

The Gaining Ground Pilot Project

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Executive Summary:

The Gaining Ground Pilot Project proposes to utilize a portion of current DHS funding, in addition to city support and resources, to develop and preserve permanently affordable and high-quality housing for individuals and families who are currently homeless or at-risk of homelessness. In so doing, the Project seeks to develop a model through which the city could effectively create and preserve thousands of units of housing affordable to residents of extremely low income, who currently make up over $\frac{1}{5}$ of the population of the city¹, and nearly the entire population of the DHS shelter system.

The proposal, conceived in partnership with experienced affordable housing developers, and drawing on the lived experiences and knowledge of Picture the Homeless members, offers a solution through which the city can move away from the socially and financially unsustainable shelter-system model towards a city-wide solution that is consistent with the progressive vision of de Blasio's 5-Borough, 10-Year Housing Plan. It is our hope that this project can lay the groundwork for the city to effectively create long-term and permanently affordable housing to provide homes for a significant portion of the city's swelling homeless population, and, eventually, to make it possible for individuals and families at risk of homelessness to bypass the shelter system altogether.

The Gaining Ground Pilot Project is based upon tried and proven models which present promising solutions to New York City's existing housing crisis. We believe that the city currently has the resources to make such a vision a reality, both through diversion of funding from the currently unsustainable DHS shelter system, and through allocation of existing city resources which present enormous potential to provide low-cost housing for the city's most vulnerable residents.

The pilot project proposes three major policy measures to reach this goal:

First, the project proposes that the city take steps to convert thousands of current cluster-site shelter units back into rent-regulated housing, giving first right of refusal to shelter residents currently occupying formerly regulated units. We support the Administration's efforts to phase out the cluster site program in three years, and we urge the Mayor to work closely with homeless and formerly homeless people to implement this plan in an expedited manner that is responsive to permanent housing needs of homeless households. If all current cluster site units were to be converted to permanent housing, this would create over 3,000² new units of low rent housing. In the long term, the city would see significant cost savings from this transition, which should then be reinvested in small subsidies for these families. This conversion would automatically create permanent housing for thousands of homeless New Yorkers, and preserve housing for many more at risk of homelessness.

Second, drawing on the assumption that the city should commit all available resources under its control to the purpose of ameliorating and preventing the growing number of homeless

¹ NYU Furman Center, "State of New York City's Housing and Neighborhoods in 2013," (New York: NYU Furman Center, 2013), 8-9.

² Harry Stevens and Greg Smith, "Thousands of New Yorkers living in dangerous 'cluster units' as homeless population tops 59,000, a record high." (New York: New York Daily News, February 1, 2015.)

households, the project outlines a plan for the rehabilitation of thousands of units of city-owned vacant property and development of city-owned vacant land for the specific purpose of housing homeless and extremely low-income populations.

Finally, the project proposes that the city re-examine existing practices around city-owned and partially vacant properties, particularly struggling buildings in HPD's TIL and ANCP programs, in order to preserve existing low-cost housing for tenants within these programs, and to bring new, low-cost units within the buildings to occupancy. Additionally, the proposal offers alternative discharge options for buildings in HPD's housing quality enforcement programs (including AEP) which would preserve distressed and tax delinquent property as affordable to current and future tenants. The range of properties owned and/or monitored by HPD, many of which currently offer housing to low-income and extremely-low income tenants and shareholders, are a valuable resource for the city's most vulnerable housing populations.

By utilizing proven strategies for the development and stewardship of below-market rate housing, the Gaining Ground Pilot Project will create permanently affordable housing opportunities that are accountable to low-income tenants. The model proposes the development of a community land trust (CLT) into which residents of Gaining Ground Pilot buildings could voluntarily opt to enter. This model of land ownership removes housing and land from the speculative real estate market, ensuring the long-term affordability of units to residents of extremely low-income, regardless of expiring subsidies or tax abatements. Moreover, by giving residents of buildings within the pilot project the option of forming mutual housing associations (MHAs) or multi-building limited-equity cooperatives, the Gaining Ground Pilot Project proposes a model of housing that is both financially feasible through economies of scale and sustainable for households with dynamic needs. We believe that this combination of responsible stewardship, responsiveness to tenant needs, and permanent, structural affordability presents a much needed alternative to the current models of affordable housing available to low-income households.

We recognize that, particularly in the case of partially occupied buildings, the transition to a land trust and/or mutual housing association model must involve the buy-in of all current occupants and shareholders. To this end, the Gaining Ground Pilot Project would include funding for organizers and outreach staff to build relationships with current occupants of city-owned buildings to ensure that they are included in all levels of decision making around the future of their buildings.

Through these three approaches, the Gaining Ground Pilot Project will realize Mayor de Blasio's commitment to diverting shelter-system funding to develop permanently affordable housing for New York's homeless population. In cooperation with the Mayor's Office the project is poised to create thousands of new units for extremely-low income and homeless households, and to preserve many more units currently serving low-income families.

The Gaining Ground Pilot Project requests the following from the Mayor's Office:

- **That the Mayor's office follow through on its stated commitment to divert DHS funding into permanent housing solutions for homeless individuals and families by**

developing permanent housing options beyond the supportive housing model for extremely-low income and homeless households.

- **That the Mayor's office publically announce the development of a pilot program in conjunction with Picture the Homeless which seeks to divert DHS resources to the provision of permanently affordable housing for homeless and extremely low-income households.**
- **That the Mayor's office work with Picture the Homeless and allies to establish a timeline for the implementation of the pilot project.**
- **That the Mayor's office work with Picture the Homeless and allies to develop a task force that regularly meets with affordable housing developers, city agencies, homeless households, Picture the Homeless organizers, legal services providers, and allies to oversee the implementation of the Gaining Ground Pilot Project.**
- **That the Mayor's office pledge additional city resources, including city-owned vacant land and buildings, technical assistance, and targeted support and financing in support of the Gaining Ground Pilot Project.**
- **That the buildings included in the Gaining Ground Pilot Project be exempt from property taxes in exchange for providing housing for extremely low-income households.**