

2024 Joint Legislative Budget Hearing
Written Testimony of Executive Director Mark Streb
February 14, 2024

Neighborhood Preservation Program (NPP)

For the 2024-25 NYS Budget, an amount of \$18.34M is requested for funding Neighborhood Preservation Companies (NPCs). This is the approved amount for last year's budget, with a 4% increase this year for a cost-of-living adjustment.

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

For the 2024-25 NYS Budget, an amount of \$260,000 is requested for funding (This is a carve-out from the total NPP funding and includes a 4% increase.)

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.

Though NPP funding has been included in the executive budget in the past several years, the amount proposed was less than the prior years' appropriations.

Despite their proven track record and the escalating demand for affordable housing and community services, the funding for the NPP had remained virtually stagnant for nearly a decade, until last year's increase. That historic increase, made possible by the support of this esteemed body, was a beacon of hope, elevating the NPP's funding to \$17.75 million.

Therefore, we find it unacceptable and discouraging to contemplate taking a step backward, beginning this year with the proposed funding in the Executive Budget that slashes gains made last year.

Governor Hochul's proposed budget, released on January 16, would include a staggering reduction of \$4.8 million from last year's funding, decreasing the NPP funding to \$12.83 million and constituting a drastic cut for each NPC.

Let us be unequivocal: flat funding equates to a cut in real terms, and any decrease is simply unacceptable, demanding steadfast yet decisive action.

NPCs (Neighborhood Preservation Companies) are the bedrock of our communities. They possess an intimate understanding of local needs and dynamics, navigating the ever-shifting landscape with dedication.

The importance of funding for NPCs cannot be overstated. They are the lifeline of our communities, offering vital services that range from housing counseling to eviction protection, from homelessness prevention to mental health support. Particularly in recent years, NPCs have been at the forefront, responding to crises such as the Covid-19 pandemic and the ongoing challenges posed by asylum seekers.

They are not merely service providers; they are allies, standing as the last line of defense before individuals are left to fend for themselves on the streets. The level of need within our state has reached a critical juncture. The lack of affordable housing reverberates through every neighborhood.

Consider the alarming statistics: half of renters and a significant portion of homeowners in New York State are burdened by housing costs, with low-income households bearing the brunt of this burden; the annual income needed to afford a two-bedroom rental at HUD's Fair Market Rent is \$83,375. This crisis permeates every facet of society, affecting education, economic health, and overall community well-being.

We all realize that in addressing this crisis, there is no singular solution. It requires a multifaceted approach, one that acknowledges the complexity of the problem and embraces collaborative solutions within each community. NPCs embody this collaborative spirit, drawing upon decades of experience and a deep-rooted connection to their neighborhoods.

The strength of the NPP lies in its rejection of a one-size-fits-all approach to affordable housing. Instead, it recognizes that each community has unique needs that are best

addressed through collaborative solutions within the community itself. This collaborative approach fosters increased understanding, facilitates knowledge transfer, and improves communication among stakeholders.

Operating from a neighborly perspective—where understanding and empathy drive action—NPCs engage with their communities on a personal level. This approach builds trust and allows for effective collaboration, as community members feel heard and understood.

Decades of experience and intimate knowledge of their communities make NPCs invaluable assets in directing funds and programs from various sources to where they are most needed. This grassroots approach ensures that resources are allocated efficiently and effectively, directly benefiting neighborhoods and individuals in need.

They are not mere recipients of funds; they are conduits of change, leveraging resources at a remarkable rate to drive economic growth and community revitalization. Time and time again, investment in the Neighborhood Preservation Program has yielded tangible results, breathing new life into neighborhoods, and fostering economic prosperity. Funding for NPCs drives economic growth. NPP funds leveraged other sources at a rate of \$13 for every NPP dollar appropriated.

As we stand on the precipice of a new fiscal year, let us not regress. Instead, let us move forward with determination and vision.

Therefore, we urge you to consider our proposal for a 4% increase over last year's funding, totaling \$18.34 million for the NPP. Additionally, we advocate for the allocation of a \$260,000 carve-out for the Neighborhood Preservation Coalition, ensuring neighborhood organizations receive the support they deserve.

We extend our deepest gratitude to the Senate and the Assembly for your unwavering support of the Neighborhood Preservation Program. Together, we can overcome the challenges that lie ahead and work towards building a future where every individual has access to safe, affordable housing and the support they need to thrive.

Thank you for your attention and consideration.