



Rural Housing Coalition

of New York

Working Together to Revitalize Rural New York

Joint Budget Hearing on Housing Testimony

By Michael J. Borges, Rural Housing Coalition Executive Director

I first want to thank the Legislature for their support last year in providing funding for several programs targeted to small and rural communities, particularly \$10 million in new funding for the preservation and rehabilitation of USDA 515 affordable rental properties and \$7 million in continued funding for the Small Rental Development Initiative (SRDI), which builds affordable rental housing of 4-20 units.

Despite several new initiatives like the Vacant Rental Improvement Program (VRIP) and the Plus One ADU program, the housing shortage and affordability crisis continues. Unfortunately, the Executive Budget continues a trend of adding new programs while cutting existing ones that serve Rural New York.

The funding for the aforementioned USDA 515 Preservation Program and Small Rental Development Initiative were both eliminated in the Executive Budget. Funding for the Rural Preservation Program, which provides capacity building funding to the 60 non-profit housing and community development organizations serving Rural New York, was cut by over \$2 million.

In November 2024, the Rural Housing Coalition, in collaboration with the Association of Towns, conducted a joint survey of rural municipal leaders to identify the primary obstacles to constructing housing in rural areas. Survey respondents identified the lack of infrastructure, insufficient local capacity and a lack of state funding targeted to rural areas as the three main obstacles to building housing in rural areas.

We were pleased that the Executive Budget included \$100 million for infrastructure improvements in support of housing development, but the funding was limited to pro-housing communities. Infrastructure funding should be allocated or prioritized for those communities that have identified the lack of infrastructure as a barrier to developing additional housing.

Local capacity was another obstacle to building housing in rural areas. The Executive Budget reduced funding to the Rural Preservation Program, which supports 60 non-profit rural preservation companies. These non-profit organizations are the primary providers of housing rehabilitation and repair services, as well as building new affordable housing in rural communities. Without strong and financially stable local capacity, rural communities cannot preserve the existing housing stock or build new housing. The Rural Housing Coalition urges the Legislature to reject the Executive Budget's cuts to the Rural Preservation Program (RPP) and increase funding to \$8,050,000 (+\$500,000) so that rural preservation companies (RPCs) and neighborhood preservation companies (NPCs) each receive equal funding. Currently, NPCs are funded at approximately \$130,000 each and RPCs are funded at \$121,000 each. We also ask that the \$250,000 carve out in RPP funding for the Rural Housing Coalition be continued.

The last obstacle identified in the joint survey with the Association of Towns was the lack of funding specifically targeted to rural areas. As mentioned previously, the Executive Budget zeroed out funding for both the USDA 515 preservation program and the Small Rental Development Initiative (SRDI), which are the only two state



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programs targeted to small and rural communities. The Rural Housing Coalition urges the Legislature to restore the \$10 million for the USDA 515 preservation program and increase funding for SRDI from \$7 million to \$20 million to accommodate the need for more small scale developments in rural areas.

In addition, we urge the Legislature to roll back the Executive Budget's cuts and increase funding for the Access to Home and RESTORE/HOPE programs that serve low-moderate income disabled and senior homeowners with accessibility modifications and emergency repairs like leaking roofs or broken furnaces. A recent report by the Center for an Urban Future documented a 50% jump in seniors living in poverty over the past decade in New York. The need for these types of services has never been greater. Funding requests for these programs has repeatedly outstripped available resources (see attached charts). We are asking for \$4 million for each of these programs.

The Rural Housing Coalition is also proposing a new initiative aimed at keeping seniors safe in their homes, called the Safer Homes for Seniors, which would provide \$5 million to fund small household repairs and improvements to promote safe aging in place for low-moderate-income seniors in either owner-occupied or rental homes.

AARP New York and the New York Association of Independent Living join us in supporting these funding requests (see attached letter).

The Main Street Program which has seen either decreased or flat funding for the past 5 years continues to receive more requests for funding than is available to give out (see attached chart). In 2024, the program received 40 applications for \$11 million and in 2023 it received 43 applications for \$12 million. In the last round of awards, a majority of the funding went to villages, which demonstrates that this program serves the smallest of municipalities, that are not suitable for either DRI or RESTORE NY programs. The Rural Housing Coalition requests \$10 million to fund the Main Street Program.

The Rural Housing Coalition also urges the Legislature to increase funding for the Affordable Housing Corporation (AHC) from \$26 million to \$36 million. AHC funds the construction and repair of 1-4 unit owner-occupied homes and is one of the most versatile and popular programs administered by HCR. Given that 75% of the housing stock in rural areas is owner-occupied, this program is essential to the well-being of rural communities.

Mobile homes and mobile home parks make up 10 percent of the housing stock in rural areas and are an affordable home ownership option for many rural residents. The Legislature unanimously passed a bill last year that would codify into law the Manufactured and Mobile Home Replacement Program (MMHRP), but was inexplicably vetoed by the Governor. The Rural Housing Coalition urges the Legislature to include language in the budget that makes this vital program permanent as well as increase funding to address the Governor's veto concerns.

Lastly, we support the inclusion of \$40 million for HOPP in the General Fund, as well as proposals in the Executive Budget to support the construction of starter-homes and assist first-time buyers with downpayment



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assistance. Additional tax incentives should be instituted to incentivize private developers to build starter-homes and reduce their costs so constructing these types of homes become more economically feasible.