

NEW YORK STATE
DIVISION OF HOUSING
& COMMUNITY RENEWAL

Statewide Affordable Housing Needs Study 2009

MAY



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Statewide Affordable
Housing Needs
Study
May 2009

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MESSAGE FROM GOVERNOR DAVID A. PATERSON

DURING THIS ECONOMIC CRISIS, THE NEED FOR AFFORDABLE HOUSING HAS NEVER BEEN GREATER. This Study represents a significant step forward in the way the Division of Housing and Community Renewal (DHCR) develops its policies and implements its programs around the State.

Never before has DHCR reached out so extensively on the local level to ascertain the affordable housing and community development issues and needs of specific regions. By interviewing hundreds of local experts on their specific needs, DHCR will be able to better tailor its resources and better serve the people of New York State.



Governor Paterson and Commissioner VanAmerongen, center and first from left, at the ribbon cutting for Crosswinds at Hudson, Hudson.

The nine regional reports initiated by DHCR reflect the varied needs across the State and the futility of adopting a “one-size-fits-all” approach to affordable housing and community development.

This initiative ushers in a new era of outreach to and coordination between DHCR and local officials and affordable housing and community development professionals who best understand the needs of their communities. This document will provide us with a powerful tool to help determine how New York State’s housing and community development programs can best be targeted to meet the needs of our residents.

David A. Paterson

DAVID A. PATERSON, GOVERNOR

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MESSAGE FROM COMMISSIONER DEBORAH VANAMERONGEN

I AM PLEASED TO SHARE WITH YOU DHCR'S FIRST STATEWIDE AFFORDABLE HOUSING NEEDS STUDY. The creation of this Study was one of the first initiatives this Administration undertook upon taking office. It is our intention that this Study represent a starting point for continued dialogue between DHCR and members of the public who have a commitment to the advancement of affordable housing and community development throughout New York State.

The Housing Needs Study is a product of DHCR's unprecedented effort to reach out and gather first-hand information from local leaders and housing professionals about what they believe are the State's affordable housing and community development issues and needs.

Starting in the fall of 2007 and through 2008, DHCR convened 42 focus group meetings throughout the State which were attended by nearly 500 participants. The focus group meeting participants represented a cross-section of those who best understand the nuances and innate characteristics of their communities. Their perspectives regarding affordable housing and community development issues and needs represent a heretofore untapped resource.

Although the entire State is facing a shortage of affordable housing, the causes, effects and solutions are very different from region to region. It is for this reason that a regional approach was necessary.

The Housing Needs Study will help DHCR to better understand the affordable housing and community development needs across the State. The Study will be used to help determine how New York State's affordable housing and community development programs can best serve the needs of our residents.

My thanks go out to all of those throughout the State who contributed to this Study through their attendance and participation in our focus group meetings, as well as DHCR's Office of Policy Research and Development staff for their commitment to this initiative.



Commissioner Deborah VanAmerongen, DHCR and Commissioner David Hansel, Office of Temporary and Disability Assistance, celebrate their collaborative efforts at the ribbon cutting for Marcello Manor in the Bronx.

A handwritten signature in black ink that reads "Deborah VanAmerongen". The signature is written in a cursive, flowing style.

DEBORAH VANAMERONGEN, COMMISSIONER

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I. Executive Summary

A. Background

DHCR is responsible for the development and supervision of affordable low- and moderate- income housing throughout New York State. This includes ensuring that housing is safe, decent and affordable and supporting localities with community revitalization. DHCR accomplishes these tasks through a myriad of programs which function in the State's 62 counties, all of which have diverse housing and community development needs.

In the spring of 2007, the Office of Policy Research and Development (Policy Office) was created to study the long-term housing needs of the State and to help develop appropriate policies which address those needs. Among its initial assignments was the Statewide Affordable Housing Needs Study (Housing Needs Study).

B. Housing Needs Study Purpose

The purpose of the Housing Needs Study is to better understand New York State's affordable housing market and determine if DHCR's housing and community development programs meet the needs of the State's residents.

The Housing Needs Study was largely developed through DHCR's outreach to those in the affordable housing and community development industry. A critical component of this outreach was to conduct focus group meetings with industry experts to gather first-hand information about affordable housing and community development issues and needs. The focus group meetings encouraged participants to move beyond short-term interests and share with DHCR the affordable housing and community development needs of their community. Nearly 500 persons attended 42 separate focus group meetings organized by DHCR. This outreach was the starting point for a continued dialogue between DHCR and local stakeholders and resulted in the publication of nine Housing Needs Study Regional Reports.

C. Summary of Key Findings

The affordable housing and community development issues and needs raised by participants varied by region. However, several common themes emerged. Twelve themes germane to the issues and needs of affordable housing and community development were expressed, including quality affordable rental units, aged housing stock and "not-in-my-backyard" (NIMBY) opposition. In addition, several themes common in either rural or urban areas were identified.

Listed below is a summary of the key statewide issues and needs related to the topics that were raised by the focus group meeting participants.

Housing Quality and Stock

- **Quality Affordable Rental Units:** There is a need for rehabilitation and modernization funds for the existing rental housing stock. There is also a need for affordable/workforce housing education and outreach and zoning reform to encourage the development of additional affordable rental housing units.
- **Aged Housing Stock:** There is a need for rehabilitation and modernization funds for aged housing stock which has been subject to significant disinvestment.
- **Preservation and Rehabilitation of Units:** There is a need for additional funding for repairs or upgrades to modernize and preserve owner occupied and rental housing.
- **NIMBY Opposition:** There is a need to educate local officials, planning and school boards and community members about the benefits of affordable housing developments in order to mitigate NIMBY opposition.

Affordability

- **Housing for Very Low- Income Households:** There is a need for safe, decent and affordable housing and living wage jobs for residents earning 30 percent or less of area median income (AMI).
- **Affordable Homeownership:** There is a need for first- time homebuyer programs, living wage jobs that can support homeownership and “next generation” housing for young adults.
- **Other Housing Costs:** There is a need for increased funding for the Weatherization Assistance Program and a utility cost assistance program which would assist homeowners and renters with housing-related costs.
- **Foreclosure:** There is a need for increased funding for foreclosure prevention services including pre- and post- purchase counseling, as well as emergency funds for those in the throes of foreclosure.

Special Needs/Supportive Housing

- **Senior Housing:** Funding is needed to create rental housing for seniors, along with supportive services, sited close to support systems and public transportation. To meet the needs of senior homeowners, additional funding for home repairs and accessibility modifications is needed.
- **Homelessness:** There is a need for emergency shelters, particularly in rural communities, as well as additional funding for existing emergency shelters.
- **Supportive Service Delivery:** There is a need for timely and effective partnerships between those who develop affordable housing and those who provide social services to individuals and families living in affordable housing developments.



Pinehurst, a senior rental complex in Patchogue.

Downtown Revitalization and Main Streets

- *Use of New York Main Street Program:* There is a need to adjust the Program's match requirement to attract increased participation from local businesses.

II. Methodology, Issues and Data Analysis

A. Methodology

Approach

The approach adopted by DHCR to complete this Statewide Affordable Housing Needs Study resulted in a product which was largely qualitative in nature. DHCR endeavored to produce a study that was primarily comprised of information gleaned from those in communities throughout the State who have direct experience in the fields of affordable housing and community development. It is DHCR's belief that this approach, which relied upon the solicitation of comments, observations and opinions from practiced affordable housing and community development professionals, yielded a product from a previously untapped perspective that will advance the understanding of New York's affordable housing and community development issues and needs.

Focus Group Meetings

DHCR's solicitation of input regarding the affordable housing and community development issues and needs of the State was accomplished through a series of focus group meetings. Starting in late 2007 and through 2008, DHCR convened a total of 42



DHCR met with local officials and affordable housing and community development professionals at the City of Yonkers regional highlight focus group meeting on July 11, 2008 to discuss the area's affordable housing and community development issues and needs.

focus group meetings covering 57 of the State's 62 counties. The meetings were primarily organized at the county level. There were instances in which a number of counties were combined into one focus group meeting. These consolidations were accomplished in a manner that was mindful of the economic, geographic and population commonalities of those counties. For example, a focus group meeting conducted in Western New York was comprised of participants from Allegany, Cattaraugus and Chautauqua Counties.

In the interest of keeping the focus group meetings efficient and manageable DHCR had to limit the number of participants at each meeting. The affordable housing and

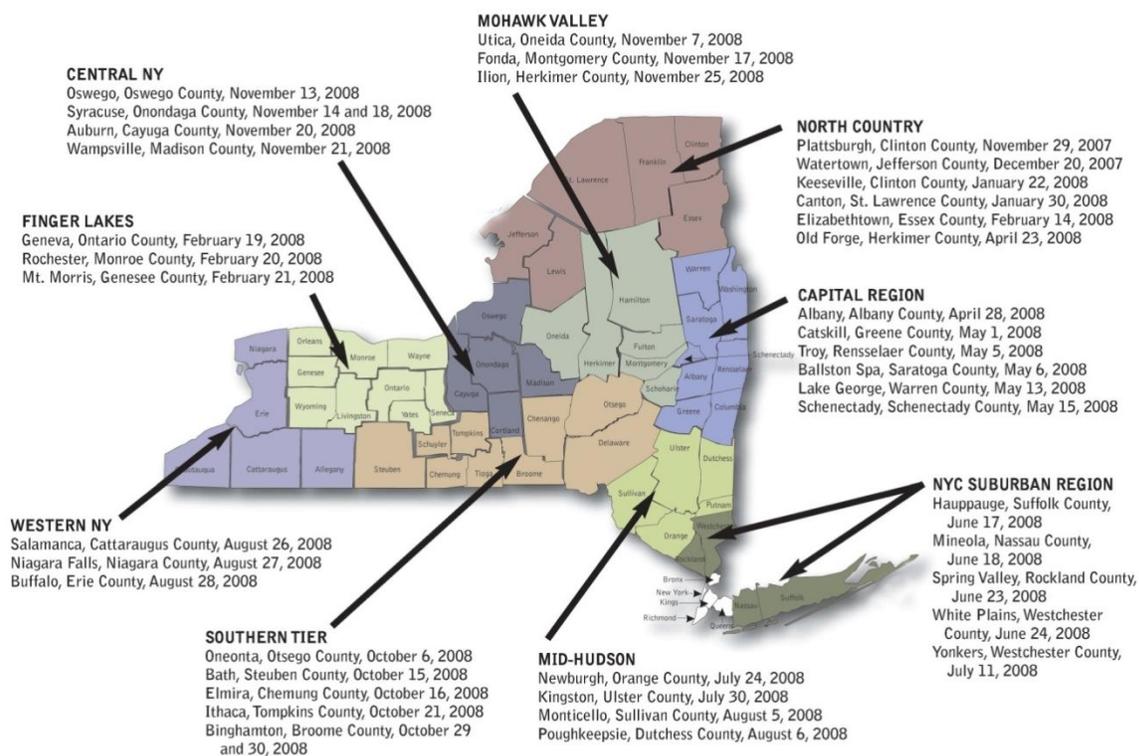
community development professionals who were extended invitations to participate in the focus group meetings were identified through a number of sources. Participants from county and local government organizations in the fields of community development, economic development, housing, and planning were identified primarily through online research. Invited participants from outside the public sector were largely identified through staff knowledge and the data bases of DHCR. These participants were drawn from for-

profit and not-for-profit organizations that had an identifiable interest in a community. This cadre of stakeholders included but was not necessarily limited to Neighborhood and Rural Preservation Companies, affordable housing developers, community development and social service organizations.

In order to foster interagency coordination and collaboration, focus group meetings were also attended by staff from the New York State Housing Finance Agency, the Empire State Development Corporation and the Governor’s Regional Offices.

Focus group meeting attendance ranged from eight to 23 individuals. DHCR staff served to define the objectives of the focus group meetings and facilitated the discussion to ensure that certain topics of recognized commonality in the field of affordable housing and community development were included in the conversation.

HOUSING NEEDS STUDY MEETING DATES AND LOCATIONS



Prior to or immediately following nearly all focus group meetings, DHCR staff was afforded the opportunity to participate in site visits and tours of communities and affordable housing developments. These tours provided Policy Office staff with a sense of the challenges faced by the participants and their communities and the strategies employed to address affordable housing and community development issues.

Regional Boundaries

DHCR used the regional boundaries established by the Empire State Development (ESD) Corporation as the geographic framework for its Housing Needs Study Regional Reports. Each Regional Report includes a Regional Highlight which examines the affordable housing and community development issues and needs of what is acknowledged as the predominate urban, metropolitan or unique area of the region. Nine of ESD's ten regions were used in order to compile the information and create the Regional Reports. These reports, which were issued throughout 2008 following focus group meetings, are accessible on DHCR's website at www.nysdhcr.gov/Publications/HousingNeedsStudy/.

The New York City Region was omitted due to the abundance of existing reports and studies that highlight its diverse and unique housing issues and needs. Alternatively, an overview of DHCR's affordable housing investments and regulatory responsibilities in the City has been included (see Section IV, page 28). In addition, a list of some of the reports and studies which document the affordable housing and community development issues and needs of the City is included in this Housing Needs Study.

In addition, Rockland and Westchester Counties were added to ESD's Long Island Region in order to create the New York City Suburban Region. Although Hamilton County is now included in ESD's North Country Region, this change was made after the North Country Regional Report was published. Therefore, Hamilton is included in its previously designated region, the Mohawk Valley.

Local Planning Document Review

DHCR's methodology also included the review of local planning documents, such as consolidated plans, local comprehensive and master plans. The documents reflect, in part, what has been researched, explored and written on affordable housing, community development and land use issues and needs at the local level. The documents intrinsically address local planning capacity and augment DHCR's knowledge of local housing and community development efforts.

B. Affordable Housing and Community Development Issues

The issues identified in the Regional Reports reflect common affordable housing and community development themes. At the commencement of each focus group meeting, participants were asked what they perceived to be the primary affordable housing and community development issues and needs of their community. The discussion that followed typically broached each of the issues listed below. It is by these issues that the "Regional Affordable Housing and Community Development Issues" section of each Regional Report is organized.

Housing Quality and Stock— refers to the quality and condition of the existing housing stock. It also includes the number of housing units, housing stock diversity (i.e., single family, multi-family, senior, manufactured homes, cooperatives, condominiums and townhomes) and the need for new construction versus preservation and rehabilitation of existing stock.

Affordability – refers to the affordability of owner occupied and rental housing units. Housing-related costs such as property taxes, utility and transportation costs are also included, as well as the financial impact that foreclosure has on both homeowners and renters.

Special Needs/Supportive Housing – refers to affordable housing with on-site or nearby supportive services for person/families in long-term recovery from alcohol or substance abuse, persons or families who are homeless, persons who are frail elderly, persons with mental retardation/developmental disabilities, persons with physical disabilities, persons with psychiatric disabilities, persons who are victims of domestic violence and persons with AIDS/HIV related illness.

Temporary/Work Based Housing – refers to affordable housing for seasonal workers, such as migrant/farm workers.

Downtown Revitalization and Main Streets – refers to the revitalization of commercial and residential properties in downtown areas. It also includes use of the DHCR’s New York Main Street Program.

Rent Administration – refers to DHCR’s rent regulation responsibilities.

Program Alignment – refers to the suitability of DHCR’s programs to meet the affordable housing and community development needs of the State’s residents.

Neighborhood Revitalization – refers to the revitalization of blighted neighborhoods in urban or metropolitan centers.

Flood Remediation – refers to the financial assistance given to areas severely impacted by flooding in recent years.

C. Data Analysis

U.S. Census and American Community Survey

Each Regional Report contains U.S. Census and American Community Survey data intended to identify demographic and housing-related changes from 1990 to 2006. Data for counties that lacked the population density necessary to obtain 2006 American Community Survey results was confined to the 1990 and 2000 U.S. Census.

Multi-Region Comparison - 1990 U.S. Census Data

Social, Demographic & Income Indicators	Capital Region	Central NY	Finger Lakes	Mid-Hudson	Mohawk Valley	NYC Suburban	North Country	Southern Tier	Western NY
Population	1,003,844	791,140	1,161,470	885,631	459,943	3,749,553	419,374	731,049	1,465,887
Median Age	31.3	29.8	30.0	29.5	32.0	31.2	29.0	30.8	31.8
Median Household Income	\$32,541	\$30,488	\$33,628	\$39,459	\$25,441	\$50,951	\$24,988	\$27,145	\$27,337
% of Individuals Below Poverty Level	8.4	10.1	9.3	7.4	11.6	4.9	13.1	11.9	12.0
% of HHs w/ Publicly Assisted Income	5.4	6.6	6.9	4.9	7.5	4.3	8.6	6.6	9.0
Housing Prices & Affordability									
Median Value of Owner Occupied Units	\$99,623	\$73,931	\$80,974	\$140,190	\$66,295	\$208,356	\$54,755	\$64,417	\$66,108
Median Contract Rent	\$379	\$356	\$388	\$504	\$280	\$625	\$299	\$324	\$284
% of Owners w/ Monthly Housing Costs >=30%	12.9	13.6	14.8	19.4	11.1	25.2	9.8	10.3	12.1
% of Renters w/ Monthly Rent >=30%	36.1	40.3	41.4	39.4	37.6	41.6	34.3	41.2	43.2
Housing Quality & Stock									
Median Year Built	1954	1954	1955	1961	1945	1957	1953	1952	1949
% of Occupied Units -- Owner Occupied	65.1	66.6	68.5	69.7	67.7	74.5	66.2	68.6	65.6
% of Occupied Units -- Renter Occupied	34.9	33.4	31.5	30.3	32.3	25.5	33.8	31.4	34.4
Other									
Affordability Index	3.1	2.4	2.4	3.6	2.6	4.1	2.2	2.4	2.4

Affordability Index (Median Value of Owner Occupied Units / Median Household Income).

Multi-Region Comparison - 2000 U.S. Census Data

Social, Demographic & Income Indicators	Capital Region	Central NY	Finger Lakes	Mid-Hudson	Mohawk Valley	NYC Suburban	North Country	Southern Tier	Western NY
Population	1,029,927	780,716	1,199,588	968,977	441,638	3,964,125	420,492	718,973	1,443,743
Median Age	37.5	36.1	36.5	36.5	38.6	37.4	35.3	37.0	37.9
Median Household Income	\$43,130	\$39,415	\$43,643	\$51,199	\$34,737	\$67,286	\$33,962	\$35,639	\$37,523
% of Individuals Below Poverty Level	9.4	12.3	10.3	9.7	12.6	6.6	14.3	13.4	12.3
% of HHs w/ Publicly Assisted Income	2.6	3.1	4.3	2.5	3.5	1.8	3.5	2.9	4.3
Housing Prices & Affordability									
Median Value of Owner Occupied Units	\$103,624	\$80,701	\$92,728	\$143,119	\$70,647	\$225,026	\$66,560	\$72,483	\$82,159
Median Contract Rent	\$485	\$446	\$504	\$609	\$368	\$836	\$375	\$412	\$396
% of Owners w/ Monthly Housing Costs >=30%	20.4	20.3	20.8	25.8	20.2	31.9	17.7	18.1	20.8
% of Renters w/ Monthly Rent >=30%	36.8	40.5	42.8	39.9	38.3	40.7	35.2	41.6	41.9
Housing Quality & Stock									
Median Year Built	1959	1958	1959	1964	1951	1959	1959	1956	1952
% of Occupied Units -- Owner Occupied	65.7	67.4	68.8	69.3	69.1	74.5	68.1	68.6	67.2
% of Occupied Units -- Renter Occupied	34.3	32.6	31.2	30.7	30.9	25.5	31.9	31.4	32.8
Other									
Affordability Index	2.4	2.0	2.1	2.8	2.0	3.3	2.0	2.0	2.2

Affordability Index (Median Value of Owner Occupied Units / Median Household Income).

Multi-Region Comparison - 2006 American Community Survey

Social, Demographic & Income Indicators	Capital Region ¹	Central NY ²	Finger Lakes ³	Mid-Hudson	Mohawk Valley ⁴	NYC Suburban	North Country ⁵	Southern Tier ⁶	Western NY ⁷
Population	NA	NA	NA	1,031,471	NA	4,039,697	NA	NA	NA
Median Age	38.3	37.6	38.0	37.4	39.5	39.2	34.9	37.5	39.6
Median Household Income	\$52,566	\$44,851	\$47,806	\$62,976	\$40,466	\$79,464	\$39,421	\$41,993	\$42,106
% of Individuals Below Poverty Level	10.0	13.9	12.6	9.8	14.8	6.7	16.6	13.4	14.4
% of HHs w/ Publicly Assisted Income	1.7	2.6	3.5	1.5	4.7	1.6	2.5	2.4	3.0
Housing Prices & Affordability									
Median Value of Owner Occupied Units	\$172,758	\$106,289	\$117,372	\$307,481	\$91,300	\$498,724	\$90,613	\$95,729	\$100,225
Median Contract Rent	\$612	\$544	\$602	\$816	\$438	\$1,112	\$461	\$443	\$481
% of Owners w/ Monthly Housing Costs >=30%	26.2	24.5	25.5	37.8	24.1	43.4	23.6	22.1	24.9
% of Renters w/ Monthly Rent >=30%	41.9	46.0	51.5	50.3	46.5	51.1	36.7	45.1	45.5
Housing Quality & Stock									
Median Year Built	1961	1961	1962	1966	1951	1960	1963	1957	1951
% of Occupied Units -- Owner Occupied	64.9	68.9	69.1	71.1	65.2	76.7	65.8	65.4	67.4
% of Occupied Units -- Renter Occupied	35.1	31.1	30.9	28.9	34.8	23.3	34.2	34.6	32.6
Other									
Affordability Index	3.3	2.4	2.5	4.9	2.3	6.3	2.3	2.3	2.4

Affordability Index (Median Value of Owner Occupied Units / Median Household Income).

¹ Capital Region - Data for Albany, Rensselaer, Saratoga, Schenectady and Warren Counties only.

² Central NY - Data for Cayuga, Madison, Onondaga and Oswego Counties only.

³ Finger Lakes - Data for Monroe, Ontario and Wayne Counties only.

⁴ Mohawk Valley - Data for Oneida County only.

⁵ North Country - Data for Clinton, Jefferson and St. Lawrence Counties only.

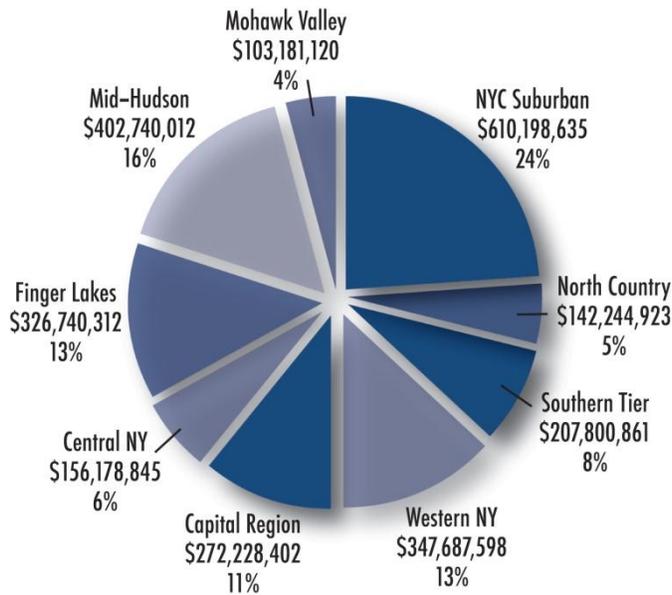
⁶ Southern Tier - Data for Broome, Chemung, Steuben and Tompkins Counties only.

⁷ Western NY - Data for Cattaraugus, Chautauqua, Erie and Niagara Counties only.

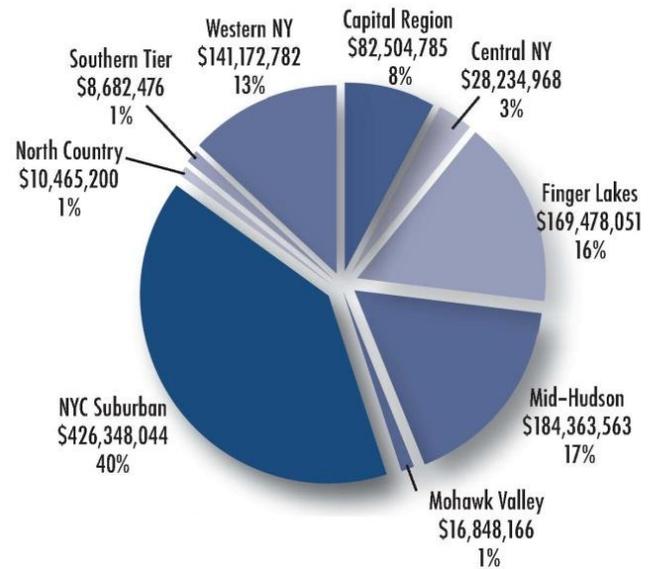
Statewide Housing Awards

Housing and community development awards issued by DHCR/Housing Trust Fund Corporation (including New York State CDBG Small Cities) and NYHomes (the Housing Finance Agency and the Affordable Housing Corporation) are included in each of the Regional Reports. The data is an aggregation of program awards issued from 2000 to 2007. This information was included to illustrate the financial commitment made to affordable housing and community development by these agencies.

Multi-Region Comparison—DHCR/HTFC Housing Awards 2000 to 2007



Multi-Region Comparison—NYHomes Housing Awards 2000 to 2007



Note: Figures for the NY State Low-Income Housing Tax Credit, Low-Income Housing Credit and the Low-Income Housing Credit (4% as-of-right) Programs reflect the 10-year allocation amount.

*AHC and HFA awards only.

III. Key Findings

Presented below is an aggregation of issues and needs that were *identified by those who participated* in the Housing Needs Study focus group meetings. This section categorizes what is contained in the “Regional Affordable Housing and Community Development Issues” and the “Regional Affordable Housing and Community Development Needs” sections of the Regional Reports.



Brooks Village in Rochester.

A. Statewide Issues and Needs

1. Housing Quality and Stock

Quality Affordable Rental Units

ISSUES

- Across the State, a significant portion of the affordable rental housing stock is of poor quality and in substandard condition.
- The presence of asbestos, lead paint, leaking roofs and inefficient heating systems are some of the ailments that plague the existing affordable rental housing stock.
- Poor rental housing conditions are attributed to years of deferred maintenance and the relatively low income levels of both tenants and property owners who cannot afford to make necessary repairs and improvements.
- Impediments to the creation of additional rental housing units, particularly family and special needs/supportive rental housing, include high taxes, high land acquisition and infrastructure costs, as well as “not-in-my-backyard” (NIMBY) opposition.

NEEDS

- There is a need for rehabilitation and modernization funds for the existing housing stock.
- There is also a need for affordable/workforce housing education and outreach and zoning reform which would encourage the development of additional affordable rental housing units.

Aged Housing Stock

ISSUES

- In some communities of the State, homes date back to the 19th century and may be plagued by significant disinvestment.
- Much of the aged housing stock is functionally obsolete, lacking energy efficient heating systems and basic livability and/or visitability features.
- Many aged single family homes in the State have been converted to multi-family rental housing. The increased density and transiency of tenants has led to the deteriorated conditions of these older structures.
- The preservation of existing housing stock, rather than the construction of new developments, was deemed more appropriate for a number of communities around the State.

NEEDS

- There is a need for rehabilitation and modernization funds for the existing housing stock.



A house in St. Lawrence County.

Preservation and Rehabilitation of Units

ISSUES

- Many homeowners and property owners cannot afford to make needed repairs or upgrades to their properties.
- Wait lists for existing home rehabilitation programs administered by local governments and not-for-profit organizations can be as long as three years and contain as many as 300 households.
- Rehabilitation and modernization costs are high and are often times nearly equal to the sales price of homes.

NEEDS

- There is a need for additional funding to modernize and preserve owner occupied and rental housing.

NIMBY Opposition

ISSUES

- The development of affordable housing is often impeded by NIMBY opposition from municipalities and community members. Zoning ordinances adopted at the municipal level can thwart efforts to develop affordable housing.
- Some who oppose affordable housing fear such development may negatively impact “community character.”
- Special needs/supportive housing is frequently concentrated in blighted neighborhoods of urban centers due to NIMBY opposition in surrounding communities.

NEEDS

- There is a need to educate local officials, planning and school boards and community members about the benefits of affordable housing developments.
- There is also a need to provide communities with incentives to make a connection between affordable housing and the planning process. This could include the provision of school, transportation or other infrastructure funds from the State and federal government in exchange for community support of affordable housing.



Town Houses at West End, New Rochelle.

2. Affordability

Housing for Very Low- Income Households

ISSUES

- Those earning 30 percent or less of area median income (AMI) often live in housing that is in the worst condition.
- There is a lack of supportive services which promote self-sufficiency, such as job and life skill training (budgeting and personal housekeeping) and child care either on-site or near rental developments that house very low- income residents.

NEEDS

- There is a need for safe and decent housing that is affordable to those with very low incomes and living wage jobs that would allow residents to afford such housing.
- There is a need for adequate supportive services that are on-site or near rental developments in order to fully address the needs of residents.

Affordable Homeownership

ISSUES

- The escalation of home prices has outstripped wage growth in many communities and homeownership is not within the financial reach of low- to moderate- income residents.
- Burgeoning second home markets in many upstate communities have impacted the affordability of homeownership.
- Throughout the State, many homes that are considered affordable are of poor quality and often require significant rehabilitation.
- In some communities, young adults with moderate incomes live at home with parents or take in renters in order to afford homeownership.

NEEDS

- There is a need for first- time homebuyer programs, living wage jobs that can support homeownership and “next generation” housing for young adults.
- There is also a need for homeownership opportunities which match the economic realities of the existing population.

Other Housing Costs

ISSUES

- Housing-related costs such as property and school taxes, utility and transportation costs make renting as well as homeownership financially burdensome for residents who lack the income needed to meet these rising expenses.
- Transportation costs are inextricably tied to housing affordability. High gas prices as well as public transportation costs create housing cost burdens for residents. In rural areas, transportation costs are particularly burdensome due to the lack of access to public transportation.

NEEDS

- There is a need for increased funding for the Weatherization Assistance Program and a utility cost assistance program which would assist homeowners and renters.
- There is a need for affordable public transportation to serve residents in rural areas.

Foreclosure

ISSUES

- Across the State, foreclosure rates have risen for both subprime and conventional mortgages and affect all economic groups including those who received mortgages on homes they had little hope of affording.
- Foreclosure is attributed to adjustable rate mortgage resets, job loss, illness and unaffordable loans.
- One of the many impacts of foreclosure is the presence of boarded-up homes. The blighting influence of foreclosure is more pronounced in densely-populated neighborhoods.
- Foreclosure has also impacted renters, including Section 8 voucher holders who are displaced from foreclosed properties and often receive short notice about their need to vacate the properties.
- Nassau and Suffolk Counties (Long Island) have experienced some of the highest rates of foreclosure in the State. Minority communities on Long Island have been disproportionately impacted by the foreclosure crisis, as they have a higher incidence of subprime loans.

NEEDS

- There is a need for increased funding for foreclosure prevention services including intensive pre- and post- purchase counseling, as well as emergency funds for those in the throes of foreclosure.

3. Special Needs/Supportive Housing

Senior Housing

ISSUES

- Seniors make up an increasing proportion of the State's population, bringing to light specific affordable housing issues such as the need for supportive services and accessible and visitable housing that is affordable to seniors with fixed incomes.
- Many existing affordable senior housing developments are overwhelmed with long wait lists.
- Senior homeowners face barriers to aging in place, including rising property taxes and the costs of maintenance and accessibility modifications.

NEEDS

- Funding is needed to create senior rental housing with supportive services that are sited close to support systems and public transportation. To meet the needs of senior homeowners, additional funding for home repairs and accessibility modifications is needed.

Homelessness

ISSUES

- Homelessness has become more encompassing, as families that were once considered working or middle class find themselves in need of emergency housing due to job loss, illness, lack of affordable rental units, lack of Section 8 vouchers, change in family structure and/or foreclosure.
- Homelessness is not limited to those living on the streets, but includes individuals and families living in properties that are substandard and should be condemned. Such conditions are tolerated because of the lack of quality affordable alternatives.
- The “invisible homeless” or “couch surfers,” which includes those who are living with family or friends, are excluded from standard estimates of homelessness.
- Most rural communities do not have emergency shelters to house their homeless population. Instead, people are housed in local motels or temporary housing units or are given bus tickets to the nearest community that is believed to have emergency housing.
- Some communities with shelters are operating at maximum capacity and have to turn people away.

NEEDS

- There is a need for emergency shelters, particularly in rural communities, as well as additional funding for existing emergency shelters.

Supportive Service Delivery

ISSUES

- Property managers do not always consider the cost effectiveness of including social service organizations in the management and provision of services to tenants living in affordable housing developments.
- Some social service organizations find it difficult to link clients with available affordable housing, while some project managers are unable to fill vacant special needs housing units in a timely fashion.

NEEDS

- There is a need for timely and effective partnerships between those who develop affordable housing and those who provide social services to individuals and families living in affordable housing developments.
- There is also a need for supportive services, such as case management, job and life skill training (budgeting and personal housekeeping) and child care for special needs populations.

4. Downtown Revitalization and Main Streets

Use of New York Main Street Program

ISSUES

- Small low- income communities find it difficult to utilize the New York Main Street Program because of limited resources and staff capacity. In addition, many local businesses are unable to afford the Program's 50/50 match.
- In the rural towns and villages of the State, it has been particularly difficult to convert upper floor units on main streets to residential use using the Program. The high cost of bringing buildings up to code impedes the ability of communities to successfully carry out the Program.

NEEDS

- There is a need to adjust the match requirement to attract increased participation from local businesses. In addition, local zoning reform in communities to promote mixed use development is needed.

Converting Upper Floors to Residential Use

ISSUES

- Impediments to upper floor conversion include the high cost of bringing units up to code and the installation of elevators for potential senior and disabled tenants.
- Additional impediments to downtown residential development include the lack of on-site parking and business owners who either cannot afford the cost of conversion or do not wish to be landlords.
- Upper floor apartments over commercial spaces along main streets typically have low occupancy rates in rural areas.

NEEDS

- There is a need for flexible funding for mixed use and mixed income development. In addition, local zoning reform in communities to promote this type of development is needed.



Downtown revitalization project in Albany. New York Main Street funds helped to revitalize this inner-city neighborhood.

B. Rural Issues and Needs

1. Housing Quality and Stock

Small Developments

ISSUES

- In rural areas, small developments of 12 units or less are desired.
- Small developments have a greater potential to draw community support, while large developments are often overwhelming to the community and become the focal point of opposition.
- It is difficult for developers to finance small developments, especially in rural housing markets.

NEEDS

- There is a need for further investment in and reformation of DHCR's Small Projects Initiative in order to address the feasibility of such developments.

Manufactured Homes (Mobile Homes)

ISSUES

- In many rural areas mobile homes are recognized as one of the most affordable housing options.
- Many mobile homes, in both parks and on scattered sites, are in poor condition and do not meet basic housing quality standards.
- Mobile home replacement programs often hit roadblocks such as bad or nonexistent credit history of potential homeowners, high administrative costs and the excessive time required to complete transactions.
- Public investment in the rehabilitation of manufactured homes is limited, as necessary repairs are costly and these homes do not retain their value and tend to depreciate.



Mobile home in St. Lawrence County.

NEEDS

- There is a need for a statewide mobile home replacement program that would focus on replacement rather than rehabilitation and recognize the financial burdens that new homeowners may face.

C. Urban Issues and Needs

1. Housing Quality and Stock

Vacant Residential Units

ISSUES

- Nearly all urban centers in upstate New York have witnessed an increasing number of vacant and abandoned residential units over the last few decades.
- The urban centers have lost a large portion of their populations resulting in more housing stock than households.
- The estimated number of vacant residential units in select urban centers is as follows: City of Buffalo (17,000); City of Rochester (2,000); City of Syracuse (1,200); and City of Albany (1,000).

NEEDS

- Funding is needed for vacant property rehabilitation and demolition.



Vacant home (at right) in Buffalo.

2. Neighborhood Revitalization

Targeted Neighborhood Revitalization

ISSUES

- Some neighborhoods in the State's urban centers have remained stable over the years while others have witnessed extreme degradation.
- Very low-income and minority neighborhoods in urban centers generally have low homeownership rates, high crime rates, high residential vacancy rates and a large proportion of housing in substandard condition.

NEEDS

- There is a need for targeted revitalization efforts for blighted neighborhoods.

D. DHCR Program Alignment

Presented below is an aggregation of issues *identified by focus group meeting participants* who have had experience with programs administered by DHCR. This section categorizes what is contained in the Program Alignment segment of the “Regional Affordable Housing and Community Development Issues” section of several Regional Reports.



Gary Hallock, Deputy Commissioner for Community Development, DHCR, discusses the ongoing revitalization of Syracuse's Northside.

1. Low- Income Housing Trust Fund Program (HTF)

- Users of HTF funds cited instances of being adversely affected by delays in loan closings with the Housing Trust Fund Corporation (HTFC). Such closings convert high interest construction loans held by developers into lower interest permanent financing from the HTFC.
- The HTF selection criteria can dissuade some applicants from requesting construction financing.
- Community Development Financial Institutions may have a role to fill in administering construction financing provided by DHCR's HTF.
- In response to a weak market for tax credits, some not-for-profit developers believe that DHCR should direct additional HTF resources to smaller new construction and rehabilitation projects in upstate New York and increase the per unit funding cap from \$125,000 to \$200,000.

2. Tax Credit Programs

- Small Low- Income Housing Tax Credit (LIHC) developments sponsored by not-for-profit developers face challenges in the LIHC equity market which for-profit developers of large developments do not face.
- The LIHC Program needs to be “re-tooled” to make small developments attractive to equity investors.
- The transactional costs associated with 4 percent as-of-right tax credits and tax-exempt private activity bond financing make the development of projects with less than 40 units difficult.
- In some areas, developments funded by the New York State Low- Income Housing Tax Credit Program have rents which are so close to market that they are not considered affordable and require longer rent up time.

3. HOME Program

- The selection criteria DHCR uses when awarding HOME rehabilitation funds tends to favor applicants who serve a narrow population of low- income households.
- Meeting HUD's Housing Quality Standards (HQS) places financial strains on local program administrators of the HOME Program. HQS forces them to expend

resources far in excess of what was originally intended as preservation work and can turn a \$4,000 job into a \$40,000 job.

4. Neighborhood/Rural Preservation Companies Programs (N/RPP)

- Funding provided to Preservation Companies under the N/RPP allow them to access and administer programs which are crucial in times of economic distress. Preservation Companies said cuts to their funding levels would result in staff reductions, thus limiting their ability to administer programs.
- Preservation Companies often have a single person performing a myriad of tasks. The loss of a single key person can seriously jeopardize the capacity of a Preservation Company.
- Preservation Companies are operating with nominal budgets, therefore additional funding is needed to assure a continuity of services to the community.
- Low- income census tracts, which are among the qualifiers for the NPP, are fragmented in densely populated high income areas. This fragmentation can preclude the creation of Preservation Companies in such areas.

5. Residential Emergency Services to Offer Repairs to the Elderly (RESTORE)

- The Program's award cap was cited as an impediment to its effective use given the cost of emergency repairs.
- The use of the Program is also limited by the difficulty of covering a large territory when a quick response time is required.

6. Rural Area Revitalization Program (RARP)/Urban Initiatives Program (UI)

- The population eligibility threshold for the RARP and UI Programs precludes its use in municipalities with populations between 25,000 and 53,000. There are approximately 30 municipalities within this population range that have been excluded from participation in the Programs. (This issue has been addressed in the State Fiscal Year 2009-10 Enacted Budget. The Urban Initiatives Program reappropriation language for the 2008-09 and 2006-07 State Fiscal Years has been amended to allow the Program to serve areas with populations of 25,000 or more.)

7. Small Projects Initiative

- Obstacles to the use of the Small Projects Initiative include limited funding and administrative issues.
- Certain design requirements under the Small Projects Initiative were conjectured to be unnecessary and boost project costs by five to ten percent.
- The cost to submit an application for funding from the Small Projects Initiative can be expensive, costing some applicants nearly \$30,000.

8. Weatherization Assistance Program

- Weatherization Assistance Program funds are limited and some organizations reported having wait lists of two to three years which may contain nearly 2,000 households.

9. Unified Funding

- The financial feasibility of affordable housing requires multiple funding sources. Some not-for-profit developers contend that they are at a disadvantage when competing with for-profit developers who have deep pockets and discretion in meeting transactional deadlines.

10. Program Selection Criteria

- Some users of capital programs contend that mixed income developments do not score well under the existing selection criteria.
- The selection criteria of most programs emphasize serving low- income populations and have a tendency to foster the concentration of poverty.
- Counties with high median incomes often contain communities where incomes are far below the county-wide figure. Such communities find it difficult to access housing subsidies due to regulatory reliance upon county-wide medians.
- Capital program users from rural areas believe the concept of geographic distribution of funding should be reintroduced into the unified funding process.

11. Design Requirements

- Some believe universal design, which incorporates accessibility into construction design, should be mandatory for new construction developments funded with public resources.
- Some developers believe design requirements, such as green building and central air, may hinder the development of affordable housing in rural upstate communities.

12. Rent Administration

- It was contended that there are too few DHCR employees for effective enforcement of the Emergency Tenant Protection Act (ETPA).
- It was expressed that there are too few Spanish-speaking inspectors overseeing the regulation of ETPA units.
- There are instances where tenants in ETPA units pay higher rents despite a DHCR issued “rent freeze.”
- It is believed by some that the decontrol laws of the 1990s have created a strong incentive for landlords to create vacancies in their buildings in order to have units removed from rent regulation.

E. Multi-Region Issues Comparison

Issues	Housing Needs Study Regions									
	Capital District	Central NY	Finger Lakes	Mid-Hudson	Mohawk Valley	North Country	NYC-Suburban	Southern Tier	Western NY	
Housing Quality and Stock										
Absentee Landlords	✓				✓					✓
Aged Housing Stock		✓	✓	✓	✓			✓		✓
High Land Acquisition Costs				✓			✓			
HUD Housing Quality Standards	✓				✓					✓
Manufactured Homes	✓		✓				✓			✓
NIMBY Opposition			✓				✓			✓
Paucity of New Construction		✓		✓			✓*			✓
Paucity of Rental Units With 3 to 4 Bedrooms			✓	✓						✓
Paucity of Small Developments	✓									✓
Preservation and Rehabilitation of Units	✓	✓	✓	✓	✓	✓		✓		✓
Affordability										
Affordable Homeownership	✓		✓	✓		✓	✓	✓		✓
Foreclosure			✓	✓			✓			✓
Other Housing Costs, i.e., Property Taxes, Utility and Transportation Costs		✓	✓	✓	✓	✓	✓	✓		✓
Quality Affordable Rental Units	✓		✓		✓		✓			✓
Second/Seasonal Homes	✓									✓
Workforce Housing	✓		✓				✓			✓
Special Needs/ Supportive Housing										
Ex-Offenders				✓			✓			✓
Persons or Families Who Are Homeless	✓	✓	✓	✓		✓	✓	✓		✓
Persons Who Are Frail Elderly (Including Seniors)	✓	✓	✓		✓		✓			✓
Persons Who Are Victims of Domestic Violence	✓				✓					✓
Persons with Mental Retardation/ Developmental, Psychiatric or Physical Disabilities		✓	✓	✓			✓			✓
Persons/Families in Long-Term Recovery From Alcohol or Substance Abuse	✓		✓	✓		✓				✓
Supportive Service Delivery	✓		✓				✓			✓
Veterans							✓			✓
Youth Aging Out of Foster Care							✓			✓
Downtown Revitalization and Main Streets										
Commercial and Residential Vacancy Issues						✓	✓			✓
Converting Upper Floors to Residential Use	✓		✓			✓				✓
Use of New York Main Street Program	✓		✓		✓		✓			✓
Temporary/ Work Based Housing										
Migrant/ Farm Worker Housing			✓							
Program Alignment										
Housing Trust Fund Corporation (HTFC)							✓			
Low-Income Housing Tax Credit (LIHC)		✓						✓		✓
Low-Income Housing Trust Fund Program (HTF)		✓								✓
Neighborhood and Rural Preservation Companies Program (N/RPP)			✓				✓			✓
New York State HOME Program (HOME)					✓		✓			✓
Residential Emergency Services to Offer (HOME) Repairs to the Elderly (RESTORE)					✓		✓			✓
Rural Area Revitalization Program/ Urban Initiative (U) Program		✓						✓		✓
Small Projects Initiative								✓		✓
Staff Capacity		✓								✓
Weatherization Assistance Program (WAP)			✓							✓
Other		✓								✓
Rent Administration										
Rent Administration							✓			
Flood Remediation										
Flood Remediation										✓

* Specifically, there is a paucity of new multi-family development on Long Island.

F. Regional Highlights Issues Comparison

Issues	Housing Needs Study Regional Highlights									
	Adirondack Park	Binghamton	Buffalo/Niagara Falls	Newburgh	Rochester	Syracuse	Tri-City	Utica	Yonkers	
Housing Quality and Stock										
Aged Housing Stock		✓	✓	✓	✓	✓	✓	✓		
Environmental Contamination/ Soil Remediation/ Lead-Based Paint Issues		✓	✓	✓	✓				✓	
High Land Acquisition Costs										
HUD Housing Quality Standards				✓			✓			
Lack of Resources for Demolition					✓					
Paucity of New Construction										
Paucity of Rental Units With 3 to 4 Bedrooms						✓				
Preservation and Rehabilitation of Units		✓	✓	✓	✓	✓	✓	✓	✓	
Vacant Residential Units		✓	✓	✓	✓	✓	✓	✓		
Affordability										
Affordable Homeownership	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Foreclosure		✓		✓	✓				✓	
Other Housing Costs, i.e., Property Taxes, Utility and Transportation Costs		✓	✓	✓	✓	✓	✓	✓	✓	
Quality Affordable Rental Units	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Second/Seasonal Homes	✓									
Special Needs/Supportive Housing										
Ex-Offenders			✓	✓			✓			
Persons or Families Who Are Homeless			✓	✓		✓	✓			
Persons Who Are Frail Elderly (Including Seniors)	✓	✓				✓				
Persons Who Are Victims of Domestic Violence				✓						
Persons with Mental Retardation/Developmental, Psychiatric or Physical Disabilities		✓		✓		✓	✓			
Persons/Families in Long Term Recovery From Alcohol or Substance Abuse				✓		✓	✓			
Supportive Service Delivery				✓		✓	✓			
Veterans				✓		✓	✓			
Downtown Revitalization and Main Streets										
Commercial and Residential Vacancy Issues			✓			✓		✓		
Converting Upper Floors to Residential Use										
Lack of Mixed Use and Mixed Income Development	✓					✓		✓		
Use of New York Main Street Program								✓		
Program Alignment										
Low- Income Housing Tax Credit (LIHC)		✓								
Low- Income Housing Trust Fund Program (HTF)		✓							✓	
Neighborhood and Rural Preservation Companies Program (N/RPP)		✓								
New York State HOME Program (HOME)			✓							
Staff Capacity			✓							
Weatherization Assistance Program (WAP)			✓							
Other		✓	✓						✓	
Neighborhood Revitalization										
Targeted Neighborhood Revitalization			✓		✓	✓	✓	✓	✓	

* Specifically, there is a paucity of new small single family home construction in the Adirondack Park.

G. Multi-Region Needs Comparison

Needs	Housing Needs Study Regions									
	Capital Region	Central NY	Finger Lakes	Mid-Hudson	Mohawk Valley	North Country	NYC Suburban	Southern Tier	Western NY	
Housing Quality and Stock										
Affordable/Workforce Housing Education and Outreach				✓						
Code Enforcement for Rentals					✓					
Competent Property Management Firms					✓					
Diverse Housing Stock								✓		
Housing Plan			✓							
Larger Units			✓							
Mixed Income Development				✓						
Rehabilitation and Modernization Funds For Existing Housing Stock	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Small Rental Housing	✓									
Vacant Property Rehabilitation and Demolition	✓									✓
Affordability										
Affordable Homeownership	✓							✓		✓
Economic Development Opportunities		✓						✓		✓
Foreclosure Prevention			✓	✓			✓			
Living Wage Jobs				✓						
Next Generation Housing										
Safe, Decent and Affordable Rental Units					✓					
Transportation in Rural Communities										
Very Low- Income Housing	✓	✓	✓	✓		✓	✓	✓	✓	✓
Special Needs/ Supportive Housing										
Emergency Shelters		✓*	✓			✓				
Low- Income Housing with Services			✓							
Senior Housing	✓								✓	
Downtown Revitalization and Main Streets										
Mixed Use and Mixed Income Development							✓		✓	
Zoning Reform							✓		✓	
Program Alignment										
Staff Capacity										
Suburban Community Programs						✓				
USDA Rural Housing Services 515 Program Preservation Funds							✓			
Rent Administration										
Rent Administration										✓
* Including transitional housing										

H. Regional Highlights Needs Comparison

Needs	Housing Needs Study Regional Highlights									
	Adirondack Park	Binghamton	Buffalo/Niagara Falls	Newburgh	Rochester	Syracuse	Tri-City	Utica	Yonkers	
Housing Quality and Stock										
Mixed Income Development				✓	✓	✓	✓	✓	✓	✓
Rehabilitation and Modernization Funds for Existing Housing Stock		✓	✓	✓	✓	✓	✓	✓	✓	✓
Vacant Property Rehabilitation and Demolition		✓	✓		✓	✓	✓	✓	✓	✓
Affordability										
Affordable Homeownership			✓				✓			✓
Foreclosure Prevention		✓			✓					✓
Living Wage Jobs				✓						
Moderate- Income Housing	✓									
Utility Cost Assistance		✓								
Very Low- Income Housing		✓	✓	✓	✓	✓	✓	✓	✓	✓
Special Needs/ Supportive Housing										
Low- Income Housing With Services			✓		✓		✓			✓
Senior Housing	✓						✓			✓
Supportive Housing				✓						
Downtown Revitalization and Main Streets										
Development of Downtown Market Rate Housing									✓	
Main Street Revitalization and Upper Floor Rehabilitation for Housing	✓									
Mixed Use and Mixed Income Development					✓			✓		✓
Zoning Reform										✓
Program Alignment										
Effective and Timely Utilization of Homeowner Rehabilitation Programs									✓	
First Time Homebuyer Programs	✓									
Staff Capacity								✓		
Neighborhood Revitalization										
Revitalization of Targeted Neighborhoods			✓						✓	

IV. New York City Overview

DHCR recognizes the incredible breadth and scope of housing needs that exist in the City of New York (the City). The City has over three million housing units and over eight million residents. The City's housing needs are so diverse that they defy most attempts at their full delineation and identification. It is the diversity of its residents, its neighborhoods, its communities and its housing stock which gives the City its very character and that form the bedrock from which it gathers its greatest and most innate strengths.



Amalgamated Housing Cooperative in the Bronx.

As described earlier in this Housing Needs Study, DHCR's creation of Housing Needs Study Regional Reports for areas outside of the City relied primarily upon the information gathered from participants who attended focus group meetings. Mindful of the exhaustive research that has been undertaken, DHCR realized its contribution to the understanding of housing needs in the City would be minimal.

The Housing Needs Study's treatment of the City's affordable housing issues and needs is comprised of a brief overview of the affordable housing programs which DHCR administers in the City. These programs include those which supply capital funding for the creation of affordable housing as well as those which are of a regulatory nature.

In addition, the Appendix of this Study includes a compendium of affordable housing and community development studies, reports and public agency documents which examine, analyze and report on the housing needs of the City. More than 80 documents included herein were published in 2001 or later. DHCR believes this document list is a starting point for those looking to advance their understanding of the affordable housing and community development issues and needs of the City.

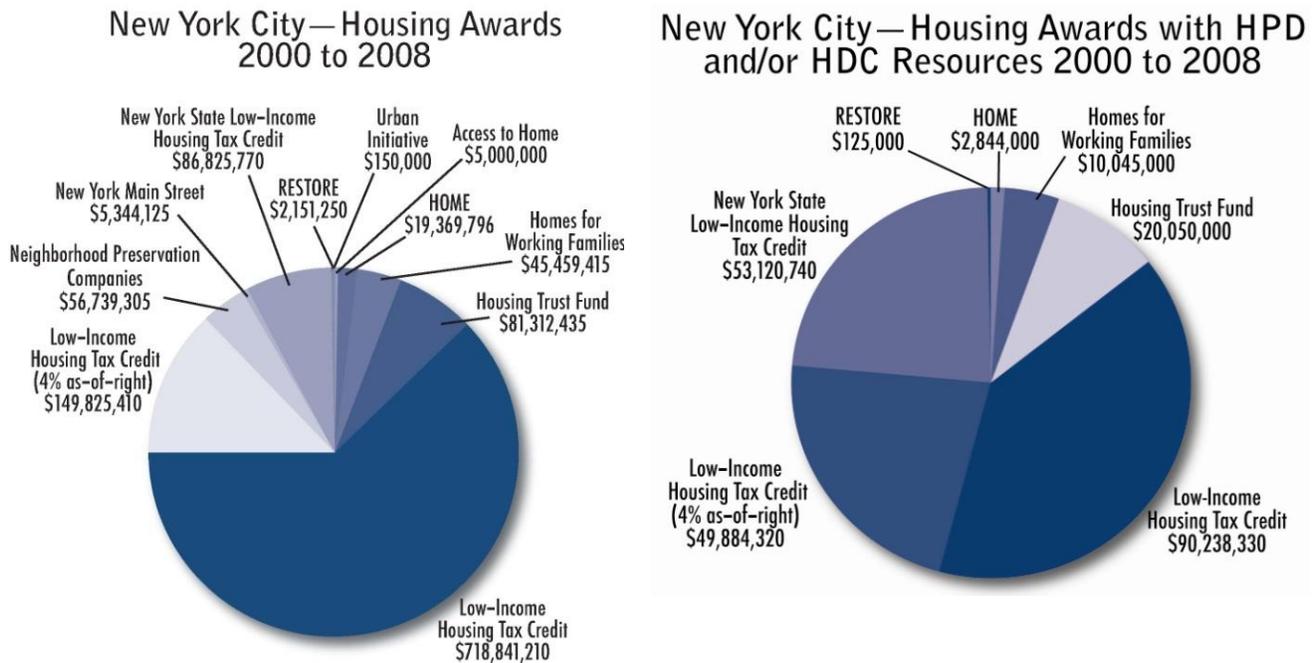
A. DHCR's Role in Affordable Housing in New York City

DHCR's commitment to affordable housing in the City encompasses a plethora of capital funding, organizational and operational support and regulatory initiatives which address the affordable housing needs of the City. DHCR also partners with the New York City Department of Housing Preservation and Development (HPD) and the New York City Housing Development Corporation (HDC) to provide funding for both capital and locally administered programs.

HPD administers numerous programs which support the repair, rehabilitation and new construction of housing in the City. HPD is the largest municipal developer of affordable housing in the nation. Under the City's *New Housing Marketplace: Creating Housing for the Next Generation*, \$7.5 billion will be used to create and preserve more than 165,000 homes and apartments over ten years. HDC issues tax-exempt and taxable bonds to finance the

creation and preservation of affordable housing. HDC is the among the nation’s top issuers of bonds for multi-family affordable housing.

The following charts contain the program award amounts that have been made in New York City by DHCR, including programs that were jointly funded with HPD and/or HDC resources, from 2000 through 2008.



1. Neighborhood Preservation Companies Program

DHCR provides financial support under Article XVI of the Private Housing Finance Law to 81 not-for-profit community-based corporations which perform housing and community renewal activities throughout the City. Under the Neighborhood Preservation Companies Program (NPP) these organizations promote the creation, retention and preservation of housing for low- and moderate- income households. From 2000 through 2008, New York City-based Neighborhood Preservation Companies (NPCs) were awarded over \$56 million through DHCR’s NPP.

NPCs in the City provide an array of services and assistance to residents in their service areas, which include affordable housing development, housing rehabilitation, homebuyer counseling, tenant counseling, landlord/tenant mediation, community rehabilitation and renewal, crime watch programs, employment programs, foreclosure prevention and legal assistance.

In the realm of housing development, programs such as the New York State HOME Program (HOME), the Low-Income Housing Trust Fund Program (HTF), and the Low-Income Housing Tax Credit Program (LIHC) are utilized by many NPCs in the City. NPCs use these Programs on a scale that makes a significant impact in their community. For

instance, in Brooklyn, an NPC was the developer of a 93 unit housing development funded under the HTF and LIHC Programs."

The constituency of the NPCs in the City is extremely diverse and multi-ethnic.

This dynamic requires those who work at NPCs to possess unique skills in order to deliver needed services to their respective neighborhoods. For example, NPCs often find themselves manning information tables at housing courts, assisting residents with limited resources

and those who encounter language barriers when English is their second language.



Rheingold Gardens, Brooklyn.

2. Capital Programs/Tax Credit

DHCR's administration of programs that supply capital funds for the creation of rental housing was enhanced in 1985 with the creation of Housing Trust Fund Corporation (HTFC). HTFC was charged with administering the newly created and funded HTF. That Program, among other things, provides the development community with capital funds in the form of grants and/or low interest loans for the creation, rehabilitation and/or retention of rental housing which is reserved for low- income households.

In subsequent years, HTFC was assigned with administering a number of other capital project programs including HOME and the Homes for Working Families Initiative (HWF). Both of these Programs have been joined with HTF to provide capital for the development of affordable rental housing throughout the State. Many of these projects are located in the City. From 2000 through 2008 HTFC has awarded some \$81 million of HTF, \$19 million of HOME and \$45 million of HWF to developments in the City. Most of these developments have also received assistance from the LIHC Program.

DHCR has awarded a significant portion of New York State's allotment of LIHC to assist in the financing of affordable housing developments throughout the City. These allocations of LIHC have enabled awardees to leverage a broad assortment of affordable housing resources. Since 2000, DHCR has allocated approximately \$719 million of LIHC to developments in the City.

HPD also makes allocations of LIHC in the City. Each year HPD receives a sub-allocation of LIHC from DHCR. Since 2000, HPD has allocated over \$1 billion of LIHC to affordable housing developments.

3. Mitchell-Lama

The Mitchell-Lama Housing Program (M-L) was created in 1955 for the purpose of building affordable rental or co-op housing units for middle- income New Yorkers. In exchange for low-interest loans and real property exemption, M-L required a limitation on profits, income limits on tenants living in the developments and operational supervision by DHCR.

Developments are eligible to withdraw from M-L or buyout after 20 years upon prepayment of the mortgage. When owners buyout of M-L developments are no longer subject to DHCR regulation and apartments are not required to be kept affordable for moderate- income families unless those buildings are subject to the rent stabilization laws.

A total of 269 State-supervised M-L developments with over 105,000 apartments were built under the Program. Over 76,000 of these units, in 117 developments, were in the City. As of 2008, there remain nearly 54,000 units in 73 developments still under DHCR's jurisdiction. In addition to the developments under State jurisdiction, HPD supervises its own Mitchell-Lama portfolio in the City.

The preservation of M-L developments has become a major priority for DHCR. DHCR, along with the New York State Housing Finance Agency and the Empire State Development Corporation, have collaborated to identify M-L housing companies to participate in mortgage financings which generate funds for capital improvement and preserve the properties' M-L status.

4. Rent Administration

Rent regulation is intended to protect tenants in privately-owned buildings during a housing emergency (defined as less than five percent vacancy). Most significantly, rent regulation limits the rents an owner may charge for an apartment, ensures preservation of services in buildings and restricts the right of any owner to evict tenants.

The Omnibus Housing Act of 1983 mandated the consolidation of all rent regulation programs under DHCR's administration. Starting April 1, 1984, DHCR became responsible for administering rent regulation in New York City. Prior to that date, DHCR's responsibilities with regard to rent regulation only extended to buildings outside of the City.

Nearly 80 percent of the residential rental units in New York State that are subject to rent administration are located in New York City. As of 2008, there were approximately 850,000 residential rental units in the City subject to rent regulation, compared to over 1.1 million units in 1984. These units comprise nearly half of all residential rental units found in New York City.

DHCR has implemented a number of actions and procedures to enhance the efficiency of its rent administration office. For example, DHCR has amended the rent regulations to close the "unique and peculiar" loophole which have allowed owners leaving the Mitchell-Lama or other government programs to bypass rent stabilization and dramatically increase rents. DHCR also increased the legal staff in the Office of Rent Administration's Enforcement Unit by 25 percent to more aggressively review allegations of harassment and to proactively "spot check" for problems.

5. Public Housing

The Public Housing Law of 1939 launched the country's first state-subsidized public housing program. The original number of New York City public housing developments in the State's public housing portfolio was 53, containing nearly 53,000 units. There remain 22 developments with close to 14,000 units in the City whose debt service is supplied by

DHCR. These developments are managed by the New York City Housing Authority and remain an important component of DHCR's commitment to the provision of affordable housing in New York City.

V. Conclusion

With this Statewide Affordable Housing Needs Study (Housing Needs Study) DHCR has endeavored to succinctly present New York's affordable housing and community development issues and needs as they were identified by local affordable housing and community development professionals. The broad constituency which DHCR relied upon to complete this Housing Needs Study represents a previously untapped resource. It is the insights, perceptions and on the ground experience of these individuals that DHCR will continue to utilize.

Although the affordable housing and community development issues and needs varied throughout the State, several common themes were evident in the compilation of this Housing Needs Study. Key statewide themes include: Quality Affordable Rental Units, Housing for Very Low- Income Households, Use of the New York Main Street Program, Affordable Homeownership, Homelessness, NIMBY Opposition and Foreclosure. The identification of common themes and the recognition of the diversity that exists in the State, as reflected in this Housing Needs Study, will inform DHCR's thinking regarding affordable housing and community development programs.

In addition to this Housing Needs Study, DHCR implemented a series of measures to enhance the efficiency and accessibility of a varied number of programs it administers. Foremost in that effort was the development of on-line applications for many DHCR funding programs. In addition, accessibility to programs such as the Rural Area Revitalization Program, Urban Initiatives and the Small Projects Initiative was enhanced by a streamlining of submission requirements. In order to accelerate the delivery of resources, DHCR has collaborated with other State agencies to allow joint submissions of applications for certain programs and, in addition, to conduct joint review of applications for those developments seeking multiple State funding sources. To deal with the growing need to preserve existing affordable housing, a series of legislative modifications were made to the Low-Income Housing Trust Fund and Mitchell-Lama Programs. With respect to the New York Main Street Program, changes were made to the Program's financial leverage requirements and there was broadening of the definition of eligible applicants, both of which served to widen the Program's usability. And finally, DHCR has asked Neighborhood and Rural Preservation Companies to complete assessments and adopt long-term strategic plans in order to link their resources with identified community needs.

New initiatives and programs were also adopted to address the effects that turmoil in financial markets are having upon housing and community development in New York. To address the foreclosure crises, DHCR awarded \$25 million to not-for-profit organizations from the Subprime Foreclosure Prevention Program, which provides counseling and legal services to homeowners facing the prospect of losing their homes. To encourage broader participation among financial institutions in the Low-Income Housing Tax Credit Program,

DHCR worked with the New York State Association for Affordable Housing and other partners to create the Upstate Equity Fund.

To address the NIMBY opposition faced by many developers of affordable housing, DHCR sponsored statewide Public Service Announcements (PSAs) during the summer of 2008. The PSAs, which profiled specific affordable housing developments, provided graphic representations of the long-term benefits which are realized by communities which support the creation and preservation of affordable housing. DHCR strongly believes the PSAs will serve in some measure to break down barriers and dispel myths and misperceptions which can preclude communities from embracing affordable housing development.

This Housing Needs Study marks a starting point for continuing dialogue between DHCR and affordable housing and community development stakeholders throughout the State. DHCR staff plan to revisit three regions per year, with the intention of examining common regional issues and needs that had been raised by stakeholders during the initial focus group meetings.

DHCR staff will use the information gathered in this Housing Needs Study and future studies to address emerging and evolving affordable housing and community development realities which face residents in the many regions of New York.

DHCR wishes to thank all focus group meeting participants for their involvement in this initiative. DHCR looks forward to continuing discussions with local leaders and affordable housing professionals across the State.

Appendix: A. New York City Affordable Housing and Community Development Documents

2009, *50+1: A Federal Agenda For New York City*, 21 pgs.

Prepared by: Center for an Urban Future

2009, *Consolidated Plan- Volume 1-3*, 432 pgs.

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2008, *A Progress Report on a New Way Home for Veterans Experiencing Homelessness in New York City*, 5 pgs.

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2008, *Boom for Whom? How the Resurgence of the Bronx is Leaving Residents Behind*, 37 pgs.

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