

NEIGHBORHOOD NEWS



MARCH, 2008

Neighborhood Preservation Coalition
of New York State, Inc.

Senate, Assembly Restores Funds; New Governor Has To Agree

Both the NYS Senate and Assembly released their versions of a state budget March 12 with both houses of the Legislature calling for restoring funds to the Neighborhood and Rural Preservation Programs.

Funding of the NPP was raised from \$10.6M, as proposed in the Governor's executive budget, back to \$13.9M, the final amount appropriated last year. The RPP was raised from \$4.5M to \$6.2M. These increases allow NPCs and RPCs to be funded at \$87K for their next contract beginning July 1. However, the increases must be agreed upon and signed by Governor-designate David Paterson.

Other housing programs and their proposed funding levels include:

Housing Trust Fund	\$94M
Affordable Hsg. Corp.	\$65M
Homes/Wking Fam.	\$27M
RESTORE	\$4.4M
Public Hsg. Modernization	\$37.8M
Urban Initiatives	\$8M
HHAP	\$30M
Housing Dev. Fund	\$10M
Weatherization	\$21.3M
Small Cities CDBG	\$58M
Periodic Subsidies	\$16.22M
RRAP	\$19.6M
Sec.8 New Construction	\$13.1M
RARP	\$8M

The Assembly budget proposal provides for \$200M in funding for the Housing Opportunity Fund, with \$100M of that amount earmarked for upstate.

The Senate budget report regarding the Housing Opportunity Fund said, "In view of opposition to the sale of the land at the Javits Center and the unlikelihood that any funds associated with such sale will be available in FY'08-'09, the Senate rejects the \$300M contemplated by such sale and associated Housing Opportunity Fund." Additionally, the Senate "accepts the proposal for transfer of \$100M in excess reserves from SONYMA's Mortgage Insurance Fund and supports the commitment of an additional \$100M to support statewide housing programs."

The executive proposal called for a funding level of \$400M for the new housing initiative.

CBPP Details HUD Budget Shortfalls

The Center on Budget and Policy Priorities has released a new analysis of the President's 2009 budget request for low-income housing and community development programs. The key findings of the paper are that, for two main reasons, Congress would have to provide \$6.5B more than the President's 2009 request for HUD:

1. In each of the last several years, Congress has used roughly \$2B in recaptured funds from earlier years to help finance HUD programs. Such funds will not be available in 2009.
2. The President's budget fails to provide funding increases in HUD's three main rental assistance programs needed to sus-

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Board Position In Manhattan Remains Open

The Neighborhood Preservation Coalition continues to seek a representative from Manhattan to serve on the board of directors.

The board meets bi-monthly and is charged with establishing policy, legislative advocacy, and fundraising to support the Coalition's varied technical assistance activities.

NPC executives and/or executives of CHDO's are eligible.

For any questions, more details, or to express your interest in serving contact Executive Director Joe Agostine, Jr. at (518-432-6757 or email him at agostine@npcnys.org).

Agreement To Spur Economic Revitalization In Blighted Areas Announced

New York State officials recently announced the signing of an agreement to help rebuild blighted areas and spur economic development by providing more than \$7.25M to fund projects under the State's Brownfield Opportunity Area (BOA) program.

The funds, awarded to 50 local governments and community groups across New York, will help pay for research, planning, marketing studies, and other initiatives that are intended to lead to a designation as a Brownfield Opportunity Area.

The BOA program, created in 2003 along with the State's Brownfield Cleanup Program, is an innovative planning program that provides communities with financial assistance to facilitate the collection of basic information about an area blighted with brownfields. The program provides assistance to identify, prepare, create, develop, and assemble information to be included in an application to "nominate" an area as a BOA. The program also provides financial

assistance for site assessments performed in designated BOAs.

Designation of an area as a BOSA can provide other benefits. For example, projects located within the BOA can receive priority and preference when considered for financial assistance under some State, federal or local programs, and may receive preference in infrastructure improvements. A BOA designation is likely to help attract redevelopment interest because of the community support that underlies a BOA plan.

Assembly Speaker Sheldon Silver said, "Brownfields often pose environmental and public health threats, as well as legal and financial burdens on communities. Left unchecked, these contaminated sites often threaten the economic viability of adjoining properties. This agreement provides grassroots financial support toward the goal of a brownfields remediation program that is protective of the public health and the environment. This is a victory for all New Yorkers."

CBPP Details HUD Budget Shortfalls

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tain assistance for the low-income families now being served:

- ? ? To renew all Housing Choice vouchers in use, an increase of \$868M is needed in 2009 (or \$1.3B above the President's level, which would eliminate vouchers for at least 100,000 families).
- ? ? The Public Housing Operating Fund requires \$920M above the 2008 level (and \$820M above the President's budget) to prevent the deterioration (and ultimate loss) of affordable units.
- ? ? The budget also fails to address adequately a one-time, multi-billion-dollar shortfall in the Section 8 Project-Based Rental Assistance program, which risks the loss of thousands of affordable apartments for some of the nation's most vulnerable families.

The appendix of the paper provides state-by-state data on the impact of the President's proposed cuts in HUD's three main low-income rental assistance programs.

The paper, which is entitled, "*HUD Budget Contains Major Funding Shortfalls: Congress Needs to Add \$6.5B to Administration's Request to Avoid Cuts in Assistance for Low-Income Families*," is available for download at <http://www.cbpp.org/3-5-08hous.htm>.



LEGISLATIVE ACTION DAY

Tuesday, Feb. 24, 2009

**Hearing Room C, L.O.B.
Albany, NY**

***Save the date and come to Albany to support the
Coalition's Legislative Agenda!!***

More Subprime 'Pain' On Way Says FDIC Chairwoman Bair

The home mortgage market is in need of strong rules to protect homeowners, the chairman of the Federal Deposit Insurance Corp. (FDIC) said recently, adding that there will be "continued pain" as the market grapples with resetting subprime and non-traditional mortgages.

Speaking to a conference in Silicon Valley, FDIC Chairwoman Sheila Bair said there needs to be an enforceable standard to require lenders to determine if a borrower has the ability to repay. There should also be an end to compensation schemes that give mortgage brokers incentives to steer borrowers into high-rate products, Bair said. Prepayment penalties should also be eliminated, Bair added.

"We need rules that restore common sense and basic notions of fair play," Bair said, adding rules recently proposed in this area by the Federal Reserve are "an important step forward" but could be strengthened.

Housing remains a key issue for Bair and other Washington policymakers as the mortgage market continues to suffer.

Almost 8.8 million homeowners, or 10.3 percent of the total, owe more on their homes than they are worth, the *New York Times* reported, citing Moody's Economy.com. That's the most since the Depression, the *Times* wrote.

Meanwhile Office of Thrift Supervision Director John Reich floated a proposal that would, among other things, require institutions to offer and underwrite government-guaranteed loans based on

100 percent of the fair market value of a property.

"We want to prevent foreclosures and remove any incentive for homeowners to turn in their keys and walk away from their homes," said William Ruberry, a spokesman for the agency, which regulates savings and loan companies.

On Capitol Hill, both Senate Banking Committee Chairman Christopher Dodd, D-Conn., and House Financial Services Committee Chairman Barney Frank, D-Mass., are mulling the creation of a government agency to buy up some defaulted mortgages and foreclosed properties.

Frank has ordered his staff to come up with options for a broader bill that would rescue homeowners, according to a report in the *New York Times*.

Dodd is pursuing the idea of creating an entity to buy some distressed mortgages at a deep discount, a spokeswoman for his office has said.

Separately, a substantial tax credit for homebuyers is likely to be part of any second economic stimulus package enacted by Congress.

The Mortgage Bankers Association believes it's useful for the government to have the option of buying troubled mortgages.

"Provided that it's not mandatory and it doesn't hurt existing programs, we think that it's a positive move," said Francis Creighton, the group's vice president of legislative affairs. "Having another tool, another option out there, is good," he added.

Job Mart

Program Manager - needed for Neighborhood Preservation Coalition of NYS. The successful candidate will be responsible for managing all existing contracts of the organization and providing technical assistance and training on a variety of organizational development issues. Excellent oral and written communication skills, excellent computer skills including experience designing and producing materials and reports, and the ability to manage multiple projects & meet deadlines are necessary. Familiarity with community development/housing data and its application, in addition to familiarity with Federal and State affordable housing programs a plus. Bachelor's Degree in related field required. Competitive salary, commensurate with experience, health insurance and other benefits available. Position available immediately. Send letter and resume to Joe Agostine, Jr., Executive Director, NPC of NYS, Inc., 40 Colvin Ave., Suite 102, Albany, NY, 12206, or email to agostine@npcnys.org. EOE.

A Gentle Reminder . . .

The Coalition's 2008
Annual Membership Drive
Has Begun!

Please pay your dues
ASAP . . . Your financial
support helps to keep our
Legislative Advocacy on
target, strong and united!

Thank You!



OUR MISSION

The Neighborhood Preservation Coalition will unify, educate, empower, and strengthen community organizations in their provision of affordable housing and community revitalization activities.

BOARD OF DIRECTORS

☛Karen Mallam, *President*

☛Joseph G. Barden ☛Francisco Rivera
☛Delaine Cook-Greene ☛John Denelsbeck
☛Jeanne DiLascio * Helen Hogan
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☛Dennis Hanratty ☛Gary Beasley
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PROGRAMS AND SERVICES

*Neighborhood News
Legislative Action
State-wide Annual Conference
Regional Workshops and Roundtables
Training and Technical Assistance
Strategic Planning
Board and Staff Development
Housing Design and Development
Community Assessments and GIS Mapping
Fundraising and Organizational Development*

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AHC Now Accepting Proposals For Funding

The NYS Affordable Housing Corp. is accepting applications for \$25M in funding for the construction of new homes, acquisition and rehabilitation of existing homes, and repairs and renovation of existing homes throughout the state. The funding is contingent on approval of the state budget.

Eligible applicants include municipalities, housing authorities, housing development fund companies and not-for-profit corporations or charitable organizations that have affordable housing or home improvement as one of their primary purposes.

For more information go to www.nyhomes.org.

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Coalition Joins SEFA Campaign

The Neighborhood Preservation Coalition is now a part of the State Employees Federal Appeal (SEFA), allowing people to donate funds to the Coalition through work-place giving. The Coalition requests that members and friends with connections to state employees encourage those workers to designate the Coalition for their planned work-place giving.