



**Testimony to the
New York City State Division of Housing and Community Renewal
On Proposed Amendments to the Low Income Housing Credit
Qualified Allocation Plan
November 2, 2009
25 Beaver Street, New York, New York**

Good Afternoon. My name is Nicole Branca, Director of Policy for the Supportive Housing Network of New York (the Network). Thank you for the opportunity to comment on the draft of New York State's Qualified Allocation Plan (QAP).

The Network is a statewide member organization that represents more than 180 nonprofit agencies that build, operate and provide services in housing for homeless, disabled and at-risk New Yorkers. Our members provide permanent, affordable housing with on-site services, including case management, mental health services, substance abuse counseling and employment programs to nearly 40,000 households statewide.

I am testifying today to thank the current administration for using this valuable funding stream to build supportive housing, and to offer suggestions on how we can further prioritize Low Income Housing Tax Credits to house more of the most vulnerable New Yorkers, homeless individuals and families.

The Supportive Housing Network thanks Commissioner Deborah VanAmerongen and the DHCR staff for creating the state's first-ever supportive housing set-aside of tax credits. We appreciate that DHCR has awarded considerably more than the minimum \$2 million set aside for this purpose both years since its introduction. We also are pleased that the requirements for receiving five points for housing special needs populations

have been strengthened to ensure that these tenants receive the quality services and supports they need to remain housed.

These changes have increased the percentage of units funded by DHCR's LIHTC allocation that are supportive housing from an average of 7.5% of all units in 2005, 2006 and 2007, to an average of 13% of all units funded with tax credits in 2008 and 2009.

These important steps are most welcome. But the State must do more to increase access to supportive housing to the tens of thousands of homeless and ill-housed New Yorkers who need services and supports to remain stably housed.

New York City is now experiencing the highest rates of homelessness in its history. Other parts of the state are documenting comparable increases. Even as the family shelter census has risen in the face of the real estate boom and the ensuing recession, the single adult shelter census has remained steady for years, predominantly because of the City and the State's investment in supportive housing creation. In the past six months, however, the single adult shelter census has risen so far that it is now at capacity, with one or two beds free each night across the entire city.

In addition, other populations in need of supportive housing are increasing. The recent Rockefeller Drug Law reforms and federal adult home legal decision have both increased the numbers of individuals and families who will need supportive housing.

Even as DHCR has taken steps to respond to these needs, we are in fact, losing ground. In 2009, DHCR awarded LIHTC to nine supportive housing residences, or 22% of the total awards. But these nine buildings contain only 214 supportive housing units that will actually go to housing formerly homeless individuals and families with special needs, or less than 10% of all 2,166 units.

The State also needs to increase its capital resources to meet its specific commitment to supportive housing in New York City. In November 2005, DHCR committed along with nine other city and state agencies to create 9,000 new supportive housing units in 10 years. This agreement, the New York/New York III program, is now in its fourth year and all of the agencies are behind in their capital commitments. DHCR committed to funding the capital development of 1,000 of these 9,000 units, or 100 supportive units per year. In the first four years of NY/NY III, DHCR's share of the funding has created 99

units, 45 that opened in the first three years of the agreement and 56 that have opened or are opening this fiscal year. Including projects that are now in construction, DHCR will have funded only 13% (130 units) by the end FY 2011, the mid-point of the agreement, instead of the 595 units promised.

To get back on track and meet its full NY/NY III commitment, DHCR must fund at least 174 units of supportive housing in New York City each year, for the next four years. In order to meet this commitment, while continuing to meet the equally pressing need for supportive housing in other parts of the state, DHCR should strive to increase the percentage of the housing it builds that is supportive to 30% of all units.

There are multiple ways to increase the share of LIHTC dollars for supportive housing. The Network recommends the following:

- 1. Increase the number of points available for building supportive housing and housing for people with special needs from 5 points to 10 points.** The five points now offered to encourage developers to reserve 15% or more of a project's units for people with special needs has been effective. We propose that an additional three points be made available for projects that reserve 30% or more of their units for supportive housing, an additional two points for 50% or more.
- 2. The State should use its discretion to prioritize special needs tenants populations that are State priorities.** Under the current QAP, DHCR can allocate up to five points to developers who agree to reserve up to 15% of their units for a number of sub-populations delineated in the QAP, as well as "any other populations so designated by the division." DHCR should use its discretion to ensure that the NY/NY III population is a priority, as well as adult home residents and other homeless and at-risk underserved populations.
- 3. The State should explore making long-term or even permanent affordability part of the threshold requirements.** This would free up 5 points in the QAP to allocate to additional points for serving special needs populations.

Thank you again for the opportunity to testify. I would be happy to answer any questions.

Submitted by:

Nicole Branca

Director of Policy

Supportive Housing Network of New York

247 West 37th Street, 18th Floor

New York, NY 10018

646-619-9642

nbranca@shnny.org

www.shnny.org