



## DHCR RELEASES STATEWIDE AFFORDABLE HOUSING NEEDS STUDY 2009

*On May 6, 2009, the New York State Division of Housing and Community Renewal released its Statewide Affordable Housing Needs Study 2009 (the "Study"). The Study presents information collected at 42 focus group meetings held throughout New York during 2007 and 2008. Nine Regional Reports accompany the Statewide Study and provide detailed analysis of the affordable housing needs in each specific region. The purpose of the Study is to better understand the affordable housing market in New York State and to determine if the housing and community development programs administered by the Division of Housing and Community Renewal ("DHCR") meet the needs of the State. Governor David Paterson and Commissioner Deborah VanAmerongen both indicate that the reports will be a powerful tool in determining how New York State's housing and community development programs can best target the needs of State residents.*

### STATEWIDE AFFORDABLE HOUSING NEEDS STUDY 2009

#### Removing Restraints on the Development of Affordable Housing

The Study concludes that there is a need for increased educational outreach to government officials and the public regarding the benefits of affordable housing to mitigate the "NIMBY" opposition that has thwarted much development. To the extent necessary, the Study calls for the reformation of zoning codes/laws and the creation of community-based incentives to encourage the development of additional affordable rental housing units.

#### Serving the Underserved

In the Study, DHCR identifies three populations most in need of additional affordable housing and community development resources: those of very low income; senior citizens; and the homeless.

According to the Study, there is a need for the development of affordable housing for residents earning 30-percent or less of area median income. The Study also calls for additional living wage jobs for this population. DHCR notes that along with the lack of safe and decent housing for this population, there is also a lack of supportive services that promote self-sufficiency (i.e., job training, life-skill training, and child care). As such, the Study recommends the increase of adequate on-site or nearby supportive services.

DHCR also concludes that there is an increasing need for affordable housing and supportive services to meet the needs of seniors. Increased funding is required to create senior rental housing developments that provide supportive services located close to support systems and public transportation. DHCR indicates that property managers do not always consider the cost effectiveness of including social service organizations in the management and provision of housing services. According to the Study, property managers and developers need to form effective partnerships with social services providers to better serve the needs of their tenants. Support services for special needs populations include case management, job and life skill training, and child care.

The Study also calls attention to the underserved needs of the homeless population. DHCR notes that there is an increased need to develop emergency shelters across the State. Specifically, the Study comments on the need for emergency shelters in rural areas where such shelters are not typically located. The study also advocates for increased funding to be provided to the State's existing emergency shelters.

### Homeownership & the Foreclosure Crisis

As home prices outpace wage growth in many communities across the State, homeownership has become an increasingly unattainable right. In response, the Study calls for a first-time homebuyer program as well as the creation of more living wage jobs, which DHCR believes will facilitate homeownership. The Study states that homeownership opportunities should match the economic realities of the existing population.

Simultaneously, DHCR calls for efforts to address the foreclosure crisis impacting existing homeowners. The Study notes that there is a lack of funding for foreclosure prevention programs including such services as pre- and post-purchase counseling and programs providing emergency funds to homeowners in the midst of foreclosure proceedings.

### Weatherization, Repairs & Modifications

The State's housing stock is continuing to age and is in need of repair and modification. The Study calls for the preservation of existing housing stock as opposed to new construction in a number of communities. To facilitate the preservation of existing units, DHCR requests a larger amount of rehabilitation and modernization funds to be provided. This includes additional funds for the modernization of owner-occupied and rental housing under the Weatherization Assistance Program and the creation of a utility cost assistance program for homeowners and renters. Similarly, the Study seeks additional funds for senior homeowners to accommodate necessary accessibility modifications and repairs to their residences.

### Downtown Revitalization & Main Streets

According to the Study, small low-income communities have difficulty utilizing the New York Main Street Program due to limited resources and staff capacity. In addition, many local businesses are unable to afford the Program's 50/50 match requirement. The Study notes that it is difficult to convert existing buildings to mixed-use developments in rural towns and villages and calls for the adjustment of the match provision of the Main Street Program. To encourage mixed use development in rural towns and villages, the Study recommends incorporating flexible funding and local zoning law reforms.



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## **Specific Needs of Rural Areas**

According to the Study, rural areas favor developments of 12 units or less. Development of such projects is difficult in the current economic climate where investors prefer large developments. In response, DHCR seeks further investment in and reformation of the Small Project Initiative.

Specific to rural areas are problems involving the repair and replacement of mobile homes, which, in many locales, is recognized as one of the most affordable housing options. According to the Study, it is difficult and time-consuming to repair a motor home. As such, the Study includes several comments on the need for a statewide mobile home replacement program focusing on replacement rather than rehabilitation.

## **Specific Needs of Urban Areas**

The Study states that nearly all urban centers in Upstate New York have an increasing number of vacant and abandoned residential units. In the face of this rising epidemic, DHCR states that funding is needed for vacant property rehabilitation and demolition. According to the Study, revitalization efforts in blighted neighborhoods need to be targeted to maximize the impact of the investment.

## **CONCLUSION**

We believe that addressing the concerns identified in this Study will assist in the formation of a solid funding application. Be advised however, that the information presented in the Study is from focus group meetings held during 2007 and 2008. Changes in the economic climate and available funding sources since that time may impact the recommendations of DHCR as presented in the Study.

This alert provides a brief summary of the issues and needs specified in the Statewide Affordable Housing Needs Study 2009. You are encouraged to consult the Regional Reports for detailed analysis of the affordable housing needs noted by DHCR for each specific region in New York State.

A *copy* of the *Statewide Affordable Housing Needs Study 2009* and the *9 Regional Reports* are posted on the electronic file version of this alert which is posted to our website at [www.jaeckle.com](http://www.jaeckle.com). If you have any questions regarding the information in this Alert or if you have trouble accessing the links, please *contact* Raymond P. Reichert at 716.843.3886 or [rreichert@jaeckle.com](mailto:rreichert@jaeckle.com), or Christopher N. Ollinick at 716.843.3845 or [collinick@jaeckle.com](mailto:collinick@jaeckle.com).