



## NEWS RELEASE

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### **New Report Recommends Ways New York City and State Can Expedite Supportive Housing Commitment for Chronically Homeless Families** *Highlights Need, Challenges, and Potential Solutions*

New York, NY, September 12, 2012 – A new report issued today recommends ways New York City and State can expedite their supportive housing commitment for chronically homeless families, highlighting the increased need for additional housing, challenges to meeting the demand, and potential solutions for overcoming financial and policy barriers.

“Building Futures: Creating More Family Supportive Housing in New York City” represents the ideas put forth by the more than 100 investors, developers, advocates, and government partners who took part in a policy series hosted by leading community development and housing organizations Enterprise Community Partners, Inc. (Enterprise), the Supportive Housing Network of New York (the Network), and Corporation for Supportive Housing (CSH) last year to delve into the challenges to family supportive housing and develop solutions.

Family homelessness in New York City is at an all-time high: today, there are 10,903 families, including 18,449 children, living in homeless shelters in New York City, up 13% in the last year alone. For many of these families, escaping homelessness can be a reality once they find an apartment that they can afford, but for others, the challenges run deeper. Some 15-20% of these families struggle with HIV/AIDS, mental illness, substance abuse, and other special needs. Because of these issues, families often cycle repeatedly into homelessness, can lose their children to foster care, use more institutional and government resources, and risk laying the foundation for another generation of homeless families.

Permanent supportive housing is a proven model for addressing the housing and service requirements of the highest-need families as it provides respectful, safe and affordable homes with on-site case-management services designed to help every family member realize his or her full potential. This housing model has led to higher rates of school success and sharp decreases in child abuse and involvement with child welfare services..

“This report is a response to the alarming rise in homeless families in our city, and serves as an action plan for the community development industry to do something about it,” said Shola Olatoye, Vice President and New York Market Leader, Enterprise Community Partners. “We know that providing housing with services to high-need families will create savings in other publically funded systems like hospitals, schools, and jails. It’s time that we make more supportive housing for families a reality.”

“We are delighted that this series of forums spurred new interest in—and commitments to—developing family supportive housing from our partners in government, nonprofit and for-profit developers and investors. This report reflects some of the best thinking from our community on how to better serve those vulnerable families who need both housing and support to rebuild their lives in the community,” said Ted Houghton, Executive Director of the Supportive Housing Network.

“Even with historic commitments made to creating family supportive housing from our partners in state and local government and the robust capacity of a mature and diverse supportive housing industry, implementation of large scale production programs can be challenging,” says Diane Louard-Michel, Director, CSH New York. “CSH is pleased to be a part of the concerted efforts of a broad range of stakeholders to examine the issues closely, identify key barriers, and propose actionable steps to accelerate the development of family supportive housing as reflected in this report. For homeless families with highest needs, access to affordable housing coupled with responsive on-site services is a proven model for increasing stability and health, and for reducing impacts on multiple public systems such as shelter, health care, jail and child welfare. We look forward to working with our partners to complete NY/NY III family supportive housing unit goals while we test and standardize new strategies for integrating affordable and supportive housing production.”

The City and State agreed in 2005 to develop 1,150 new units of supportive housing for chronically homeless families over ten years, as part of the New York/New York III Agreement (NY/NY III). Despite this commitment, a number of factors have conspired to limit development to 279 units as of early 2012. Some of these barriers include:

- Insufficient capital subsidy devoted to family supportive housing – Existing programs are constrained because of limited available capital or due to competing priorities to house chronically homeless individuals.
- Need to incorporate new and underutilized financial models – Historically, there have been obstacles to developing supportive housing with hard debt due to lack of familiarity with the model.
- Lack of guaranteed rental subsidies – Without reliable rental and operating revenue, projects are not viable. Cutbacks in public resources and subsidies make it difficult for buildings to cover their costs in the face of rising costs of utilities, insurance, and personnel.
- Need for greater understanding of the benefits of investing in family supportive housing among new investors – Despite New York supportive housing developments never defaulting, its reputation as a sound investment is not universally known.
- Site acquisition – Finding sites that are properly zoned, affordable, and near public transportation and amenities is a challenge in New York City, especially since family supportive housing needs significantly larger lots to accommodate family-sized apartments.

However, in June of 2012, the City announced that it would double annual production of supportive housing, from 500 to 1,000 units per year, and New York State substantially increased funding for supportive housing for high-cost Medicaid recipients. Both of these initiatives are expected to provide additional new resources that could be used to fund the development of supportive housing for families, making the suggestions by the forum participants more timely. Proposed solutions include:

- Creating a dedicated capital source for funding supportive housing for families through government funds, legislative requirements, Low Income Housing Tax Credits, and bonds.
- Using existing mixed population models (such as HPD’s LAMP/LIP model) to finance developments.
- Prioritizing a greater portion of the City and State’s share of federal rental subsidies (such as Section 8 vouchers) for family supportive housing.
- Adjust operating and service contracts for inflation.
- Providing further information to inform investors and credit committees of the benefits of investing in family supportive housing.
- Including family supportive housing in City land Request for Proposals (RFPs) and allowing for land banking to develop supportive housing.

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**Enterprise** is a leading provider of the development capital and expertise it takes to create decent, affordable homes and rebuild communities. For 30 years, Enterprise has introduced neighborhood solutions through public-private partnerships with financial institutions, governments, community organizations and others that share our vision. Enterprise has raised and invested more than \$11 billion in equity, grants and loans to help build or preserve nearly 300,000 affordable rental and for-sale homes to create vital communities. Visit [www.EnterpriseCommunity.org](http://www.EnterpriseCommunity.org) and [www.EnterpriseCommunity.com](http://www.EnterpriseCommunity.com) to learn more about Enterprise's efforts to build communities and opportunity.

Since opening our New York office in 1987, Enterprise has created or preserved more than 35,000 affordable homes for 116,000 New Yorkers, and has committed over \$2.3 billion in equity, grants, and loans to community development projects across the city.

#### **About The Supportive Housing Network of New York**

The Supportive Housing Network of New York represents more than 200 nonprofit organizations that have created over 45,000 units of supportive housing across New York State. Permanent, affordable housing linked to services, supportive housing helps formerly homeless and other very low-income individuals and families with special needs to gain independence and live healthy, fulfilling lives in the community. The Network uses advocacy, training, technical assistance, public education, research and policy analysis to: increase key stakeholders' understanding of supportive housing; share best practices that continually improve supportive housing's effectiveness; and, most importantly, encourage the creation of enough supportive housing to end homelessness among the most vulnerable New Yorkers.

#### **About Corporation for Supportive Housing**

For over 20 years, CSH has led the national supportive housing movement. We help communities throughout the country transform how they address homelessness and improve people's lives. CSH develops innovative program models, provides research-backed tools and training, offers development expertise, and collaborates on public policy and systems reform. And, CSH is a certified community development financial institution (CDFI). We make it easier to create and operate high-quality affordable housing linked to services. To date, CSH has made over \$300 million in loans and grants, and has been a catalyst for over 150,000 units of supportive housing. For more information, visit [csh.org](http://csh.org).