



February 4, 2014

To: Honorable Herman D. Farrell, Jr.  
Chairman, Committee on Ways and Means  
New York State Assembly  
923 LOB  
Albany NY, 12248

**RE: Written Testimony for Joint Legislative Public Hearing on 2014-2015 Executive Budget Proposal – Topic: “Housing”**

To the Members of the Committee on Housing, Construction & Community Development:

On behalf of Enterprise Community Partners, Inc., thank you for the opportunity to submit written testimony on the topic of housing in the 2014-2015 Executive Budget Proposal.

Enterprise works to provide safe, quality affordable housing linked to opportunity for low- and moderate-income families. Since our New York office opened in 1987, Enterprise has created or preserved more than 44,000 affordable homes for 114,000 residents, and has committed over \$2.5 billion in equity, grants, and loans to community development projects. We have served as a trusted advisor to New York City and State agencies, helping to set programmatic and resource priorities with the creation such programs as the \$125 million New York Acquisition Fund and the Billion Dollar Promise.

Our New York office has four programmatic areas of focus:

1. ***Preservation of affordable housing:*** We work to help stabilize affordable housing at risk of physical or financial distress and support over 200 partners statewide in developing and maintaining safe, quality housing for low-income households.
2. ***Family homelessness:*** We seek to reduce the incidence and length of homelessness and stabilize low-income families in safe, permanent affordable housing.
3. ***Green:*** We work to make green building common practice in affordable housing and bring the economic, health, and environmental benefits of green development to low- and moderate-income households.
4. ***Sandy recovery & rebuilding:*** We work to bring needed recovery resources to low- and moderate-income communities, fortify affordable housing in areas vulnerable to climate change events, and support community based organizations.

The need for affordable housing has never been greater. In New York City, 47% of low-income households pay more than half of their income towards rent, leaving them one paycheck away from losing their home. The Governor's proposed budget includes several promising programs to help create and preserve more housing affordable to low- and moderate-income households, and there are ways to strengthen this budget to make it more supportive of the most vulnerable New York residents.

## **Homelessness**

There is much more work needed to address the homelessness crisis. Over 77,000 New Yorkers are homeless each night in our state, including 27,000 children. In New York City, we have seen an increase in homelessness of 61% for individuals and 73% for families in the last ten years. From 2012-2013 alone, homelessness in the City increased 13%, even as national rates declined.

While we appreciate the commitments included in the proposed Executive Budget to help stem the tide of homelessness in our state, we are disappointed in the absence of any mention of funds for a rent subsidy for homeless families. As federal housing subsidies become increasingly unavailable, there are few options for homeless New Yorkers to find permanent housing. The average shelter stay is now 410 days. It costs more than \$36,000 per household each year for temporary housing, far more than it would cost annually for these families to be housed in stable, permanent housing, as well as untold additional costs across family members, generations and other public systems. We urge the legislature to remove language in Article VII precluding New York City from creating a local rent subsidy. We also strongly encourage the legislature to set aside funds for a local rent subsidy program.

The proposed increase in funding for the Homeless Housing Assistance Program is a very positive step in providing permanent housing to homeless individuals and families. We also strongly support the increased investment in innovative financing for solutions to homelessness with the proposed \$95 million allocated to the Pay for Success Program.

## **Sandy Recovery**

We appreciate and support the Governor's commitment to appropriating \$100 million of Sandy Recovery Funds to create 3,000 units of multifamily affordable housing. To the extent that these units will be built in areas vulnerable to coastal hazards, they should be built to industry standards for sustainability, such as the Enterprise Green Communities Criteria, and designed with resiliency in mind. We also urge that they be targeted to very low-income households, who were heavily impacted and displaced by Sandy.

Analysis of FEMA registration data shows that low-income households and renters were disproportionately impacted by Hurricane Sandy, and these groups also have the fewest

resources to recover from disasters like Sandy. One year after the storm, half of low-income households with damage from Sandy had yet to fully restore their homes. The storm affected nearly 100,000 units of affordable housing that is either publicly or privately subsidized.

### **Capital Funding**

We strongly support the Governor's proposed expansion of the HouseNY Plan, including \$10M in additional capital funds and \$30M for the Homeless Housing and Assistance Program. The extension of the State Low Income Housing Credit for two years is key in helping to leverage private investment in affordable housing. Additionally, the full funding of the Communities Initiative Fund will help create more mixed-use developments and funding for smaller affordable housing developments, which is especially useful Upstate. We recommend the legislature keep these capital investments intact through the budget negotiations.

### **Supportive Housing**

The Executive Budget Proposal is also very strong in its funding of supportive housing, which helps some of the most vulnerable New Yorkers with the highest barriers to housing, such as mental illness or addiction. We urge the legislature to maintain the proposed two-year funding of \$260 million for the Medicaid Redesign Team's housing plan and the Office of Alcoholism and Substance Abuse Services funds for housing, including \$4.6 million for 80 housing opportunities under NY NYIII, 25 supportive units statewide, and 24 beds for veterans in Long Island.

Thank you for your consideration of these comments. If you have questions or would like additional information, please do not hesitate to contact me.

Sincerely,

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