

2023 Joint Legislative Budget Hearing
Written Testimony of Executive Director Mark Streb
March 1, 2023

Neighborhood Preservation Program (NPP)

For the 2023-24 NYS Budget an amount of \$17.75 M is requested for funding Neighborhood Preservation Companies (NPCs)

Neighborhood Preservation Coalition of New York State, Inc. (NPCNYS)

For the 2023-24 NYS Budget an amount of \$250,000 is requested for funding (as a carve-out from the NPP)

Establishment of Program and Funding:

Established in 1977, **The Neighborhood Preservation Program (NPP)** was based on a legislative finding that community development organizations relied heavily on voluntary services, short-range funding, and were typically underfinanced and understaffed. It was with Assemblyman Denny Farrell's forward-thinking vision that the program would provide grants to Neighborhood Preservation Companies (NPCs).

NPCs are community-based not-for-profit housing companies committed to revitalizing New York's urban and suburban areas. They serve within their communities every day to help ensure that stable, safe, and affordable housing becomes a reality for low- to moderate-income residents across the state. There are over 130 NPCs in the State.

In 1989, the **Neighborhood Preservation Coalition of New York State** 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 an opportunity to speak with a unified voice when advocating for programs and funding.

Since 1977, the amount of funding allocated to the NPP has been determined by New York's budget each year.

For decades, the executive budget didn't include funding for the NPP. It was only through the forward-thinking legislature, committed to community revitalization efforts, that funds were appropriated in the final budgets.

Finally, in the past few years, NPP funding was included in the executive budget. However, the amount was less than the prior year's amount. And, the Neighborhood Preservation Coalition of NYS was not included.

Every year, advocacy efforts focus on working with the legislature to gain back the previous year's final budget amount. In 2023, some gains were made.

Disbelief:

On February 1, Governor Hochul's proposed 2023-24 budget decreases NPP funds by \$100,000 from the 2022-23 final budget, with no funding for the Neighborhood Preservation Coalition of NYS.

NPCs know their communities. They know their needs, as well as the changing landscape from day to day and from year to year. NPCs have proven their worth to communities and New York State.

Despite the ever-increasing need of affordable housing and the rise of community crises in recent years, **funding for the NPP has remained virtually flat from 2015 to 2023, while the cumulative rate of inflation has been 25.7%.**

Flat funding is a cut in funding.

NPP funding for eight years

2022-23	12.93 million
2021-22	12.83 million
2020-21	12.83 million
2019-20	12.8 million
2018-19	12.8 million
2017-18	13.3 million
2016-17	13.3 million
2015-16	13.3 million

Cumulative rate of inflation

2015-2022 = 25.7%

Inflation Calculator	
If in	<input type="text" value="2015"/> (enter year)
I purchased an item for \$	<input type="text" value="\$13,300,000.00"/>
then in	<input type="text" value="2022"/> (enter year)
that same item would cost	\$16,722,680.65
Cumulative rate of inflation	25.7%

Source: <https://www.usinflationcalculator.com>

Funding is critical for survival of NPCs:

NPCs make a tremendous impact within their communities. Survival of communities and individuals depend on NPCs services.

The heart of community services is providing safe and affordable housing to as many people as possible. A broad range of preservation and revitalization services include housing counseling, homelessness prevention, financial counseling, work force assistance, landlord and tenant mediation, eviction protection, weatherization assistance, crime watch programs, legal assistance, and services for addiction and mental health issues.

In addition to services historically provided to their communities, in most recent years NPCs responded and assisted with displacement of persons during the Covid-19 pandemic and assisting with ERAP, food insecurity, and now, the crisis with asylum seekers.

NPCs are boots-on-the-ground organizations. They are on the frontlines of the State's housing crisis, yet often the LAST line of support for individuals before they are forced to live in a shelter or on the street.

NPCs who know and work in the communities need MORE support, not less.

The Level of Need within the State is at a Crisis Level:

The lack of affordable housing has increased in the past few years. It's a national crisis, it's a State-wide crisis, and it's local.

It's at the doorsteps in our neighborhoods. Consider these facts:

- **52% of renters and 27% of homeowners in the New York State are cost burdened, spending 30% or more of their income on housing.** Lack of affordable housing impacts education, as well as community and economic health.
- Additionally, **extremely low-income households (ELI)**, whose incomes are at or below the poverty guideline (30% of the area median income (AMI)) **are severely cost burdened, spending more than 50% of their income on housing.**

ELIs 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.

- **In New York State, the Annual Household Income needed to afford a two-bedroom rental home at HUD's Fair Market Rent is \$78,465.**

Income scales for some programs have THREE levels of LOW income-earners: low-income, very-low income, and extremely low income (ELIs).

Income disparity is part of the housing affordability problem.

How many people earn an income of \$78,465?

Yet, consider the income of co-workers/staff, young adults beginning a career, parents who are ready to retire, people who've worked in the service industries and who simply are not looking at a retirement income north of \$75k, where do they fit in? Where can they afford to live?

What about a recently divorced person, someone with a disability or recently diagnosed long-term health problem?

There are a multitude of factors playing into the housing crisis.

Where to go From Here?

The Neighborhood Preservation Program was a forward-thinking Program when Denny Farrell and the legislature created it in 1977, over 45 years ago. It's demonstrated it's worth to communities in New York State.

Just as there is no single cause of the housing affordability crisis, there is no SINGLE solution. Newly created solutions and programs are needed. But, not at the expense of decreasing funds for programs that already exist. It's common sense.

The NPP is established, and it works.

- **SUCCESSFUL:** NPCs have continually **responded to arising crises in the last few years**, beyond what could have been imagined when the program was created. They faithfully serve within the community's footprint, often assisting even more individuals in a larger service area.
- **ECONOMICAL:** Funding for NPCs drives economic growth. **NPP funds leveraged other sources at a rate of \$10 for every NPP dollar appropriated.** According to HCR's 2022 Report, NPCs leveraged \$128,300,000 from other federal, state, local, and private funding sources.
- **FLEXIBLE:** The benefit of the NPP is that it doesn't assume a "one size fits all" solution for affordable housing. Each community is best served by collaborative solutions within the community. **Increased understanding, easier knowledge transfer and improved communication** result from collaboration.

From a perspective that says: "I'm your neighbor and understand this challenge. Let me work with you," and the response is "You listen and know me, and so I trust you," is a collaborative effort not easily translated to larger geographic areas.

- **LOGISTICAL:** Decades of history and knowledge of their communities make NPCs **part of an essential and effective logistical network** to direct funds and programs from national, state, and private sources to neighborhoods and individuals in need.

- **ACCOUNTABLE:** Each NPC submits a report twice yearly to the New York State Office of Homes & Community Renewal (HCR).

Below is an excerpt taken from HCR's **NY State Neighborhood & Rural Preservation Programs Annual Report 2022.**

*Note: includes amounts by NPCs and Rural Preservation Companies (RPCs), NPCs counterparts in rural areas.

Despite mounting challenges, Preservation Companies continued to deliver much needed housing assistance and identified the following accomplishments in their 2021-22 Annual Performance Reports:

- ◆ 10,351 home improvement and rehabilitation projects either in progress or completed
- ◆ 3,360 new residential units in progress or completed
- ◆ 209 non-residential construction projects in progress or completed
- ◆ 40,671 tenants assisted (including evictions prevented and subsidy assistance)
- ◆ \$202 million brought to low-income communities via the N/RPCs

It's time:

Time and time again, investment in the Neighborhood Preservation Program has led to community revitalization and economic growth in neighborhoods across New York State. NPCs have risen to numerous challenges having weathered crises never imagined.

It's time for a modest increase in the 2023-24 budget to \$17.75M for funding The Neighborhood Preservation Program. Additionally, the Neighborhood Preservation Coalition should be funded at \$250,000.

