

NEIGHBORHOOD PRESERVATION
COALITION OF NEW YORK STATE

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Testimony Presented To
Joint Budget Hearing Of The

Senate Finance Committee
And
Assembly Ways & Means Committee

February 3, 2010

Respectfully Submitted By:
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Good afternoon. My name is Jessica F. Vasquez and I am the Executive Director of the Neighborhood Preservation Coalition of New York State, Inc. I want to thank the Chairs of these Senate and Assembly committees for the opportunity to present this testimony on behalf of the Neighborhood Preservation Coalition of New York State and its membership.

The Neighborhood Preservation Coalition of New York State is a statewide membership organization comprised of over 175 not-for-profit Neighborhood Preservation Companies (NPC's), local development corporations and community housing development organizations. There are 152 NPC's in New York State which play a vital role in revitalizing New York's neighborhoods and communities through the Neighborhood Preservation Program.

The Neighborhood Preservation Program has been tremendously successful in providing resources to community-based, not-for-profit organizations to revitalize their communities and provide affordable housing services. The State has recognized that the Neighborhood and Rural Preservation Programs are leaders in community revitalization and the key to safe, decent housing for thousands of working families, veterans, seniors, and people with disabilities. Overall, this program contributes to the state's economy and has a direct economic impact in communities throughout the State. In FY 2008-2009, for every preservation program dollar appropriated, NPCs raised \$37 for their communities. As DHCR recently reported to the Governor and the State Legislature, NPC's raised \$503.2 million in match and leveraged funds from 2008-2009. This was an increase of \$53.8 million from last year.

What are the results of this investment? The NPC's continue to provide services to achieve housing stability and improve our communities. The most economically efficient way to end homelessness is to prevent its occurrence. A 1991 study of eviction prevention programs by the U.S. Department of Health and Human Services found that the average cost to prevent family homelessness was one-sixth the average cost of a stay in a shelter. In this regard, NPC's provided housing counseling to more than 32,693 tenants and 4,610 evictions were prevented. More than 7,029 homeowners were assisted with debt consolidation and credit and mortgage counseling. In addition, they manage more than 5,185 affordable housing units throughout the state.

NPC's activities also include rehabilitation and development projects. These successful capital projects mean much more than improved homes: they preserve existing housing stock, increase the available affordable housing stock, stabilize residential neighborhoods, remove and redevelop blighted and substandard properties, revitalize and strengthen neighborhoods, and create jobs. Through new construction, more than 740 state residents became new homeowners and there are 3,354 new development projects in progress. NPCs facilitated 2,494 minor home improvement and 1,608 moderate and/or substantial rehabilitation projects. In addition, the NPC's completed 43 capital improvements and rehabilitation of commercial space with an additional 60 projects in progress. Rehabilitation and development projects create employment opportunities that offer a living wage for local residents and the new homeowners invest in local goods and services while increasing the tax revenue to municipalities. All of these improvements to the community, through revitalization, rehabilitation, and new construction of homes and

commercial areas in neighborhoods throughout NY would not be possible if it were not for the work being done by the Neighborhood and Rural Preservation Companies.

Reducing the funding to Neighborhood and Rural Preservation Companies will only escalate the fiscal crisis the state is facing. Thousands of New York State residents and hundreds of businesses caught in the foreclosure and economic crisis seek assistance from NPC's and their rural counterparts in their efforts to find affordable, decent, safe homes and viable small businesses. If a lack of funding for NPCs and RPCs forces these community-based groups to cutback services or close their doors, where will the residents go? What will these communities look like?

As we have acknowledged in past years, the New York State Legislature has played an important role in trying to address the affordable housing crisis in New York State. The Legislature did an excellent job in past years by putting additional resources into the state's affordable housing programs. Affordable housing programs in New York are fortunate to have two Committee Chairs, Assembly Housing Committee Chair Vito Lopez and Senate Housing Chair and Majority Leader Pedro Espada, who have recognized the value of the state's housing programs and the work that has been accomplished by Neighborhood and Rural Preservation Companies in revitalizing neighborhoods.

The successes and achievements of the NPC's would not have been possible, if not for the support of the Legislature. Last year, the Governor's Executive Budget would have decimated the NPC's with a proposed budget of \$8,153,000. The Legislature responded by supplementing the Executive Budget to bring the NPP state funding to \$13,789,000. This year, Gov. Paterson's budget again attempts to decimate the

Neighborhood Preservation Program -- at a level that could potentially shut down the program. If the Governor's proposed budget of \$8,479,000 holds, Neighborhood and Rural Preservation Companies will each experience almost a \$30,000 cut, an amount that will result in NPCs cutting their working hours, reducing staff and services and in some cases even closing their doors.

While we recognize the severe condition of the state's finances, we strongly recommend that the Legislature once again take a leading role to fully fund this network of community-based groups that work to alleviate this state's housing crisis. Let the NPC's and RPC's continue to improve neighborhoods and provide residents with affordable homes by funding the Neighborhood Preservation Program at \$15,000,000 and the Rural Preservation Program at \$7,500,000.

The Neighborhood Preservation Coalition believes that the established network of NPC's and RPC's is best equipped to deliver the affordable housing services desperately needed in this state and again ask that you provide them with the operating support they need to make their work successful.

Thank you for the opportunity to present testimony on behalf of the Neighborhood Preservation Companies.