



**Testimony before Queens Borough Board:  
Regarding the Fiscal Year 2020 New York City Budget**

**February 20, 2019**

Good morning. My name is Ivy Perez and I am the Senior Policy and Research Associate at the Center for NYC Neighborhoods. I'd like to thank the members of the Queens Borough Budget Board for holding today's very important hearing on the Fiscal Year 2020 budget.

**About the Center for NYC Neighborhoods**

The Center promotes and protects affordable homeownership in New York so that middle- and working-class communities are able to live in strong, thriving communities. Established by public and private partners, the Center meets the diverse needs of homeowners throughout New York state by offering free, high-quality housing services. Since our founding in 2008, our network has assisted over 74,000 homeowners. We have provided more than \$33 million in direct grants to community-based partners, and we have been able to leverage this funding to oversee another \$30 million in indirect funding support. Major funding sources for this work include the New York City Council, the New York City Department of Housing Preservation and Development, and the Office of the State Attorney General, along with other public and private funders.

**About The Center's Queens Network Partners**

Before discussing the budget, I'd like to acknowledge the Queens Borough President, members of the Queens City Council delegation, and the Chairs of the Queens Community Boards for your partnership and support of the Center's work. I'd also like to acknowledge the hard work our Queens-based Network Partners have done for homeowners in the borough. Homeowners depend on the services provided by Neighborhood Housing Services of Queens, Neighborhood Housing Services of Jamaica, JASA Legal Services for the Elderly in Queens, the Legal Aid Society, Chhaya Community Development Corporation, Queens Legal Services, and the Queens Volunteer Lawyers Project. Grow Brooklyn, New York Legal Assistance Group, Greater Sheepshead Bay Development Corporation, Mutual Housing Association of New York, and Neighborhood Housing Services of New York City also serve Queens families though they are located elsewhere in the city. Thanks to the hard work of these organizations, thousands of Queens families have been able to avoid foreclosure and to save their homes.

**Queens Affordable Homeownership under Threat**

Affordable homeownership is a crucial component of New York City's vibrant and diverse neighborhoods. In the Queens neighborhoods where we work, affordable homeownership means families can build equity while also benefiting from stable housing costs in a city of rapidly increasing rents. When homeowners are able to afford their mortgage payments, keep up with their bills and make

needed repairs, they are able to live, grow and thrive in the city where they have invested their lives, sent their children to schools and pursued their livelihoods. The majority are also able to rent out apartments in their homes to tenants, many of whom pay below-market rents. They are able to continue to contribute to their communities, participate in local institutions, build wealth, and provide stable homes for their children. For these reasons, we believe that supporting working- and middle-class homeowners and their communities while investing in new homeownership opportunities for working families must be a top priority for the future of New York City.

Queens has long been a borough where working-class families can buy and own a home: today, 44 percent of Queens households are homeowners, and of them, nearly two-thirds (64 percent) earn a low- to moderate income. Unfortunately, affordable homeownership in Queens is under threat: the number of Queens homeowners has declined over the last 14 years, from 365,000 in 2005 to 343,000 today, a 6 percent decrease. By comparison, the borough's population increased by 5 percent over the same time period.<sup>1</sup> Like working- and middle-class homeowners throughout the US, Queens homeowners face many challenges to sustainable homeownership, including loss of income, predatory mortgages, medical bills, rising flood insurance premiums, unmet home repair needs, loan modification scammers, and the rising home prices and tax rates in desirable areas. For senior homeowners, the challenges in maintaining a home in New York City on a fixed income are threatened even further by reverse mortgage foreclosures and scams targeting this demographic.

### **Thousands of Queens Families at Risk of Foreclosure, With Funding Cuts Looming**

Queens is also the hardest-hit borough by the foreclosure crisis, which, unfortunately, continues to be with us today. In 2017, just over 15,000 Queens families received pre-foreclosure notices, meaning that they were seriously delinquent on their mortgage and at risk of entering the foreclosure process.<sup>2</sup> Queens also has the highest number of foreclosure auctions in New York City, with foreclosures increasing from 755 in 2015 to 1,214 in 2018.<sup>3</sup>

Fortunately, Queens homeowners can get free help with their mortgage by connecting with the Center and our network of high-quality housing counseling and foreclosure prevention legal services. However, the biggest source of funding for foreclosure prevention services in New York State will end in March 2019 unless funding is included in the Fiscal Year 2020 State budget. To fight these cuts, the Center has joined the Communities First campaign, which is working to ensure assistance is available to low- and moderate-income homeowners in every county of New York state.<sup>4</sup> Services are currently provided by 89 non-profit housing counseling and legal services programs in every county of New York state, and we seek to preserve the \$20 million in annual funding for homeowner services statewide. The Communities First campaign surveyed providers statewide and found that if funding is not renewed, two-thirds of the state's foreclosure prevention program capacity would disappear overnight, with greater reductions in

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<sup>1</sup> New York City Housing and Vacancy Survey.

<sup>2</sup> New Economy Project, Foreclosure Risk in New York State: January 2019. Available at: [https://www.neweconomynyc.org/wp-content/uploads/2019/01/Final\\_2018.pdf](https://www.neweconomynyc.org/wp-content/uploads/2019/01/Final_2018.pdf)

<sup>3</sup> Furman Center Core Data Website, available at: [coredata.nyc](http://coredata.nyc).

<sup>4</sup> See <http://www.nycommunitiesfirst.org> to learn more about the agenda and supporters.

staff anticipated over the following year. Twenty-eight programs would be forced to close entirely, while another 26 would be limited to one or fewer full-time equivalent staff.

### **Rising Seas in Queens**

Rising sea waters, greater flood risk, and increased flood insurance premiums pose another serious threat to affordable homeownership in Queens. More than 60,000 Queens residents currently live in the high-risk floodplain, and tens of thousands more will be added when New York City updates its Flood Insurance Rate Map sometime in the next few years. With increased flooding and unaffordable flood insurance premiums looming, Queens homeowners in flood-prone neighborhoods must take steps to inform themselves of their flood risk and make decisions about how to prepare for future floods.

### **Solutions: Fund Homeowner Services in the FY 2020 City Budget**

The Center for NYC Neighborhoods has developed innovative, high-quality services to help keep Queens homeowners in their homes. This year the Center requests \$3,000,000 City Council funding to support a streamlined approach to financial and physical resiliency for homeowners across New York City through a single point of entry.

Specifically, City Council funding would support our comprehensive suite of homeownership services, including the following:

- **Homeowner Hub:** Our Hub is a frontline service for homeowners seeking specialist advice and referrals for more comprehensive services. The Hub can be reached via 311, a Homeowner Help Website, and mobile Homeowner Help Desk, which together serve New Yorkers in every Queens neighborhood.
- **Foreclosure Prevention Services:** The Center serves homeowners in Queens by providing foreclosure counseling, homeownership counseling, property tax counseling, and reverse mortgage counseling for seniors that help them remain in their homes. Some services are provided in-house, such as the Center's Escalations program, while others are provided through our Network Partners.
- **Homeowner Sustainability and Resiliency Services:** The Center provides resiliency and energy efficiency counseling, home resiliency audits, and backwater valve installations for homeowners at risk of flooding or who are seeking to lower their home energy costs. We work to improve circumstances for individual homeowners and also at scale for communities at risk of flooding, climate change, and more. Queens residents can learn their flood risk at [FloodHelpNY.org](http://FloodHelpNY.org).
- **Policy and education:** Our Policy and Research team works to develop program and policy recommendations to better protect NYC homeowners, including legislative reforms for issues like property taxes, tax lien sales, and more.

We greatly appreciate the Queens Borough Board's support for homeowners and homeowner services in the Fiscal Year 2020 budget, and we look forward to working with you to continue to promote affordable homeownership in Queens. Thank you for the opportunity to testify today.