

Neighborhood Preservation Coalition
Joint Legislative Budget Hearing Written Testimony
January 31st, 2022

Disappointment and Optimism

My name is Mark Streb and I'm the Executive Director of the Neighborhood Preservation Coalition of New York State. I'd like to thank the members of this Committee for inviting me to testify about the important value that the Neighborhood Preservation Companies (NPCs) and our Coalition add to New York State. The Neighborhood Preservation Program consists of more than 130 local, boots on the ground, grassroots not for profits who work every day to help make consistent, safe, and affordable housing a reality for low to moderate income residents across the state.

The Neighborhood Preservation Program (NPP) was created by the forward-thinking vision of Assemblyman Denny Farrell in 1977 to give grants to community organizations in order to help them do their vital work. In 1989, the Coalition was formed to provide technical assistance to the NPCs in completing grant applications, training on subjects relevant to the services they provide, and to give the NPCs a chance to speak with a unified voice when advocating for the work that they do.

Disappoint and Optimism is how the Neighborhood Preservation Coalition describes the 2022-2023 Executive Budget proposal.

We feel disappointment because the Executive Budget proposal maintains a flat funding amount of \$12.8 Million for the Neighborhood Preservation Program for the upcoming year.

Funding for this program has remained flat for many many years. With inflation and the everyday cost of doing business increasing on an annual basis, flat funding equates to a cut in funding. **We request funding of \$14.5 Million for the Neighborhood Preservation Program.**

We feel disappointment because the Executive Budget proposal failed to include funding for the Neighborhood Preservation Coalition.

Thanks to the support of the forward-thinking legislature, we have traditionally been funded in the final budget. Unfortunately, our level of funding has been stagnant at \$150,000 for two decades even though the services provided continue to grow. This is still the case as we continue to struggle with the COVID pandemic. **We therefore respectfully request an increase to \$250,000.**

This desperately needed additional funding will allow us to maintain and increase the resources we provide our members through enhanced training and support services. Funding for the Neighborhood Preservation Coalition comes from a carve out from the Neighborhood Preservation Program – this request is to increase the funding that the Coalition receives from this program.

We feel optimism because Governor Hochul’s Housing Plan will create and preserve 100,000 affordable homes, including 10,000 homes with support services for vulnerable populations, and electrify an additional 50,000 homes.

We feel optimism because the Executive Budget also funds crucial preservation efforts with a \$450 million for Multifamily Preservation, \$20 million for the Homeowner Protection Program (HOPP), \$26 million for the Affordable Housing Corporation, and \$400 million in affordable homeowner capital.

These funding levels are sound investments in traditional underfunded housing programs that are critically needed for families that are cost burdened.

It is important to remind ourselves the level of need that exists in New York State. A couple of powerful statistics that demonstrate this crisis: nearly 30% of renter households are extremely low income and 70% of extremely low-income renter households are severely cost burdened. As we begin to see the aftermath of the COVID pandemic in the housing world this crisis will only get more dire.

Across New York, there is a shortage of affordable and available rental homes for extremely low-income households (ELI), whose incomes are at or below the poverty guideline or 30% of their area median income (AMI). Many of these households are severely cost burdened, spending more than half of their income on housing. These severely cost burdened poor households are more likely than other renters to sacrifice necessities like healthy food and healthcare to pay the rent, and to experience unstable housing situations like evictions.

To combat these trends and inequalities, funding for the Neighborhood Preservation Program is needed more than ever.

What direct front line services does the Neighborhood Preservation Program provide? To name a few; financial counseling, homelessness prevention, work force assistance, eviction protection, and services for addiction and mental health issues.

During the COVID pandemic these not for profits have seen a substantial increase in the services they provide. The number of families that need our services are increasing at an alarming rate. These frontline providers are community-based caregivers that are the last line of support between living in a shelter or living on the street.

Funding the NPCs and the Coalition is a sound investment for the state, as appropriated dollars have been shown to spur economic development and maximize the state's existing funding commitment to create and maintain affordable housing units. This work, these vital services, are an investment in the community. The rate of return on this economic investment is 30:1. That is a quarter of a billion dollars that is invested into our communities.

The benefit of the NPP is that it doesn't assume a "one size fits all" solution for affordable housing. It rather understands that each neighborhood is best served, not by forcing solutions on communities but rather by enabling residents to take responsibility for their own community. The NPCs create ripples of both economic and social benefits resulting in a situation not of "we're from the government and we're here to help" but rather, "I'm your neighbor and understand this challenge. Let me work with you."

In closing, New York State is in a unique place in regards to its fiscal health. For the first time in decades we are in sound fiscal shape with ample resources to invest in families that need safe affordable housing. A wise forward-thinking investment is to fund the Neighborhood Preservation Program at \$14.5 Million and to fund the Neighborhood Preservation Coalition at \$250,000. Time and time again this investment has led to community revitalization and economic growth in neighborhoods across New York State.