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**Testimony of
Enterprise Community Partners, Inc.**

On the 2015-2016 Executive Budget

**For the Joint Legislative Public Hearing
On Housing
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Prepared by

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Thank you for the opportunity to testify today on the housing programs included in the 2015-2016 Executive Budget. My name is Judi Kende, and I am the Vice President and New York Market Leader for Enterprise Community Partners, Inc.

At Enterprise, we work to bring opportunity to low- and moderate-income people through safe, quality affordable housing in diverse, thriving communities. Since our New York office opened in 1987, we have created or preserved more than 49,000 units of affordable homes for 114,000 residents and committed nearly \$3 billion in equity, grants, and loans to community development projects in New York State.

New York's Housing Insecurity Crisis

Despite the sizeable investment by Enterprise and our partners, New York is in the midst of a full blown housing insecurity crisis. In New York State, there are more than 80,000 homeless individuals and families. Hundreds of thousands more are one unexpected event away from losing their home because they pay more than half of their income on housing.

The costs of housing insecurity are staggering. Homelessness costs the state and local governments billions of dollars in temporary shelter, emergency room visits, and other social services. The typical family in a New York City shelter stays for more than a year, at a cost to taxpayers of about \$40,000 per year. That doesn't account for the indirect costs of letting a child grow up in a shelter, from poor health outcomes to demands for additional educational services to an increased chance of ending up in foster care.

Affordable Housing is a Smart Investment

The solution to housing insecurity is affordable housing, and we know that it is a smart investment. Affordable housing brings jobs and other forms of investment to neighborhoods. For every 100 units of affordable housing financed through the Low Income Housing Tax Credit program, there are approximately 122 local jobs created in the first year and 30 jobs annually. These units also bring \$7.9 million in local income in the first year and \$2.4 million annually. And they generate \$441,000 in local tax revenue annually.

It is for these reasons – the growing housing insecurity crisis and the multiplier benefits of affordable housing – that I urge you to continue to invest in affordable housing. We join with many advocates today to call for increased funding for the New York/New York IV Supportive Housing agreement and the State Low Income housing Credit Program, known as SLIHC.

New York/New York IV Supportive Housing Agreement

The Executive Budget includes \$66 million to create a New York/New York IV supportive housing agreement (NY/NY IV). Supportive housing, which combines affordable housing with

services for households with the highest barriers to housing like mental illness and addiction, has been shown to save taxpayers over \$10,000 per unit per year.

We are pleased to see a proposed new agreement between the state and localities to produce permanent housing and services through the creation of NY/NY IV. However, the proposed 5,000 units statewide over five years is much too small to meet the need. In New York City alone, there are nearly 60,000 people sleeping in homeless shelters each night. Currently, only one in six qualified applicants for supportive housing finds a home. The proposed production level represents a decrease of one-third over the number of units produced under NY/NY III.

Enterprise is joined by hundreds of affordable housing, supportive housing, and homelessness advocates calling for the creation of 30,000 of supportive housing for New York City over the next ten years, 15,000 of which should be new construction units.

Just as important as the capital needed to construct these units is the ongoing service and operating support necessary to keep residents stably and safely housed. The current proposal cuts the support from the state on operating and services significantly. We ask that this be rectified to ensure units needed for supportive housing stay supportive.

State Low Income Housing Credit Program (SLIHC)

New York State's Low Income Housing Credit is an invaluable tool in creating affordable housing and leveraging private dollars from public investment. We support the proposed increase in funding for SLIHC in the Executive Budget to \$16 million for 2015-2016, and are asking for an additional allocation of \$150 million over the next five years. In addition to more funds, we need this program to be long term, allowing deals time to come to fruition while the funding source is secured.

SLIHC is currently oversubscribed four-to-one, and is a flexible financing tool. Affordable housing units financed through SLIHC can house families with incomes up to 90% Area Median Income. What this means in practical terms is that SLIHC allows us to do two things that are incredibly important. First, reaching slightly higher incomes than traditional affordable housing creates housing for middle class families. Second, the slightly higher rents from these units cross-subsidize other units, allowing us to provide more housing for extremely low-income households. Both types of housing are desperately needed in New York State.

Thank you, again, for the opportunity to testify here today.

