian: 3.49%
  - Latinx: 9.26%

### 4. Syracuse

5 NPCs in Syracuse serve 90,484 people in neighborhoods where:

- 46.18% of the residents earn less than \$25,000 annually
- 43.76% of the residents live in poverty
- 14.55% of the residents are immigrants
- 35.13% of residents are single-parent households
- 11.35% are over the age of 65; 21.23 are under the age of 18
- Race/Ethnicity:
  - White: 46.48%
  - Black: 34.14%
  - Asian: 8.93%
  - Latinx: 10.71%

## 5. Albany

4 NPCs in Albany serve 65,479 people in neighborhoods where:

- 38.3% of the residents earn less than \$25,000 annually
- 32.2% of the residents live in poverty
- 13.42% of the residents are immigrants
- 32.75% of residents are single-parent households
- 9.47% are over the age of 65; 19.85% are under the age of 18
- Race/Ethnicity:
  - White: 44.63%
  - Black: 37.28%
  - Asian: 7.87%
  - Latinx: 11.5%

## 6. Schenectady

2 NPCs in Schenectady serve 36,457 people in neighborhoods where:

- 37.41% of the residents earn less than \$25,000 annually
- 27.93% of the residents live in poverty
- 17.66% of the residents are immigrants
- 24.99% of residents are single-parent households
- 12.47% are over the age of 65; 21.42% are under the age of 18
- Race/Ethnicity:
  - White: 54.43%
  - Black: 25.88%
  - Asian: 6.88%
  - Latinx: 12.28%

## 7. Troy

2 NPCs in Troy serve 41,925 people in neighborhoods where:

- 34.49% of the residents earn less than \$25,000 annually
- 29.21% of the residents live in poverty
- 7.27% of the residents are immigrants
- 33.02% of residents are single-parent households
- 10.61% are over the age of 65; 22.16% are under the age of 18
- Race/Ethnicity:
  - White: 67.34%
  - Black: 19.07%
  - Asian: 3.59%
  - Latinx: 11.04%

## Hudson Valley & Westchester Regions

### 8. Hudson Valley

3 NPCs in Dutchess & Orange serve 70,631 people in neighborhoods where:

- 33.47% of the residents earn less than \$25,000 annually
- 25.51% of the residents live in poverty
- 21.65% of the residents are immigrants
- 29.69% of residents are single-parent households
- 10.75% are over the age of 65; 26.81% are under the age of 18
- Race/Ethnicity:
  - White: 40.42%
  - Black: 31.09%
  - Asian: 1.6%
  - Latinx: 37.66%

### 9. Westchester

6 NPCs in Westchester Co. serve 177,855 people in neighborhoods where:

- 27.75% of the residents earn less than \$25,000 annually
- 20.6% of the residents live in poverty
- 36.41% of the residents are immigrants
- 23.07% of residents are single-parent households
- 13.09% are over the age of 65; 27.25% are under the age of 18
- Race/Ethnicity:
  - White: 40.57%
  - Black: 29.74%
  - Asian: 4.23%
  - Latinx: 45.51%

## Downstate & Long Island Regions

### 10. Bronx

14 NPCs in Bronx Co. serve 986,445 people in neighborhoods where:

- 42.86% of the residents earn less than \$25,000 annually
- 32.66% of the residents live in poverty
- 37.21% of the residents are immigrants
- 33.49% of residents are single-parent households
- 9.87% are over the age of 65; 21.46% are under the age of 18
- Race/Ethnicity:
  - White: 16.95%
  - Black: 31.93%
  - Asian: 2.63%
  - Latinx: 60.2%

### 11. Manhattan

23 NPCs in New York Co. serve 953,116 people in neighborhoods where:

- 30.27% of the residents earn less than \$25,000 annually
- 22.88% of the residents live in poverty
- 32.77% of the residents are immigrants
- 18.33% of residents are single-parent households
- 13.01% are over the age of 65; 16.05% are under the age of 18
- Race/Ethnicity:
  - White: 42.77%
  - Black: 21.87%
  - Asian: 11.38%
  - Latinx: 36.96%

## 12. Brooklyn

25 NPCs in Kings Co. serve 1,662,787 people in neighborhoods where:

- 30.01% of the residents earn less than \$25,000 annually
- 23% of the residents live in poverty
- 36.45% of the residents are immigrants
- 18.39% of residents are single-parent households
- 11.37% are over the age of 65; 24.22% are under the age of 18
- Race/Ethnicity:
  - White: 43.6%
  - Black: 32.69%
  - Asian: 10.15%
  - Latinx: 23.03%

## 13. Queens

12 NPCs in Queens Co. serve 890,426 people in neighborhoods where:

- 24.8% of the residents earn less than \$25,000 annually
- 16% of the residents live in poverty
- 49.46% of the residents are immigrants
- 16.58% of residents are single-parent households
- 11.59% are over the age of 65; 21.53% are under the age of 18
- Race/Ethnicity:
  - White: 43.54%
  - Black: 17.97%
  - Asian: 18.99%
  - Latinx: 40.15%

## 14. Staten Island

3 NPCs in Richmond Co. serve 150,229 people in neighborhoods where:

- 27.55% of the residents earn less than \$25,000 annually
- 21% of the residents live in poverty
- 24.26% of the residents are immigrants
- 19.38% of residents are single-parent households
- 11.72% are over the age of 65; 24.81% are under the age of 18
- Race/Ethnicity:
  - White: 54.18%
  - Black: 26.31%
  - Asian: 7.1%
  - Latinx: 30.5%

15. Nassau County

3 NPCs in Nassau Co. serve 67,029 people in neighborhoods where:

- 22.52% of the residents earn less than \$25,000 annually
- 18% of the residents live in poverty
- 32.83% of the residents are immigrants
- 22.82% of residents are single-parent households
- 13.56% are over the age of 65; 24.81% are under the age of 18
- Race/Ethnicity:
  - White: 35.73%
  - Black: 30.1%
  - Asian: 2.56%
  - Latinx: 37.47%

Suffolk County

6 NPCs in Suffolk Co. serve 223,827 people in neighborhoods where:

- 15.95% of the residents earn less than \$25,000 annually
- 12% of the residents live in poverty
- 31.28% of the residents are immigrants
- 15.09% of residents are single-parent households
- 10.42% are over the age of 65; 25.91% are under the age of 18
- Race/Ethnicity:
  - White: 52.43%
  - Black: 21.8%
  - Asian: 3.02%
  - Latinx: 45.8%

## Upstate Cities with Only One NPC:

### 1. Watertown

1 NPC in Watertown serves 20,813 people in a neighborhood(s) where:

- 30.67% of the residents earn less than \$25,000 annually
- 23% of the residents live in poverty
- 4.3% of the residents are immigrants
- 22.18% of residents are single-parent households
- 11.06% are over the age of 65; 22.14% are under the age of 18
- Race/Ethnicity:
  - White: 83%
  - Black: 7%
  - Asian: 2%
  - Latinx: 8%

### 2. Elmira

1 NPC in Elmira serves 24,428 people in a neighborhood(s) where:

- 40.52% of the residents earn less than \$25,000 annually
- 32.35% of the residents live in poverty
- 2.35% of the residents are immigrants
- 32.11% of residents are single-parent households
- 12.25% are over the age of 65; 25.6% are under the age of 18
- Race/Ethnicity:
  - White: 79%
  - Black: 12%
  - Latinx: 5%

### 3. Jamestown

1 NPC in Jamestown serves 17,385 people in a neighborhood(s) where:

- 51.04% of the residents earn less than \$25,000 annually
- 39.26% of the residents live in poverty
- 1.2% of the residents are immigrants
- 30.99% of residents are single-parent households
- 15.76% are over the age of 65; 25.45% are under the age of 18
- Race/Ethnicity:

White: 84%

Black: 6%

Latinx: 13%

### 4. Utica

1 NPC in Utica serves 35,937 people in a neighborhood(s) where:

- 46.37% of the residents earn less than \$25,000 annually
- 38.35% of the residents live in poverty
- 23.27% of the residents are immigrants
- 30.55% of residents are single-parent households
- 12.28% are over the age of 65; 27.23% are under the age of 18
- Race/Ethnicity:

White: 52%

Black: 20%

Asian: 16%

Latinx: 13%

### 5. Ithaca

1 NPC in Ithaca serves 21,386 people in a neighborhood(s) where:

- 33.62% of the residents earn less than \$25,000 annually
- 31.2% of the residents live in poverty
- 18.92% of the residents are immigrants
- 20.61% of residents are single-parent households
- 11.54% are over the age of 65; 14.28% are under the age of 18
- Race/Ethnicity:

White: 74%

Black: 6%

Asian: 15%

Latinx: 7%



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