



Activists, investors worried about Cuomo's supportive-housing plan

Housing activists concerned about long-term funding for Gov. Andrew Cuomo's 15-year, 20,000-unit supportive-housing plan protested earlier this week outside of his New York City offices. Some investors are also worried that there will not be enough state grants in the next several years to assist in creating new supportive housing. [Crain's]

Supportive-housing investors on edge as advocates demand more funds from state

by Caroline Lewis

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Gov. Andrew Cuomo announced the first phase of funding for his 15-year, 20,000-unit supportive-housing plan last week, but he still found housing advocates protesting outside his New York City office Tuesday morning. Critics say Cuomo is not delivering on his promise to secure the first five years of funding for the plan up front.

While the administration says the protesters are overreacting, some investors in supportive housing say they need greater assurances from the state that capital investments will be flowing for many years to come in order to assist providers in creating new developments.

So far, Cuomo has announced the state will release \$570 million in funding this year for the creation of 1,200 units of supportive housing. According to the governor's office, this is sufficient to meet the governor's goal of creating 6,000 units in the next five years, and 20,000 units of supportive housing over the next 15 years.

But the administration said months ago that funds for the first 6,000 units were in this year's budget, and lawmakers still have not signed the memorandum of understanding necessary to distribute the money.

State grants cover capital development and operations. But outside investment groups help with the early stages of planning supportive-housing developments and securing the necessary real estate.

"That pre-development investment can't be made unless the investor is confident that financing is available in public programs to repay it," said a program director at a group that invests in supportive housing developments in New York City. She declined to use her name or that of her organization because of the political sensitivity of the issue.

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Investors want the assurance that there will be multiple years of state grant opportunities because that means it's more likely the organization they're investing in will get funded.

Another investor, the Corporation for Supportive Housing, said it frequently extends funding to projects when others won't so that even small nonprofits can move forward with supportive-housing developments. "But even we must take into consideration the level of the State's commitment," a spokesman for the group said in an email.

It's premature to say whether there will be a delay in the development of supportive housing just because funding has been incremental so far, a spokesman for Breaking Ground, the city's largest supportive-housing provider, wrote in an email.

"We have a commitment for the first year of capital and we hope that the governor and legislature will reconvene to resolve the outstanding issues and move the memorandum of understanding forward to closure," he said.